### **CENTURY SYNTHETIC FIBER CORPORATION**

### Headquarter

Address: B1-1 North West Cu Chi Industrial Zone, Cu Chi District, Ho Chi Minh City Telephone: +84.8 3790 7565 | Fax: +84.8 3790 7566

### Branch

Address: Street 8, Trang Bang Industrial Zone, Trang Bang District, Tay Ninh Province Telephone: +84.66 389 9537 | Fax: +84.66 389 9536

### Representative office

Address: 102-104-106 Bau Cat, Ward 14, Tan Binh District, Ho Chi Minh City



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PROTECTION AND		ENERGY
REDUCING CARBON FOOTPRINT		WATER USAGE
		GREEN HOUSE GAS EMISS
		POLLUTION PREVENTION COMPLIANCE
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DEVELOPMENT		OCCUPATIONAL HEALTH A
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## **Sustainable achievements** of STK in 2021



## ARA 2020 - 2021

STK won the 2<sup>nd</sup> prize of the 2021 best sustainability reports. In 5 consecutive years from 2017-to 2021, the STK sustainability report has always been in the top 10 best quality reports in the market. In addition, the annual report also ranked in the top 10 2021 best annual reports in the Midcap group.

## **CSI 100**

STK was ranked in Vietnam's Top 100 Sustainable Enterprises in 2021, according to the CSI 100 Index (manufacturing sector). This is **the 6**<sup>th</sup> time in 6 consecutive years that STK has received this honorable award (2016-2021).





## **SUSTAINABILITY DEVELOPMENT MESSAGE** (GRI 102-14)

General Director Message

Dear valued shareholders and investors,

The year 2021 closed with many difficulties, challenges, and damages caused by the Covid 19 pandemic, but the crisis could not make us fall. Instead, with perseverance and best efforts, the community has come together to overcome the pandemic, then gradually recover and continue to develop.

Being consistent with STK's sustainable development strategy from the very beginning, especially focusing on developing and providing high quality ecofriendly products, which helped the Company to create more added values, aligning the interests of stakeholders, thereby helping the Company to maintain stable operation during 2021 when the Covid-19 pandemic severely outbroken and strongly affected the domestic market.

With nearly 20 years of operation in the field of polyester filament yarn production, STK has built a complete and appropriate human resources policies and practices which ,coupled with a corporate culture of solidarity and mutual support, helped ensuring employee retention and sufficient human resources for the Company operation during the difficult period; As the company always places customers at its center of focus while willing to share the benefits with related parties such as suppliers/partners, during the outbreak of the Covid-19 pandemic in 2021, the Company still maintained a stable number of orders and ensured uninterrupted supply chain.

In addition, with the core value system of continuously and proactively renovating and improving efficiency and productivity, the Company has been successfully developing environmentally friendly products with high added value, at the same time reducing the production waste, then ensuring the Company's profitability.



DANG TRIEU HOA General Director In the period of 2022-2025, the Company will continue to maintain a sustainable development orientation in line with the general trend of Vietnam's textile and garment industry when more and more world fashion brands are making strong commitments in combating climate change, reducing greenhouse gas emissions, protecting the environment aiming towards the United Nations' goal of zero-carbon footprint by 2050 and balancing social responsibility.

Thereby, the Company will focus on developing more environmentally friendly products with high added value such as recycled yarn with many special features; increasing the proportion of dope dyed and recycled yarn in the total sales revenue, implementing capacity expansion projects such as Unitex factory with the latest technological equipment and a high degree of automation to maximise energy saving, increasing new product development capabilities as well as the project under the yarn-textile-garment alliance in the near future in order to enable the Company to meet the customers' growing demand.

In addition, the Company will also invest more in the latest information technology systems for its production and operation activities such as POC production management system, production planning management software, warehouse management software, automated packaging line etc. ... which can help it to optimize and improve the Company's operational efficiency while reducing consumption and limiting emissions to protect the environment. x

We hope that with the guidance of the Board of Directors and shareholders' support, the Company will reap the set objectives and bring more interest to shareholders, employees, and the community.

## **OVERVIEW OF CENTURY SYNTHETIC** FIBER CORPORATION

Established in 2000 as a limited liability company, Century Corporation has been focusing on production of polyester filament (POY, FDY and DTY). The Company changed into a joint-stock company in 2005, creating a foundation for future capital raising to finance development. On September 30th, 2015, Company was officially listed on Hochiminh Stock Exchange with an STK ticker. STK is one of the largest yarn manufacturers in Vietnam with a capacity of over 60 thousand tons of yarn annually. The development strategy focuses on premium products, especially eco-friendly ones such as recycled and color yarn. STK balanced the proportion of exporting and in-land market in total revenue around 50%: 50%. Recycled yarn (made of the recycled polyester chip which comes from post-consumer-used plastic bottles) has been STK's key growth driver due to the growing demand for eco-friendly products. Tentatively, STK will increase the proportion of recycled yarn up to 100% in the total revenue of existing factories by 2025.

## **CENTURY SYNTHETIC FIBER CORPORATION'S EFFORTS IN THE 20** YEARS PATHWAY TO SUSTAINABLE DEVELOPMENT (2000-2021)

- sources (Solar) with a capacity of 10.5 MWp;
- > Reducing carbon footprint by more than 10% on average over the years;
- > Reducing the use of clean water sources;
- production;
- total revenue to more than 50%;
- > Increasing income for workers and raising the level of education of local people;
- > Expanding the capacity and creating more jobs for local people;

USTAINABILITY REPORT 2021

CONTRACTOR OF STREET, S

> Reducing the use of fossil energy sources through the use of renewable energy

> Raising the rate of recycled and reused paper tube materials and domestic water in

> Raising the rate of recycled materials, increasing the proportion of Recycled yarn in

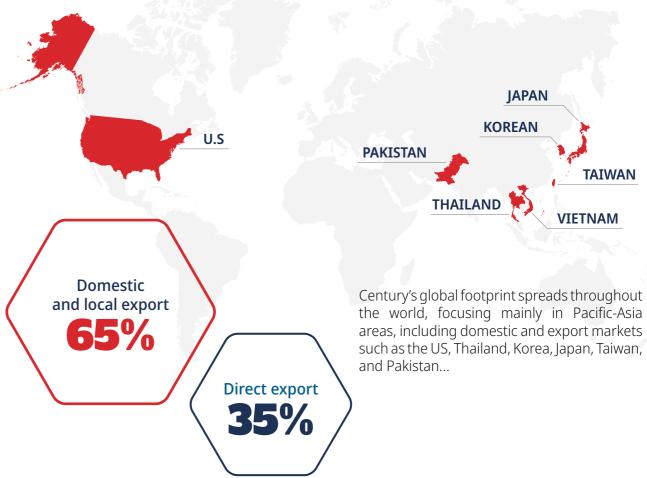
> Developing more environmentally friendly products such as colored yarn using dope dyed technology, Recycled yarn with many functions... to protect the environment;



## The Company's profile

### STK'S GLOBAL PRESENCE (GRI 102-6)

The Company's name	Century Synthetic Fiber Corporation (GRI 102-1)
Trading name	Century Corp.
Stock code	STK (Ho Chi Minh Stock Exchange)
Business scope	STK manufactures and trades polyester filament yarns, including DTY and FDY. (GRI 102-2)
Legal form and ownership	Joint Stock Company (GRI 102-5)
Headquarter	B1-1 North West Cu Chi Industrial Zone, Cu Chi District, Ho Chi Minh City (GRI 102-3)
Branch	Street 8, Trang Bang Industrial Zone, Trang Bang District, TayNinh Province (GRI 102-4)
Representative office	102-104-106 Bau Cat, Ward 14, Tan Binh District, Ho Chi Minh City (GRI 102-4)
Chartered Capital	VND707,269,440,000
Telephone	+84.028 3790 7565   +84.276 389 9536
Fax	84.8 3790 7566 / +84.66 389 9536
Email	<u>csf@century.vn</u>
Website	www.theky.vn
Tax Registration Number	0302018927 (GRI 102-5)
Ownership Equity (31/12/2021)	VND1.258 billion



## **PRODUCTION CAPACITY (GRI 102-7)**

- D The company has two factories located in Cu Chi and Trang Bang district with a total land area of 68,000 m<sup>2</sup> and the total number of employees is currently 927 people. The total capacity of the Company was 63,300 tons of DTY and FDY.
- One production line to recycle waste yarn into PET Chip with the capacity of 1,500 tons per year.
- □ It is expected that from 2023 to 2025, the factory's capacity will double with the operation of Unitex projects (located in Thanh Thanh Cong Industrial Park) focusing on producing and developing high-quality and value-added yarns. (with a capacity of 60,000 tons of yarn/year), A project in the yarn-textile-garment cluster (Soc Trang) with a capacity of 20,000 tons of DTY/year.



## **Overview of 2021** sustainability development report

## Sustainable values that STK created for related parties

**STK RESOURCES** 

Owner's Equity	1,258 billion VND
Total employees	927 people
Training time	248,706 hours
Training expenses	VND769 mil
Coning oil material	1.343 tons
Energy consumption	132,134 Mwh
Water consumption	215,050 m³

### **BUSINESS MODEL**

4Ms Model:

Man: focusing on the quality of new recruitment, continuously training on the technical knowledge, perfecting the labor's policies.

Machines: investment in cutting edge machinery (saving energy consump-tion, ensuring the product quality).

Management: applying

regime, aiming to ensure product quality, customer service, and saving costs.

## **CREATED VALUES**

Sales revenue	VND2
Profit after tax	VND2
Taxes contribution	VND
The number of post-consumer used bottles that STK indirectly recycled from 2016-2021	3.04 b consumer-us
Labor accident	
Average wage increasing rate	
Growth rate of Carbon footprint $(CO_2)$	increasing the total

Materials: purchasing high-quality raw materials from trusty suppliers to ensure product quality.

a modern management

,043 billion

278.4 billion

0116 billion

billion postsed bottles

0 case

5%

g by 9% on electricity consumption in 2021

- The Sustainability Development Report of STK is compiled annually, primarily aiming to publicize and provide official information about the Company's business performance as well as the assessment on fulfillment of the Company's sustainable development objectives in the reported year.
- The Company prepared the Sustainability Development Report separately from the Company's Annual Report to provide an overall picture of the Company's operating activities in 2021 as well as the Company's objectives and responsibilities towards sustainable development goals in 2022 and vision to 2025.
- By sharing the sustainable development report with related parties, we hope to receive constructive feedback to continuously review and improve in those matters of concern for the related parties
- The annual Sustainability Development report is also considered as a good practice for the Company to review and re-evaluate the effectiveness of the Company's sustainable development activities in the year, as well as to provide advice and supports to the Board of Directors and Board of management members to promptly fine tune orientation and development strategies for the Company.
- 1. Scope of report and boundary: The report was prepared in Vietnam regarding the activities of Century Synthetic Fiber Corporation in the synthetic fiber industry

### 2. The application of report GRI standard: (GRI 102-54)

- > Preparation of the Sustainability Development Report has been following the latest GRI standards since 2019.
- > The GRI standards a recognized international standard from Global Reporting Initiative Standards (GRI) under core contents. The report is also directly supported by The Competitive Trade Program (CSRCB) which is sponsored by GRI to improve the competitiveness and reporting quality of Vietnamese enterprises. The standard helps STK to strongly participate in the global value chains.
- > The report content is concentrated on 4 key matters: GRI 100 General Information; GRI 200 Economic Issues; GRI 300 Environmental Issues; GRI 400 Social Issues.





- 3. Reporting period: the report is prepared based on the accounting period from 01/01/2021 to 31/12/2021 (GRI 102-50)
- 4. Latest date of report: 31/12/2020. (GRI 102-51)
- 5. Report quality: STK is committed to providing accurate, certain, reliable, and up-todate information within the report (refer to further information in Article III.6.7).

## 6. The evaluation criteria that were assured by the Company's internal audit team:

- > Average training hours per year (GRI 404);
- > Contribution activities to the local community (GRI 413);
- > Average salary of employees and minimum regional wage scale (GRI 401);
- > The energy consumption and emission level; (GRI 302 and 305)
- > Water consumption; (GRI 303)
- 7. Reporting cycle: annually performing

### 8. Contact address (if any question):

### Investor Relation team – Century Synthetic Fiber Corporation Address: Street 8, Trang Bang Industrial Zone, Trang Bang Town, Tay Ninh Province

Chief Editor: Ms. Nguyen Phuong Chi – Chief Strategy Office

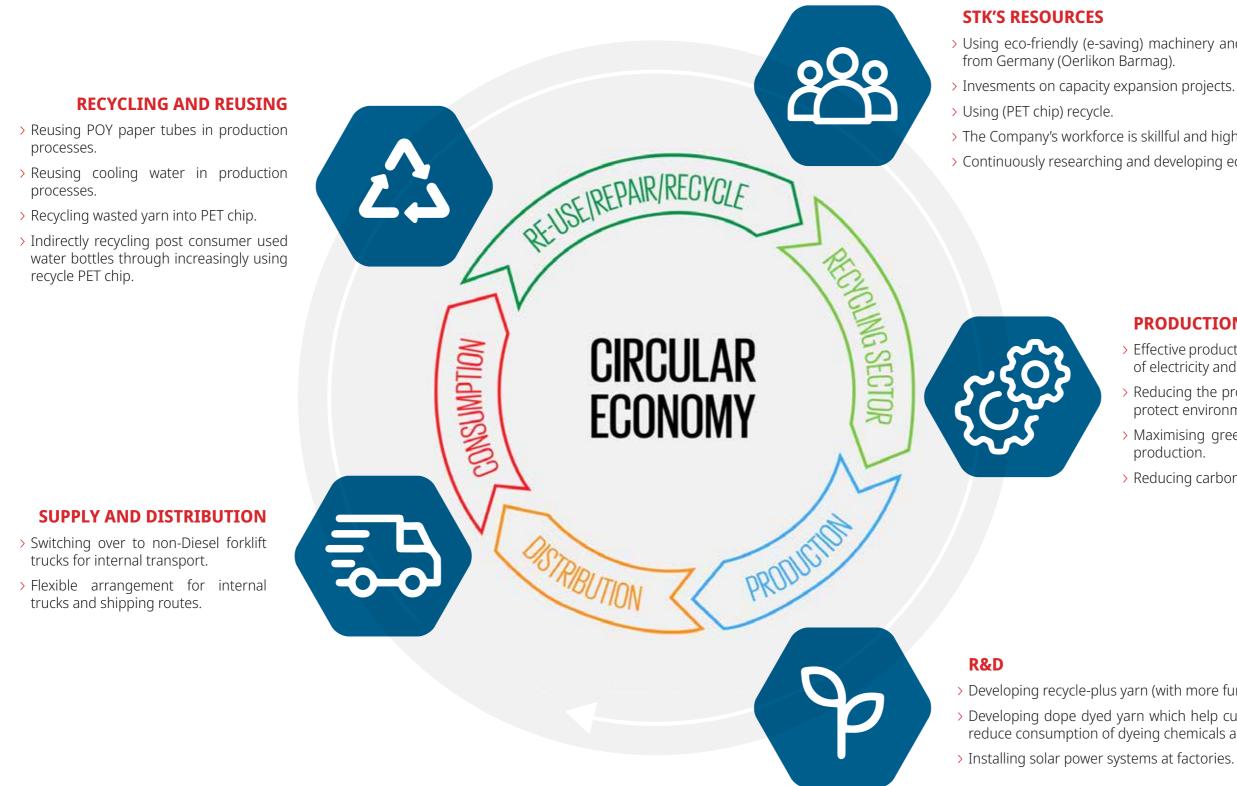
Editor: Pham Dang Khoa–IR Executive

Email: ir@century.vn

Telephone: (+84.276) 388 7565 (Ext: 113)



## **Circular economy and STK value chains** toward sustainability development



> Using eco-friendly (e-saving) machinery and equipment imported

- > The Company's workforce is skillful and highly experienced.
- > Continuously researching and developing eco-friendly products.

## **PRODUCTION**

- > Effective production, reducing consumption of electricity and water.
- > Reducing the proportion of wasted yarn to protect environment.
- > Maximising green energy consumption in production.
- > Reducing carbon footprint (CO<sub>2</sub> emission).

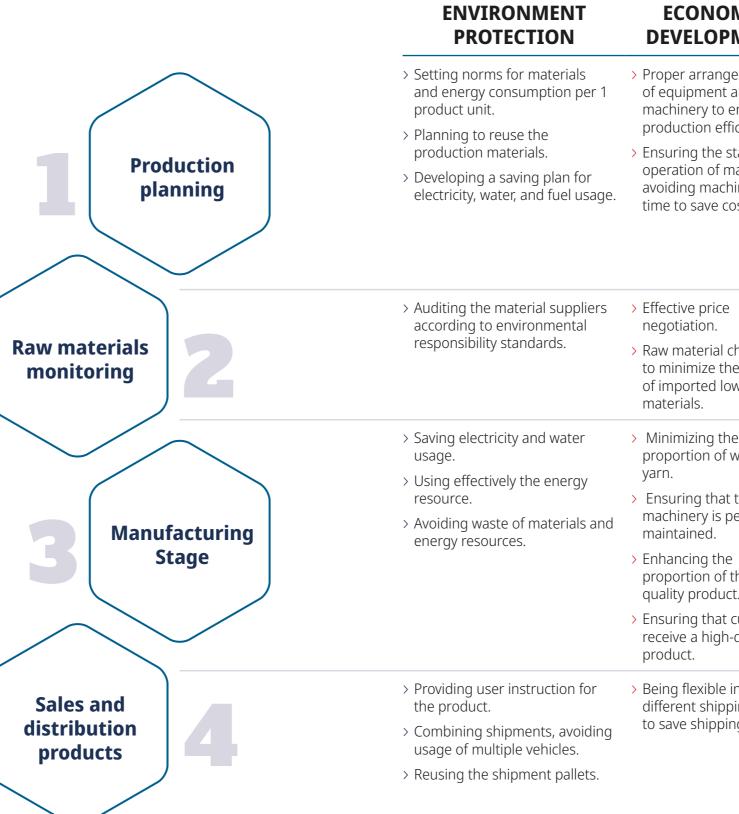
> Developing recycle-plus yarn (with more functions).

> Developing dope dyed yarn which help customers to reduce consumption of dyeing chemicals and water.





## **IMPLEMENTATION PROCESS OF THE COMPANY'S** SUSTAINABLE VALUE CHAIN



## SUSTAINABILITY DEVELOPMENT VALUE IN COMPANY ACTIVITIES

MIC	DEVELOPMENT OF
MENT	SOCIETY-LABORS
jement	<ul> <li>&gt; Planning training courses for</li></ul>
and	working skills and technical
ensure	knowledge enhancement. <li>&gt; Staffing arrangement to</li>
ficiency.	ensure the stable provision
stable	of human resources for
nachines,	production activities. <li>&gt; Providing health and safety</li>
nines idle	equipment to employees. <li>&gt; Planning to use the local raw</li>
ost.	materials supplies.
checking ne portion ow-quality	<ul> <li>&gt; Providing professional knowledge for supplying team.</li> <li>&gt; Using local transportation service.</li> </ul>
the high-	<ul> <li>&gt; Proper staffing arrangement.</li> <li>&gt; Offering promotion</li></ul>
ct.	opportunities for employees. <li>&gt; Building a safe working</li>
customers	environment. <li>&gt; Cultivating good manners.</li> <li>&gt; Ensuring fairness and</li>
-quality	equality.
in using bing lines ng costs.	<ul> <li>&gt; Providing training courses on sales and import-export practices to in-charge staff.</li> <li>&gt; Developing KPI achievement incentive policies.</li> <li>&gt; Raising income for local employees.</li> </ul>





## **Company's** vision and mission

## VISSION

To become a worldwide leading pioneer in the textile sector and d into multi-business fields relevant with the development to our core business.

## MISSION

We adopt advanced and environmentally friendly technology and a modern management system, building up a professional team and positive innovation corporate culture to contribute to our society, bringing new and green products/services to the community by saving natural resources, energy and protecting the natural environment.

## **COMPANY'S VALUES**

## UNITING OURSELVES

Each of Century Synthetic Fiber Corporation (CSF) members always cooperates and supports each other to achieve the Company's goals.

## **DEVELOPING TOGETHER**

CSF's development is aligned with the prosperity of our partners, our staffs and the community.

"We always appreciate our customers. We take responsibilities and initiatives and cooperate in carrying out the works".

### **SERVING CUSTOMERS**

We appreciate customers and always provide reasonable and profitable solutions to satisfy . customers' requirements.

### **IMPROVING CONTINUOUSLY**

We are never satisfied with the current achievements and longing for improvement in our performance, effectiveness and quality of life.

## COMMITMENTS





## **Key milestones toward** sustainability development

## 

Established first factory at Cu Chi District

Established on 01/06/2000.

Main product: DTY

Initial designed capacity: 4,800 tons of DTY per year.

# 2005

Converted into JSC. – A strategic reform

Converted into a JSC. and the name was changed to Century Synthetic Fiber Corp.



Investment of capacity expansion.

Doubled capacity to 9,600 tons of DTY per year to meet market demands.

# 2008

### Completed fully-integrated chain

Completed the expansion of up to 14,500 tons of POY per year & 15,000 tons of DTY per year.





# 2011

## Developed new product FDY

Raised the Company's entire capacity to 37,000 tons of DTY and FDY and 29,500 tons of POY per year.

# 2014

Caught up the fiber world's trends & opportunities Expanding project for Trang Bang factory-Phase 3. IPO by issuing 3 million shares.

# 2015

Officially listed on HOSE, successfully developed "Recycled yarn".

Raising the total capacity to 52,000 tons of DTY and FDY per year.

# 2016

### Began to produce Recycled yarn

Expanding Trang Bang factory in phase 4, raising the total capacity of the company to 60,000 tons of DTY and FDY per year.

# 2017

### Taking advantage of markets, harvesting success

Raising total capacity to 63,300 tons per year.

# 2019

Consistently achieving targets

Net Profit increased by 20% y-o-y. Announcing the roadmap to raise the recycled yarn's portion.

# 2020

Overcoming difficulties

Completing 98.2% of 2020's sales revenue target.

Completing 109.9% of the 2020's profit after tax set target.

Raising the proportion of recycled yarn in total sales revenue to 44.7%.

# 2121

Restoring the sustainable development momentum

Maintaining the economic development target, completing 87% of sales revenue target and 112% of target profit in 2021.

Capacity expansion through Unitex project, Yarn-Textile-Garment Alliance



## **Improvements** in 2021 sustainability report (GRI 102-49)

Having learned experiences from 2021 sustainable development report, the Company made the following improvements to this year report:

- > Supplementing targets and orientations to reduce carbon footprint at the factory;
- > Supplementing more information about green projects at the factory;
- > Supplementing additional information in third-party assurance for Sustainable Development Goals;
- > Supplementing information to develop Sustainability Development strategy with sustainable products;
- > Supplementing more information about the Covid-19 pandemic concerns of stakeholders;
- > Revising data on the number of plastic bottles the Company indirectly recycled;
- > Setting the orientation of sustainable development to 2025;
- > Updating the electricity emission factor and recalculating the 2021 Carbon footprint data;
- > Improving and maintaining accountability according to GRI-Standards standards;
- > Updating the context of Sustainable Development in global and Vietnam market;
- > Supplementing the Sustainable Development management structure at the Company;
- > Supplementing the Company's sustainable value chain;



## **Company's** awards and ranking

	CERTIFICATES AND
2021	<ul> <li>&gt; Second prize for the best sustainability group organized by the Ho Chi Minh Sto</li> <li>&gt; Top 4 Best Annual Report 2021 in the g Chi Minh Stock Exchange</li> </ul>
	<ul> <li>Ranking top 100 Sustainable Developme years. The award was presented by the E (VBCSD).</li> </ul>
2020	> Top 15 in the top 100 Sustainable Dev consecutive years
	> Awarding organization: VCCI Vietnam
	> Top 3 Sustainable Development Report middle-cap companies organized by Ho
	> Top 5 Annual Reports -The best corporat companies organized by the Ho Chi Min
2019	> Top 100 Sustainable Enterprises 2019 ( years. Top 10 Sustainable Enterprise in t
	> Top 10 Best Annual Reports in Vietnam L by HOSE, HSX, VIR, and Dragon Capital.
	> Top 10 Best Sustainability Development
2018	> Top 100 Sustainable Enterprises 2018 (C
LUIU	> Top 10 Sustainable Development Report
	> Top 90 Annual Reports in VLCA 2018.
2017	> Top 500 largest companies in Vietnam enterprises in Vietnam.
	> Awarding Organization: Vietnam Report
	> Top 100 Sustainable Businesses 2017 (C

- > IR Award 2017 Listed companies meet information disclosure standards



### **AWARDS**

y report in the market of mid-cap companies ock Exchange, 5 years in a row

group of Mid-cap companies organized by Ho

ent Enterprises 2021 (CSI 100) in 6 consecutive Business Council for Sustainable Development

evelopment Enterprises 2020 (CSI 100), for 5

rts -The most reliable report in the group of Chi Minh Stock Exchange, 4 consecutive years

ate governance reports in the group of mid-cap nh Stock Exchange

(CSI100) organized by VCCI for 4 consecutive the manufacturing sector in 2019.

Listed Company Award ("VLCA") 2019 organized

Report in VLCA 2019.

CSI100) for 3 consecutive years.

rts in VLCA 2018

m (VNR500): ranked 361 on the list of private

t and Vietnam net

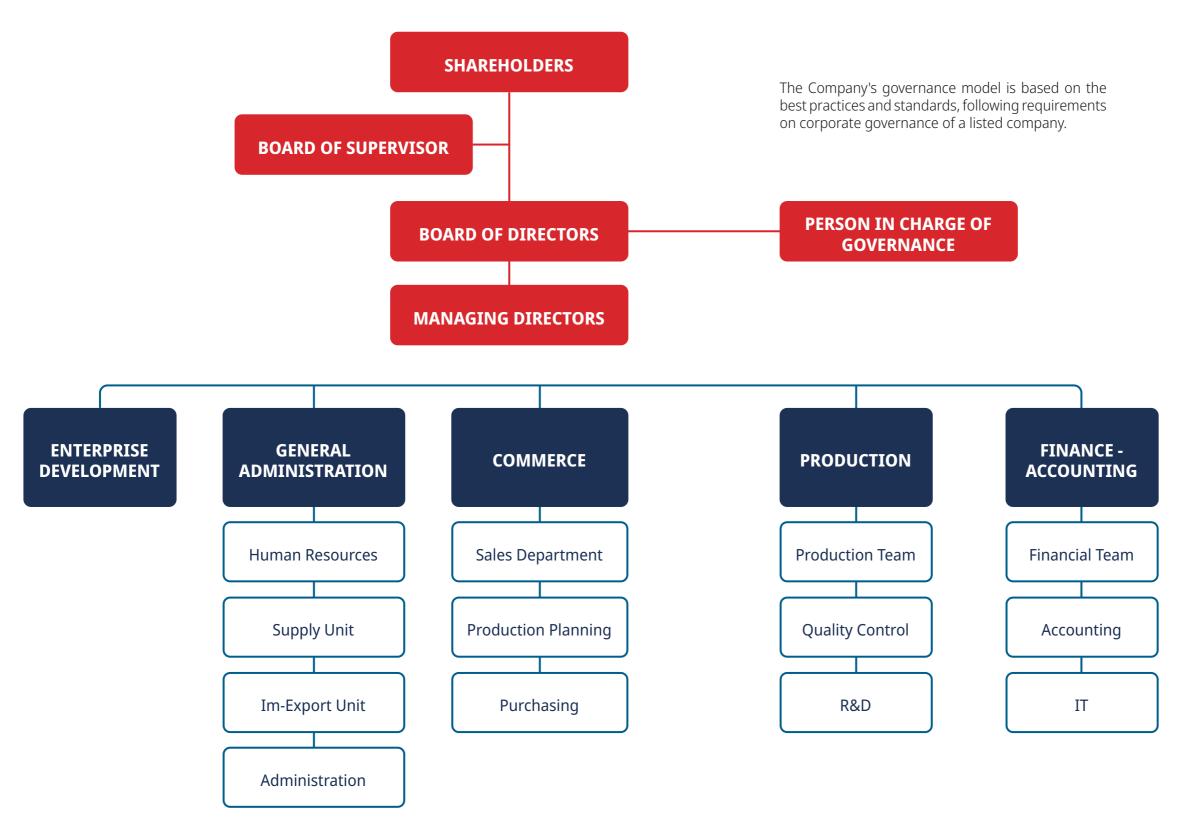
CSI100)

> Awarding Organization: VAFE and Tai Viet Joint Stock Company (Viet stock e-newspaper).



## **Organization chart**

(GRI 102-18)





## **Mechanism for strategy building**, planning, implementation, and reporting sustainable development

## **BUILD SUSTAINABLE STRATEGY WITH SUSTAINABLE PRODUCTS**



## **LABOR-SOCIAL**

- > Sharing benefits with stakeholders
- > Enhancing workforce capacity
- > Improving working environment

## Towards the goal of sustainable development and ensuring the balance of interests among stakeholders as well as the balance of sustainable development, at Century Synthetic Fiber Corporation, the focus of the sustainable development strategy is to choose eco-friendly products which are commercially and financially viable. The recycled yarn is one of the key products that help the Company to develop further on its sustainable development path with high economic value, helping to recycle plastic bottles contributing to environmental protection (helps to reduce by 30% carbon footprint as compared to virgin yarn products). The Company is also developing more colored yarn products (an alternative to the traditional dyeing process, helping customers to reduce water consumption, wastewater, and chemical emissions into the environment) and adding special features for recycled yarn products (such as hygroscopicity, high elasticity, etc.) to create added value for consumers and promote demand for recycled yarn. In addition to the list of environmentally friendly products, the Company also focuses on the strategy of investing in machinery using modern technology to reduce electrical energy consumption, reduce waste products as well as fostering technical improvement to reduce environmental pollution, consumption of raw materials, electricity, and water, reusing materials, recycling scrap and using renewable energy. In terms of labor and society, with the motto of developing together, the Company advocates sharing benefits with employees through constantly improving



the remuneration regime, enhancing the capacity of employees, and creating a safe and comfortable working environment for employees.





## PLANNING AND EXECUTITING

### THE HUMAN RESOURCES DEPARTMENT IS RESPONSIBLE FOR SOCIAL MATTERS

- > Proposing the human resource planning for the Company;
- > Implementing the attendance checking, payroll making, and ensuring the welfare policies to employees;
- > Providing training, promotions, and fostering workmanship for the Company's employees;
- > Proposing recruitments and selection of qualified candidates for the Company;
- > Advising the Company's Board of Directors about the Company's salary budget and the KPIs achievement of each department;
- > Updating and improving the Company's labor policies in accordance with prevailing laws and regulations.
- > Handling employees' grievances and ensuring the equality practice in the Company.
- > Being responsible for directly reporting to General Director and the Company's BOD regarding social and labor issues;

### THE ADMINISTRATION DEPARTMENT IS RESPONSIBLE FOR ENVIRONMENTAL MATTER

- > Proposing and enacting policies to ensure health-safety-environment matters at the Company;
- > Regularly inspecting and reporting the Company's compliance with regulations on labor safety and environmental protection;
- > Annually implementing the health-safety-environment training to the Company's employees;
- > Periodically implementing the working environment inspection regarding air emission, wastewater, and solid wastes parameters;
- > Updating and preparing environmental protection policies and procedures; health-safetyenvironment handbook for the Company's employees;
- > Being responsible for directly reporting to General Director regarding health-safety-environment matters;

### THE SALES TEAM-SALES DEPARTMENT IS RESPONSIBLE FOR ECONOMIC MATTERS

- > Advising General Director about the Company's sales plan;
- > Looking for potential customers and developing the Company's customer network and markets;
- > Boosting the Company's sales activities, optimizing the Company's sales revenue and profit after tax;
- > Ensuring the customer service quality and implementing the Company's marketing strategy;
- > Getting updated about the market situation and advising the Company's General Director to have proper sales policies;
- > Being responsible for directly reporting to General Director and BOD about the Company's sales performance;

## THE FINANCIAL DEPARTMENT IS RESPONSIBLE FOR ECONOMIC MATTERS

- > Advising General Director and sales department to have proper sales policies and maintaining price gap;
- > Monitoring and tracking the Company's expenditure budget;
- > Reporting to Board of Management about unexpected or overspending cases;
- > Supporting and following up with sales team to embrace the Company's profit plan;
- > Managing the inventory level and reporting to General Director;

## THE PRODUCTION PLANNING DEPARTMENT IS RESPONSIBLE FOR PRODUCTION SCHEDULING AND MATERIALS ALLOCATION

- > Arrangement of machinery, equipment, and labor force to execute the order production;
- > Making a schedule for production as well as monitoring the material consumption throughout production processes;
- > Collaborating with sales team in sales order acceptance and delivery schedule.

## PURCHASING DEPARTMENT IS RESPONSIBLE FOR RAW MATERIAL MATTERS

- > Finding gualified suppliers for materials, equipment, machines, and services;
- > Ensuring reasonable prices, reducing company costs;
- > Ensuring the supplier's delivery schedule on time to serve the production needs of the Company;
- > Developing supplier network to minimize the risk of supply shortages;

## THE PRODUCTION DEPARTMENT IS RESPONSIBLE FOR PRODUCTION AND **PRODUCT QUALITY CONTROL**

- > Deploying production and assuring the quality of products;
- > Ensuring economical usage of the Company's resources in the production process;
- > Minimizing the rate of waste products;
- > Researching and developing new solutions to improve and stabilize product quality;



## SUSTAINABILITY DEVELOPMENT ACHIEVEMENTS

## **IN 2021** (GRI 102-28)

### The assessment process:

- 1. Upon the Company's business performance report, social-labor report, environment inspection report, and monthly KPIs achievement of each department in the Company.
- 2. The BOD will give comments and make evaluations on the Company's sustainable development achievements in the last period.
- 3. The BOD also provides new development directions for upcoming periods (refer further to Article III.6.5).

The frequency of evaluation: monitoring achievement of the Company's sustainable development goals through monthly and quarterly meetings and reports as well as making the annual evaluation of its performance

In 2021, STK's management team and employees united and exerted to improve the Company's performance, enhance production efficiency and minimize wasteful usage of resources and energy. In details:

## **DEVELOPMENT OF LOCAL** LABOR AND **COMMUNITY**

- > The employees' income in 2021 increased by an average of 5% as compared to 2020;
- > The employees' welfare regime was improved as compared to 2020;
- > Giving Tet gifts, building funds to help employees in difficult circumstances;
- > Bonusing over 2.5 months' salary for employees on the occasion of the Lunar New Year;
- > Periodically implementing the policy on skill assessment for promotion and creating promotion opportunities for employees;
- > The company created more jobs directly for local workers and indirectly for suppliers through: projects to expand production capacity, increase the proportion of recycled yarn...
- > The Company has continued to improve the complaint and feedback mechanism based on the Company's Code of Conduct;
- > Periodically inspecting and maintaining machinery and equipment;
- > Ensuring labor safety for employees while working at the Company.

## **SUSTAINABLE DEVELOPMENT OF ECONOMY**

**ENVIRONMENT** 

PRESERVATION

- accounting to 50% of total revenue;
- 2021 target by 12%;
- especially the US market;
- - by 2025;
  - the project;

  - 3,387,541).
  - and fine yarn;
  - from 2020;

> Sales revenue in 2021 completed 87% as compared to 2021 target.

> The proportion of recycled yarn in total revenue increased sharply,

> Net profit after tax in 2021 reached VND 278.4 billion and exceeded the

> Gradually developing customer network, expanding into more markets,

> The Company's financial standing was improved as the debt-to-equity ratio decreased to 0.26x as at December 31, 2021;

> Successfully developing yarns with high added value (Dope dyed yarn, soft package, Full dull, High CR, CD Mix, Quick Dry yarn) for domestic market and export ones such as Japan, Thailand;

> > Developing environmentally friendly yarn products: the proportion of recycled yarn has increased dramatically, accounting for 50% of the total sales revenue, towards 100%

> > Solar energy projects help reducing 10% annual carbon footprint and reducing 530 thousand tons of CO<sub>2</sub> for the life of

> > Recycling waste varn into input PET chips, helping to reduce emissions to the environment;

> > Development and commercialization of dope dyed yarn, which helps to reduce the amount of consumed clean water, chemicals and environmental protection;

> > In 2021, the number of used POY paper tubes is 736,422 tubes and on average 1 POY paper tube can be reused 3.6 times, so the number of POY paper tubes saved is 2,651,119 tubes (without reusing, the number of POY tubes required could be

> > The carbon footprint of electricity increased by 9% compared to 2020, mainly because that the company produced more special

> > The carbon footprint of Diesel oil has been completely eliminated

> From the beginning of the production of recycled fibers to the end of 2021, the Company has indirectly reused about 3.04 billion post-consumer-used PET plastic bottles thanks to the production of Recycled yarn, minimizing the impact on the environment, especially reducing the ocean plastic pollution.





## **Board of directors** (GRI 102-22, 23, 24, 27)



## Mdm. Dang My Linh (50 years old)

Ms. Dang My Linh is one of the co-founders of STK. Currently, she is the General Director of Lien An Trading & Investment Joint Stock Company.

Before joining STK, she had more than 10 years of working experience at Worldtex Enterprise Co., Ltd. (Taiwan).

Oualification: Business Administration. Position at STK: Chairwoman Date of appointment: 14 Feb 2020



## Mr. **Dang Huong Cuong** (46 years old)

Mr. Dang Huong Cuong is one of the co-founders of STK. Currently, he is the Director of P.A.N Pacific Co., Ltd which is also in the yarn sector.

Qualification: Business Administration. Position at STK: Non-executive member Date of appointment: Since 2005



## Mr. Dang Trieu Hoa (53 years old)

Mr. Dang Trieu Hoa founded STK in 2000 and has been playing the important role in the incorporation and development of STK. He has more than 20 years of experience in yarn and textile trading and manufacturing. He was the Director of Hoan A Trading & Services Co., Ltd and Viet Phu Trading & Services before setting up STK.

At the new position of Vice Chairman and General Director, Mr. Hoa played a crucial role in forming visions & missions for the Company. He received the 2007 Outstanding Businessman Award from Vietnam's Ministry of Industry and Trade.

Qualification: Business Administration. Position at STK: Vice-Chairman, CEO Date of appointment: 14 Feb 2020, Since 2005



## Mdm. Cao Thi Que Anh (56 years old)

Currently, she is the Director of Thuc Pham Xanh Company. Before that, she has many years of experience in commerce and finance in Poland and Vietnam.

Position at STK: Non-executive independent member Date of appointment: 12/01/2015







## Mr. Vo Quang Long (44 years old)

He is the capital representative of major shareholder Huong Viet JSC.

Education level: Business Administration Position at STK: Non-executive member Date of appointment: 17/04/2018



## Mr. Chen Che Jen (58 years old)

Mr. Chen Che Jen has many years of experience in the textile and yarn business.

Education: Technology Position at STK: Non-executive independent member Date of appointment: 17/04/2018



## Mr. Nguyen Quoc Huong (51 years old)

Mr. Nguyen Quoc Huong is an expert in finance-banking and finance risk management.

Education: Finance-Banking Position at STK: Non-executive independent member Date of appointment: 17/04/2018



(GRI 102-20,32)

- > The Company's BOD plays important role in setting sustainable development goals for the Company. At STK, the sustainable development goals are specified into objectives of each department.
- > The sustainable development goals of the Company are also quantified as the indicators (KPI) to evaluate and measure the implementation result of the sustainable development goals from each Company's department, ensuring adherence to the common goals of the Company.
- > The Board of Directors keeps carrying out guarterly meetings to update and timely provide guidance for STK's operation and production activities.
- > Each social-economic-environmental aspect will be presented directly to the Board of Directors by the Board of management.
- > The Company's BOD members will assess the achieved results and give directions to improve the Company's performance.

The BOD assigns the Board of Management and responsible departments to prepare the sustainability report, ensuring that the content of the report is prepared in accordance with international practices, Vietnamese regulations and to reflect the actual situation of the Company.







# Management executive board (GRI 102-22,23,24,27)



## Mr. Dang Trieu Hoa

Vice Chairman, Gen	eral Director
Year: 1969	
Education: Business	Administration
Working experience	
06/2010 to present	Chairman/General Director, CENTURY.
1995 - 2000	Director, Hoan A Trading & Services Co., Ltd.
1991 - 1995	Director, Viet Phu Trading & Services Co., Ltd.



Mr. Phan Nhu Bich

Year: 1970 Education: MBA Working experience:

11/2010 to presen 03/2004 - 03/2010

1997 - 03/2004



## Mdm. Nguyen Phuong Chi

## Chief Strategic Officer

Year: 1972 Education: Master of Applied Finance Working experience:

01/2015 to present	CSO, CENTURY
03/2008 - 12/2014	Investment Advisory Manager, Tri Tin Consulting & Investment JSC.
04/2005 - 02/2008	Senior Project Manager, Openasia Consulting Ltd.
10/2004 - 02/2005	Business Development Officer, Mekong Private Sector Facility ("MPDF").
10/2002 - 10/2004	Senior Financial Analyst, PricewaterhouseCoopers (Vietnam) Ltd.
03/1997 - 03/2000	Legal Assistant, Deacons Graham & James, Hanoi Branch.

## Deputy CFO / Chief Accountant

nt	Chief Accountant, CENTURY.
0	Controller/ Accountant, Thanh Cong Textile Garment & Investment Trading JSC.
	Accountant, Binh Phuoc Electricity Company.





# Board of supervisors (GRI 102-22,23,24,27)



## Mr. Nguyen Tu Luc

## Head of the BOS

Year: 1952 Education: Bachelor of Accounting Working experience

1/2015 – present	Chief Accountant, Mai Hoang Vu Co. Ltd.
2007 - present	Chief Supervision Committee, STK
2006 - present	Assistant to General Director, STK.
2000 - 2006	Chief Accountant, STK.
1984 - 2000	Chief Accountant, South Asia Shoes.
1979 - 1984	General Accountant, HCM Hotel, Chief Accountant of Saigon Hotel.



## Mdm. Hoang Nu Mong Tuyen

## **BOS Member**

2018 - 02/2020

2012 - 2018

Year: 1990 Education: Bachelor Working experience 25/02/2020 - present

Sales executive at K Pack Co., Ltd. MD assistant, STK

Sales admin, STK

## Mdm. Dinh Ngoc Hoa

**BOS Member** Year: 1979 Education: Bachelor Working experience Head of Planning-production department, STK 2005 - present 2002 - 2004 Accountant, Vi Hop Ltd,

## **Prevention of interest conflict of** interest and transactions with related parties GRI 102-22,23,24,27)

(Refer further to article XI. Prevention of interest conflict of interest and transactions with related parties – 2021 annual report)







# 2021 SUSTAINABILITY REPORT



## **Global sustainable** development context

According to the report on progress towards the implementation of the UN Sustainable Development Goals 2021 "The Sustainable Development Goals Report 2021, under the impact of the global Covid-19 pandemic in the 2nd year, creating a large-scale crisis that negatively impacted the lives and livelihoods of mankind globally as well as efforts to realize the 2030 Agenda for Sustainable Development. The Covid-19 pandemic has disrupted progress towards the implementation of the Sustainable Development Goals, hundreds of millions of people have been infected with the disease, increasing mortality in many populous countries, causing economic stagnation, leading to social distancing, putting pressures on public health services with more serious environmental pollution, persistent poverty and food shortages, as well as negatively impacting on the gender equality structure, protection of the environment, and rights of women and children.

- > The pandemic has caused lost of the equivalent of 255 million full time jobs globally.
- > The number of international tourists decreased from 1.5 billion in 2019 to 381 million in 2020.
- > Economic growth is expected to return to pre-pandemic levels only by the end of 2022 or 2023.
- > Global production dropped sharply, down by 6.8% in 2020.
- > Direct investment abroad reduced by nearly 40%
- > Remittance flows to low- and middle-income countries reached 540 billion USD in 2020, down by 1.6% as compared to 2019.

**ECONOMY** 

## **ENVIRONMENT**

- the pre-industrial baseline.
  - water resources by 2030.
- 2000 to 2017.

LABOR AND

COMMUNITY

> Billions of people still do not have access to safe, sanitary and hygienic drinking water by 2020.

> The 2020 global average temperature is at 1.2°C above

> 129 countries have not managed to sustainably manage

> The global "Material footprint" increased by 70% from

> Plastic waste continues to increase, especially in the context of the covid pandemic, the use of single-use plastic packaging has increased to prevent disease.

> Fossil fuels continue to be a threat to the fulfillment of the Paris Agreement and the 2030 Agenda.

> > An additional 119–124 million people would be pushed back into extreme poverty by 2020.

> > The global poverty rate does not meet the target of 7% poverty eradication by 2030.

Worldwide, an additional 70–161 million people are likely to experience hunger as a result of the pandemic by 2020.

> COVID-19 has wiped out 20 years of educational achievements.

> Violence against women remains high and is increasing due to the pandemic..

## Sustainable development background of **Vietnam textile industry**

In 2021, some key garment-consuming markets such as the US and EU have had a good recovery, so Vietnam's textile and garment export orders rebounded quite well in the first 6 months of 2021. However, the period of third and fourth guarters of -2021 were extremely difficult for Vietnam's textile and garment industry when it was heavily affected by the COVID-19 pandemic, leading to supply disruptions, with many businesses having to close down and scale down operation. Thanks to flexibility in applying solutions to maintain production and boost export sales, textile and garment enterprises have gradually overcome difficulties and achieved their set goals. The total export turnover of Vietnam's textile and garment industry is estimated at 40.5 billion USD in 2021, inclined by 15.3% as compared to 2020 and increased by 4% as compared to 2019. This is considered a great effort of Vietnam's textile and garment industry, and that result is also a premise to promote the development of the industry in the coming time.

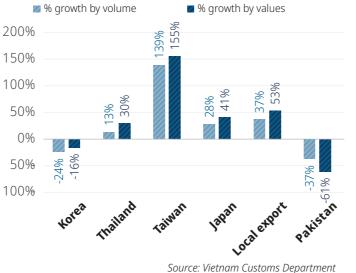


Commitment to environmental protection is a prominent trend of the fashion industry. In 2018, the fashion industry already joined the UN Climate Action initiative by launching the Fashion Industry Charter for Climate Action ("UNFCCC"). By 2021, there were 132 brands including Nike, Adidas, Inditex, H&M, Lululemon, VFGroup, Decathlon, Gap, Kering, Kmart already joined the charter.v

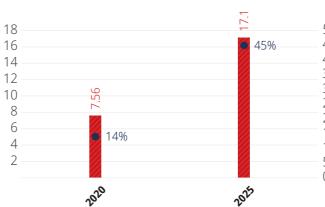


Vietnam's textile & garment

## **Vietnam's Polyester Filament Export** Performance In Fy2021



Source: Vietnam Cotton and Yarn Association



Consumption of recycle yarn (million tons) • The proporation in the total polyester fiber (%)

**Century Synthetic Fiber Corporation** SUSTAINABILITY REPORT 2021





50% 45% 40% 35% 30% 25% 20% 15% 10% 5% 0%

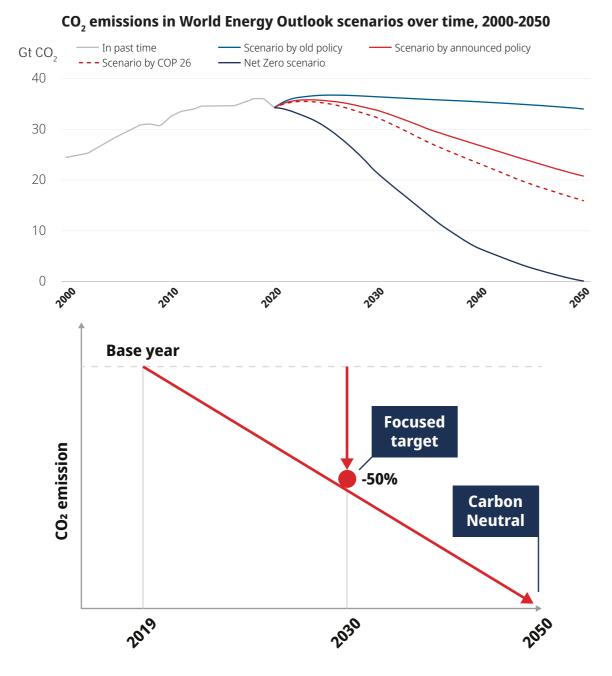




In response to the call of the UN Climate Change Conference ("COP26") which was held in Glasgow from 31<sup>st</sup> October 2021 to 12<sup>th</sup> November 2021, UNFCCC made commitments to hold the increase in the global average temperature to 1.5°C above pre-industrial levels which translate to at least 50 percent absolute aggregate GHG emission reductions by 2030 against a baseline of 2019 and achieving net-zero GHG Emissions by 2050.

To implement the above action plan, in April 2021, fashion brands have committed to increasing the proportion of recycled polyester yarn in total polyester fiber weight from 14% (in 2020) to 45% by 2025. Thus, the volume of recycled polyester yarn consumption is expected to increase from 4.5 million tons/year (2020) to 17.1 million tons/year by 2025. (Source: Textile Exchange).

### COMMITMENT ROAD TO USING RECYCLED MATERIALS **OF FASHION BRANDS**



adidas Commit to using UNI 100% recycled yarn QLO N/KE Start using 2024 recycled yarn 20% recycled materials in 2020 total use \* ATHLETA 2019 80% recycled materials in total use **RECYCLED BOTTLES** FLAKE Post-consumer bottles Bottles are washed and are collected chopped into flake

The Charter's key action plan includes: pursue energy efficiency; Secure 100% of electricity from renewable sources; Source 100% of priority materials; Engage all suppliers to implement the targets.

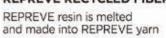




Bottle flake is melted and formed into resin

50% recycled yarn









Zero Discharge Hazardous Chemical Campaign ("ZDHC") is another initiative of the industry to protect water resources. In this initiative, 34 brands committed to minimizing clean water usage and to minimize wastewater containing hazardous chemicals.

Seizing development opportunities and connecting with sustainable development trends, Century gradually increases the proportion of environmentally friendly yarns such as Recycled yarn, by 2021 the proportion of recycled yarn in total revenue has reached more than 50%, and towards the goal of 100% by 2025.

By 2021, Century has indirectly recycled 3.04 billion post-consumer-used plastic bottles into recycled yarn, contributing to reduction of the ocean plastic pollution and protecting the environment.

In addition, STK has also developed colored yarns using dope dyed technology, creating an alternative to the traditional dyeing process, helping customers to reduce clean water consumption by up to 89%, and correspondingly reduce the discharge rate, wastewater, and chemicals into the environment, contributing to achievement of the ZDHC campaign's commitments. Although the colour yarn's contribution to revenue was still modest (0.002% in 2021), the Company already had 18 customers buying this product and it is expected that the proportion of colored yarn products will increase in the coming years

## **Ethical values** of the company (GRI 102-16)

(Refer further to Article II.5 Governance model - 2021 Annual Report)

## **Code of conduct** with stakeholders (GRI 102-16)

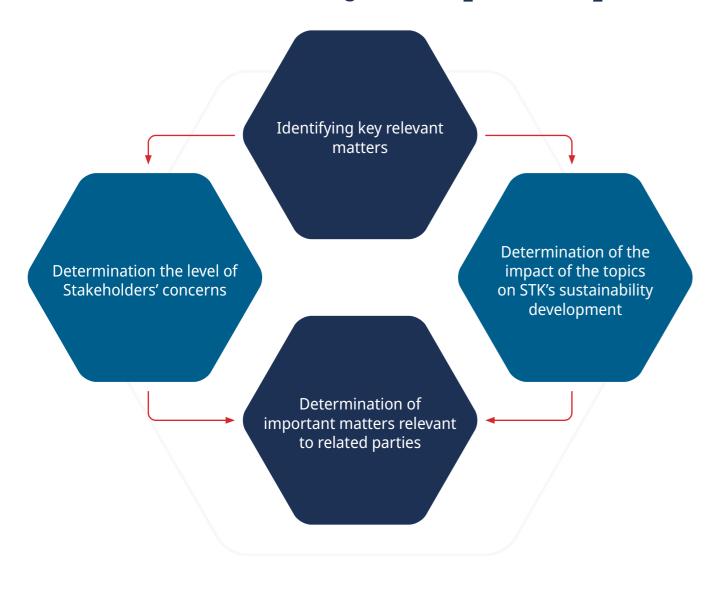
(Refer further to Article II.5 Governance model- 2021 Annual Report)



## The advisory and grievance management framework about the code of conduct at the company (GRI 102-17)

The Company provides specific guidelines to determine whether an individual violates the Company's code of conduct and at the same time establishes a compliance and enforcement mechanism and continuously edits/updates the related matters in the Company's Code of Conduct. At STK, the HR department and Business Development department are the key in-charge bodies that directly monitor any reports and concerns that occurred about the Code of Conduct.

## **Engaging related parties in compiling** sustainability development report



## **IDENTIFICATION OF RELATED PARTIES (GRI 102 - 42)**

- > STK's key stakeholders are identified based on the impact of STK's business activities on the parties, and concernss and the influences from the parties to STK.
- > Therefore, eight key stakeholders of STK comprise of:



## **RELENTLESSENHANCEMENTOFTHESTAKEHOLDERS'ENGAGEMENT**

(GRI 102 - 43,44)

- > Continuous diversification of contact and interaction channels with stakeholders.
- > The key matters related to the Company's sustainable development objective are addressed comprehensively.
- > Using suitable contact channels to reach the Company's key stakeholders in accordance with their specific characters.
- > STK is committed to fully acknowledging the feedback and concerns of the Company's stakeholders.
- > STK proactively reviews and evaluates the feedback from stakeholders to strengthen the Company's policies and enhance the Company's operational activities accordingly.





	Stakeholders	Approaches for interaction and feedback	Scope of consultation and expectation of stakeholders	STK's actions to meet the expectation of
	Shareholders	<ul><li>&gt; Via General Meetings of Shareholders.</li><li>&gt; Direct meetings with investors.</li></ul>	<ul> <li>&gt; Transparent information to shareholders.</li> <li>&gt; Protection of investor interests.</li> <li>&gt; Good corporate governance.</li> <li>&gt; The Company's orientations for sustainable development.</li> </ul>	Sales revenue reached VND 2,042, profit af 112 % of the set plan.
		> The Company's seminars and factory visits.		> Expanded into new markets: gradually de
		<ul> <li>&gt; Shareholder survey in writing, phone calls, and emails.</li> <li>&gt; IR newsletter, Investor Day, Analyst's meetings.</li> </ul>		> Increased the proportion of recycled yarn
			> Effective use of investment capital.	> Issuing new shares to existing shareholde
			> The Company's attention to social issues, environment,	VND/share.
			and community.	> Developed new products with many feature
			<ul> <li>&gt; Dividends payment to investors.</li> <li>&gt; The remuneration of BOD, BOS, and BOM.</li> <li>&gt; The enterprise's value.</li> </ul>	> Strictly complied with regulations on infor
				> Commitment to pay at least 15% dividence
				> Paid dividends to shareholders at the rate
			> The share liquidity and investment opportunities.	> Diversified information disclosure channe
	Customers	> Direct exchange of information with customers.	> Company's operation is stable, safe, and reliable.	> Researching and developing premium fin
		<ul> <li>Meetings, company visits by customers.</li> <li>Customer survey and questionnaires.</li> <li>The Company's website</li> <li>Seminar, industry association forum.</li> <li>Email, phone calls.</li> </ul>	> High quality of products and services.	> Ensuring the Company's product quality,
			> Competitive prices.	> Strengthening professional knowledge
			> Attractive terms of the contract.	management team.
			<ul> <li>&gt; Outstanding customer service.</li> <li>&gt; Good technical and operational capacity.</li> <li>&gt; Professionalism in providing services.</li> <li>&gt; High value-added products.</li> <li>&gt; Safe products which do not contain toxic substances.</li> </ul>	> Delivery on time and no shortage of good
				> Continuously train domestic and export s
				> Enhancing the customer's service quality.
				> The Company's product is certified by substances (REACH 168).
				<ul> <li>The Company's product is certified with Company's product does not contain toxic</li> </ul>
				> Obtaining GRS certificate (Global Recycle
				> The Company was highly appreciated by i
	<ul> <li>Monday meetings.</li> <li>Periodical dialogue with e</li> <li>Dialogue at the Employee</li> <li>Direct communication with</li> <li>Direct communication Resource department.</li> </ul>	<ul> <li>&gt; Weekly vision and mission program.</li> <li>&gt; Monday meetings.</li> <li>&gt; Periodical dialogue with employees.</li> <li>&gt; Dialogue at the Employee Benefits Conference.</li> <li>&gt; Direct communication with management level.</li> </ul>	<ul> <li>Safe working environment, good occupational health.</li> <li>Ensuring health safething the working environment.</li> </ul>	<ul> <li>Improving salary policy, bonus, welfare, tra for employees.</li> </ul>
			<ul> <li>&gt; Ensuring health safety in the working environment.</li> <li>&gt; Balancing between working and personal life.</li> </ul>	> Average salary increased by 5% dependin
			<ul> <li>&gt; High salary, bonus, welfare policy.</li> </ul>	> The number of people promoted to highe
			<ul> <li>&gt; Prign salary, bonds, wenare policy.</li> <li>&gt; Opportunity to be trained, to improve skills.</li> <li>&gt; Opportunity to be promoted.</li> <li>&gt; Broad vision of leaders.</li> </ul>	The Executive Board is committed to der and respectfully of employees.
		<ul> <li>Direct communication with the Human Resource department.</li> </ul>		<ul> <li>Ensured the salary rate for employees is h the industry's average salary.</li> </ul>
		> Collective negotiation meeting.	> Fairness and democracy.	<ul> <li>Implemented 5s mechanism, to improve</li> </ul>
			> No discriminations.	<ul> <li>Ensured safe working conditions, employ</li> </ul>
			> Ensuring safety against Covid-19 in the workplace.	<ul> <li>Complied with the law on social responsib</li> </ul>
				> Carried out annual health check-up - Dec
				> Implemented many measures to prevent

### of stakeholders

t after tax reached VND278.4 billion, completing

developing more customers in the US market.

arn in total revenue to 50% by 2021.

lders at the rate of 20% and the price of 10,000

atures and eco- friendly (Recycled Plus).

formation disclosure.

end per year.

ate of 15% in cash for the fiscal year 2020.

nels.

finer yarns.

ty, building up the trust of customers.

ge of the Company's sales team and quality

ods.

t sales team resources.

ity.

by the SGS organization to be free of toxic

th OEKO –TEX 100 standard, proving that the oxic substances harming to customer's health.

cle Standard).

by its domestic and international customers.

, training, promotion, and working environment

ding on the job position.

gher positions was 11 people.

democratic rights, the right to be treated fairly

is higher than the regional minimum wage and

ve the working environment.

loyees' health is taken care of.

nsibility.

ecember 14, 2021.

ent the Covid-19 pandemic to protect workers'

health (5K, vaccination, 3 on-site, regular disinfection...)



Stakeholders	Approaches for interaction and feedback	Scope of consultation and expectation of stakeholders	STK's actions to meet the expectation of s
Suppliers	<ul> <li>&gt; Direct meetings and exchanging information.</li> <li>&gt; Factory visits.</li> <li>&gt; Communication through emails, phone calls.</li> <li>&gt; Collecting the information through surveys.</li> </ul>	<ul> <li>&gt; Prestige, long-term cooperation.</li> <li>&gt; Cooperation whereby both parties are benefited and can mutually develop.</li> <li>&gt; To set up a stable value chain.</li> </ul>	<ul> <li>&gt; Enhancing the quality of products and brin</li> <li>&gt; Ensuring equality and fair competition in s</li> <li>&gt; Frequent evaluation of suppliers to ensure</li> <li>&gt; Negotiating and offering solutions to imprand suppliers.</li> <li>&gt; Ensuring the minimum benefits of both pa</li> </ul>
Authorities	> The Company makes frequent contacts with the authorities (HEPZA, TANIZA) via meetings, response to inspection, reporting, and exchanges of administrative documents.	<ul> <li>&gt; Compliance with policies and regulations.</li> <li>&gt; Obtaining necessary certificates and permits as prescribed.</li> <li>&gt; Supporting community development.</li> <li>&gt; Deploying and supporting the government's policies.</li> <li>&gt; Comply with Covid-19 prevention measures.</li> </ul>	<ul> <li>Complying with government policies and response of the committing no breach or non-compliance</li> <li>Preparing and submitting reports to HEP operation, safety-environment- health proteins</li> <li>Supporting and implementing the government of the government of the government of the government of the complexity of the comple</li></ul>
Banks	<ul><li>&gt; Through meetings and company visits.</li><li>&gt; Through phone calls and emails.</li></ul>	<ul> <li>&gt; The Company is sustainable and prestigious.</li> <li>&gt; Transparency in corporate governance.</li> <li>&gt; Professional financial management system.</li> <li>&gt; Long term alliance and co-development.</li> </ul>	<ul> <li>&gt; Improving the Company's corporate gover</li> <li>&gt; Making full and timely repayment of loan p</li> <li>&gt; Regularly monitoring the implementation of</li> </ul>
Local Community	> Via meetings, exchanging correspondence with the local associations, and participating in social activities, the Company can understand the concerns and expectations of the local community.	<ul> <li>&gt; To be responsible, to share and to join hand to develop the local community</li> <li>&gt; Support local community to improve the quality of life through income improvement</li> <li>&gt; Improve quality and enhance the local community infrastructure system</li> <li>&gt; Enabling the local comunitity to prevent the Covid-19 pandemic</li> </ul>	<ul> <li>&gt; Enhancing the annual average income of loc</li> <li>&gt; Raising funds to support the Company's er</li> <li>&gt; Giving scholarships to local colleges.</li> <li>&gt; Contributing to the development of the loc</li> <li>&gt; Facilitating urbanization.</li> <li>&gt; Implemented many measures to prevent the health (5K, vaccination, 3 on-site, regular development of the loc).</li> </ul>
Industrial Association (VCOSA)	> Via forums, dialogues, exchanging correspondences and emails between the Company and the Industrial association.	> To become an active member, sharing information and contributing to the industry's development.	<ul> <li>&gt; Providing information support and actively</li> <li>&gt; Paying annual membership fee.</li> <li>&gt; Participating as a member of the Executive Association (VCOSA).</li> </ul>

### f stakeholders

ringing benefits for both parties.

n selecting suppliers.

re effective cooperation.

prove the relationship between the Company

### parties.

d regulations.

ce violations.

IEPZA and TANIZA regarding the Company's rotection.

mment's policies.

or the prevention of the Covid-19 pandemic ent Board and local authorities.

ernance.

n principles and interest payments.

on of credit contracts with banks.

f local labors.

employee's children.

local economy.

nt the Covid-19 pandemic to protect workers' r disinfection...)

ely cooperating with industry associations.

ve Committee of the Vietnam Cotton and Yarn





## Step 1

### Identifying important matters that can affect to STK's operation

- Surveying and researching information regarding the fiber, garment and textile sectors.
- Making risk assessment of disease outbreaks in the world.
- Analysing import and export data, assessing the competitive situation in key markets.
- Recognizing and analyzing opinions collected from meetings with investors, investor day, analyst meeting and regular dialogues with employees.

## **IDENTIFYING KEY MATTERS OF STK**

(GRI 103, GRI 102-47)

Upon assessing the correlation between the degree of the related parties' concerns in certain matters and the matters' impact level on the Company's operation, STK identified key matters about economic, environmental, social domains and the Company's operation activities:

## The process of identifying key matters

Continuously reviewing key matters after issuance of report.

## Step 2

### Selecting important matters which are concerns of related parties

Selecting major matters of related parties.

Consulting the Board of Management and the Board of Directors on major matters.

Balancing and ensuring interest of related parties.

Identifying major matters in accordance with the Company's development objectives and strategies.

The Company's key matters are classified into three domains: Economic, Environmental and Social.

## Step 3

### Finalizing the list of key matters

- Constructing matrix of key matters.
- Identifying matters which have the highest level of concern and impact for STK.
- Determining the priority level for implementing key matters.

## Step Review

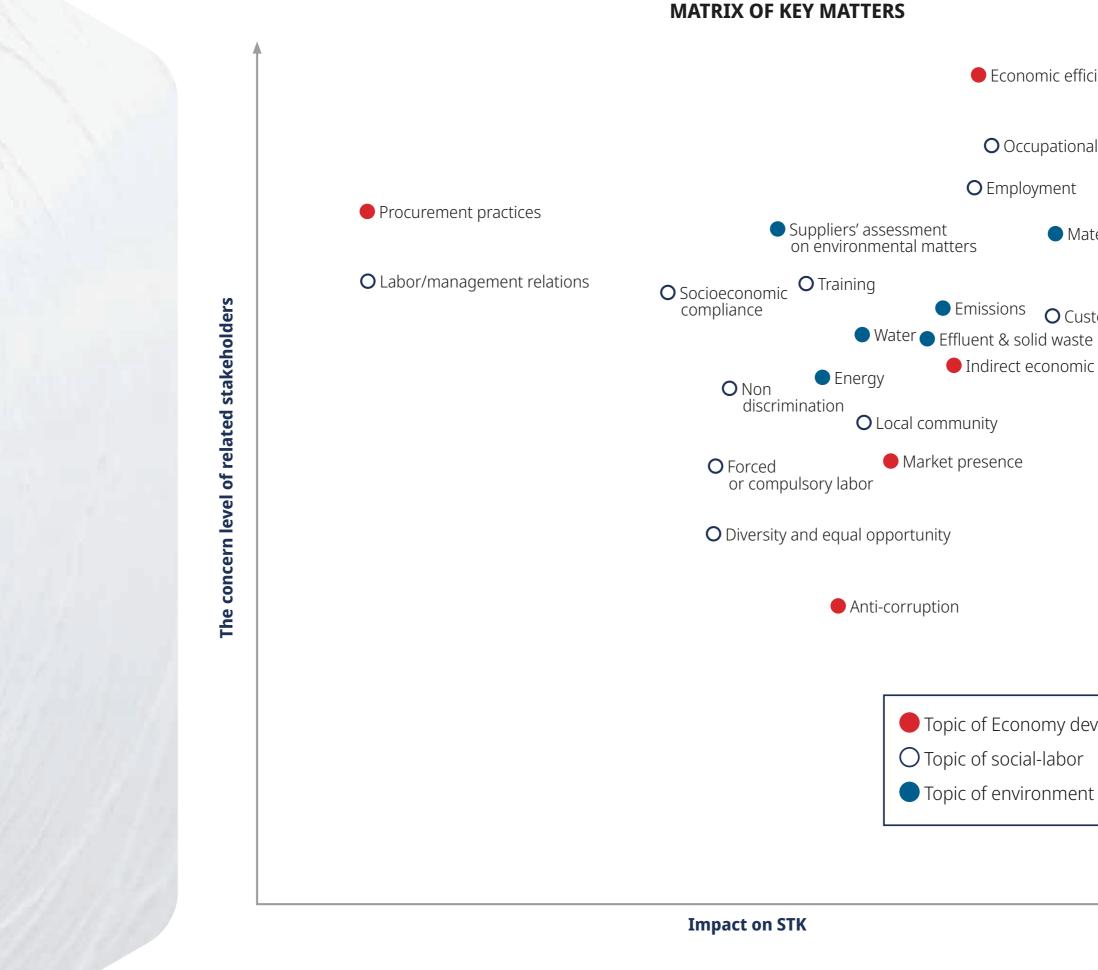
Receiving contributions of related parties.

Improving and establishing the matrix of key matters more accurately.





## **MATRIX OF KEY MATTERS**



Economic efficiency

**O** Occupational health and safety, prevent Covid-19

**O** Employment • Environmental compliance Materials

**O** Customer health and safety Indirect economic impacts

Topic of Economy development

Topic of environment protection



## **KEY MATTERS LIST IN 2021**

(GRI 102-47)

## Environment

**Contribution to SDGs objectives** 6 ME SANELLIN 13 ACTION • -

- Saving electricity and water in operating activities of the Company. • Using renewable energy.
- materials.

## **KEY MATTERS**

- Materials
- Water
- Energy
- Emissions
- Effluent and waste
- Environmental compliance

## Economy

Contribution to SDGs objectives



## **FOCUSING MATTERS**

- Ensuring the stable economic development of the Company.
- Developing further markets and cooperating with related parties.
- Enhancing selling of recycled yarn and high value-added yarns.
- Increasing the average income of employees and supporting the local economic development.

## **KEY MATTERS**

- □ 2021 Economic performance
- Market presence
- Anti-corruption
- □ Indirect economic impacts

## **Labor - Community**

## Contribution to SDGs objectives 3 AND WELL GERN **n**..... \_/w/•



## **FOCUSING MATTERS**

- Ensuring employee benefits. • Ensuring employee welfare policies and health protection. • Prevention of Covid-19 in the workplace. • Creating a safe, transparent, and fair working environment.
- Ushering promotion and developing opportunities for employees.

## **KEY MATTERS**

- Employment
- Training
- Customer health and safety
- Local community

**Century Synthetic Fiber Corporation** SUSTAINABILITY REPORT 2021

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## FOCUSING MATTERS

- Effectively using materials and energy resources.
- Reducing greenhouse emissions and developing recycled-reused

• Ensuring a healthy and safe working environment for employees.

Occupational health and safety, prevent Covid-19



## **DEFINING SUSTAINABLE DEVELOPMENT OBJECTIVES ON MEDIUM- AND LONG-TERM PERIOD 2022-2025**

- > The Company continues to expand its production scale with new factories (Unitex, Yarn-Textile-Garment Alliance project) to gain the advantage of scale.
- > Focusing on development of environmentally friendly yarns (Recycled, Dope dye, Recycled Plus...) to meet the needs of domestic and export customers.
- > Raising the proportion of environmentally friendly products in total output and sales revenue.
- > Raising the proportion of recycled yarn on the total sales revenue with the tentative target from 50% in 2021 to 100% in 2025.
- > Reducing carbon footprint through reducing consumption of electrical energy at the plant.
- > Adopting AI systems in production, deploying POC software - production control center in POY and DTY factories, helping to increase production efficiency and reduce waste.
- > Using automation technology in the packaging process.

**Medium-long** term sustainable development goals 2022 - 2025

Short-term sustainable development goals 2022 - 2023

- products.

> Implementing Unitex and Yarn-Textile-Garment Alliance projects, optimizing production capacity.

> Increasing the capacity utilization rate of solar energy projects for 2 factories in Trang Bang and Cu Chi.

> Promoting and selling Recycled yarn products and *improving product quality.* 

> Raising the contribution of recycled yarn in the Company's 2022 total revenue to 54.3%.

> Pushing for research and development of new products with outstanding features such as recycled plus yarn, quick-dry (hygroscopic), CD yarn, soft package, AAA

> Developing new colors of dope-dyed yarn, environmentally friendly products.

Thoroughly complying with production standards of REACH 168, OEKO-TEX 100, GRS, and standards of brands to protect the health of consumers.

> Diversifying more customer portfolios to reduce the risk of having to depend on a few customers.



Aligning the objectives of economic development, environment protection, and society into the Company's sustainable development orientation and consistently pursuing set targets, STK has selected and integrated the following sustainable development objectives into the Company's sustainable development orientation for the period 2022-2025, in detail:





## **A better living**

- > Creating more jobs, raising average income for employees, and contributing to local economic development.
- > Ensuring health and safety for employees.
- > Ensuring fairness and equal treatment between men and women.
- > Effective use of materials and raising the proportion of recycled raw materials consumption.
- > Acting in transparently, honestly, and ethical way, saying no to corruption, tax evasion, and law violations.



## A better environment

- Effective use of water and disuse of hazardous chemicals; developing further dope dyed yarn to replace the traditional dying method, hence limiting usage of clean water and discharge of wastewater into the environment.
- □ Effective use of energy and saving energy resources.
- **Effective use of electricity and using renewable energy** resources.



## A better growth

- Creating a friendly and safe working environment for employees.
- Ensuring fair treatment and no discrimination to employees.
- Acting in transparently, honestly, and ethical way, saying no to corruption, tax evasion, and law violations.
- Actively cooperating with other strategic partners to promote the development of a circular economy.

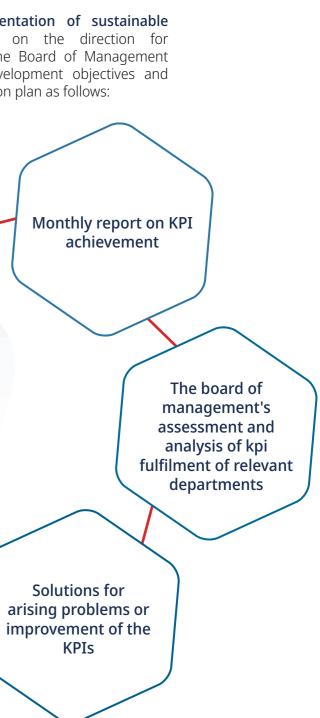




The approach for implementation of sustainable development plan: Based on the direction for sustainability development, the Board of Management determined sustainability development objectives and transformed them into an action plan as follows:

Setting KPIs for each department in acordance with sustainability development criteria

Determining objectives related to production, business, environment, labour society







The data and reports about the Company's production, environment, and social activities are also presented and evaluated in the BOD meetings, allowing BOD members to promptly grasp the situation and give any guidance on the next plans to ensure that the Company closely follows its set sustainable development orientation.

KPIs in detail:

9	SD OBJECTIVES	RELATED DEPARTMENTS	KPIS	PERSONS IN CHA
I	ECONOMY	Sales team	<ul> <li>&gt; Sales revenue, profit after tax</li> <li>&gt; Expanding customer network.</li> </ul>	General Director Assistant Genera Assistant of Sale Leaders of dome
I	PRODUCT RESPONSIBILITY	Sales team Quality assessment team Quality control team	<ul> <li>&gt; Delivery time.</li> <li>&gt; Product quality.</li> <li>&gt; Customer feedback speed.</li> <li>&gt; Servicing attitude.</li> <li>&gt; Time to resolve complaints.</li> <li>&gt; Reasonable competitive price.</li> <li>&gt; Product quality criteria</li> </ul>	General Director Leader of QA tea Vice production
I	ENVIRONMENT	Administration team Iso team Utility Purchasing department	<ul> <li>&gt; Electricity consumption.</li> <li>&gt; Water consumption.</li> <li>&gt; Selection of a qualified supplier.</li> <li>&gt; Volume of raw materials / materials used.</li> <li>&gt; Utility costs.</li> <li>&gt; Fulfillment of electricity and water-saving plans.</li> <li>&gt; The level of waste, wastewater, and exhaust emissions.</li> <li>&gt; Cost of wastewater and wastes treatment.</li> </ul>	General Director General manage Head of Purchas Assistant to the Head of Utility d The officer in ch Company. ISO staff.
	HUMAN RIGHTS AT WORK, LABOR AND SOCIAL ASPECTS	Hr team Training team Iso team Administration team	<ul> <li>&gt; Recruitment results.</li> <li>&gt; Staffing fill rate.</li> <li>&gt; Results of training implementation.</li> <li>&gt; Management of training costs.</li> <li>&gt; The rate of staff turnover.</li> <li>&gt; Proportion of employees promoted.</li> <li>&gt; Managing salary and welfare costs.</li> <li>&gt; Managing compliance with safety and hygiene policies.</li> <li>&gt; Managing compliance with labor policies.</li> <li>&gt; Managing scholarship and welfare funds.</li> </ul>	General Director General Manage Head of Human Leader of the tra The officer in ch Company. ISO staff.

#### HARGE OF SUPERVISION

tor of the Company. eral Manager for sales activities.

ales manager.

mestic and export sale teams.

tor of the Company.

team.

on manager in charge of QC.

tor of the Company.

ager.

nasing department.

ne General Director on purchasing.

department.

charge of labor safety and hygiene of the

tor of the Company.

iger.

an Resources.

training team.

charge of labor safety and hygiene of the





#### ANALYSIS ON KEY RISKS (GRI 102-15,30)

(Refer further to article IV. Risk management report – 2021 Annual report)

#### **REPORT ASSURANCE BY THIRD PARTY (GRI 102-56)**

- STK adheres to the principles of honesty, accuracy, and transparency regarding the disclosure of the data in the reports. Besides, the following data on STK 's operations have been assured by the third party in terms of the accuracy, reliability, and comprehensiveness of the statistics:
- > Information on operational procedures, compliance with labor and environmental regulations, operational performance indicators (environmental- safety - labor compliance policies, labor policy, welfare, remuneration and commitments on social responsibility, the volume of recycled chips consumption, and the output of recycled yarn) are guaranteed by the GRS - Global Recycle Standard.
- > The operation process and the management system are inspected every 2 years according to ISO 9001: 2015.
- > Social responsibility indicators are periodically audited and evaluated according to the standards of some of the world's leading fashion brands.
- > Information on non-toxic products and production processes such as raw materials origins, the quantity of raw materials in production is assured by Oekotex100 and REACH.
- > Information on Waste Treatment (volume of wastewater, solid waste, and treatment, and disposal costs) is verified by wastewater and hazardous waste service companies.
- > Information on utility saving (electricity, water consumption, and usage costs) audited by HCMC Energy Conservation Center.
- Information on working environment inspection results (microclimate, light, noise, dust concentration, toxic gas) are guaranteed by the Consultancy Center of Occupational Safety Health and Environmental Technology.
- > Information on the environmental inspection indicators that have been certified by the Center for Environment and Technology Services.
- > Financial information (sales revenue, profit, taxes, bonus, and welfare fund) audited by Ernst & Young.
- > Social-labor standard information (male / female ratio, labor education level, age, average income, salary and bonus, HR turnover rate, training courses and training cost budgets, the budgeted scholarship fund, the number of individuals being promoted, the budget for giving gifts to workers) is evaluated by internal audit and guaranteed according to the labor reports sent to TANIZA and HEPZA.



# CONTENT OF SUSTAINABILITY TERFORT





## **RESPONBILITY** FOR ECONOMIC DEVELOPMENT – GRI 200

By continuously creating value-added products for the recycled yarn segment, the company has attracted customers for this yarn segment and the proportion of recycled yarn in total revenue continues to grow and thus profits are guaranteed despite difficulties in the pandemic



#### **2021 OBJECTIVES**

- > Sales Revenue: 2,357 billion VND; Profit after tax: 248.2 billion VND;
- > Ensure the Company's starting salary is higher than the regional minimum wage;
- Increase contributions to society and the locality;
- > Expand capacity, develop more high value-added products;
- > Improve the salary-welfare regime for employees;
- Year-end bonus 1-month salary for employees;
- > Maintain the average salary increase at least 5%;
- > Pay a minimum dividend of 15%/par value;

#### 2021 RESULT

- Completed 87% of the sales revenue plan, reaching VND 2,042 billion;
- > Exceeded 12% of profit target, reaching 278.4 billion VND;
- Year-end bonus of more than 2 months' salary, the rate of employees participating in social insurance reaches 100%;
- The lowest salary at STK was 40%-57% higher than the regional minimum wage;
- > Paid 15% cash dividend for the fiscal year 2020 – 98.7 billion dong;
- Completed tax obligations, paid 116 billion VND of tax to the state budget;
- > Implemented the capacity expansion project of Untiex and the Yarn-Textile-Garment Alliance



#### **1. Management approach** (*GRI 103-2*)

To achieve the goal of sustainable economic growth while maintaining the balance and creating conditions for the Company's sustainable development activities to be continuously carried out in the context of market difficulties due to the influence of the Covid-19 pandemic, in 2021, the Company has effectively applied business strategy and customer approach to satisfy customers' needs, gradually expanding domestic and export market share.

POLICIES	> Annually, the Company sets up new sales plan, sales policies, and marketing plans;
	<ul> <li>The Company's salary and bonus policy and commitment no. CS- 06 (issuing date: 01/03/2016);</li> </ul>
	> The Company's latest wage scale and payroll no. 282- 18/CV –TK;
	> Expansion projects of the Company (Unitex, Yarn-Textile-Garment alliance); annual training budget for the sales team;
COMMITMENTS	> The Company is committed to having fair competition; all operation and economic development activities adhere to prevailing laws;
	> The Company commits to execute the salary and bonus policy in accordance with Decree no. 90/2019/NĐ-CP stipulating the regional minimum wages for workers working under labor contracts;
	> The Company commits to ensure the stable income for the local labor and continuously organize training courses to enhance the professional knowledge of the local labor;

GOALS AND TARGETS	<ul> <li>Developing the Compan with the set target;</li> </ul>
	> Ensuring the payment Company's wage scale a
	<ul> <li>Creating more jobs and and enhancing the profe</li> </ul>
	> Expanding the market s
RESPONSIBILITIES	> General General Directo
MANAGEMENT RESOURCES	<ul> <li>&gt; Board of management, r</li> <li>&gt; Human Resources depa</li> </ul>
GRIEVANCE MECHANISMS	<ul> <li>&gt; Process of resolving cus</li> <li>&gt; Periodic customer surve</li> <li>&gt; Employee complaint / gr</li> </ul>

#### 2. Evaluation of the management approach (GRI 103-2)

- In 2021, STK achieved very promising and positive sales revenue and profit after tax, which were highly appreciated by the Board of Directors and the Board of Management when the whole market faced many difficulties due to the Covid-19 pandemic.
- <sup>D</sup> The company maintained the salary, bonus, and welfare regimes, which were paid on time and according to commitments with employees. Even though the Company had to temporarily reduce production and stop some machines in the second quarter and third quarter of 2021 due to the pandemic situation, the Company still tried to keep employee's jobs by organizing training classes for multi-tasking and various skill sets for different job positions, maintaining incomes for employees and raising the bonus for the 2022 Lunar New Year based on the Company's positive business results at the end of the year.
- D Maintained and accelerated direct and indirect activities related to local community development.

ny's sales revenue and profit in accordance

- to employees in accordance with the and payroll;
- d incomes, improving the living standard fessional knowledge for local labors;
- shares in domestic and export markets;
- or, Board of management;
- marketing and sales team, financial team...
- artment, Training team;
- stomer complaints (form: QA-QT-01);
- ey;
- rievance process;





## **Responsibility to enhance** the economic results

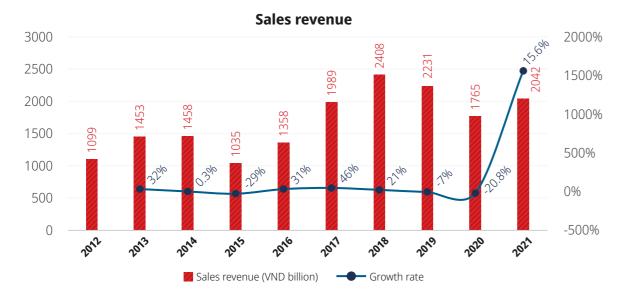
(GRI 201)

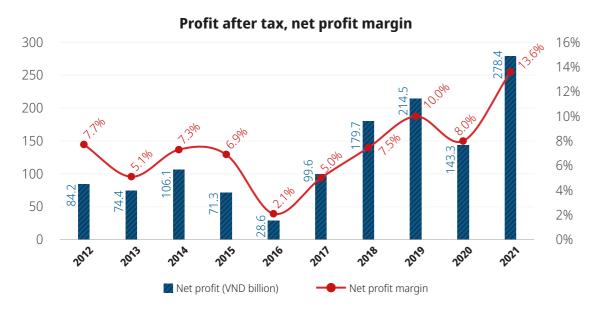
### DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

(GRI 201-1)

Although being impacted by the Covid-19 pandemic, which severely hit the whole market in 2021, the Company made efforts to achieve VND 2,043 billion in net sales revenue, completing 87% of 2021 sales revenue target, while outperforming the annual profit after tax target by 12%, realizing VND278.4 billion.

STK successfully developed more environmentally friendly yarns with high added value such as Recycled yarn, Dope dyed, Recycled Plus yarn, gradually expanding the network of domestic and international customers, especially the US market.





#### THE WAGES AND WELFARE REGIME TO ENGAGE THE COMPANY'S **EMPLOYEES** (GRI 201-1)

Economic growth also helps STK increasing its contributions to society and the community through:

- > Ensuring the welfare regime with social insurance participation rate of 100%;
- > Dividend payment: 15% cash dividend to the Company's shareholders for the fiscal year 2020;
- > Maintaining production activities during the Covid-19 epidemic period, creating jobs for local people, improving recruitment policies and remuneration for workers;
- > Salary and bonus payment for employees in 2021 was 111.8 billion VND;
- > Bonus with more than 2.5 months salary on Lunar New Year 2022;
- > 24-hour insurance policy for all employees with a participation rate of 100%;
- > The Company supported employees by providing in kind toxic allowances for workers in hazardous environment, a free bus, accommodation support, telephone allowances, Company trip, and Tet's gifts.

## The market presence (GRI 202)

### THE RATIO OF STANDARD ENTRY LEVEL WAGE BY GENDER AS **COMPARED TO THE REGIONAL MINIMUM WAGES** (GRI 202-1)

The Company compared the standard entry-level wage to the regional minimum wages in its operating areas which are Cu Chi district (HCM city) and Trang Bang town (Tay Ninh province).

	HCM city (VND)	Tay Ninh town (VND)
Regional minimum wage	4,420,000 VND/month	3,920,000 VND/month
The lowest salary at STK	ary at STK 6,182,000 VND/month 6,148,000 VNI	
Location	The male ratio (%)	The female ratio (%)
HCM city	72%	28%
Tay Ninh town	85%	15%

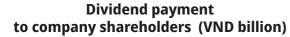


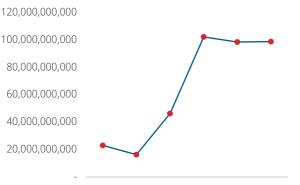


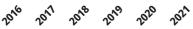


## **Indirect economic impacts** (GRI 203)

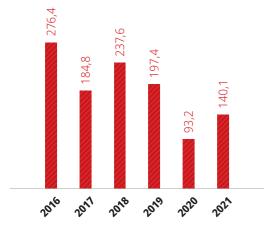
#### **STK'S INDIRECT CONTRIBUTIONS** TO THE SOCIETY AND LOCAL COMMUNITY IN 2021



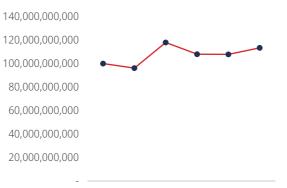




The transaction value with domestic suppliers (VNDbillion)

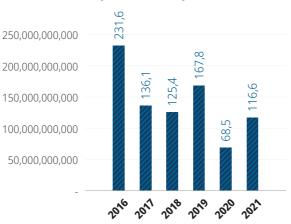


#### Total remuneration (salary and bonus) paid to employees (VND billion)



2016 2011 2018 2019 2020 2021

#### Total annual tax payment (VND billion)



2021

Despite the impact of the pandemic, the Company still maintained its contribution to the local economy and society. In 2021, the Company has increased the salary for local employees by 5.18% as compared to 2020, contributing to improvement of the local people's living standards. In addition, STK's indirect contributions to the local economy and society are also reflected in the tax budget and transaction value with domestic suppliers, increasing by 70.16% and 50.16 % respectively as compared to 2020.

#### **ECONOMIC DEVELOPMENT TARGETS IN 2022**

- > Sales Revenue growth: VND 2,605 billion, increasing by 28%;
- > Profit After Tax growth: 300.2 billion dongs, increasing by 8%;
- > Raising average salary by more than 5% for employees;
- > Lifting the percentage of yarn with high added value (recycled yarn): 54.6% of total sales revenue;
- > Maintaining payment of bonuses to employees in line with year-end business results; > Paying cash dividends of 15%/par value to Company shareholders



# **RESPONSIBILITY TO PROTECT THE ENVIRONMENT – GRI 300**

Thanks to the consistent implementation of measures to reduce energy and water consumption and limit emissions and waste products, which has helped improve production efficiency, so when the Company's sales revenue decreased in the third quarter of 2021 due to Covid-19, the company was still profitable

#### **2021 OBJECTIVES**

> Effective material consumption;
<ul> <li>Increase the proportion of recycled materials used in production;</li> </ul>
> Increase the proportion of reused packaging materials;
> Effectively using water source;
> Reusing water in production;
> Effectively using energy source;
> Reducing electricity costs;
> Reducing emissions;
<ul> <li>Reducing greenhouse gas emissions;</li> </ul>
<ul> <li>Not violating the environmental law regarding solid waste and wastewater;</li> </ul>
<ul> <li>Complying with applicable environmental laws and regulations;</li> </ul>
> Using renewable energy resources;
<ul> <li>The target of unit water consumption (m<sup>3</sup>/kg of yarn): 0.0022</li> </ul>
> The target of unit electricity consumption (kW/kg of yarn): 0.9 (average); 2.06 (DTY) ; 1.51 (FDY);
> The target proportion of recycle yarn on the total sales revenue was 50%
> The target average POY tube reusing time was 3.7 times;
> The target proportion of circulated water was 2% in the total water consumption;

> The target renewable energy used on the total energy consumption was 3%;



#### **2021 RESULT**

- > The rate of reused POY paper tubes reached 22%; > The rate of water was recirculated and reused: 2%; > Water consumption m<sup>3</sup>/kg yarn: 0.0025
- > The energy consumption increased by 9%, unit electricity consumption (Kw/kg of yarn): POY: 1.2; DTY:2.14; FDY: 1.6;
- > Implementation of energy-saving initiatives in 2021 helped saving 1,114 Mwh/year;
- > Carbon footprint by electricity increased by 9%;
- > Total amount of generated renewable energy (solar energy) was 3,400 Mwh, accounting for more than 3% of the total energy consumption;
- > The carbon footprint by DO diesel oil using for forklift declined by 100%;
- > The proportion of recycle yarn in the total sales revenue reached 50.1%;
- > No recorded any cases of violating regulations regarding solid waste and wastewater treatment;
- > The measured environmental indicators and inspection reports were in accordance with the environmental laws and regulations;

#### **1. The management approach** (*GRI 103-2*)

To contribute to the sustainable development goals of Vietnam's textile and garment industry, the Company constantly improves the competitiveness of its products and reduces negative impacts on the environment. Therefore, the Company prioritizes increasing the use of recycled materials, investing in machinery and equipment, improving production technology towards green and clean manufacturing, reducing the use of fossil energy, which is considered a necessary solution for businesses to increase their competitiveness in domestic and export markets.

POLICIES	> The evaluation and selection policy of raw materials suppliers of the Company (no.02-MM-QT-Supplier assessment and control procedure);
	> Supplier control and evaluation process;
	<ul> <li>Regulation on ensuring the quality of input water from industrial zone QCVN -02-2009 / BYT;</li> </ul>
	<ul> <li>Periodical water quality monitoring reports and environmental impact assessment reports;</li> </ul>
	> The energy-saving policy; the rules on turning off electrical devices when not in use; the policy on developing new methods to save energy consumption; the energy-saving plan for 5 years;
	<ul> <li>The Company's waste management policy; The regulation of water quality following the value of column C and column B – QCVN 40:2011/BTNMT;</li> </ul>
	> The environmental protection policy following GRS 4.0; the Law on environmental protection no. 72/2020/QH14;
COMMITMENTS	<ul> <li>The Company prioritizes quality suppliers which can ensure the quality as well as comply with the environmental protection regulations;</li> </ul>
	> The Company commits to provide qualified water for daily production and operation activities and reduce the water resources consumption via water-saving initiatives;
	<ul> <li>Optimizing the use of the energy resource, reducing the greenhouse gas emission, limiting global warming, protecting the environment, and optimizing costs;</li> </ul>
	> The Company commits to effectively use and save energy resources, contributing to the reduction of greenhouse gas emissions (CO <sub>2</sub> );
	> The Company commits to strictly manage the wastewater and wastes in daily production and operation activities,

GOALS AND TARGETS	> Ensuring the stab
	<ul> <li>Providing qualifie sanitation, aiming</li> </ul>
	> Reducing the g protecting the en
RESPONSIBILITIES	> General General I
MANAGEMENT RESOURCES	<ul> <li>Board of manage team, Administra team, the Compa</li> </ul>
GRIEVANCE MECHANISMS	> Purchasing tear Production team,

#### 2. Evaluation of the management approach (GRI 103-2)

- □ In 2021, the volume of recycled materials used (PET chip recycle) accounted for more than 46% of the total amount of PET chips used by the Company. The Company primarily focused on developing and pushing the sales of recycled yarn according to the needs of the market for environmentally friendly textile products.
- □ The total amount of water consumption at the Company increased by 6% as compared to 2020, mainly because that the Company increased production and sales of many types of premium and high value-added yarns such as Recycled yarn.
- Energy consumption level per kilogram of yarn has decreased with FDY yarn and increased with DTY yarn as compared to 2020, since the Company increased production and sales of many types of premium yarns and high added value ones such as Recycled yarn.
- □ Solar energy facilities gradually increased capacity and actively contributed to total energy consumption, towards 100% capacity utilization in 2022.
- Unit carbon footprint (per kilogram of yarn) has decreased as compared to 2020.
- □ There were no recorded sewage spills or leaks and improper disposal of garbage.
- The measured environmental indicators and inspection reports are in accordance with the environmental laws and regulations;

bility and high quality of the product;

ed water resources to daily production and ig to protect the employee's health;

greenhouse gas emissions (CO<sub>2</sub>) and nvironment;

Director, Board of management

ement, Purchasing team, ISO team, Utility ration team, Production team, financial any's employees.

m, Utility team, Administration team, , Health and Safety committee.





## **Materials** (GRI 301)

#### THE MATERIALS USED IN THE COMPANY'S PRODUCTION

(GRI 301-1)

> The Company's raw materials are imported from Korea, Japan, Taiwan, Germany, and Switzerland with advanced production processes, modern and environmentally friendly technologies, contributing to the reduction of greenhouse gas emissions to the environment.

Materials Category	Materials	Importing regions	
NON-RENEWABLE MATERIALS USED	Polyester Chip	US, South Korea, Taiwan, Japan	
	Oil	Taiwan, Japan, Germany	
RENEWABLE MATERIALS USED	Paper tubes	Vietnam, Taiwan	
	Carton boxes	Vietnam	

#### THE RECYCLED MATERIALS USED IN THE COMPANY'S **PRODUCTION** (GRI 301-2)

- > To produce environmentally friendly recycled yarn, the Company uses recycled PET chips as input material, the proportion of recycled yarn in total revenue in 2021 was more than 50%.
- > The Company also invested in a pellet making line to recycle waste yarn into recycled PET chips for the Company's usage with a capacity of 1,500 tons/year, contributing greatly to the reduction of environmental impact, increasing the Company's profits, cutting the production cost as well as providing reasonable prices to customers.

**Revenue structure by product 2021** Virgin yarn **49%** Recycled yarn 51%

#### **RECLAIMED PRODUCTS AND THEIR PACKAGING MATERIALS** (GRI 301-2)

- > In addition to effectively using the main raw materials, the Company has coordinated with the suppliers to improve the quality of POY paper tubes to be re-used. After improvement and trial-testing, currently the POY paper tubes can be reused more than 3.6 times, reducing environmental impact.
- > In 2021, the number of used POY paper tubes was 736,422 tubes and an average of POY paper tubes can be reused 3.7 times; therefore, the rate of reused materials (paper tubes) in 2021 was:

The rate of recovery and reuse of paper tube = –	V	
und reuse of paper tube – —	Total volume	

*The number of POY paper tubes × reusing times POY paper tubes × (reusing times) + DTY paper tubes + FDY paper tubes* 

736,422 × 3.6

736,422 × 3.6 + 9,197,913

The portion of reused materials (POY paper tubes) in 2021 was

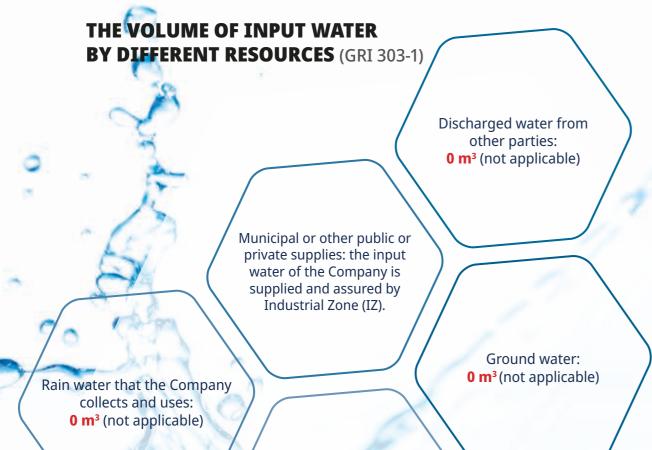
22%

olume of material reused

ne of material in use during the year

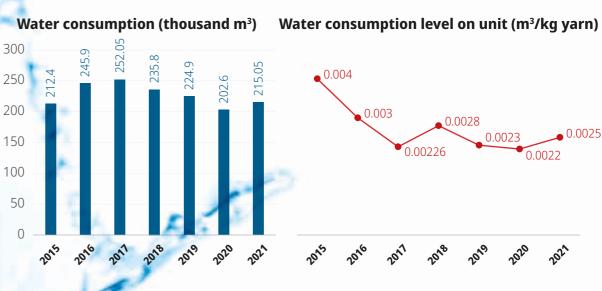
= 22%

## **Water** (GRI 303)



Surface water including water from swamp, river, lake, ocean: **0 m<sup>3</sup>** (not applicable)

#### WATER CONSUMPTION (GRI 303-1)



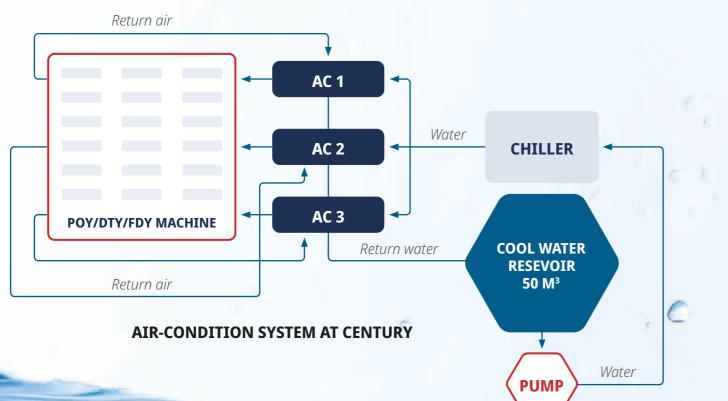
> In 2021, water consumption increased by 6% as compared to 2020, mainly due to the impact of the Covid-19 epidemic and social distancing. The company implements "3 on-site", so the number of workers in the factory living and working has increased the demand for domestic water use. In addition, with higher recycling of waste yarn into PET chips in 2021, accounting for 97.8%, also increased the amount of water used because it is necessary to use water to cool the PET chip.

he amount of water consumed per 1 kg of yarn also increased slightly as compared to 2020 m<sup>3</sup>/kg of yarn -2020 to 0.0025 m<sup>3</sup>/kg -2021). However, through continuous efforts to plement and improve plans to save water used in production activities such reusing evaporated vater at AC cooling towers of Cu Chi and Trang Bang factories, the Company was able to save costs by more than 40 million VND/year.



#### **RECLAIMING AND REUSING WATER** (GRI 303-3)

At STK, there is a closed-loop air-conditioning system, whereby water after going through chiller will come to AC reservoirs and cooling water pool to be reused. Thanks to this system, STK has saved 2,815 m<sup>3</sup> of water each year.



#### The proportion of reclaimed and reused water

The volume of reclaimed and reused water The total volume of used water at Company

\_

*In 2021, the Company continued to implement water conservation measures* 

#### Solution

> At Cu Chi factory, keep reusing the filtered wate AC 1, 2,4,5.

> Saving water consumption since the impact Co leading to reducing production capacity;

At Trang Bang factory, keep reusing the water from

$$\frac{5,017}{215,059} \times 100 = 2.3\%$$

	Results
er from	
ovid-19	<ul> <li>Saved 2,700 m<sup>3</sup> equivalent to VND ~27,702,000/year.</li> </ul>
n AC 4,5	<ul> <li>Saved 2,300 m<sup>3</sup> equivalent to VND ~16,000,00/year</li> </ul>

### Energy (GRI 302)

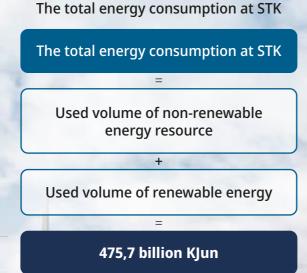
#### THE ENERGY CONSUMPTION AT THE COMPANY (GRI 302-1)

- > The Company only uses the energy resources of the electricity and Diesel oil in its daily production and operation activities. In which:
- > Non-renewable energy resource: Diesel oil. The used volume of Diesel oil in 2020: 2.2 ton.
- > Renewable energy resource: electricity;

#### **TOTAL ENERGY CONSUMPTION AT THE COMPANY IN 2021**

Amount of energy consumption (Mwh)





#### Notes:

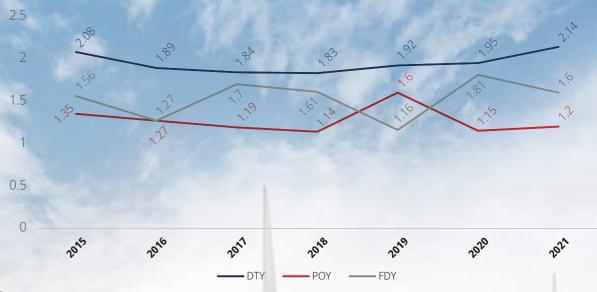
https://bachhopsc.com.vn/dac-tinh-co-ban-cua-gas/ (conversion from 1 kg of DO to kcal); https://www.convertworld.com/vi/nang-luong/j.html (conversion from 1 kcal to kJ); http://www.saigonpetro.com.vn/linh-vuc-hoat-dong/95/diezen-do.html (specific weight of DO = 820-860 kg/m3 - QCVN 01:2015/BKHCN.

#### THE INTENSITY OF ENERGY CONSUMPTION AT THE COMPANY

(GRI 302-3)

- > The Company mainly consumes the electricity to manufacture products. At present, the Company has 3 products: POY, DTY and FDY.
- > The Company establishes a regime to monitor and measure energy consumption (kwh) on each kilogram of yarn.

In particular, the energy consumption per kilogram of yarn is as follows:



The electricity consumed per 1 kg of POY, DTY yarn has increased significantly as compared to 2020, mainly because that the Company producing higher quality AAA yarns and special yarns such as Recycle yarn. In addition, in Q2-Q3.2021, the Company implemented social distancing and participated in 3 on-site activities, so it closed some production lines at Cu Chi and Trang Bang factories. However, the Company still had to turn on equipment for 30-60 minutes every 2 weeks for maintenance purposes. In addition, there was still electricity consumption for lighting systems outside and inside the factory (which was turned on from time to time when staffs-maintained equipment). Therefore, the electricity consumption per 1 kg of DTY yarn and has increased as compared to 2020.

#### Energy-saving plan in 2022

In 2022, the Company is planning to implement the following energy-saving methods to reduce the electrical cost:

#### Solutions

#### At Cu Chi factory

- > Install an inverter for AC 1,2,3 spray pump syste conditioner pump.
- > Install the inverter for the AC5 blower.

#### At the factory in Trang Bang:

> Install inverter for the AC 4,5 in TB1,2.

#### At Trang Bang factory:

**Century Synthetic Fiber Corporat** 

> Install inverter for the DTY TB1,2 air-conditioning

	Results	
em and York air-	<ul><li>&gt; Saving 38kw/h.</li><li>&gt; Saving 6kw/h.</li></ul>	
	> Saving 15kw/h	
cooling pump	> Saving 18kw/h	

## **Emissions** (GRI 305)

#### THE GREENHOUSE GAS EMISSION (INDIRECTLY FROM **ELECTRICITY) AT THE COMPANY** (GRI 305-2)

- > The Company does not generate emissions since the Company does not use a stream generator. Periodically, the Company conducts measurements at outdoor areas and production areas 3 times a month to have solutions to remedy emission pollution (if any) immediately. In addition, the Company also submits to relevant authorities' environmental emission measurement reports every 6 months in accordance with the current law.
- > Some measures which are conducted to minimize emission pollution:
- > Controlling the operation of vehicles in the Company such as: container trucks, trucks, forklifts, cars regarding emission. The Company stops using vehicles that generate excessive emissions.
- > Reducing the usage of fuel, DO oil.
- > Regularly maintaining vehicles, machines, equipment using fuel, DO oil to minimize emission pollution.

#### **REDUCING GHG EMISSIONS IN THE COMPANY'S ENTIRE VALUE CHAIN**

#### **SCOPE 2 INDIRECT**

Greenhouse gas emissions from electricity purchased by the company

#### **SCOPE 1** DIRECT

Greenhouse gas emissions from sources owned or controlled by the company

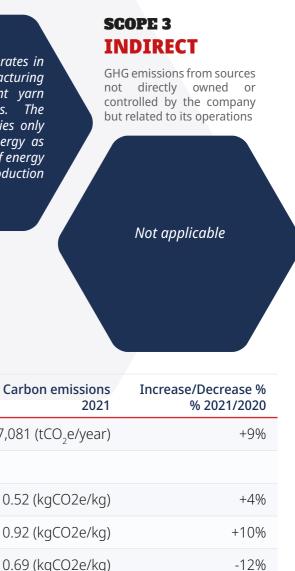
The company does not own a boiler, or use coal, petroleum, or petroleum products to generate steam and produce greenhouse gases.

The company operates in the field of manufacturing Ployester Filament yarn from PET chips. The Company's factories only uses electrical energy as the main source of energy to operate the production machine.

#### STK'S CARBON FOOTPRINT INDEX IN 2021 WAS AS FOLLOWS:

	2021 consumption	Emission factor CO <sub>2</sub> (Schneider Electric)	Carbon emissions 2019	Carbon emissions 2020	Ca
Electricity Consumption volume	132,134 MWh/year	0.432 (tCO <sub>2</sub> e/MWh) <sup>1</sup>	62,198 (tCO <sub>2</sub> e/year)	52,260 (tCO <sub>2</sub> e/year)	57,0
In which, carbon emission per 1 kilog	ram of polyester filament yarn				
> POY	1.2 kwh/kg	0.432 (tCO <sub>2</sub> e/MWh)	0.7 (kgCO2e/kg)	0.5 (kgCO2e/kg)	0.5
> DTY	2.14 kwh/kg	0.432 (tCO <sub>2</sub> e/MWh)	0.8 (kgCO2e/kg)	0.84 (kgCO2e/kg)	0.9
> FDY	1.6 kwh/kg	0.432 (tCO <sub>2</sub> e/MWh)	0.5 (kgCO2e/kg)	0.78 (kgCO2e/kg)	0.6

The carbon footprint of electricity per kg of DTY and POY yarn has increased as compared to 2020 (DTY increased by 10%, POY 4%), mainly because that Company produced higher quality AAA yarns and special yarns such as Recycle yarn. In addition, in Q2-Q3.2021, the Company practised social distancing and implemented 3 on-site activities and some production lines at Cu Chi and Trang Bang factories were closed as some workers could not participated in 3-on-site production. However, the Company still had to turn on the machines periodically for maintenance purpose, leading to a surge in unit electricity consumption per 1 kg of DTY yarn as compared to 2020.





<sup>1</sup> Schneider Electric Carbon Foorprint data center emission factor. (https://www.se.com/ww/en/work/solutions/ system/s1/data-center-and-network-systems/trade-off-tools/data-center-carbon-footprint-comparisoncalculator/)

#### **CARBON FOOTPRINT REDUCTION GOAL**

#### 1. THROUGH USE OF RENEWAL ENERGY - SOLAR ENERGY:

Rooftop solar project at Cu Chi and Trang Bang factories with a capacity of 10.5 Mwp. The company has cooperated with a partner to install rooftop solar power systems for both Cu Chi and Trang Bang factories since 2020. After completing the installation, the rooftop solar power systems will meet about 10% of the Company's electricity demand and help saving electricity costs by about 1-2%, reducing carbon footprint by 10.7% annually and 530 thousand tons of CO<sub>2</sub> during the life of the project.

	Total
From the beginning of the project to the end of 2021	
Amount of CO <sub>2</sub> (tons) reduced by the solar system	4,489
Electricity generated by solar system (MWh)	3,400
From 2022 to the end of the project lifecycle	
Amount of CO <sub>2</sub> (tons) reduced by the solar system	525,489
Electricity generated by the solar system (MWh)	398,097
Total CO <sub>2</sub> reduction:	
Amount of CO <sub>2</sub> (tons) reduced by the solar system	529,978
Electricity generated by the solar system (MWh)	401,497

#### 2. THROUGH LIFTING THE TARGETED CONTRIBUTION OF RECYCLED YARN IN TOTAL SALES **REVENUE BY 2025:**

The company aims to increase the contribution of environmentally friendly products "Recycled yarn" in total revenue from 54.3% in 2022 to 100% in 2025 with existing capacity.

#### The ratio of Recycled yarn in total sales revenue

The amount of CO<sub>2</sub> (tons) can be reduced by usin recycled materials - PET Recycle chips from post consumer-used plastic bottles.\*

#### \*Source: Higg MSI Index

Parameters and results of emission monitoring in 2021: (See more results of air quality monitoring in **Appendix 1**)

	2022	2025
	54.3%	100%
ng :-	48,396	127,872



## **Effluent and solid wastes (GRI 306)**

#### THE TOTAL VOLUME OF EFFLUENT BY LOCATIONS (GRI 306-1)

	Unit	2015	2016	2017	2018	2019	2020	2021
Cu Chi	m <sup>3</sup>	11,482	6,137	6,188	6,173	8,304	5,843	8,607
Trang Bang 1,2	M <sup>3</sup>	14,581	9,462	12,988	11,222	9,496	14,907	11,802
Trang Bang 3	m <sup>3</sup>	4,431	17,724	12,786	9,537	8,817	13,520	8,224
Total	m <sup>3</sup>	30,494	33,323	31,961	26,932	26,617	34,269	28,633

#### The parameters and result of wastewater inspection in 2021:

(Refer further to the wastewater inspection result at attached **Appendix 2**)

#### THE TOTAL VOLUME OF SOLID WASTES BY TYPES AND **TREATMENT APPLICATIONS (GRI 306-2)**

Name of wastes	Code of hazardous wastes	Volume (kg)	Treatments	The wastes collec- tion Companies
Clouts with oil stain	18 02 01	1,844	Burning	Tan Thien Nhien Environment Ltd
Ink containers for printing, fax machines	08 02 04	8	Burning	Tan Thien Nhien Environment Ltd
Waste oil	17 02 03	30	Burning	Tan Thien Nhien Environment Ltd
Fluorescent lamp waste	16 01 06	39	Disintegration, Solidification, Burying	Tan Thien Nhien Environment Ltd
Waste soft packaging	18 01 01	20	Burning	Tan Thien Nhien Environment Ltd
Total		1,941		

- > At STK, solid wastes from production and operation activities are strictly collected, classified and monitored in accordance with the regulation of wastes classification of GRS 4.0 - waste management, the Company signs contracts with waste collecting Companies, in which:
- > Collection, transportation and treatment of hazardous waste Responsible Service: Tan Thien Nhien Environment Ltd, Company.
- > Collecting, transporting and treating domestic and industrial solid waste responsible Service: Cuchi District Public Services Company Limited. and Hien Luong Garbage Collection One Member Limited Company.
- > In addition, annually, the Company also makes the waste management report and submits it to the department of natural resources and environment of Ho Chi Minh city and Tay Ninh province. The Company registered the hazardous waste owner with registration no.-QLCTNH79,002938, T (3rd issuance).

#### SIGNIFICANT SPILLS (GRI 306-3)

- > The Company did not have any record of chemical spilling or wastewater leaking in 2021.
- > The Company strictly adheres to the procedure of collecting, storing, transporting, and processing the Company's wastes following the GRS regulations and prevailing environment law.

#### TRANSPORT OF HAZARDOUS WASTE (GRI 306-4)

- > For hazardous waste, the Company has separate storage with a hazardous warning sign under the regulations
- > Each type of hazardous waste is sticked with a hazardous label and the Company subcontracts relevant companies to collect, transport and process this type of waste.
- > The Company signs contract with hazardous waste-collecting Companies Tan Thien Nhien **Environment Ltd, Company** to collect and process the hazardous wastes – *refer further to the* article The total volume of wastes by types and treatment applications (GRI 306-2).



## Environment compliance (GRI 307)

#### NON-COMPLIANCE TO ENVIRONMENTAL REGULATIONS AND LAWS (GRI 307-1)

- > As shown in the environmental measurement reports which are prepared quarterly (conducted 4 times/year) and the annual environmental impact assessment of STK, measured environmental indicator are within the acceptable range under environmental laws.
- > The cases of violation of environmental regulations and laws: **0 case**.

#### **ENVIRONMENTAL PROTECTION TARGETS IN 2022**

- > The reuse rate of POY paper tubes is 3.6 times;
- > Circulated water accounts for 2% of the total amount of water used;
- > Target water consumption level m<sup>3</sup>/kg yarn: 0.0023;
- > The portion of renewable energy in the total energy used is 10%;
- > The contribution of recycled yarn in total sales revenue is 54.6%;
- > Target electricity consumption kW/kg yarn: POY: 1.26kw/kg yarn; DTY:1.86 kW/kg yarn; FDY: 1.41 kW/kg yarn
- > Reduce carbon footprint by more than 40,000 tons via the production of recycled yarn and the use of renewable energy;
- Occurrence of violations on OSH, Fire Prevention and Environment when the inspection team of the State agency came to inspect the company: 0 cases;
- The Company will cooperate with Control Union to get a GRS certification assessment for the recycling process of waste yarn into rPET chips, to ensure that all recycling activities at the Company are in line with prevailing international standards.



## LABOUR AND SOCIAL RESPONSIBILITY - GRI 400

Thanks to good and attractive labor and personnel policies, the Company still maintained enough employees in 3-at site model during the pandemic and the rate of employees returning to work reached a high level after the lockdown was lifted and the Company fully reopened

GENDER

Ø

#### **2021 OBJECTIVES**

1 NO POVERTY

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- > Ensured welfare policy for employees; reduced staff turnover rate;
- Increased average training hours; developed many advanced training programs for employees;
- Created promotion opportunities for employees; reduced the number of cases of labor accidents and occupational diseases;
- Ensured all workers are equipped with occupational safety-sanitationknowledge and ensured a safe working environment to employees;
- > Provided quality and safe products for customers;
- Local community development; ensuring anti-corruption;
- > Staff turnover rate of 25%;
- > Rate of unsuccessful recruitment of 20%;
- > Meeting 95% of staffing demand;
- > Salary Budget Management by 97%;

#### **2021 RESULTS**

- Increased average salary by more than 5% for employees; bonus for the Lunar New Year with more than 2.5 months' salary for employees;
- Staff turnover rate increased by 6.2% as compared to the previous year; the average number of training hours increased by 10.9% as compared to the previous year;
- > Organized more than 40 training courses to improve employee skills; the rate of employees assessed for career development was 100%;
- Number of accidents and occupational diseases: 0 cases; rate of employees trained in OSH: 100%;
- The result of the working environment inspection report is in accordance with regulated standards of Government Authorities;
- No incidents of non-compliance regarding the health and safety impacts on products and services;
- > Number of corruption cases: 0 cases;
- > Staff turnover rate was 34.19%;
- > Rate of unsuccessful recruitment was 25.8%;
- > Meeting staffing demand by 82.63%;
- > Salary Budget Management by 95%;



#### **1. The management approach** (GRI 103-2)

The objectives are to maintain and develop the labor recruitment policy and to ensure sufficient human resources for the Company's production activities. Century is always committed to transparency in the recruitment process and ensures a fair and transparent working environment for applicants, creating opportunities for employees to develop themselves and their careers; adhering to the Government legal requirements on occupational health and safety for all employees, suppliers and related parties.

In addition, the Company always balances sustainable economic growth with activities that contribute to the benefit of the local community and society where the factories are located.

POLICIES	> The Company's recruitment plan in 2020; the Company's recruitment procedure and policy;
	<ul> <li>The health and safety policies following the GRS 4.0 standard; Regulations on labor safety according to Decree 44/2016 / ND-CP;</li> </ul>
	<ul> <li>Procedures and policies of ISO 9001-2015 system, Standards of GRS 4.0, 5S, Reach 168, OEKO – TEX 100;</li> </ul>
	> The policy of developing local community following GRS standard 4.0;
COMMITMENTS	> The Company commits to provide a transparent recruitment process and an impartial working environment to the candidates;
	> The Company commits to provide the most comfortable and safest working environment to all employees;
	> The Company commits to provide high quality and safe products to customers;
	> The Company commits to contribute to the development of the local community where the Company is operating;

GOALS AND TARGETS	> Ensuring stable h
	<ul> <li>Conserving and good working skil</li> </ul>
	<ul> <li>Reducing the lab the Company;</li> </ul>
	<ul> <li>Satisfying the c</li> <li>Company's prestig</li> </ul>
	> Enhancing the ave and the living con
RESPONSIBILITIES	> General General [
MANAGEMENT RESOURCES	<ul> <li>Administration te team, Board of team, Recruitmen occupational heal Trade Union;</li> </ul>
GRIEVANCE MECHANISMS	> Human resources

#### 2. Evaluation of the management approach (GRI 103-2)

- □ The policy on salary, bonus, and welfare has been improved as compared to the previous year, raising the average wages by 5% for employees, contributing to the improvement of employees' standard of living, creating opportunities for employees to work as well as aligning the Company's interests with employees.
- □ Staff turnover rate in 2021 was 34.19%, increased by 6.2% as compared to 2020 (27.97%), mainly due to the negative impact from the Covid-19 epidemic.
- D The training programs/courses organized by the Company helped enhancing employees' productivity and achieving the Company's targeted KPIs.
- The number of labor accidents recorded as well as the average overtime working hours of employees decreased significantly over the years;
- Community and local contributive activities were executed through sponsoring scholarship funds at local vocational schools and creation of more jobs for local workers by the Company's new projects.

numan resources for the Company;

developing stable human sources with ills for the Company;

por safety risks for employees working at

customer demand and enhancing the ige in the market;

verage income, improving knowledge level nditions of local workers;

Director, Board of management

eam, Human resources team, Training management, ISO team, production ent team, Full-time in-charge person of alth and safety, health and safety network,

es team



## Employment (GRI 401)

#### NUMBER OF NEW HIRES AND EMPLOYMENT TURNOVER RATE (GRI 401-1)



#### The number of employees leaving in reporting period

The total number of new hires

#### **BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES**

(GRI 401-2)

#### POLICY ON WORKING TIME

- > The company does not use part-time and temporary employees.
- > The Company commits that all of the Company's employments adhere to Vietnam's labor law.
- > Official working time is 8 hours per day and 6 days per week. Office staffs work from 08:00 to 17:00, from Monday to Saturday.
- > Due to the nature of production (24 hours per day), the production staff will work on Sundays, holidays, and the TET festival on 03 shifts. The workers will then have compensatory leaves on other days in a week.
- > At some points in time, due to the need to speed up production schedule or, fulfill contracted orders or other unplanned requirements, working overtime is performed in accordance with the following principles: (1) Based on worker's voluntary; (2) Not frequent and not over 12 hours per week; (3) Total number of over-times working hours should not exceed 200 hours per year; (4) Salary paid for over-time working should be higher than the one for official working time and complies with the laws.

#### WELFARE POLICY

- > Provision of free accommodation to the employee whose home is more than 30 kilometers from the workplace.
- > the Company also provides meals between work shifts, supplementary foods and drinks for heavy and/or hazardous jobs, annual leaves, periodic health examination ... and all kinds of allowances: night shift, phone bill, gasoline, etc.
- > The Company signed and registered the collective labor agreement with the Labor Administration Authority in accordance with the laws.
- > At STK, all the policies on salaries, bonuses, rewards and welfares are promulgated in writing and reflected fully in the collective labor agreement, in accordance with the current regulations and announced publicly.
- > Vacation trip to all employees

#### **BONUS POLICY**

- > According to the Company's salary and bonus policy, a staff will receive a bonus every month if that individual achieves the business target. There are different types of bonuses as follows:
- > Performance bonus
- > Bonus for compliance with working rules
- > Bonus for the fulfillment of duties
- > Extra performance bonus for production workers
- > Bonus paying in kind
- > Extra performance bonus for sales staff
- > Extra performance bonus for purchasing staff
- > Extra performance bonus of stevedoring/ warehouse/ forklift truck driver's positions
- > Bonus on national holidays
- Besides the monthly bonus as mentioned above, at the end of the year, STK will pay the following bonuses to staff:
- > Tet holidays bonus
- > Bonus on annual business performances

#### **INSURANCE POLICY**

> The Company pays for social insurance, medical insurance, and unemployment insurance in accordance with the State's regulations (the Company's insurance participation rate is 100%). In addition, STK also buys accident insurance 24/24 for all the staffs.

#### **BASIC SALARY POLICY**

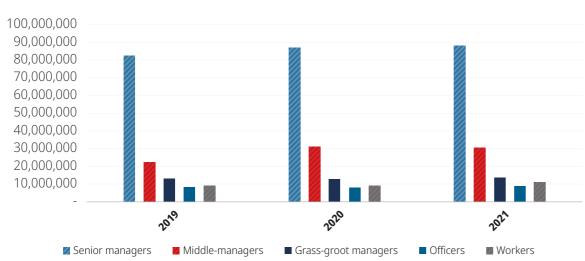
- > The Company always sets and updates salary scales based on a prevailing minimum basic salary of the region and regulations. The basic salary to calculate insurance contribution is based on the Company's salary scales.
- > The basic salary is updated annually to be aligned with the market conditions and the government regulations.
- > Commitment not to apply the form of deduction of staff salaries for labor disciplinary measures, except for material compensation for causing damage according to the judgment of the Board of Disciplinary of Company and the Trade Union at the grassroots level.

#### ACTUAL SALARY POLICY

- > OFFICE: Based on the nature of each position, STK will determine the salary scales.
- > PRODUCTION: Staff will receive the salary, which is based on productivity. The productivity wages will be adjusted in accordance with STK's business performances from time to time.







The average income of the production team in 2021 was recorded with an average growth of 22.5% as compared to 2020, thank to the Company's policy of increasing salary and bonus for employees, especially in the direct production team.

#### **MATERNITY LEAVING (GRI 401-3)**

Total number of employees that were entitled to ma by gender

Total number of employees that took maternity leav

Total number of employees that returned to work in period after maternity leave ended, by gender

Total number of employees that returned to work af leave ended that were still employed 12 months afte to work, by gender

The return-to-work rate

The employee's retention rate

Average income of employees at STK (VND/year)

aternity leave,	Male	
	Female	10
ve, by gender	Male	
	Female	10
the reporting	Male	
	Female	10
fter maternity er their return	Male	
	Female	10
	Male	
	Female	100%
	Male	
	Female	100%

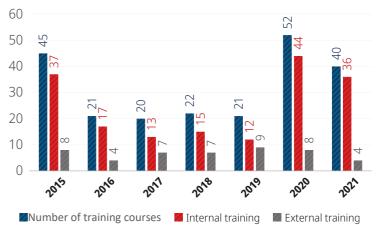




## Training and education (GRI 305)

#### THE AVERAGE TRAINING HOURS PER YEAR PER EMPLOYEE (GRI 404-1)

The Company organizes training courses for all employees, whereby the average training hours by employee levels and gender is equal:



#### Average training hours (hour/person/year)



#### **PROGRAMS FOR ENHANCING EMPLOYEE SKILLS AND INTERNAL INTERNSHIP** PROGRAMS (GRI 404-2)

The Company periodically conducts training programs on basic knowledge about the Company's culture, Company's products, ISO/ 5S/KAIZEN/LEAN/SAP/POC, occupational safety, prevention of occupational diseases, occupational consciousness, skills improvement training, shift leaders training.

Training form: internal training and external training.

#### The number of training courses





In addition to the standard training programs, in 2021 the Company offered special training courses as follows:

			Number of participants (pers			rson)		Former of two in its a		
Training courses	Trained divisions	Trained Training hours divisions (hours)	Mana	gers	Office staff		Workers		Form of training	
			Quantity	Time	Quantity	Time	Quantity	Time	Internal	Service
Skill training for newcomers in the production	Production	332.8					720	239616	1	
Training on occupational safety standards according to SOP - SX POY		0.33					107	35.7	1	
Training on chemical safety standards according to SOP - SX POY		0.33					107	35.7	1	
Training on fire safety standards according to SOP - SX POY	Production	0.33					107	35.7	1	
Training standards on 5S SX POY		0.25					107	26.8	1	
Training regulations on respecting production products POY		0.25					107	26.8	1	
Training on occupational safety standards according to SOP - Production DTY		0.33					359	119.7	1	
Training on chemical safety standards according to SOP - SX DTY		0.33					359	119.7	1	
Training on fire safety standards according to SOP - SX DTY	Production	0.33					359	119.7	1	
Training standards on 5S SX DTY		0.25					359	89.8	1	
Training on regulations on respecting production products DTY		0.25					359	89.8	1	
Training on occupational safety standards according to SOP - QLCL		0.33					242	80.7	1	
Training on chemical safety standards according to SOP - QLCL		0.33					242	80.7	1	
Training on fire safety standards according to SOP - QLCL	QC	0.33					242	80.7	1	
Training standards on 5S QLQ		0.25					242	60.5	1	
Training on Regulations on Product Respect QLCL		0.25					242	60.5	1	
Training on occupational safety standards according to SOP - Electrical		0.33					6	2.0	1	
Training on chemical safety standards according to SOP - Electrical	Utility	0.33					6	2.0	1	
Training on fire safety standards according to SOP - Electrical		0.33					6	2.0	1	
Training standards on 5S - Electricity		0.25					6	1.5	1	
Training on Regulations on respecting products - Electricity		0.25					6	1.5	1	









			Number of participants (person)							
Training courses	Trained divisions	Training hours (hours)	Managers		Office staff		Workers		Form of training	
			Quantity	Time	Quantity	Time	Quantity	Time	Internal	Service
Training on occupational safety standards according to SOP - Office		0.33	13	4.3	112	37.3			1	
Training on chemical safety standards according to SOP - Office		0.33	13	4.3	112	37.3			1	
Training on fire safety standards according to SOP - Office	Office	0.33	13	4.3	112	37.3			1	
Training standards on 5S Office		0.25	13	3.25	112	28			1	
Training Regulations on respecting products-Office		0.25	13	3.25	112	28			1	
Training company rules for newcomers	All	0.5	22	11	132	66	845	422.5	1	
Monthly production defect training	Production	0.5					483.0	241.5	1	
Social policies	All	0.25			178	44.5	829	207.25	1	
Fire protection training	All	16					90	1440		1
First Aid Training	All	4					90	360		1
Chemical Safety Training	All	16					30	480	1	
Advanced training, multi-skilled team of DTY TB2	All	96					33	3168	1	
Advanced training, multi-skilled- Packaging group	All	56					20	1120	1	
Advanced training, multi-skilled-Weaving group	All	80					1	80	1	
Advanced training, multi-skilled team DTY TB3	All	96					1	96	1	
POY production process training	Sales	1.5			21	31.5		0	1	
DTY production process training	Sales	1.5			21	31.5		0	1	
About the organization of the Intensive Course										
"Rules of origin and procedures for certification of origin of goods in the ASEAN Trade in Goods Agreement (ATIGA) – Basic and Advanced Knowledge"	Sales	8			2	16				1
Accelerated Accounting Course	IT	8			2	16				1
	То	tal training time	30	.5	373	3.5	248,	302	36	4



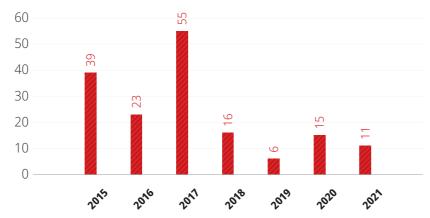


#### PERCENTAGE OF EMPLOYEES RECEIVING **REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS** (GRI 404-3)

Promotion policy:

- > STK always encourages and maintains a fair promotion policy for all employees.
- > Qualified employees can apply for higher positions. The HR department will coordinate with the manager to monitor, orient and evaluate the candidate's ability for a new position. If their skills reach 70% of the standards, they will be trained and placed on probation for 2 or 3 months before being officially appointed to higher positions.
- > In 2021, the number of employees promoted to higher positions was 11 people with 9 males and 2 females.
- > The proportion of employees receiving regular performance and career development reviews: 100% (males: 100%, female: 100%).

#### The number of promoted employees over the period (person)



## **Occupational health and safety against** covid-19 (GRI 403)

#### **ENSURING HEALTH SAFETY AND PREVENTION OF COVID-19**

In 2021, to ensure the health safety for employees working in the Company as well as prevent the outbreak of Covid -19 pandemic in the community, the Company implemented strict measures at the factory:



- > Implementing 3-at site model during social distancing period in Cu Chi and Trang Bang plants
- > Requiring 100% of workers to always wear the mask and use antiseptic hand sanitizer;
- > Checking body temperature 3 times a day for all employees when entering the Company to work;
- > Requiring staffs to submit medical reports and use the Blue zone application to promptly detect the transmission risk:
- > Practising physical distancing and creating compartments seats at the Company canteen;
- > Making different lunchtime and break time slots among departments to limit mass gathering;
- > Taking alternately annual leaves to reduce the risk of epidemic outbreak;
- > Making the seat partition between employees in the workplace;
- > Regularly spraying the disinfectant at the Company's working area;
- > Holding online meetings to reduce the risk of mass gathering;

# **COVID-19** RESPONSE





### WORKER PARTICIPATION, CONSULTATION, AND **COMMUNICATION ON OCCUPATIONAL HEALTH AND** SAFETY WORKER PARTICIPATION, CONSULTATION, AND **COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY**

(GRI 403-1)

- > The Company's health and safety committee consist of one full-time occupational safety officer and the occupational safety network.
- > The Company's health and safety committee are responsible to ensure that all production and operation activities at the Company comply with the health and safety regulations and policies.
- > Periodically, the occupational health and safety committee will organize training and propaganda regarding labor safety at workplaces, fire drills, first aid drills and periodic health checks for the Company's employees; preparing health and safety report of the Company to submit to the Department of Labor, War Invalids and Social Affairs of Ho Chi Minh City and Tay Ninh about labor safety activities and the number of labor accident cases of the Company.
- Health and safety network: 31 members (males: 28 people, females: 3 people)
- The percentage of the Company's employees having representation in the official occupational health and safety committees: 100%

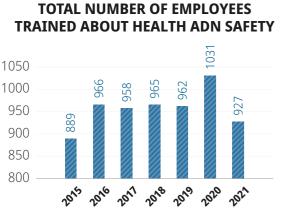
#### **TYPES OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, ABSENTEEISM, AND NUMBER OF WORK-RELATED FATALITIES (GRI 403-2)**

2

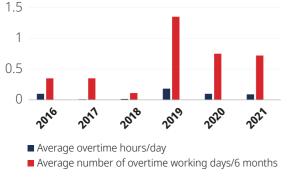
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2015



**AVERAGE WORKING HOURS** 



AND OCCUPATIONAL DISEASES (CASES) Number of Number of labor accidents occupational diseases 8 6 4

THE NUMBER OF LABOR ACCIDENT

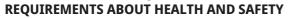
THE MACHINERY AND EQUIPMENT HAVE STRICT

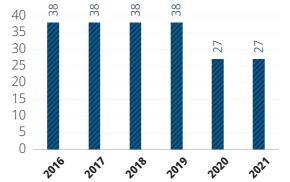
2018

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2017





The number of machinery and equipment having strict requirements about safety in 2021 was the same as in 2020. The Company did not have new machinery and equipment with strict requirements on OSH management in 2021.

	lumber of r accident	Type of injury and rate of injury	Occupational diseases rate	Lost days rate	Absenteeism rate	Work-related fatality rate
0	Male	None	0%	0%	0%	0
case	Female	None	0%	0%	0%	0

(Under the Company's report of occupational health and safety in 2021 to the Department of Labor, War Invalids and Social Affairs of Ho Chi Minh City and Tay Ninh – December 31<sup>st</sup>, 2021)

#### WORKING ENVIRONMENT MEASUREMENTS

- > STK proactively implements measurement of the working environment to prevent occupational diseases and ensure health for employees.
- > In 2021, the Company cooperated with the Southern Environmental Health Joint Stock Company to conduct an assessment of the working environment to identify the risks, hence proposing measures to minimize the impact of these risks in the working environment.

Measuring method: measure the indicators including microclimate, light, noise, dust, toxicant **gas** at certain technical positions in accordance with the standard measuring procedures developed by Institute for Occupational and Environmental Health - and published by the Medical Publishers in 2002.

#### Applicable standards:

- > Decision No.3733/2002/QĐ-BYT Occupational Safety and Health Standards
- > Vietnam standard 5508:2009 microclimate in working place.
- > Standard QCVN 24: 2016 / BYT

The testing result of the working environment measurement report in 2021: (Refer further to the testing result of microclimate, light, noise, dust, toxicant gas at attached appendix 3)

#### HEALTH AND SAFETY TOPICS COVERED IN FORMAL **AGREEMENTS WITH TRADE UNIONS** (GRI 403-4)

> The Company's collective labor agreement covers health and safety matters. In the Company's collective labor agreement, headlines related to health and safety topics account for 11% of the total number of headlines.





## **Customer health and safety** (GRI 416)

#### **ASSESSMENT OF THE HEALTH AND SAFETY IMPACTS OF PRODUCT AND SERVICE CATEGORIES (GRI 416-1)**

STK's commitment to providing high-quality products is demonstrated through strict quality control of raw material input, production process, a quality check of finished products to ensure meeting the order requirements.



has 200 employees who will conduct 100% quality checks for the semi-finished product (POY) and finished product (DTY and FDY). Besides, QC is also responsible for controlling the technical parameters of the machines.

#### **VIA AUDITING SYSTEMS**







Percentage of significant product and service categories for which health and safety impacts are assessed for improvement: 100% of all products at the Company are assessed about health and safety matters.

#### **INCIDENTS OF NON-COMPLIANCE CONCERNING THE** HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES (GRI 416-2)

In 2021, the total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period:

1. No incidents of non-compliance with regulations resulting in a fine or penalty; 2. No incidents of non-compliance with regulations resulting in a warning; 3. No incidents of non-compliance with voluntary regulations;



## Local community (GRI 413)

#### **OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT** ASSESSMENTS, AND DEVELOPMENT PROGRAMS (GRI 413-1)

1. Social impact assessments, including gender impact assessments, based on participatory processes:

> Quarterly, the Company carries out periodical dialogue with its employees to share information and to foster better understanding between the employer and the employees to ensure democracy at working place.

#### 2. Environmental impact assessments and ongoing monitoring:

- > Periodically, the industrial zone authority will conduct inspection and assessment on the environmental impacts of the Company.
- > the Company also proactively makes the environmental inspection report, aiming to ensure that all production and operation activities do not have bad impacts on the environment and the local community.

#### 3. Public disclosure of environmental and social impact assessments:

- > Reports and related information on environmental and social matters are disclosed publicly on the Company's website - Sustainable development tab.
- Related information on environmental and social matters is also presented in the Annual report and Sustainable report, disclosing to all related parties.

#### 4. Formal local community grievance processes:

The Company receives the contributed comments of related parties (including the local community) via emails and telephone number as posted on the Company's website.

#### 5. Comply and support the government policy

- > STK is committed to and strictly adhered to the government's policies and regulations.
- > In addition, with commitments from the General Director, STK has always strictly and fully complied with the requirements regarding social policies, the Laws of Vietnamese and other business codes of conduct:
- Commitment to comply with the policy of voluntary workers, no deposit, no bond;
- Commitment to comply with a policy of no child labo
- Commitment to comply with a policy of freedom to e ations and collec negotiation;
- Commitment to comply with a policy of no discrimination,
- Commitment to a policy on health and occupational safety;
- Commitment to comply with a policy on salary-reward in accordance w
- Commitment to a policy on working hours and break hours.

#### ANTI-CORRUPTION AND BRIBERY

- > STK commits to doing business honestly and ethically, acting professionally, fairly and with integrity in all business dealings and relationship.
- > In the entire operating system, the Company always ensures compliance with the regulations of the law as well as the basic ethical principles to create integrity in operations.
- > Any staff found receiving bribes or improper benefits or asking for personal benefits from customers and suppliers will be strictly disciplined. Periodically, the Company requests its suppliers to sign a commitment for not making bribery to the Company's staffs.

#### **OPERATIONS WITH SIGNIFICANTLY ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES**

> The Company commits to not having any significant actual and potential negative impacts on local communities.





## **Traditional culture of the Company**

#### 2021's Results

- > Due to the Covid-19 epidemic, the Company postponed the weekly program and book presentation;
- > The Company resumed the vision & mission program and book presentations in 2022 when the epidemic was contained;

## **Corporate culture standards**

#### 2021's Objectives

- > Supporting employees who have difficult circumstances in the Company;
- > Helping and supporting colleagues;

#### 2021's Results

> Giving gifts to employees who have difficult circumstances: 310;

In 2021, the Company coordinated with its Trade Union to create a fund for giving meaningful gifts to employees having difficult circumstances. The Company has offered more than 310 gifts to employees working at the Company.

#### LABOR-COMMUNITY DEVELOPMENT TARGETS IN 2022

- > Staff turnover rate of 25%;
- > Unsuccesful recruitment rate of 20%;
- > Meeting 95% of staffing demand;
- > Management of Salary Budget by 97%;
- > Increase average salary by more than 5% for employees;









## **Green projects of company**

#### **RECYCLE YARN**

Since 2016 STK has started to produce Recycled Yarn. In 2021, the recycled yarn proportion in the total sales revenue reached 50%, exceeding 6.3% as compared to 2020 (44.7%). Thanks to the production of recycle yarn, the Company has indirectly helped recycling 3.04 billion post-consumer used bottles, reducing ocean plastic pollution, which has recently been one of the globe's alarming environmental problems.

#### **RECYCLING THE WASTE YARN FROM PRODUCTION PROCESSES**

The Company has been utilizing a production line of 1,500 tons of recycled PET chip/ year, raising the Company's profitability and cutting the cost of input material (through recycling waste yarn into PET chip).

#### **DOPE DYED YARN**

The Company continuously developed further the dope dyed yarn with more colors such as grey, black and blue navy, provided more product samples to domestic and export customers. The Dope dyed will meet the market demand for environmentally friendly products. This is also a global trend that top leading fashion brands such as Nike, Adidas, Puma, H&M, Inditex have been pursuing in order to limit disposal of hazardous chemicals to the environment

#### **SOLAR PROJECT**

The Company cooperated with a strategic partner to install the roof-top solar power systems for both Cu Chi and Trang Bang plants since 2020. It is expected that after completing the installation, the rooftop solar power systems will meet about 10% of the Company's electricity demand and saving electricity costs by 1 - 2%, reducing carbon footprint by 10.7% annually and 530 thousand tons of CO<sub>2</sub> over the life of the projects.

# **Abbreviation list**

BHXH	SOCIAL INSURANCE
BHYT	HEALTH INSURANCE
BKS	SUPERVISOR COMMITTEE
BTNMT	MINISTRY OF NATURAL RESOURCES AND ENVIRONMENT
CBCNV	EMPLOYEES
CC	CU CHI FACTORY
TB	TRANG BANG FACTORY
CTCP	JOINT STOCK COMPANY
AT-VS-LĐ	SAFETY, HYGIENE, LABOR
DTY	DRAWN TEXTURED YARN
FDY	FULLY DRAWN YARN
FTA	FREE TRADE AGREEMENT
GTGT	VALUE-ADDED
HĐQT	BOARD OF DIRECTORS
INVERTER	INVERTER
KCN	INDUSTRIAL PARK
LEAN	LEAN SYSTEM
POY	PARTIAL ORIENTED YARN
QCVN	VIETNAM STANDARD
QĐ-BYT	REGULATION OF MINISTRY OF HEALTH
SPINNING	DRAWING MACHINE
SSR	RESISTOR

STK, CENTURY	CENTURY SYNTHETIC FIB
SXKD	MANUFACTURING ANĐ C
TCVS	SANITARY STANDARDS
TCVSLÐ	LABOR HYGIENE STANDA
TGĐ	GENERAL DIRECTOR
BOD	BOARD OF DIRECTOR ME
BOS	SUPERVISOR COMMITTE
TNCN	PERSONAL INCOME
TNDN	CORPORATE INCOME
TNHH	LIMITED
DOPE DYE	COLOR YARN
CARBON FOOTPRINT	CO <sub>2</sub> EMISSION
WINDER	WINDING MACHINE
SGDCK	STOCK EXCHANGE AGEN
HOSE	HO CHI MINH STOCK EXC
QC	QUALITY CONTROL
SOP	STANDARD OPERATION F
PDCA	PLAN-DO-CHECK-ACT
ESOP	PREFERRED SHARES

#### IBER CORPORATION

OPERATION

DARDS

IEMBERS

EE MEMBERS

NCY

KCHANGE

PROCEDURES





# **REFERENCE TABLE OF REPORT CONTENTS TO GRI STANDARDS** (GRI 102-55)



GRI STANDARDS	DISCLOSURE ITEMS	PAGE
GRI		
GRI 100: UNI	VERSAL STANDARDS	
ORGANIZATI	ONAL PROFILE	
102-1	Name of the organization	
102-2	Activities, brands, products, and services	
102-3	Location of headquarters	
102-4	Location of operations	
102-5	Ownership and legal form	
102-6	Markets served	
102-7	Scale of the organization	
102-8	Information on employees and other workers	
102-9	Supply chain	
102-10	Significant changes to the organization and its supply chain	
102-11	Precautionary Principle or approach	
102-12	External initiatives	
102-13	Membership of associations	
STRATEGY	Significant changes to the organization and its supply chain	
102-14	Statement from senior decision-maker	General Director message
102-15	Key impacts, risks, and opportunities	
ETHICS AND	INTEGRITY	
102-16	Values, principles, standards, and norms of behavior	
102-17	Mechanisms for advice and concerns about ethics	
GOVERNANC	E	
102-18	Governance structure	
102-19	Delegating authority	

GRI STANDARDS	DISCLOSURE ITEMS	PAG
102-20	Executive-level responsibility for economic, environmental, and social topics	
102-21	Consulting stakeholders on economic, environmental, and social topics	
102-22	Composition of the highest governance body and its committees	
102-23	Chair of the highest governance body	
102-24	Nominating and selecting the highest governance body	
102-25	Conflicts of interest	
102-26	Role of highest governance body in setting purpose, values, and strategy	
102-27	Collective knowledge of highest governance body	
102-28	Evaluating the highest governance body's performance	
102-29	Identifying and managing economic, environmental, and social impacts	
102-30	Effectiveness of risk management processes	
102-31	Review of economic, environmental, and social topics	
102-32	Highest governance body's role in sustainability reporting	
102-33	Communicating critical concerns	
102-34	Nature and total number of critical concerns	
102-35	Remuneration policies	
102-36	Process for determining remuneration	
102-37	Stakeholders' involvement in remuneration	
102-38	Annual total compensation ratio	
102-39	Percentage increase in annual total compensation ratio	
STAKEHOLDE	R ENGAGEMENT	
102-40	List of stakeholder groups	
102-41	Collective bargaining agreements	
102-42	Identifying and selecting stakeholders	





GRI STANDARDS	DISCLOSURE ITEMS	PAGE		
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102-44	Key topics and concerns raised			
REPORTING P	PRACTICE			
102-45	Entities included in the consolidated financial statements			
102-46	Defining report content and topic Boundaries			
102-47	List of material topics			
102-48	Restatements of information			
102-49	Changes in reporting			
102-50	Reporting period			
102-51	Date of most recent report			
102-52	Reporting cycle			
102-53	Contact point for questions regarding the report			
102-54	Claims of reporting in accordance with the GRI Standards			
102-55	GRI content index			
102-56	External assurance			
GRI 103: MAN	IAGEMENT APPROACH			
103-1	Explanation of the material topic and its Boundary			
GRI 200: ECO	NOMIC STANDARDS			
GRI 201: ECO	NOMIC PERFORMANCE			
201-1	Direct economic value generated and distributed			
201-2	Financial implications and other risks and opportunities due to climate change			
201-3	Defied benefit plan obligations and other retirement plans			
GRI 202: MARKET PRESENCE				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage			

GRI STANDARDS	DISCLOSURE ITEMS			
GRI 203: INDIRECT ECONOMIC IMPACTS				
203-1	Infrastructure investments and serv			
203-2	Significant indirect economic impac			
GRI 204: PRO	CUREMENT PRACTICES			
204-1	Proportion of purchase from plocal			
GRI 205: ANT	I-CORRUPTION			
205-1	Operations assessed for risks relate			
205-2	Communication and training at policies and procedures			
205-3	Confirmed incidents of corruption a			
GRI 206: ANT	I- COMPETITIVE BEHAVIOR			
206-1	Legal actions for anti-competitive and monopoly practices			
GRI 300: ENV	IRONMENT STANDARDS			
GRI 301: MAT	ERIALS			
301-1	Materials used by weight or volume			
301-2	Recycled input materials used			
301-3	Reclaimed products and their packa			
GRI 302: ENEI	RGY			
302-1	Energy consumption within the org			
302-3	Energy intensity			
302-4	Reduction of energy consumption			
302-5	Reductions in energy requiremer services			
GRI 303: WATER				
303-1	Water withdrawal by source			
303-2	Water sources significantly affected water			
303-3	Water recycled and reused			

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and actions taken	
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nts of products and	
ted by withdrawal of	





GRI STANDARDS	DISCLOSURE ITEMS	PAGE			
GRI 304: BIODIVERSITY					
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas				
304-2	significant impacts of activities, products, and services on biodiversity				
304-3	Habitats protected or restored				
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations				
GRI 305: EMIS	SSIONS				
305-1	Direct (Scope 1) GHG emissions				
305-2	Energy indirect (Scope 2) GHG emissions				
305-3	Other indirect (Scope 3) GHG emissions				
305-4	GHG emissions intensity				
305-5	Reduction of GHG emissions				
305-6	Emissions of ozone-depleting substances (ODS)	Not applicable			
305-7	Nitrogen oxides (NOx) sulfur oxides (SOx), and others significant air emissions				
GRI 306: EFFL	UENTS AND WASTE				
306-1	Water discharge by quality and destination				
306-2	Waste by type and disposal method				
306-3	significant spills	No records			
306-4	Transport of hazardous waste				
306-5	Water bodies affected by water discharges and/or runoff	No records			
GRI 307: ENV	IRONMENTAL COMPLIANCE				
307-1	Non-compliance with environmental laws and regulations				
GRI 308: SUPI	PLIER ENVIRONMENTAL ASSESSMENT				
308-1	New suppliers that were screened using environmental criteria				
308-2	Negative environmental impacts in the supply chain and actions taken	No records			

GRI STANDARDS	DISCLOSURE ITEMS			
GRI 400: SOCI	AL STANDARDS			
GRI 401: EMPL	OYMENT			
401-1	New employee hires and employee			
401-2	Benefits provided to full-time emp provided to temporary or part-time			
GRI 402: LABC	R/MANAGEMENT RELATIONS			
402-1	Minimum notice periods regarding			
GRI 403: OCCU	JPATIONAL HEALTH AND SAFETY			
403-1	Worker's representation in formal worker health and safety committee			
403-2	Types of injury and rates of injury, o lost days, and absenteeism, and nu fatalities			
403-3	Workers with high incidence or h related to their occupation			
403-4	Health and safety topics covered in with trade unions			
GRI 404: TRAI	NING AND EDUCATION			
404-1	Average hours of training per year			
404-2	Programs for upgrading employee assistance programs			
404-3	Percentage of employees receiving and career development reviews			
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY				
405-1	Diversity of governance bodies and			
405-2	Ratio of basic salary and remunerat			

#### PAGE

e turnover

ployees that are not e employees

operational changes

The Company commits to notice time in accordance with the labor law

al joint management– ees

occupational diseases, umber of work-related

high risk of diseases

None

in formal agreements

per employee

e skills and transition

g regular performance

d employees

tion of women to men





GRI STANDARDS	DISCLOSURE ITEMS	PAGE				
GRI 406: NON	GRI 406: NON- DISCRIMINATION					
406-1	Incidents of discrimination and corrective actions taken	No records				
GRI 407: FREE	EDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No records				
GRI 408: CHII	_D LABOR					
408-1	Operations and suppliers at significant risk for incidents of child labor	The Company commits not to use employees <18 years old				
GRI 409: FOR	CED OR COMPLUSORY LABOR					
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	No records				
GRI 411: RIGH	HTS OF INDIGENOUS PEOPLES					
411-1	Incidents of violations involving rights of indigenous peoples	No records				
GRI 412: HUN	IAN RIGHTS ASSESSMENT					
412-1	Operations that have been subject to human rights reviews or impact assessments					
412-2	Employee training on human rights policies or procedures					
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening					
GRI 413: LOC	AL COMMUNUTIES					
413-1	Operations with local community engagement, impact assessments, and development programs					
413-2	Operations with significantly actual and potential negative impacts on local communities	No records				
GRI 414: SUPPLIER SOCIAL ASSESSMENT						
414-1	New suppliers that were screened using social criteria					
414-2	Negative social impacts in the supply chain and actions taken	No records				

GRI STANDARDS	DISCLOSURE ITEMS				
GRI 416: CUS	TOMER HEALTH AND SAFETY				
416-1	Assessment of the health and safe and service categories				
416-2	Incidents of non-compliance concerns safety impacts of products and service of the service of th				
GRI 417: MAR	KETING AND LABELING				
417-1	Requirements for product and ser labelling				
417-2	Incidents of non-compliance con- service information and labeling				
417-3	Incidents of non-compliance co communications				
GRI 418: CUS	GRI 418: CUSTOMER PRIVACY				
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GRI 419: SOCIOECONOMIC COMPLIANCE					
419-1	Non-compliance with laws regulati economic area				

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ty impacts of product	
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cerning product and	No records
oncerning marketing	
erning breaches of tomer data	No records
ions in the social and	No records





# **Appendix 1**: Air monitoring results at the Company

Parameters and results of air quality monitoring:

СОМР	COMPANY GATE AREA					
No.	Parameter	Standard-QCVN 05:2009/BTNMT	Standard-QCVN 26:2010/BTNMT	Unit	2021	
А	CU CHI Plant					
1	Temperature	-		°C	30.7	
2	Noise level	-	70(")	dBA	65.5	
3	Dust	0.3		mg/m <sup>3</sup>	0.21	
4	NO <sub>2</sub>	0.2		mg/m <sup>3</sup>	0.062	
5	SO <sub>2</sub>	0.35		mg/m <sup>3</sup>	0.049	
6	СО	30		mg/m <sup>3</sup>	6.51	
В	TRANG BANG 1,	2 Plant				
1	Temperature	-		°C	30.2	
2	Noise level	-	70(")	dBA	61.5	
3	Dust	0.3		mg/m <sup>3</sup>	0.18	
4	NO <sub>2</sub>	0.2		mg/m <sup>3</sup>	0.061	
5	SO <sub>2</sub>	0.35		mg/m <sup>3</sup>	0.077	
6	СО	30		mg/m <sup>3</sup>	6.4	
В	TRANG BANG 3	Plant				
1	Temperature	-		°C	30.7	
2	Noise level	-	70(")	dBA	66.3	
3	Dust	0.3		mg/m <sup>3</sup>	0.2	
4	NO <sub>2</sub>	0.2		mg/m <sup>3</sup>	0.073	
5	SO <sub>2</sub>	0.35		mg/m <sup>3</sup>	0.084	
6	CO	30		mg/m <sup>3</sup>	6.2	

→ The results of air monitoring parameters at the Company's gate area meet the standards of QCVN 05:2009/BTNMT and QCVN 26:2010/BTNMT.

No Parameter Standard-TCVS		11	2021		
No.	Parameter	3733/2002/QĐ-BYT	Unit –	POY Section	DTY Sectio
	CU CHI Plant				
1	Tomporaturo	≤32	°C	31.6	31.
I	Temperature	202	C	31.5	30.
2	Noise level	≤85	dBA	82.3	83.
2		202	GDA	83.7	83.
3	Dust	8	mg/m <sup>3</sup>	0.17	0.1
5	Dust	0	mg/m	0.18	0.1
4	NO <sub>2</sub>	10	mg/m <sup>3</sup>	0.112	0.10
4	NO <sub>2</sub>	10	mg/m	0.120	0.11
5	SO <sub>2</sub>	10	$ma/m^3$	0.085	0.10
J	30 <sub>2</sub>	10	mg/m <sup>3</sup>	0.090	0.10
6	$\mathcal{CO}$	40	$ma/m^3$	6.7	6.4
0	CO	40	mg/m <sup>3</sup>	6.5	6.3
7		<0,002	<0,00		
1	VOC	-	mg/m <sup>3</sup>	<0,002	<0,00
	TRANG BANG	1,2 Plant			
1	Temperature	≤32	°C	30.4	29
2	Noise level	≤85	dBA	84.5	83
3	Dust	8	mg/m <sup>3</sup>	0.16	0.1
4	NO <sub>2</sub>	10	mg/m <sup>3</sup>	0.070	0.07
5	SO <sub>2</sub>	10	mg/m <sup>3</sup>	0.088	0.08
6	СО	40	mg/m <sup>3</sup>	6.34	6.7
7	VOC	-	mg/m <sup>3</sup>	<0,002	<0,00
	TRANG BANG	3 Plant			
1	Temperature	≤32	°C	31.2	31
2	Noise level	≤85	dBA	83.9	84
3	Dust	8	mg/m³	0.15	0.1
4	NO <sub>2</sub>	10	mg/m³	0.070	0.06
5	SO <sub>2</sub>	10	mg/m³	0.085	0.07
6	CO	40	mg/m³	6.12	6.2
7	VOC	-	mg/m³	<0,002	<0,00

 $\rightarrow$  The results of the air monitoring parameters in the production area all meet the standards TCVS 3733/2002/QD-BYT.





# Appendix 2: Results of monitoring the Company's wastewater quality in 2021

No.	Name of parameters	C value Column B- QCVN 40:2011/BTNMT	Unit	System waste water after treatment
	CU CHI Plant			
1	рН	5-9	-	6.4
2	BOD5	50	mg/l	21.7
3	COD	150	mg/l	65.5
4	TSS	100	mg/l	22
5	Copper (Cu)	2		KHP (LOD=0.05)
6	Total N	40	mg/l	30
7	Total P	6	mg/l	1.21
8	Total Coliform/100ml	5000	MPN	4000

No.	Name of parameters	C value Column B- QCVN 40:2011/BTNMT	Unit	System waste water after treatment
	TRANG BANG 1,2 Plant			
1	рН	5-9	-	6.4
2	BOD5	50	mg/l	33.8
3	COD	150	mg/l	86.7
4	TSS	100	mg/l	16
5	Copper (Cu)			KHP (LOD=0.05)
6	Total N	40	mg/l	6.3
7	Total P	6	mg/l	1.21
8	Total Coliform/100ml	5000	MPN	3900
	TRANG BANG 3 Plant			
1	рН	5-9	-	6.8
2	BOD5	50	mg/l	31.4
3	COD	150	mg/l	80.5
4	TSS	100	mg/l	21
5	Copper (Cu)			KHP (LOD=0.05)
6	Total N	40	mg/l	29.8
7	Total P	6	mg/l	2.77
8	Total Coliform/100ml	5000	MPN	3400

→ Parameter results of wastewater analysis after the treatment system, before connecting to the general wastewater collection system of the industrial park, are completely up to standard.



# Appendix 3: Test results of the Company's working environment in 2021 – dust concentration - microclimate - light - noise - toxic gases

#### Concentration of dust

#### DUST CONTENTS IN THE AIR

			Total dust	: (mg/m³)					
		CU CHI	Plant	TRANG BAN	lG 1,2 Plant	TRANG BA	NG 3 Plant	TRANG BAI	NG 5 Plant
No.	LOCATION OF MEASUREMENTS	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards
	Factory DTY area#1								
1	Workshop head area	1.037		1.165		1.216		1.233	
3	Workshop end area	0.995		1.139		1.182		1.258	
4	Factory DTY area #2								
5	Workshop head area	1.063							
6	Workshop middle area	1.088							
7	Workshop end area	1.020							
8	Winder workshop middle area	1.190		1.105		1.224			
9	Spinning workshop middle area	1.230		1.122		1.120			
10	Inspection area							1.290	
11	Packaging area							0.935	
12	Finished product area								
13	Recycle area							0.986	
	TOTAL	07		04		04		05	
	OSH STANDARDS (Decision No. 3733/2002/QD-BYT) Maximum permissible concentration value of non-silicon dust		4,	0					







### <u>Microclimate</u>

			TEMPERATURE (°C)		HUMIDI	TY (Hr %) WIND SPEED (m/s)		
No.	LOCATION OF MEASUREMENTS	TIME (h)	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards
	Season when measurir	ng: 8:3	0am					
	CU CHI Plant							
	Outside		29.7		53.6		0.3-0.5	
	Factory DTY area#1							
1	Workshop head area		31.6		56.9		0.2-0.3	
2	Workshop middle area		30.9		66.4		0.2-0.3	
	Factory DTY area#2							
3	Workshop head area		31.8		49.4		0.2-0.3	
4	Workshop middle area		31.7		48.9		0.2-0.3	
5	Workshop end area		31.9		47.7		0.2-0.3	
	Winder workshop							
6	Workshop head area		29.7		54.4		0,2-0,3	
7	Workshop end area		29.6		54.3		0,2-0,3	
	Spinning workshop							
8	Workshop head area		29.8		54.4		0,2-0,3	
9	Workshop end area		29.7		54.3		0,2-0,3	
	TOTAL		09		09		09	

		TEMPERATURE (°C)		HUMIDI	FY (Hr %)	WIND SPI	EED (m/s)	
No.	LOCATION OF MEASUREMENTS	TIME (h)	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards
	TRANG BANG 1,2 Plant	:						
	Outside		32,1		51,1		0,3-0,5	
	Factory DTY area#1							
1	Workshop head area		27.9		53.4		0,2-0,3	
2	Workshop end area		27.8		54.3		0,2-0,3	
	Factory DTY area#2							
3	Workshop head area							
4	Workshop middle area							
5	Workshop end area							
	Winder workshop							
6	Workshop head area		29.8		52.5		0,2-0,3	
7	Workshop end area		29.4		52.1		0,2-0,3	
	Spinning workshop							
8	Workshop head area		28.9		54.1		0,2-0,3	
9	Workshop end area		28.7		54		0,2-0,3	
	TOTAL		06		06		06	



### Microclimate (continued)

			TEMPERA	TURE (°C)	HUMIDI	FY (Hr %)	IDITY (Hr %) WIND SPEED (m/s)		
No.	LOCATION OF MEASUREMENTS	TIME (h)	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards	
	TRANG BANG 3 Plant								
	Outside		32,1		51,1		0,3-0,5		
	Factory DTY area#1								
1	Workshop head area		29		68.5		0,2-0,3		
2	Workshop end area		29.8		60.8		0,2-0,3		
	Factory DTY area#2								
3	Workshop head area								
4	Workshop middle area								
5	Workshop end area								
	Winder workshop								
6	Workshop head area		29.5		52.0		0,2-0,3		
7	Workshop end area		29.5		52.0		0,2-0,3		
	Spinning workshop								
8	Workshop head area		28.8		54.4		0,2-0,3		

			TEMPERATURE (°C)		HUMIDITY (Hr %)		WIND SPEED (m/s)	
No.	LOCATION OF MEASUREMENTS	TIME (h)	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards
9	Workshop end area		28.5		54.2		0,2-0,3	
	TOTAL		06		06		06	
	TRANG BANG 5 plant							
	Outside		32,1		51,1		0,3-0,5	
1	DTY workshop		28.9		54.1		0,2-0,3	
2	Inspection area		27.5		69.1		0,2-0,3	
3	Packaging area		27.3		73.2		0,2-0,3	
4	Finished product area		26.6		73		0,2-0,3	
5	Recycle area		28.8		59.7		0,2-0,3	
	TOTAL		05		05		05	
Requ hum	N 3733:2002 uirements for temperatu idity, air movement spe working position		Ś	32	3≥	30	0,2-	-2,0





### <u>The light</u>

		THE LIG	HT (Lux)	NOISE	(dBA)	
No.	LOCATION OF MEASUREMENTS	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards	NOTE Allowed exposure to noise (8 hours/day)
	CU CHI Plant					
	Factory DTY area #1					
1	Workshop head area	317			94.1	
2	Workshop middle area	309			92.3	
3	Workshop end area	303			91.7	
4	Factory DTY area #2					
5	Workshop head area	318			91.3	
6	Workshop end area	310			91.0	
7	Winder workshop					
8	Workshop head area	318			98.5	
9	Workshop end area	310			99.4	
10	Spinning workshop					
11	Workshop head area	312		84.5		
12	Workshop end area	325		84.8		
	TOTAL	09		02	07	

		THE LIG	HT (Lux)
No.	LOCATION OF MEASUREMENTS	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards
	TRANG BANG 1,2 plant		
	Factory DTY area #1		
1	Workshop head area		
2	Workshop end area		
3	Factory DTY area #2		
4	Workshop head area	318	
5	Workshop middle area	307	
6	Workshop end area	314	
7	Winder workshop		
8	Workshop head area	310	
9	Workshop end area	308	
10	Spinning workshop		
11	Workshop head area	312	
12	Workshop end area	315	
	TOTAL	07	

#### NOISE (dBA)

	NOISE (dBA)				
NOTE Allowed exposure to noise (8 hours/day)	Number of samples not meeting the OSH standards	Number of samples meeting the OSH standards			
	86.4				
	87.4				
	86.4				
	92.1				
	92.0				

84.2		
84.5		
02	04	



### The light (continued)

		THE LIG	HT (Lux)	NOISE	(dBA)	
No.	LOCATION OF MEASUREMENTS	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards	NOTE Allowed exposure to noise (8 hours/day)
	TRANG BANG 3 Plant					
	DTY area					
1	Workshop head area	303			90	
2	Workshop middle area	320			87.6	
3	Workshop end area	310			87.3	
4	Factory DTY area #2					
5	Workshop head area					
6	Workshop middle area					
7	Workshop end area					
8	Winder workshop					
9	Workshop head area	302			88.3	
10	Workshop end area	310			86.5	
11	Spinning workshop					
12	Workshop head area	318		84.9		
13	Workshop end area	304		84.3		
14	TOTAL	07		02	05	

		THE LIG	HT (Lux)	NOISE	(dBA)	
No.	LOCATION OF MEASUREMENTS	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards	NOTE Allowed exposure to noise (8 hours/day)
15	TRANG BANG 5 plant					
16	DTY workshop	316			87.4	
17	Inspection area	1020		70.2		
18	Packaging area	308		62.6		
19	Finished product area	145		77.7		
20	Recycle area	312		78.5		
	TOTAL	05		04	01	
Decis BYT * Noi - Area works * The - Text	STANDARDS sion No. 3733/2002/QD- se a where workers work in shops and in factories e light tile industry nning, winding, dyeing	30	)0	3≥	35	8h





#### <u>Poisonous gas</u>

No.	LOCATION OF MEASUREMENTS	Cacbon đioxit (mg/m³)	Etylen (mg/m³)
	CU CHI plant		
1	DTY Workshop	900	
2	Winder workshop middle area	828	
3	Spinning workshop middle area	864	
4	Laboratory area	1152	6.41
5	Test dyeing room	810	17.29
	TOTAL	05	02
	TRANG BANG 1,2 plant		
1	DTY Workshop	864	
2	Winder workshop middle area	828	
3	Spinning workshop middle area	900	
4	Laboratory area	1224	4.58
5	Test dyeing room	1224	5.50
	TOTAL	05	02

No.	LOCATION OF MEASUREMENTS	Cacbon đioxit (mg/m³)	Etylen (mg/m³)
	TRANG BANG 3 Plant		
1	DTY Workshop	792	
2	Winder workshop middle area	792	
3	Spinning workshop middle area	756	
4	Test dyeing room 1	1134	3.66
5	Test dyeing room 2	1152	3.78
	TOTAL	05	02
	TRANG BANG 5		
1	DTY Workshop	936	
2	Inspection area	1008	
3	Packaging area	864	
4	Finished product area	756	
5	Recycle area	720	
	TOTAL	05	0
(Deci: Limit worki - Avei	STANDARDS sion 3733/2002/QD-BYT) values of chemicals in the air in the ing area: rage 8 hours (TWA) n time maximum (STEL)	900 1800	1150 -



#### <u>Noise</u>

No.	LOCATION OF MEASUREMENTS		SOUND LEVELS IN FREQUENCIES (Hz)							
		General sound level (dBA)	63	125	250	500	1K	2К	4K	8K
	CU CHI Plant									
	DTY Workshop									
1	Machine# 15	91.3	57	65	78	83	84	81	78	72
2	Machine# 12	91.0	58	64	76	81	84	80	78	70
3	Machine# 10	94.1	60	71	81	87	86	84	81	75
4	Machine# 04	92.3	56	67	78	82	84	81	79	73
5	Machine# 06	91.7	56	67	78	83	84	82	78	73
6	Winder workshop middle area	98.5	62	74	86	90	86	85	84	75
7	Spinning workshop middle area	84.5	50	60	74	78	80	78	74	66
	TRANG BANG 1,2 Plant									
	DTY Workshop									
1	Machine# 26	86.4	50	62	74	79	82	79	75	68
2	Machine# 27	87.4	53	63	76	79	81	80	76	69
3	Machine# 28	86.4	51	62	73	78	82	77	75	67
4	Winder workshop	92.1	54	67	77	82	84	81	78	74
5	Spinning workshop	84.2	50	60	73	78	79	78	74	67
	TRANG BANG 3 Plant									
	DTY Workshop									
1	Machine# 39	90	54	64	78	82	84	80	77	70
2	Machine# 43	87.6	55	63	76	81	82	79	78	69
3	Machine# 47	87.3	53	63	75	80	82	78	76	68
4	Winder workshop middle area	88.3	53	64	76	81	83	80	77	69
5	Spinning workshop middle area	84.9	50	61	73	79	80	78	74	67



### Noise (continued)

N	LOCATION OF MEASUREMENTS		SOUND LEVELS IN FREQUENCIES (Hz)							
No.		General sound level (dBA)	63	125	250	500	1K	2К	4K	8K
	TRANG BANG 5 Plant									
1	DTY Workshop									
2	Machine#54	87.4	54	63	75	81	83	80	75	70
3	Machine# 53	87.3	53	62	75	79	83	80	74	69
4	Machine# 55	90.2	55	66	76	82	84	83	77	71
5	Recycle area	78.5	44	56	67	71	75	72	66	59
	ational hygiene standards									
* Noise	on 3733/2002/QD-BYT									
	where workers work in workshops and in factories									

### SUMMARY RESULTS OF MEASUREMENT AND INSPECTION OF THE LABOR ENVIRONMENT

	Measuring and checking factors		CU CHI Plant		TRANG BANG Plants				
No.		Total number of samples	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards	Total number of samples	Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards		
1	Microclimate								
2	Temperature	11	11	0	32	32	0		
3	Humidity	11	11	0	32	32	0		
4	Wind speed	11	11	0	32	32	0		
5	The light	11	11	0	32	32	0		
6	Noise	11	04	07	32	17	15		
7	Frequency analysis noise	11	04	07	25	10	15		
8	Total dust	11	11	0	25	25	0		
9	Poisonous gas								
10	- Cacbon đioxit	08	08	0	17	17	0		
11	- Etylen	02	02	0	04	04	0		







