CENTURY SYNTHETIC FIBER CORPORATION

SUSTAINABILITY DEVELOPMENT REPORT

2022

RISK MANAGEMENT IMPLEMENTATION TOWARD SUSTAINABLE DEVELOPMENT OBJECTIVES

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HIGHLIGHTS OF SUSTAINABILITY DEVELOPMENT ACHIEVEMENTS IN 2022

CSI 100 DOANH NGHIỆP BỀN VỮNG 2022

CSI 100: STK was ranked in Vietnam's Top 100 Sustainable Enterprises in 2022 (ranked 13th in nominating list) according to the CSI 100 Index (manufacturing sector). This is **the 7th time in 7 consecutive years** that STK has received this honorable award (2016-2022).

ARA 2021 - 2022: STK won **the 1st prize of the 2022 best sustainability reports**. In 6 consecutive years from 2017-to 2022, 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 5 2022 best governance reports in the Midcap group.

2022 Sales Revenue VND **2,116.7** bil.

2022 Profit After Tax VND **240.3** bil.

Total number of employees **882** people

The number of waste water bottle indirectly recycled **4.1** **billion** bottles in 2022, equivalent to **407 million** of T-shirts.

Using solar energy to reduce the carbon footprint emission

Reducing **13,457** tons of CO_2 equivalent to planting **1,345,700** green trees.

Expanding production capacity

Establishing new automation Unitex factory with a capacity of (phase 1-36,000 tons/year; phase 2-24,000 tons/year)

Overview of sustainability report

GRI 100

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General Managing Director - DANG TRIEU HOA

Sustainability development message (GRI 102-14)

Dear valued shareholders and investors,

With the hope of ending the pandemic and economic recovery, the world economy had a favorable start in the first months of 2022. However, the Russia-Ukraine war that outbroke in February 2022 dragged the world into the crisis vortex of humanitarian, energy, and food issue and triggered waves of inflation and recession on a global scale. In addition, in 2022, the world also suffered terrible natural disasters such as unprecedented summer heat waves, unusually cold winters in the Northern Hemisphere, long-lasted droughts and super hurricanes. In order to survive in the harsh economic, social and environmental context mentioned above, risk management is an important strategy that governments, international organizations and companies around the world are paying attention to. Commitments and actions against climate change and environmental protection by governments, international organizations and companies have also become more solid. In that context, Century Synthetic Fiber Corporation is also consolidating its business operating activities, risk management, internal resources and exploiting available advantages to maintain current operations, building a concrete foundation for future development.

Being consistent in implementing and maintaining STK's sustainable development strategy from early stage, particularly concentrating on developing and supplying high quality and environmentally friendly products to the market, which helped the Company to keep high value-added orders from high-end customers, thanks to customers' long-standing trust in the Company's manufacturing technology of high-value-added products and excellent customer service (short delivery times, pre- and post-delivery service). Although the volume size of those orders were small, they had high profit margin, helping the Company to maintain a stable price gap and reach 12M2022 total sales revenue of VND2114.5 billion, surging by 4% y/y as compared to the same period last year, completing 81% of the sales revenue target in 2022. In addition, the proportion of 12M2022 recycled yarn reached 52.0% (Q4.2022 reached 56.5%) in total sales revenue as compared to the set target of 54% in 2022. The Company recorded a profit after tax of VND240.4 billion, completing 80% of the whole year 2022 profit plan. With given in the extremely unstable market context, such this business result apparently confirmed the strategic correctness in STK's sustainable development orientation.

In the period of 2023-2025, the Company will continue to maintain a sustainable development orientation in line with the common trend of Vietnam's textile and garment industry when more and more world fashion brands are soliding their commitments againsting climate change, reducing greenhouse gas emissions, protecting the environment towards the United Nations' goal of zero-carbon footprint to 2050, and balancing social responsibility. Given the increasing scrutiny of regulators over sustainability claims and consumers' growing awareness regarding to the fashion industry's contribution to sustainability, top brands will be more deliberated in choosing reliable raw material suppliers to avoid the risk of green wash boycott and reputational damage. STK is highly appreciated by brands in respect of ESG criterion (GRS certificate, high score in ESG assessment by independent audits, efficient production coupled with saving energy and materials, rooftop solar system and recognition by the local business community). With the mentioned advantages and additional ability to supply high-quality products (including recycled yarn, dope dyed yarn, specialty yarn), STK will actively capture these growing opportunities to boost its sales and optimize the profit.

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

Company overview

Established in 2000 as a limited liability company, Century Corporation has been focusing on production of high quality polyester filament such as POY (Partially Oriented Yarn), DTY (Drawn Texturized Yarn) and FDY (Fully Drawn Yarn). The Company's products are the input material for the textile factories that produce the fabric to supply high-end sportsware brands. We have been doing these business activities for the past 22 years. 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 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 domestic 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 thank to the growing demand for eco-friendly products. Tentatively, STK will increase the proportion of recycled yarn up to 75-80% in the total revenue of existing factories by 2025.

CENTURY SYNTHETIC FIBER CORPORATION'S EFFORTS IN THE 22 YEARS PATHWAY TOWARDS SUSTAINABLE DEVELOPMENT (2000-2022)

01 Reducing the use of fossil energy sources through the use of renewable energy sources (Solar) with a capacity of 10.5 MWp for 2 existing plants. Signing and increasing solar capacity with DPPA Trang Bang project.

02 Reducing carbon footprint by 10% on average over the years;

03 Reducing the use of clean water sources through the reuse of domestic water in production; increasing the recycling and reusing ratio of POY paper tube in production;

04 Expanding capacity and create more jobs for local people through Unitex automation factory project with scale of phase 1 (36,000 tons/year), phase 2 (24,000 tons/year). Increasing average income for workers and developing local education foundation.

05 Increasing the use of recycled materials, raising the proportion of Recycled yarn in total sales revenue to more than 50%;

06 Developing more environmentally friendly products such as color yarn using dope dyed technology, pushing demand for Recycled yarn by incorporating into recycled yarn with many special features;

The Company's profile

The Company's name	**Century Synthetic Fiber Corporation** *(GRI 102-1)*
Trading name	**Century Corp.**
Stock code	**STK (HOSE)**
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	**VND843,638,250,000**
Ownership Equity (31/12/2022)	**VND1,539.18 billion**
Telephone	+84.028 3790 7565 / +84.276 389 9536
Fax	+84.028 3790 7566 / +84.276 389 9537
Email	csf@century.vn
Website	www.theky.vn
Tax Registration Number	0302018927 *(GRI 102-5)*

Company's vision and mission

VISION

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

SERVING CUSTOMERS

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

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.

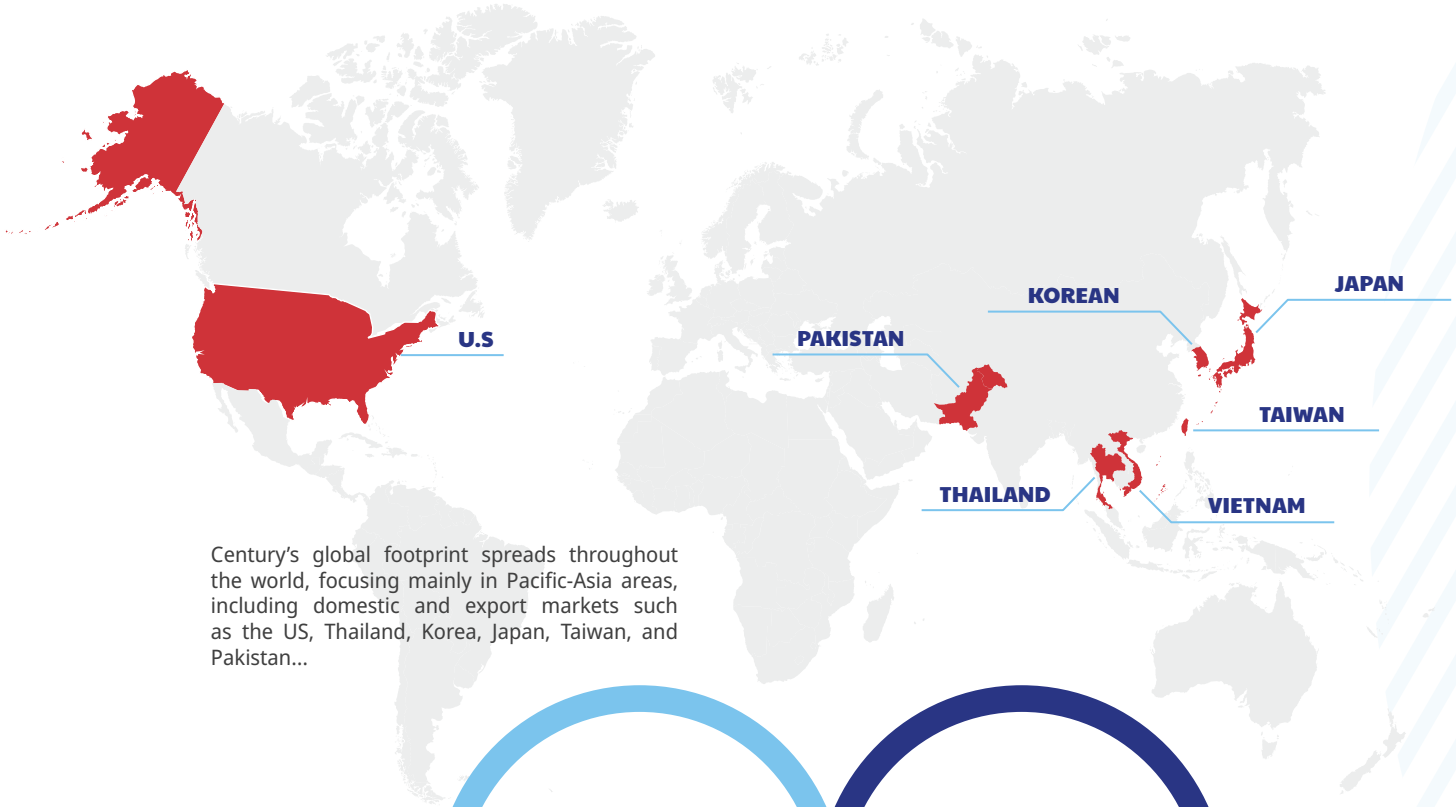
IMPROVING CONTINUOUSLY

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

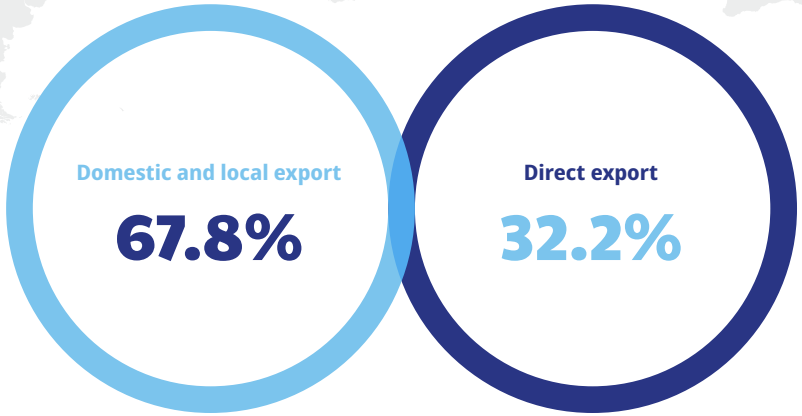
Commitments

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

Production capacity and market presence (GRI 102-6)



Century's global footprint spreads throughout the world, focusing mainly in Pacific-Asia areas, including domestic and export markets such as the US, Thailand, Korea, Japan, Taiwan, and Pakistan...



PRODUCTION CAPACITY (GRI 102-7)

- The Company has two factories located in Cu Chi and Trang Bang district with a total land area of 68,000 m^2 and the total number of employees is currently 882 people. As on 31.12.2023, the total capacity of the Company was 63,300 tons of DTY and FDY.
- One pellet making 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 2022 sustainability development report

SUSTAINABLE VALUES THAT STK CREATED FOR RELATED PARTIES

STK resources

Owner's Equity
VND**1,539.18** bil.

Total employees
882 people

Training time
1.990.25 hours

Training expenses
VND**53.7** mil.

Energy
129,365 Mwh

Water
245 thousand m^3

Coning oil material
885.6 tons

Recycled PET chips consumed
1,1 billion plastic bottles are indirectly recycled

Business model

4Ms Model:

MACHINES: investment in cutting edge machinery (saving energy consumption, ensuring the product quality).

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

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

MANAGEMENT: applying a modern management regime, aiming to ensure product quality, customer service, and saving costs.

Created values

Sales revenue	VND**2,114.5** bil.
Profit after tax	VND**240.37** bil.
Taxes contribution	VND**152.69** bil.
The number of post-consumer used bottles that STK indirectly recycled from 2016-2022	**4.1** billion post-consumer-used bottles

Labor accident	**0** case
Average wage increasing rate	**5%**
Dividend payment to shareholders	VND**98.7** bil.
Movement of Carbon footprint (CO_2)	decreased by **2.1%** on the total electricity consumption in 2022.

- 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 and coming years. The Company's activities towards sustainable development are regularly shared with STK's stakeholders in order to identify their related concerns which then are evaluated and considered by the Company's board of management in relation to current business performance, the Company's sustainable development strategy, the national and global sustainable development context, to determine the key reporting issues to be reviewed, improved as well as presented in the report. We always hope to receive constructive feedback to continuously review and improve in those matters of concern for the related parties.
- 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.
- 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 and garment-textile industry.

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

- The Company has many experienced years in making reports according to the Sustainability Reporting Standards - Global Reporting Initiative (GRI) - the latest version GRI Sustainability Reporting Standards, selection of reporting cores. This is the latest version with the highest international standards regarding to making the Sustainable Development Report. The Company applied latest standards in preparing its 2022 sustainability report.
- The GRI standards – a recognized international standard from Global Reporting Initiative Standards (GRI) under core contents. In 2019 the Company is also directly supported by The Competitive Trade Program (CSRCB)[1], guiding preparation of sustainable development report in accordance with GRI standards and got certification that the Company's sustainable development report in the same year is in accordance with GRI standards.
- 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..

1 *CSRCB is sponsored by GRI to improve the competitiveness and reporting quality of Vietnamese enterprises, helping those such as STK to strongly participate in the global value chains, enhancing the transparency and accountability of report*

3. Reporting period: the report is prepared based on the accounting period from 01/01/2022 to 31/12/2022 *(GRI 102-50)*

4. Latest date of report: 31/12/2021. *(GRI 102-51)*

5. Report quality: STK is committed to providing accurate, certain, reliable, and up-to-date information within the report:

Report contents (rules)	Reporting quality
Aligning stakeholder interests with the Company	Accurate
Sustainable development context of the Company and the world	Clearly
The impact of related party concerns on the Company	Comparable
Integrity of report content	Trusty
Reporting figures	Updated

*(refer to further information in Article **III.6.6**)*

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)*;
- Training budget in the year *(GRI – 404)*;
- 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.

Responsible for Edition: Pham Dang Khoa – IR Executive

Responsible for editorial and content: Ms. Nguyen Phuong Chi – Chief Strategy Office

Email: ir@century.vn

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

Circular economy and STK's value chains toward sustainability development

RECYCLING AND REUSING

- Reusing POY paper tubes in production processes.
- Reusing cooling water in production processes.
- Recycling wasted yarn into PET chip.
- Indirectly recycling post consumer used water bottles through.

STK'S RESOURCES

- Using eco-friendly (e-saving) machinery and equipment imported from Germany (Oerlikon Barmag).
- Invesments on capacity expansion projects.
- Using recycled materials (PET chip).
- The Company's workforce is skillful and highly experienced.
- Continuously researching and developing eco-friendly products.

SUPPLY AND DISTRIBUTION

- Switching over to non-Diesel forklift trucks for internal transport.
- Flexible arrangement for internal trucks and shipping routes.

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_2 emission).

R&D

- Developing recycle-plus yarn (with more functions).
- Developing dope dyed yarn which help customers to reduce consumption of dyeing chemicals and water.
- Installing solar power systems at factories.
- Initiatives to save energy and water use.

Implementation process of the company's sustainable value chain

SUSTAINABILITY DEVELOPMENT VALUE IN COMPANY ACTIVITIES

	Environment Protection	Economic Development	Development of Society-Labors
1 Production planning	› Setting norms for materials and energy consumption per 1 product unit. › Planning to reuse the production materials. › Developing a saving plan for electricity, water, and fuel usage.	› Proper arrangement of equipment and machinery to ensure production efficiency. › Ensuring the stable operation of machines, avoiding machines idle time to save cost.	› Planning training courses for working skills and technical knowledge enhancement. › Staffing arrangement to ensure the stable provision of human resources for production activities. › Providing health and safety equipment to employees. › Planning to use the local raw materials supplies.
2 Raw materials monitoring	› Auditing the material suppliers according to environmental responsibility standards. › Inspection of the quality and origin of materials	› Effective price negotiation. › Raw material checking to minimize the portion of imported low-quality materials.	› Providing professional knowledge for supplying team. › Using local transportation service.
3 Manufacturing Stage	› Saving electricity and water usage. › Using effectively the energy resource. › Avoiding waste of materials and energy resources.	› Minimizing the proportion of waste yarn. › Ensuring that the machinery is periodically maintained. › Enhancing the proportion of the high-quality product. › Ensuring that customers receive a high-quality product.	› Proper staffing arrangement. › Offering promotion opportunities for employees. › Building a safe working environment. › Cultivating good manners. › Ensuring fairness and equality.
4 Sales and distribution Products	› Providing user instruction for the product. › Combining shipments, avoiding usage of multiple vehicles. › Reusing the shipment pallets.	› Being flexible in using different shipping lines to save shipping costs. › Negotiate prices with suppliers to optimize shipping costs.	› Providing training courses on sales and import-export practices to in-charge staff. › Developing KPI achievement incentive policies. › Raising income for local employees.

Key milestones toward sustainability development

2000

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.

2003

Investment of capacity expansion.

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

2005

Converted into JSC. –A strategic reform

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

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.

Key milestones toward sustainability development *(cont.)*

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%.

2021

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.

2022

Risk management overcoming adversity

Consistently with Company's economic development objective, completing 81% of sales revenue target and 80% of profit plan in 2022.

Start building Unitex factory .

Report improvements (GRI 102-49)

Having learned experiences from 2022 sustainable development report, the Company made the following improvements to this year report:

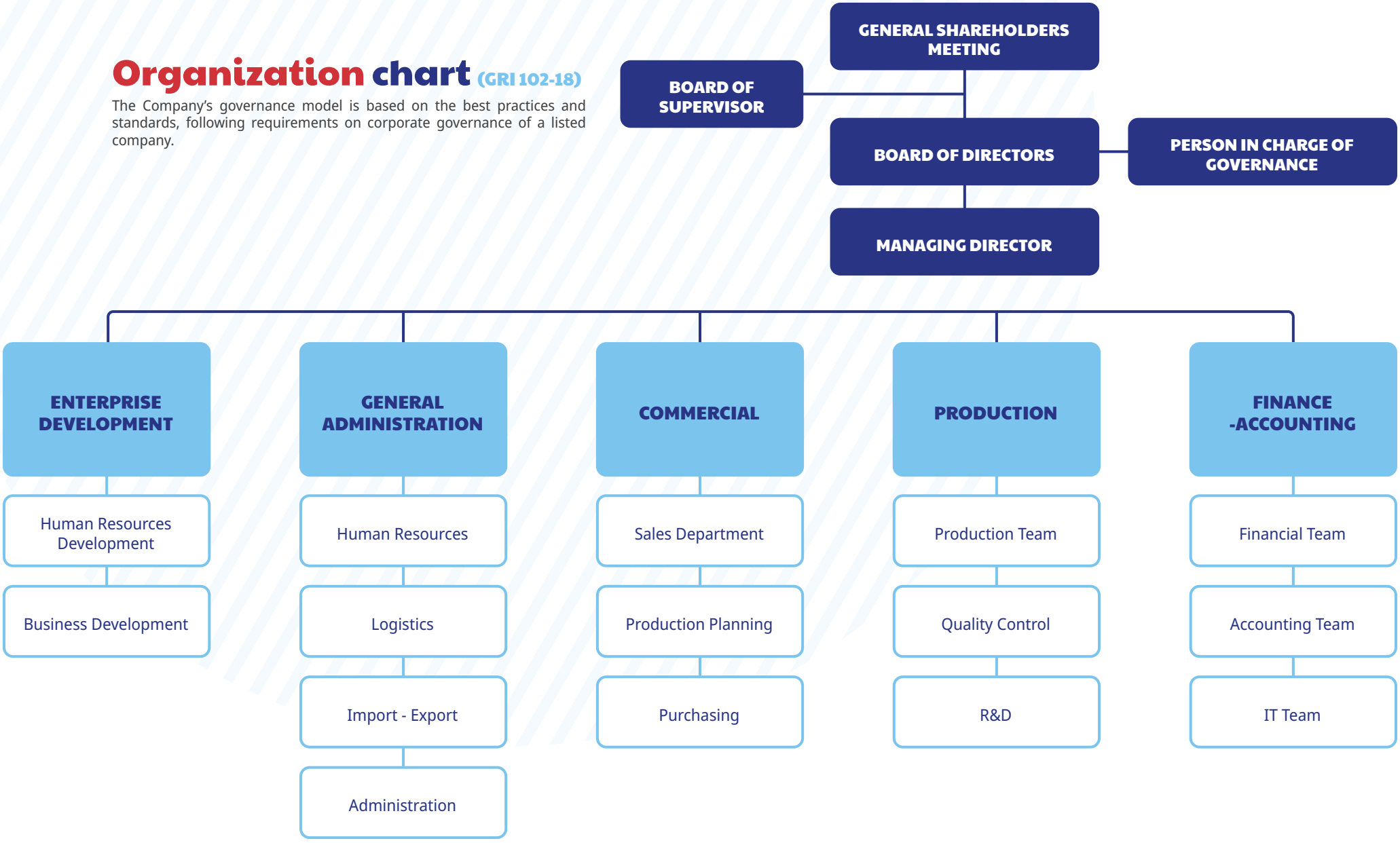
- Supplementing information on the orientation of reducing carbon footprint at existing factories and new projects;
- Supplementing more information about green projects at existing factories and new projects;
- Supplementing information in third-party assurance for Sustainable Development Goals;
- Supplementing information on the carbon footprint reduction concerns of related parties;
- Revising data on the number of plastic bottles the Company indirectly recycled as at 2022;
- Updating the Company's sustainable development orientation to 2025;
- Updating the electricity emission factor and recalculating the 2022 Carbon footprint data;
- Improving and maintaining accountability according to GRI-Standards standards;
- Updating the context of sustainable development in global and Vietnam market in 2022;
- Supplementing the role of risk management and internal audit in the sustainable development strategy;
- Supplementing the Sustainable Development management structure at the Company;
- Supplementing the Company's sustainable value chain;

Company's awards and ranking

	CERTIFICATES AND AWARDS
2022	› Ranking 1st prize of the 2022 best sustainability reports in the market of mid-cap companies group organized by the Ho Chi Minh Stock Exchange. In 6 consecutive years from 2017-to 2022, 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 5 2022 best governance reports in the Midcap group organized by the Ho Chi Minh Stock Exchange. › Top 100 Sustainable Development Enterprises 2022 (CSI 100)- Awarded by the Business Council for Sustainable Development (VBCSD), ranked 13th, this is the 7th time in 7 consecutive years, STK is honored to receive this award, a testament for STK's long-term sustainability strategy.
2021	› Second prize for the best sustainability report in the market of mid-cap companies group organized by the Ho Chi Minh Stock Exchange, 5 years in a row › Top 4 Best Annual Report 2021 in the group of Mid-cap companies organized by Ho Chi Minh Stock Exchange › Ranking top 100 Sustainable Development Enterprises 2021 (CSI 100) in 6 consecutive years. The award was presented by the Business Council for Sustainable Development (VBCSD).
2020	› Top 15 in the top 100 Sustainable Development Enterprises 2020 (CSI 100), for 5 consecutive years › Awarding organization: VCCI Vietnam › Top 3 Sustainable Development Reports -The most reliable report in the group of middle-cap companies organized by Ho Chi Minh Stock Exchange, 4 consecutive years › Top 5 Annual Reports -The best corporate governance reports in the group of mid-cap companies organized by the Ho Chi Minh Stock Exchange
2019	› Top 100 Sustainable Enterprises 2019 (CSI100) organized by VCCI for 4 consecutive years. Top 10 Sustainable Enterprise in the manufacturing sector in 2019. › Top 10 Best Annual Reports in Vietnam Listed Company Award ("VLCA") 2019 organized by HOSE, HSX, VIR, and Dragon Capital. › Top 10 Best Sustainability Development Report in VLCA 2019.
2018	› Top 100 Sustainable Enterprises 2018 (CSI100) for 3 consecutive years. › Top 10 Sustainable Development Reports in VLCA 2018 › Top 90 Annual Reports in VLCA 2018.
2017	› Top 500 largest companies in Vietnam (VNR500): ranked 361 on the list of private enterprises in Vietnam. › Awarding Organization: Vietnam Report and Vietnam net › Top 100 Sustainable Businesses 2017 (CSI100) › IR Award 2017 - Listed companies meet information disclosure standards › Awarding Organization: VAFE and Tai Viet Joint Stock Company (Viet stock e-newspaper).

Organization chart (GRI 102-18)

The Company's governance model is based on the best practices and standards, following requirements on corporate governance of a listed company.



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

Build sustainable strategy with sustainable products

ENVIRONMENT

- Advancing production technology to reduce material consumption
- Using renewable energy (solar energy)
- Applying automation system in production, enhancing production efficiency and reducing wasted product.

ECONOMYY

- Ensuring achievement of sales revenue and profit targets
- Developing further eco-friendly products
- Market expansion

SOCIAL

- Sharing benefits with related parties
- Enhancing employee working skills through training courses
- Improving working environment, ensuring health-safety working conditions to employees

RECYCLE

- Investment on recycling machine to recycle wasted product
- Increasing portion of recycled yarn in the total sales revenue
- Increasing reusing ratio of production materials such as POY tubes, packaging carton boxes, pallets and circulating water in production process

To ensure the balance of interests among stakeholders as well as the balance of sustainable development polars, 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 40%-50% carbon footprint as compared to virgin yarn products).

The Company is also developing 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 strategically 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 by department of company

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-safety-environment 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 qualified 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 2022 (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.

SUSTAINABLE ECONOMIC DEVELOPMENT

- Net sales revenue in 2022 completed 81% of the plan in 2022.
- The proportion of recycled yarn in total sales revenue increased sharply, contribution to 52% of total sales revenue;
- The net profit after tax in 2022 achieved 240.3 billion VND and fulfilled 80% of the target in 2022;
- The financial status of the Company improved better with the debt ratio decreased to 0.2x as recorded on December 31, 2022;
- Company successfully developed yarns with high added value (such as Dope dye yarn, Soft package, Full dull, High CR, CD Mix, Quick Dry yarn) for domestic and export markets such as Japan, Thailand;

SUSTAINABLE DEVELOPMENT OF LOCAL LABOR AND COMMUNITY

- The average income of employees in 2022 increased by an average of 5% as compared to 2021;
- Giving Tet gifts, creating funds to help Company's employees with difficult circumstances;
- Bonus with more than 1 month of average 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
- 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.

ENVIRONMENT PROTECTION

- Developing environmentally friendly yarn products: the proportion of recycled yarn has increased dramatically, accounting for 52% of the total sales revenue, towards 70% by 2025 on existing factories;
- Solar energy projects help reducing 10% annual carbon footprint and reducing 530 thousand tons of CO2 for the life of the project; increasing capacity of solar energy through DPPA Trang Bang project;
- Recycling waste yarn into input PET chips, helping to reduce emissions to the environment; recycling rate was more than 90% of waste yarn produced in the period;
- Development and commercialization of dope dyed yarn, which helps to reduce the amount of consumed clean water, chemicals and environmental protection;
- In 2022, the number of used POY paper tubes is 796,180 tubes and on average 1 POY paper tube can be reused 3.15 times, so the number of POY paper tubes saved is 2,507,967 tubes (without reusing, the number of POY tubes required could be 3,304,147).
- The carbon footprint of electricity decreased by 2.1% as compared to 2021, mainly due to the Company's temporarily scaled down of Cu Chi factory production from 3Q2022, so the amount of electricity used in 2022 was lower than in 2021; The carbon footprint of Diesel oil has been completely eliminated from 2020;
- From the beginning of the production of recycled fibers to the end of 2021, the Company has indirectly reused about 4.1 billion post-consumer-used PET plastic bottles thanks to the production of Recycled yarn, minimizing the impact on the environment.

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

Mdm. Dang My Linh *(51 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).

Qualification: Business Administration.

Position at STK: **Chairwoman**

Date of appointment: 14 Feb 2020

Mr. Dang Trieu Hoa *(54 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

Mr. Dang Huong Cuong *(47 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

Board of Directors *(cont.)*

Mdm. Cao Thi Que Anh *(57 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 *(45 years old)*

He is the capital representative of major shareholder Huong Viet JSC

Qualification: Business Administration

Position at STK: **Non-executive member**

Date of appointment: 17/04/2018

Mr. Nguyen Quoc Huong *(52 years old)*

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

Qualification: Finance-Banking

Position at STK: **Non-executive independent member**

Date of appointment: 17/04/2018

Mr. Chen Che Jen *(59 years old)*

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

Qualification: Technology

Position at STK: **Non-executive independent member**

Date of appointment: 17/04/2018

Role and responsibilities of the bod on sustainable development goals (GRI 102-20,32)

- The Company's BOD plays important role in setting sustainable development goals for the Company. In which, the sustainable development goals are specified into objectives of each department, the Board of Directors will be responsible for monitoring, checking and ensuring that the Sustainable Development Goals are implemented at the Company.
- 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 quarterly 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 Board of Directors assigns the Board of Management and the Investor Relations Department to be responsible for the implementation of the sustainability report, ensuring that the content of the report is built in accordance with international practices and regulations of Vietnam and reflecting actual status of the Company.

Management Executive Board (GRI 102-22,23,24,27)

Mr. Dang Trieu Hoa

Vice Chairman, General Director

Year of birth: 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.

Mdm. Nguyen Phuong Chi

Chief Strategic Officer

Year of birth: 1972

Education: Master of Applied Finance

Working experience:

1/2015 to present:	CSO, CENTURY
3/2008-12/2014:	Investment Advisory Manager, Tri Tin Consulting & Investment JSC.
4/2005-2/2008:	Senior Project Manager, Openasia Consulting Ltd.
10/2004-2/2005:	Business Development Officer, Mekong Private Sector Facility ("MPDF").
10/2002-10/2004:	Senior Financial Analyst, PricewaterhouseCoopers (Vietnam) Ltd.
3/1997-3/2000:	Legal Assistant, Deacons Graham & James, Hanoi Branch.

Mr Phan Nhu Bichh

Deputy CFO / Chief Accountant

Year of birth: 1970

Education: MBA

Working experience:

10/2016 to present:	Chief Accountant, CENTURY.
03/2004 - 03/2010:	Controller/ Accountant, Thanh Cong Textile Garment & Investment Trading JSC.
1997 - 03/2004:	Accountant, Binh Phuoc Electricity Company.

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

Ông Nguyen Tu Luc

Head of the BOS

Year of birth: 1952 | Male

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

Year of birth: 1990 | Female

Education: Bachelor

Working experience:

25/02/2020 – present:	Sales executive at K Pack Co., Ltd.
2018 – 02/2020	MD assistant, STK
2012 – 2018	Sales admin, STK

Mdm. Dinh Ngoc Hoa

BOS member

Year of birth: 1979 | Female

Education: Bachelor

Working experience:

2005 - present:	Head of Planning-production department, STK
2002 - 2004:	Accountant, Vi Hop Ltd,

Company governance report

*(Refer to article **Governance report of the Company - Annual Report 2022**)*

Prevention of interest conflict of interest and transactions with related parties (GRI 102-25)

*(Refer further to article **Prevention of interest conflict of interest and transactions with related parties – 2022 Annual Report**)*

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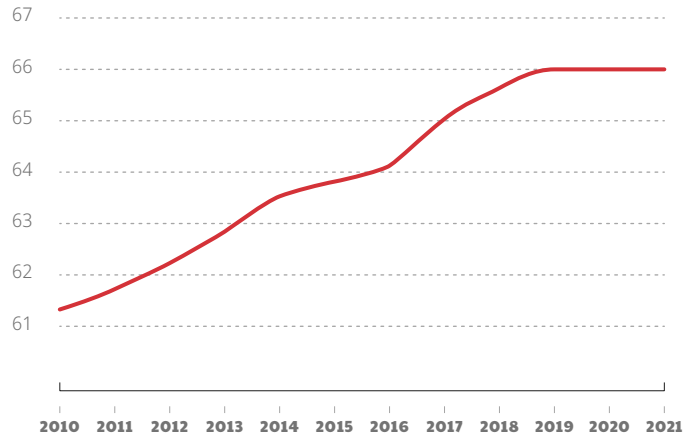
Global sustainable development context

According to the United Nations' Sustainable Development Goals Report 2022 progress report "The Sustainable Development Goals Report 2022, after two consecutive years of the Covid-19 pandemic, the world is no longer making progress on the SDGs." .The SDG average score declines slightly in 2021, partly due to a slow or absent recovery in poor and vulnerable countries, developing countries struggling with record inflation , high interest rates and a heavy debt burden. In the least developed countries, economic growth remains sluggish and unemployment worsens. In addition, security crises (such as the war in Ukraine and other military conflicts in the world) have negatively impacted prosperity and social balance in the world, including exacerbate poverty, food insecurity and access to clean energy. Performance on SDGs such as SDG 1 (Non-Poverty) and SDG 8 (Decent Employment and Economic Growth) remains below pre-pandemic levels in many low-income and developing countries. This is a huge setback, especially considering that before the pandemic, in 2015–2019, the world achieved the SDGs at a rate of 0.5 points per year (slowing progress towards achieving the target by 2030) *(Source: SDGindex.org)*

SDG score over time, world average (2010-2021)



Economy

- Prior to the Ukraine crisis, global real GDP per capita was projected to grow by 3.0% in 2022 and 2.5% in 2023. However, that growth was cut by only 2.1% in 2022.
- Global unemployment rate is recorded above 5.4% in 2019 and 6.6% in 2020. In 2021, unemployment rate was recorded at 6.2%, equivalent to 28 million unemployed people.
- After falling by 1.3% in 2020, global production has grown by 7.2% in 2021, surpassing pre-pandemic levels, but the recovery remains uneven across countries.
- The total number of international air passengers reached 1.8 billion in 2020, a decrease of 60% as compared to 2019.
- The airline industry's financial losses amount of $370 billion in 2020, as well as airports and airline service providers lost another $115 billion and $13 billion, respectively.
- Global air passenger traffic recovered modestly in 2021 with 2.3 billion passengers, as compared with 4.5 billion in 2019, resulting in financial losses of $324 billion.
- Net development partnership capital hit a new high of $177.6 billion, mainly due to COVID-related aid.
- Foreign direct investment recovered with USD 1.58 trillion, increased by 64% since 2020.
- Remittances reached 605 billion USD, going up by 8.6% as compared to 2020.

Environment

- Water-related ecosystems around the world are being degraded at an alarming rate.
- Over the past 300 years, more than 85% of the planet's wetlands have been lost.
- More than 2.4 billion people still using inefficient and polluting cooking systems.
- Total renewable energy consumption increased by a quarter (25%) between 2010 and 2019.
- Globally, the proportion of municipal solid waste collected is 82%.
- The dependence on natural resources is increasing, increasing by 65% globally between 2000 and 2019.
- Energy use-related CO2 emissions increased by 6% in 2021, reaching an all-time high.
- Rising global temperatures continue unabated, leading to more extreme weather conditions.
- Plastic pollution is choking the oceans, more than 17 million tons of plastic entering the ocean in 2021, which is expected to double or triple by 2040.
- More than 10 million hectares of forest are cleared each year, almost 90% of the global deforestation is due to the expansion of agricultural production.

Society

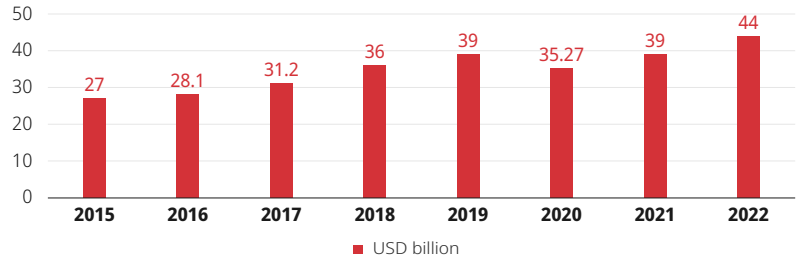
- The number of people living in extreme poverty in 2022 was around 657-676 million people as compared with the pre-pandemic number of 581 million.
- The rate of poor employment increased from 6.7% in 2019 to 7.2% in 2020.
- Political conflict, COVID-19, climate change and growing inequality are contributing to undermining food security worldwide, 1 in 10 people worldwide are hungry.
- More than 149.2 million children under 5 years of age are stunted (2020).
- More than 22.7 million children are not received basic vaccines in 2020.
- Women accounted for 39% in all jobs in 2019, but they accounted for 45% in job losses globally by 2020.

Sustainable development background of Vietnam textile industry

In 2022, the world's key garment consumption markets such as the US, EU, Japan, and South Korea have had a very good recovery, so Vietnam's textile and garment export orders have rebounded quite well in the first 6 months of 2022. However, the period of the third and fourth quarters of 2022 was extremely difficult for Vietnamese textile and garment enterprises when they were heavily affected by the economic crisis due to high inflation in Vietnam's major garment and textile exporting markets, leading to lower global demand for textiles and garments products, high inventories, rising labor costs, exchange rate losses as central banks continue to raise interest rates and gases price increasing because of the war in Ukraine, resulting closure and reducing production capacity of related businesses. It is expected that the textile and garment industry will still face a sharp decline in orders from the prime export markets, at least until the end of the first half of fiscal year 2023, in the context of high inventories and high inflation which will reduces global consumption. (Source: Vietnam Textile and Apparel Association (VITAS))

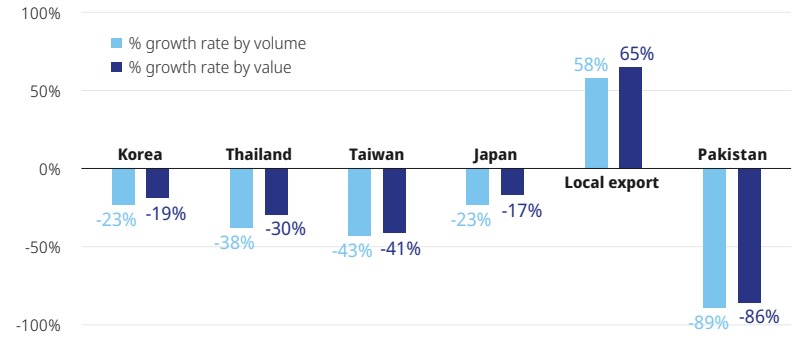
As a result, the total export turnover of Vietnam's textile and garment industry was estimated at USD 44 billion in 2022, an increase of 8.8% as compared to 2021. This is considered a great effort of Vietnam's textile and garment industry, and also a great achievement, helping to bring the industry's development in the coming time with the target of export turnover reaching USD47-48 billion in 2023. *(Source: Vietnam Textile and Apparel Association (VITAS))*

Vietnam's garment and textile export turnover



Source: Vietnam Textile and Apparel Association

Vietnam's polyester filament export turnover in fy2022



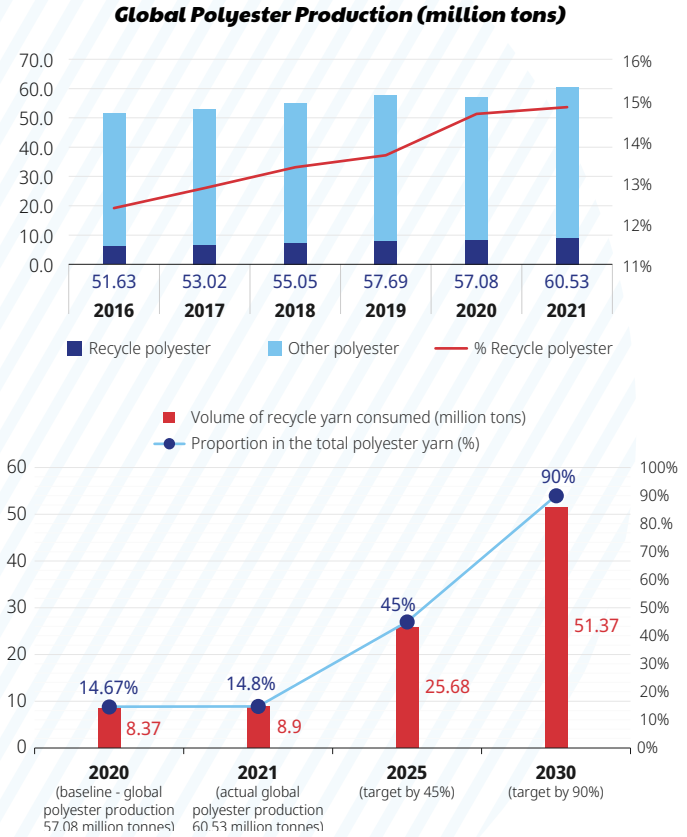
Source: Vietnam Customs Department

According to the "Development strategy of Vietnam's textile and garment industry by 2030", in order to enhance the competitiveness and attract more order flows, the Vietnamese garment industry needs to prioritize the ability to supply full package to customers from producing yarn, fabric to garment products (helping to reduce import activities, increasing localization of domestic raw materials); pioneering in green product production - sustainable development, and recycled products to attract more brands moving their supply chain to Vietnam market, aiming to increase garment export to European countries.

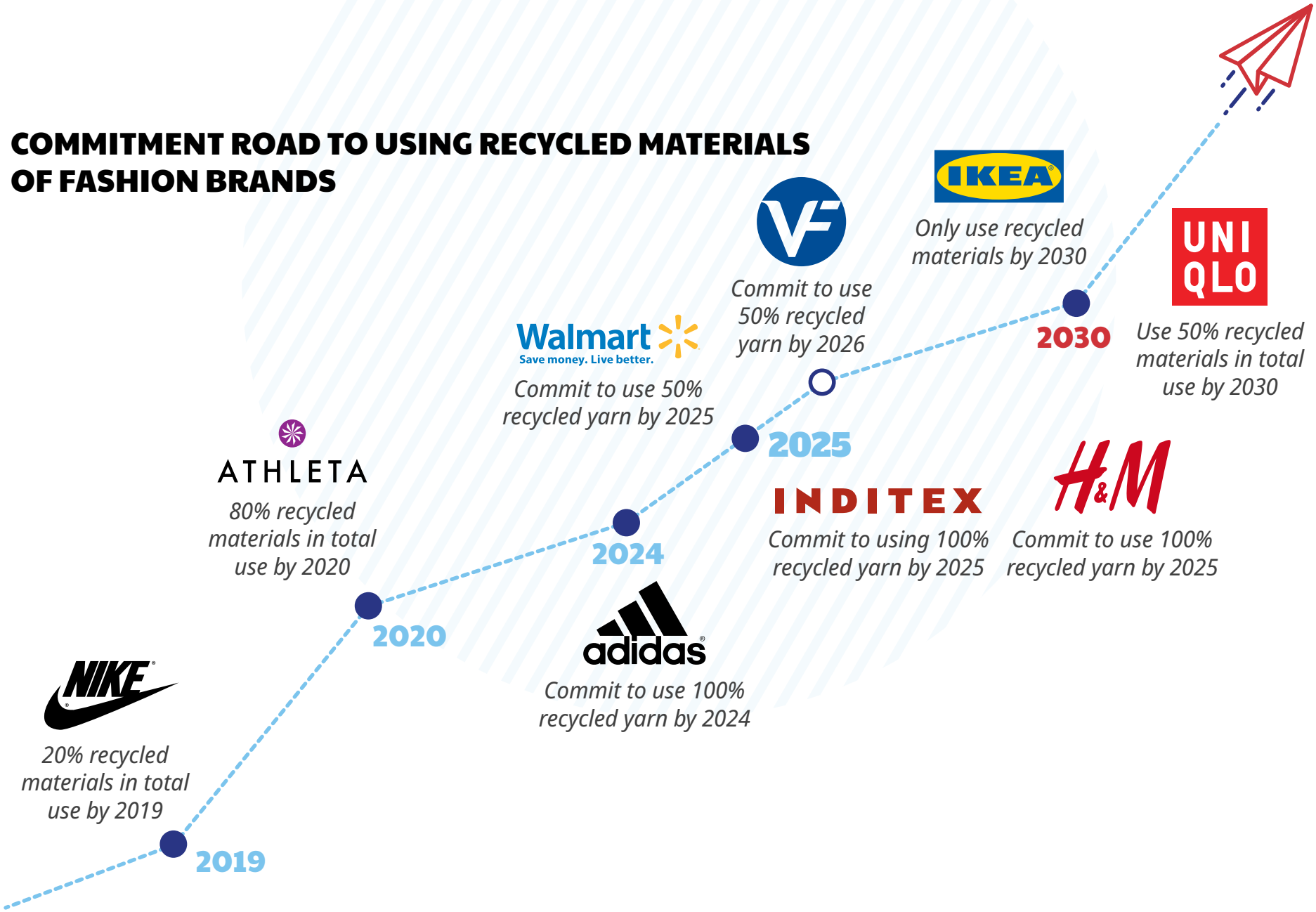
In addition, in order to reduce the impact of environmental destruction and climate change, the concept of green consumption to contribute to environmental protection emerges as a common tedency and gradually become an indispensable factor that a brand should have. As the prevailing laws are more and more stricter in terms of sustainability claims and consumers also become more awared of environmental protection, brands will be more careful when communicating their messages and choosing reputable suppliers to avoid legal and reputational risk of "greenwash".

In order to meet increasingly stringent product requirements and improve competitiveness in the market towards the concept of green consumption, Vietnamese textile and garment enterprises will have to proactively innovate in the product design that have a longer lifespan for environmental friendliness and sustainable development. Textile and garment products as well as input yarn must meet the standards of high quality, short production and supply time, flexible, recyclable, long life, free of harmful substances, not having hazardous substances, complying with standards of social and environmental responsibility and especially with a low greenhouse gas footprint (carbon footprint) such as recycled yarn.

According to the "2025 Recycled Polyester Challenge - Textile Exchange" report as of 2021, there were 132 brands including Nike, Adidas, Puma, Inditex, Old Navy, New Balance, H&M, Lululemon, VFGroup, Decathlon, Gap, Kering, Kmart have committed to a roadmap to increase the proportion of recycled yarn use until 2025. According to statistics of Textile Exchange by 2021, the proportion of recycled polyester yarn in the total volume of polyester yarn consumed (60.53 million tons) reached 14.8% (equivalent to 8.9 million tons). It is expected that the proportion of recycled polyester yarn will increase from 14.8% (2021) to 45% (2025) and reach 90% by 2030. *(Source: Textile Exchange).*



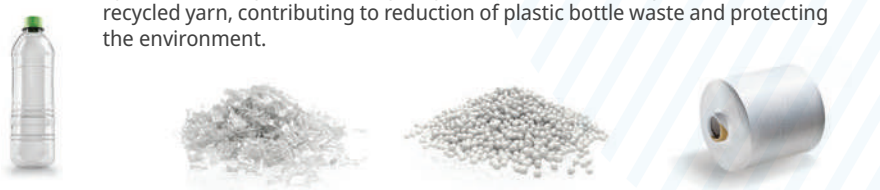
COMMITMENT ROAD TO USING RECYCLED MATERIALS OF FASHION BRANDS



Recycled Polyester Yarn

Embracing development opportunities that is in line with sustainable development strategy, Century is going to gradually increase the proportion of environmentally friendly yarns such as Recycled yarn, by 2022 the proportion of recycled yarn in total revenue has reached more than 52% in the total sales revenue and towards the target of 70% by 2025 on 2 existing factories.

By 2022, Century has indirectly recycled 4.1 billion waste plastic bottles into recycled yarn, contributing to reduction of plastic bottle waste and protecting the environment.



RECYCLED BOTTLES → **FLAKE** → **REPREVE RESIN** → **REPREVE RECYCLED FIBER**

Post-consumer bottles are collected

Bottles are washed and chopped into flake

Bottle flake is melted and formed into resin

REPREVE resin is melted and made into REPREVE yarn

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 of wastewater and chemicals into the environment, contributing to their achievement of commitments in the ZDHC campaign. Although the colour yarn's contribution to revenue was still modest (0.9% in 2022), the Company already had 18 customers buying this product and it is expected that the proportion of colored yarn products is expected to increase in the coming years.

Ethical values of the Company (GRI 102-16)

*(Refer further to article **Governance model - 2022 Annual Report**)*

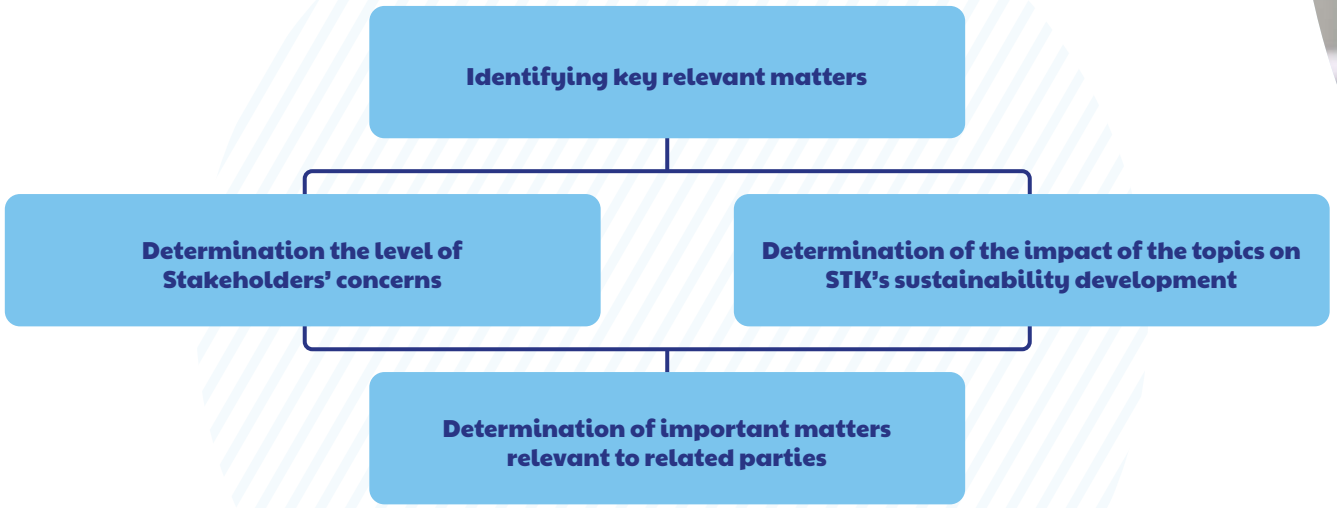
Code of conduct with stakeholders (GRI 102-16)

*(Refer further to article **Governance model - 2022 Annual Report**)*

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

The Company provides specific guidance to determine whether an individual is in violation of the Company's code of conduct, and establishes a mechanism to control compliance, make improvements and provide feedback to the related matters of Company's Code of Conduct. At STK, the code of conduct is systematized into SOP process and controlled under ISO standards, widely applied to all employees and stakeholders. The Company's business development department directly receives complaints related to the Code of Conduct within the Company and from related parties, then coordinate with the human resources department to adjust or update human resource policies to make them more proper with the Company's stakeholders, especially employees.

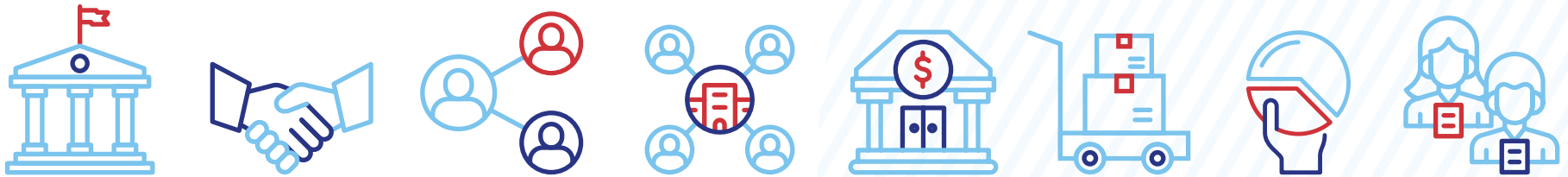
Engaging related parties in compiling sustainability development report



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 concerns and the influences from the parties to STK.
- Accordingly, eight key stakeholders of STK comprise of:

KEY STK'S RELATED PARTIES



RELEVANT GOVERNMENT AGENCIES/AUTHORITIES | CUSTOMERS | LOCAL COMMUNITY | VCOSA ASSOCIATION | BANK COUNTERPART | SUPPLIERS | SHAREHOLDERS | EMPLOYEES

Relentless enhancement of the stakeholders' 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.

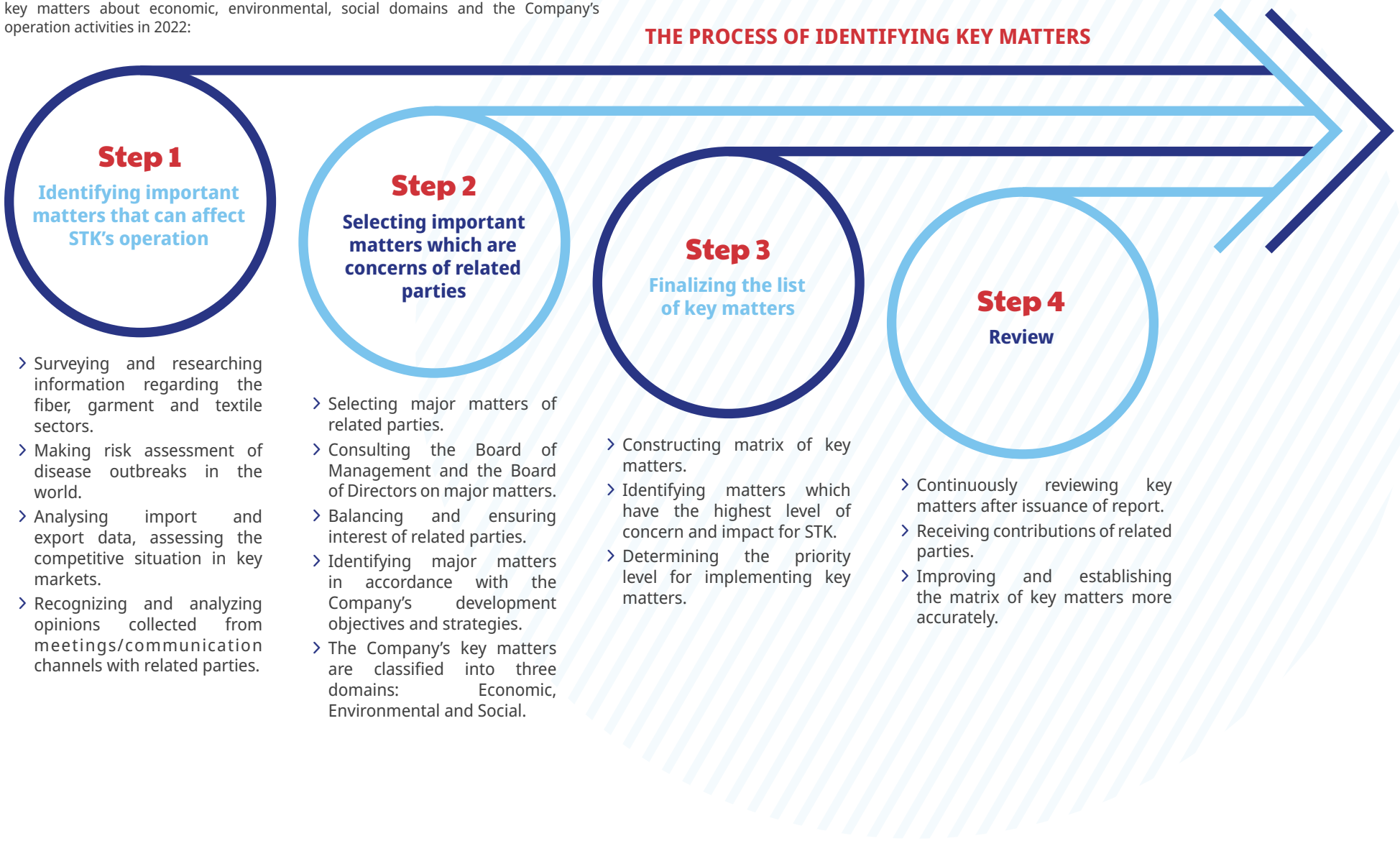
Stakeholders	Approaches for interaction and feedback	Scope of consultation and expectation of stakeholders	STK's actions to meet the expectation of stakeholders
Shareholders	- Via General Meetings of Shareholders. - Direct meetings with investors. - The Company's seminars and factory visits. - Shareholder survey in writing, phone calls, and emails. - IR newsletter, Investor Day, Analyst's meetings.	- Transparent information to shareholders. - Protection of investor interests. - Good corporate governance. - The Company's orientations for sustainable development. - Effective use of investment capital. - The Company's attention to social issues, environment, and community. - Dividends payment to investors. - The remuneration of BOD, BOS, and BOM. - The enterprise's value. - The share liquidity and investment opportunities. - Environmental protection and reducing carbon footprint.	- Sales revenue reached 2,116.7 billion VND, profit after tax was 240.3 billion VND, completing 81% and 80% of the plan, respectively. - Increasing the proportion of recycled yarn in total sales revenue to 52% in 2022. - Raising capital through successful issuance of 20% to existing shareholders at the price of 10,000 VND/share (total raised capital is 142.2 billion VND). - Developing new types of products with many features and environmentally friendly Recycle Plus. - Strictly complying with regulations on information disclosure. - Commitment to pay a minimum dividend of 15%/year. - Paying dividends to shareholders at the rate of 15% in cash for the fiscal year 2021. - Diversifying more information disclosure channels. - Monitoring and measuring carbon footprint emissions at the Company.

Stakeholders	Approaches for interaction and feedback	Scope of consultation and expectation of stakeholders	STK's actions to meet the expectation of stakeholders
Customers	- Direct exchange of information with customers. - Meetings, company visits by customers. - Customer survey and questionnaires. - The Company's website - Seminar, industry association forum. - Email, phone calls.	- Company's operation is stable, safe, and reliable (ensuring ESG standards) - High quality of products and services. - Competitive prices. - Attractive terms of the contract. - Outstanding customer service. - Good technical and operational capacity. - Professionalism in providing services. - High value-added products. - Safe products which do not contain toxic substances. - Environmental protection and reducing carbon footprint.	- Researching and producing more new yarn types with high fineness level, increasing the proportion of environmentally friendly products such as recycled yarns, dope dyed yarns. - Ensuring product quality is stable. - Strengthening professional knowledge of the Company's sales team and quality management team. - Delivery on time, fast, flexible, and no shortage of goods. - Continuously training domestic and export sales team resources. - Participating in the publication of information on sustainable development on platforms such as CDP, measuring the environmental impact of products. - Improving the quality of customer service activities. - The product is certified free of harmful substances (REACH 168). - Obtaining OEKO -TEX 100 certification, proving that the ingredients in the yarn do not contain harmful substances affecting to consumer health. - Obtaining GRS (Global Recycle Standard) certificate. - Highly appreciated by domestic and international customers for quality and service supply. - Using renewable energy – solar energy to reduce the amount of electricity consumed in the production process, helping to reduce annual greenhouse gas emissions.
Employees	- Weekly vision and mission program. - Monday meetings. - Periodical dialogue with employees. - Dialogue at the Employee Benefits Conference. - Direct communication with management level. - Direct communication with the Human Resource department. - Collective negotiation meeting.	- Safe working environment, good occupational health. - Ensuring health safety in the working environment. - Balancing between working and personal life. - High salary, bonus, welfare policy. - Opportunity to be trained, to improve skills. - Opportunity to be promoted. - Broad vision of leaders. - Fairness and democracy. - No discriminations. - Occupational safety in the workplace. - Stable jobs and being instructed in work.	- Improving salary policy, bonus, welfare, training, promotion, and working environment for employees. - Average salary increased by 5% depending on the job position. - The number of people promoted to higher positions was 29 people. - The Executive Board is committed to democratic rights, the right to be treated fairly and respectfully of employees. - Ensuring the basic salary for employees is higher than the regional minimum wage and the industry's average salary. - Implementing 5s mechanism, to improve the working environment. - Ensuring safe working conditions, employees' health is taken care of. - Complying with the law on social responsibility. - Executing annual health check-up for employees - December 15th and 16th, 2022. - Receiving stable orders, maintaining stable jobs and incomes for employees.
Suppliers	- Direct meetings and exchanging information. - Factory visits. - Communication through emails, phone calls. - Collecting the information through surveys.	- Prestige, long-term cooperation. - Cooperation whereby both parties are benefited and can mutually develop. - To set up a stable value chain. - Partners ensure the sustainable development activities-ESG, reducing greenhouse gas emissions carbon footprint.	- Enhancing the quality of products and bringing benefits for both parties. - Ensuring equality and fair competition in selecting suppliers. - Frequent evaluation of suppliers to ensure effective cooperation. - Negotiating and offering solutions to improve the relationship between the Company and suppliers. - Using renewable energy – solar energy to reduce the amount of electricity consumed in the production process, helping to reduce annual greenhouse gas emissions

Stakeholders	Approaches for interaction and feedback	Scope of consultation and expectation of stakeholders	STK's actions to meet the expectation of stakeholders
Authorities	- The Company makes frequent contacts with the authorities (HEPZA, TANIZA) via meetings, response to inspection, reporting, and exchanges of administrative documents.	- Compliance with policies and regulations. - Obtaining necessary certificates and permits as prescribed. - Supporting community development. - Deploying and supporting the government's policies. - Green business, reducing greenhouse gas emissions and protecting the environment.	- Complying with government policies and regulations. - Committing no breach or non-compliance violations. - Preparing and submitting reports to HEPZA and TANIZA regarding the Company's operation, safety-environment- health protection. - Supporting and implementing the government's policies. - Making full tax payment. - Supporting local development. - Using renewable energy – solar energy to reduce the amount of electricity consumed in the production process, helping to reduce annual greenhouse gas emissions. Increase the proportion of eco-friendly products to reduce the impact and protect the environment.
Banks	- Through meetings and company visits. - Through phone calls and emails.	- The Company is sustainable and prestigious. - Transparency in corporate governance. - Professional financial management system. - Long term alliance and co-development. - Using renewable energy and reduce annual greenhouse gas emissions.	- Improving the Company's corporate governance. - Making full and timely repayment of loan principles and interest payments. - Regularly monitoring the implementation of credit contracts with banks. - Using renewable energy – solar energy to reduce the amount of electricity consumed in the production process and hence the annual greenhouse gas emissions.
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.	- To be responsible, to share and to join hand to develop the local community. - Support local community to improve the quality of life through income improvement. - Improve quality and enhance the local community infrastructure system. - Using renewable energy and reduce annual greenhouse gas emissions	- Enhancing the annual average income of local labors. - Raising funds to support the Company's employee's children. - Giving scholarships to local colleges. - Contributing to the development of the local economy. - Developing rural urbanization through the construction of new infrastructure from new factory projects such as Unitex, Yarn-Fabric-Garment alliance. - Using renewable energy – solar energy to reduce the amount of electricity consumed in the production process, helping to reduce annual greenhouse gas emissions. Increase the proportion of eco-friendly products to reduce the impact and protect the environment.
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. - Using renewable energy and reduce annual greenhouse gas emissions	- Providing information support and actively cooperating with industry associations. - Paying annual membership fee. - Participating as a member of the Executive Committee of the Vietnam Cotton and Yarn Association (VCOSA). - Using renewable energy – solar energy to reduce the amount of electricity consumed in the production process, helping to reduce annual greenhouse gas emissions. Increase the proportion of eco-friendly products to reduce the impact and protect the environment.

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 in 2022:



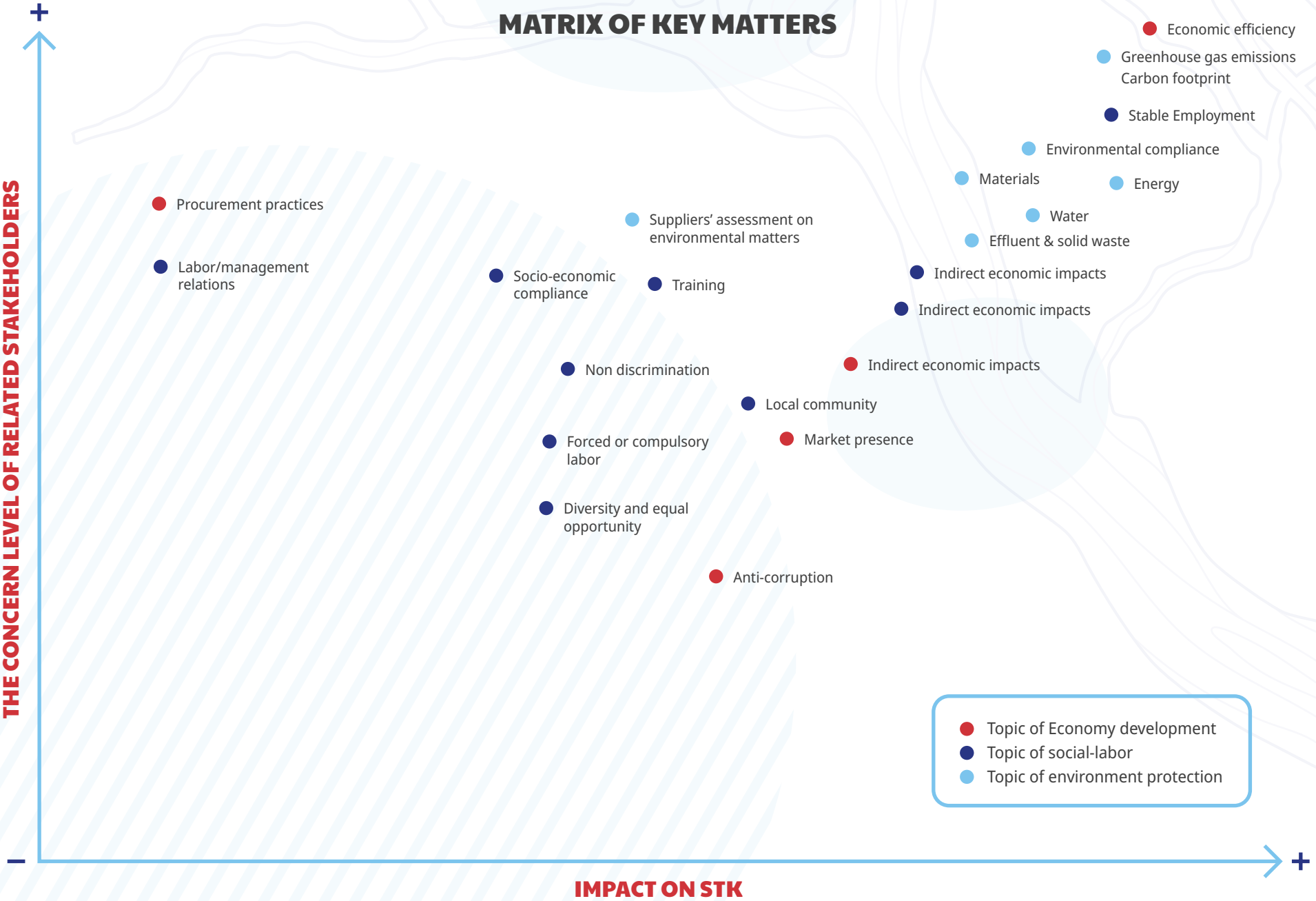
- Surveying and researching information regarding the fiber, garment and textile sectors.
- Making risk assessment of disease outbreaks in the world.
- Analysing import and export data, assessing the competitive situation in key markets.
- Recognizing and analyzing opinions collected from meetings/communication channels with 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.

- 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.

- Continuously reviewing key matters after issuance of report.
- Receiving contributions of related parties.
- Improving and establishing the matrix of key matters more accurately.

MATRIX OF KEY MATTERS



Key matters list in 2022 (GRI 102-47)

ENVIRONMENT

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

- 2022 Economic performance
- Market presence
- Anti-corruption
- Indirect economic impacts

ECONOMY

Contribution to SDGs objectives

FOCUSING MATTERS

- Effectively using materials and energy resources.
- Saving electricity and water in operating activities of the Company.
- Using renewable energy.
- Reducing greenhouse emissions and developing recycled-reused materials.
- Ensuring a healthy and safe working environment for employees.

KEY MATTERS

- Greenhouse gas emissions Carbon footprint
- Materials
- Water
- Energy
- Emissions
- Effluent and waste
- Environmental compliance

LABOR-COMMUNITY

Contribution to SDGs objectives

FOCUSING MATTERS

- Ensuring employee benefits.
- Ensuring employee welfare policies and health protection.
- Ensuring stable employment for employees.
- Creating a safe, transparent, and fair working environment.
- Ushering promotion and developing opportunities for employees.

KEY MATTERS

- Stable Employment
- Training
- Advancement and career development opportunities
- Customer health and safety
- Local community

Defining sustainable development objectives on medium- and long-term period 2023-2025

MEDIUM-LONG TERM
SUSTAINABLE DEVELOPMENT GOALS 2023-2025

- The Company continues to expand its production scale with new factories (Unitex, Yarn-Textile-Garment Alliance project) to gain the advantage of scale.
- Implementing solar projects for Unitex factory (rooftop solar and DPPA).
- 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 52% in 2022 to 70% in 2025 on existing factories.
- 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.

SHORT-TERM
SUSTAINABLE DEVELOPMENT GOALS 2025

- Putting Phase 1 of Unitex factory (36,000 tons/year) into operation to optimize production capacity from the end of Q4.2023.
- Conducting monitoring and measurement of the product's environmental impact (Life Cycle Assessment (LCA)).
- Increasing the capacity of solar energy projects for 2 factories in Trang Bang and Cu Chi by signing a DPPA contract with a strategic unit for Trang Bang factory.
- Promoting and selling Recycled yarn products and improving product quality.
- Raising the contribution of recycled yarn in the Company's 2023 total revenue to 64% .
- Pushing for research and development of new products with outstanding features such as recycled plus yarn, quick-dry (hygroscopic), CD yarn, soft package, AAA products.
- 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 2023-2025, in detail:

A better living

- Creating more jobs.
- Increasing income for employees.
- Contributing to the development of the local economy.
- Building a safe working environment.
- Ensuring safety and health for workers.
- Commitment to equal policies in employment.
- Maintaining fairness and equal treatment between men and women.
- Effective use of raw materials,
- Increasing the use of recycled materials.
- Reusing and recycling materials.
- Operating transparently, with integrity, say no to corruption, tax evasion and violations of the law.

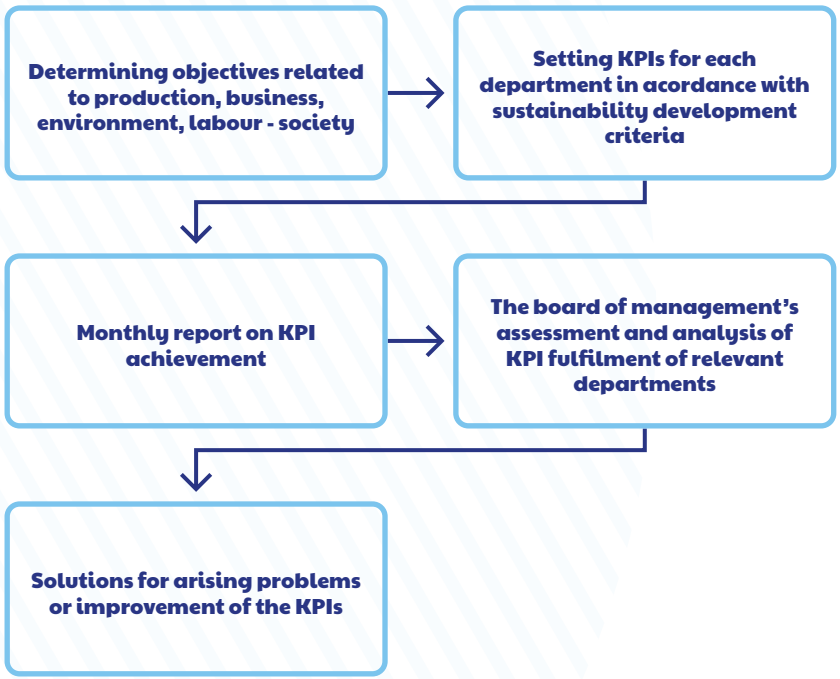
A better environment

- Using water savingly and efficiently
- No harmful chemicals are used.
- Reusing of circulating water in production.
- Developing colored yarn products, helping the textile and dyeing industry to limit the use of clean water and waste toxic chemicals.
- Use energy savingly.
- Use of solar energy.
- Initiatives to save electricity.
- Reducing greenhouse gas emissions carbon footprint.
- Using renewable, green and clean energy sources.

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:



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:

SD OBJECTIVES

ECONOMY

Related departments:

- Sales Team

KPI:

- Sales revenue, profit after tax
- Expanding customer network.

Product responsibility:

- General Director of the Company.
- Assistant General Manager for sales activities.
- Assistant of Sales manager.
- Leaders of domestic and export sale teams.

SD OBJECTIVES

PRODUCT RESPONSIBILITY

Related departments:

- Sales team
- Quality assessment team
- Quality control team

KPI:

- Delivery time.
- Product quality.
- Customer feedback speed.
- Servicing attitude.
- Time to resolve complaints.
- Reasonable competitive price.
- Product quality criteria

Product responsibility:

- General Director of the Company.
- Leader of QA team.
- Vice production manager in charge of QC.

SD OBJECTIVES

ENVIRONMENT

Related departments:

- Administration team
- ISO team
- Utility
- Purchasing department

Product responsibility:

- General Director of the Company.
- General manager.
- Head of Purchasing department.
- Assistant to the General Director on purchasing.
- Head of Utility department.
- The officer in charge of labor safety and hygiene of the Company.
- ISO staff.

KPI:

- Electricity consumption.
- Water consumption.
- Selection of a qualified supplier.
- Volume of raw materials / materials used.
- Utility costs.
- Fulfillment of electricity and water-saving plans.
- The level of waste, wastewater, and exhaust emissions.
- Cost of wastewater and wastes treatment.

SD OBJECTIVES

HUMAN RIGHTS AT WORK, LABOR AND SOCIAL ASPECTS

Related departments:

- HR team
- Training team
- ISO team
- Administration team

Product responsibility:

- General Director of the Company.
- General Manager.
- Head of Human Resources.
- Leader of the training team.
- The officer in charge of labor safety and hygiene of the Company.
- ISO staff.

KPI:

- Recruitment results.
- Staffing fill rate.
- Results of training implementation.
- Management of training costs.
- The rate of staff turnover.
- Proportion of employees promoted.
- Managing salary and welfare costs.
- Managing compliance with safety and hygiene policies.
- Managing compliance with labor policies.
- Managing scholarship and welfare funds.

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, CO2 emission, 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.

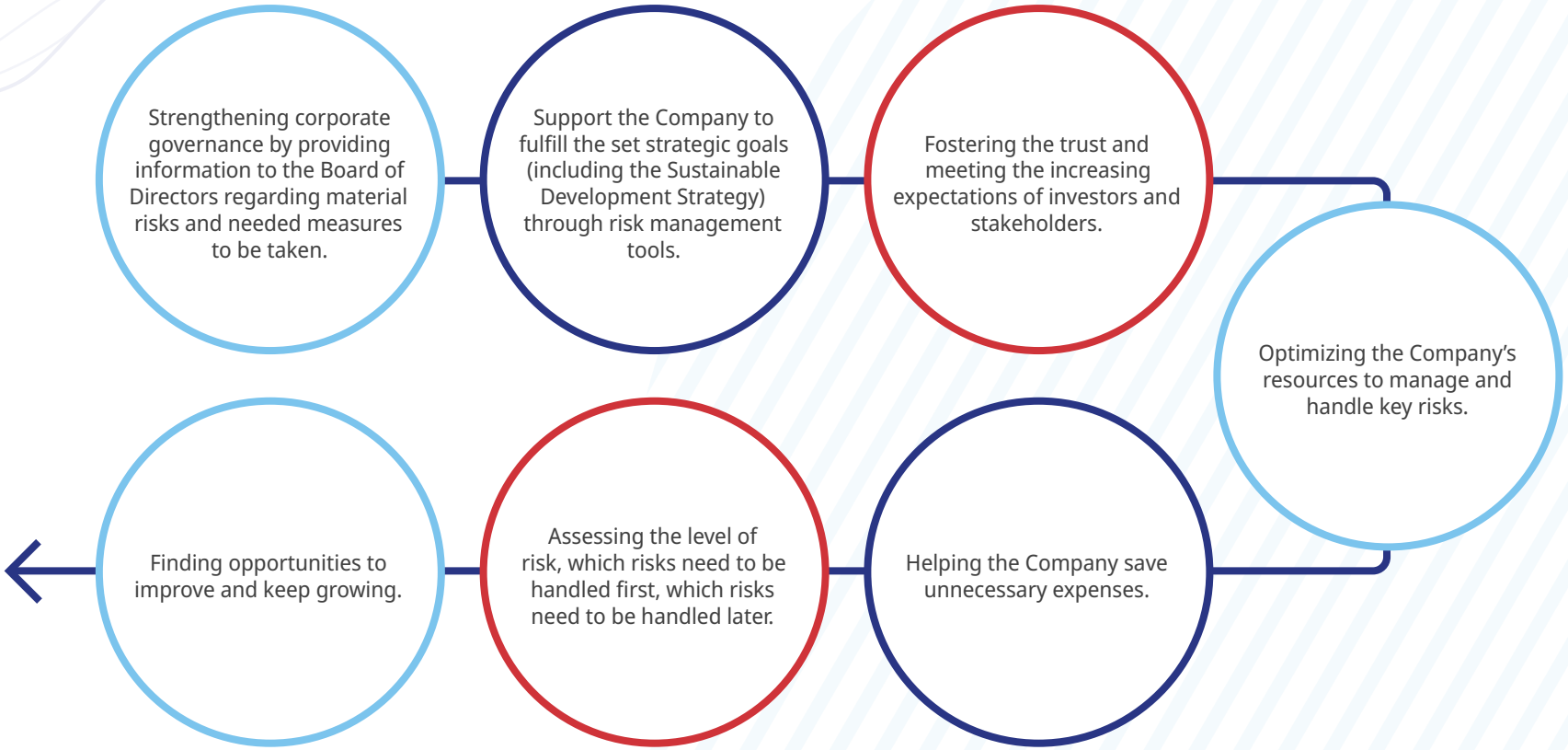
Role of risk management in sustainable development strategy

The role of risk management in the business

In the context that the economy and market are heavily affected by unpredictable factors such as inflation, energy crisis, political conflicts and wars, which lead to negative impacts on the business operation activities of many businesses. Century has proactively forecasted and analyzed changes in the business environment and identified hidden risks that could create difficulties and challenges for businesses' production and operation activities.

Risk management in the Company plays a very important role as a tool to help businesses maintain and continue to implement sustainable development activities in accordance with the goals of Sustainable Development Strategy. Through the management and settlement of potential risks, the Company's production and business activities are ensured continuously, thereby stabilizing the sustainable development balances such as economic development efficiency, environmental protection and Social responsibility.

The importance of risk management for Century Synthetic Fiber Corporation:



Method to implement risk management in the company

At Century, the risk management system is implemented according to the principle of 3 lines of defense:

1st line of defence

Managing daily activities according to SOPs system	Internal control of compliance, Company's department heads are responsible for developing and implementing the process

2nd line of defence

Financial control	Financial team
Control security, safety, hygiene, environment	Administrative team
Production quality risk management	ISO team, Quality management, QA.
Company-wide compliance check	Administrative team - internal control team

3rd line of defence

Internal audit

Independent audit agency (external)

In 2022, the Company engaged an independent external auditor to conduct internal audit of the Company operating processes. According to the 2022 plan, the Company executed audit and re-audit different activities involved in POY production section, Human Resources department, Finance-Accounting departments. At the same time, the Company also reviewed and requested to improve the findings from respect departments to serve as a stepping point preparing for their subsequent internal audit in coming time.

Analysis on key risks (GRI 102-15,30)

*(Refer further to article **Risk management report – 2022 Annual Report**)*

In addition to the list of material risk topics covered in the 2022 annual report, Century also conducts its own risk assessment related to environmental, social and governance (ESG) factors, which is adapted from IFC's Environmental and Social (E&S) Performance Indicators for Capital Markets.

ENVIRONMENT AND SOCIAL RISKS ASSESSMENT		Likelihood of risks occurring		
		Rarely =1	*Sometimes =2*	*Frequently=3*
Level of impact on risks (Consequence)	*Low: 1*	1	2	3
	Medium: 2	2	4	6
	High: 3	3	6	9

Classification of risks according to the severity	Risk < 6	6 ≤ Risk ≤ 9	Risk > 9
	Low	Medium	High

Indicators	Level of impacts on risks	Likelihood of risks occurring	Type of risk	Performance metrics	Response approach
BASED ON PERFOMANCE STANDARD 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACT					
1. Emergency preparedness	2	1	2	There is an Emergency Response Plan or Procedure.	The Company actively conducts exercises to develop awareness and teach the company's employees how to react quickly when crises occur in order to respond to force majeure events in business that may occur, such as natural disasters, fires, and epidemics. The Company periodically performs drills on fire prevention, first aid, emergency exits, and rescue activities at two plants in Cu Chi and Trang Bang annually in order to improve awareness and train all staff on the procedures in the event of a catastrophe.
2. E&S capacity commensurate with sector risk	3	1	3	There is E&S in-house/external capacity (E&S unit/department, in-house qualified E&S staff to identify and monitor E&S risk associated with development of new assets and operations, formal process for outsourcing E&S due diligence to qualified external consultants).	The company has officially assigned personnel in charge of OSH. The responsibility of these individuals is daily following OSH activities. The Company periodically corporates with the assessment team to evaluate Environment Assessment, train all the employees on OSH procedures.

Indicators	Level of impacts on risks	Likelihood of risks occurring	Type of risk	Performance metrics	Response approach
3. Identification of E&S risks and impacts	3	1	3	There are policies and procedures to identify E&S risks and impacts of Company operations, especially expansion of operations.	The company has implemented business risks assessment and management, including Social and Environment risks (annually updated) *Read **Appendix 3 – Risks Management – 2022 Annual Report.***
4. Statement of intention regarding E&S	2	1	2	There is an Environmental & Social Policy approved by senior management.	The company has officially established written commitment on Social and Environmental Policy following to GRS 4.0.
5. Affected Community knowledge of impacts and opportunities	3	1	3	Information is disclosed to Affected Communities.	Officially listed since 2015, The Company has developed a wide and transparent approach for disclosing information, including Annual report and Sustainable Development report. In details: › Disclose information through Annual General Shareholders Meeting. › Disclose information through updating on the Company's website, HOSE and SSC. In addition, the Company has also developed the Sustainable Development tab on website to disclose information of sustainable development matters including Sustainable Development report (since 2015 up to now). Links: *1. http://theky.vn/cen/bao-cao-thuong-nien.* *2. http://theky.vn/cen/phat-trien-ben-vung/* *3. http://www.hsx.vn*
6. Affected Community feedback and recourse	3	1	3	There is an Affected Community grievance mechanism.	The Company has continuously diversified communication channels with Stakeholders. Poignantly touching key matters. Using various communication channels which are suitable with characteristics of different stakeholder. STK has committed to fully recognizing the feedback and issues raised by stakeholders. The company actively considers and assesses stakeholder feedback and updates its actions and policies as necessary. *Refer to **Appendix 5 – Relentless Enhancement Of The Stakeholders' Engagement - III.6.2 – Sustainable Development Report***

Indicators	Level of impacts on risks	Likelihood of risks occurring	Type of risk	Performance metrics	Response approach
BASED ON PERFOMANCE STANDARD 2: LABOR AND WORKING CONDITIONS					
7. Protection of contract workers	3	1	3	There are no public controversies, including legal actions involving third party or contract workers.	All employees working in STK are contract workers. Based on the working position and the employee's capability, the Company will define the probation contract from 6-60days; training contract from 30-60days; term labor contract (for workers who have passed the probation or training time); infinite labor contract (for workers who have devoted for the company for more than 3 years.
8. Worker health and safety	3	1	3	There are no public controversies, including legal actions indicating poor worker health and safety practices.	The company implemented and strictly complied with OSH annual training plan for all employees of the Company according to 44/2016/NĐ-CP.
9. Injury and fatality	3	1	3	There is no information on work related fatalities of direct and/or contract workers.	Twice a year, the Company establishes OSH Report, including information about Injury and fatality, occupational diseases and submits to HCMC and Tay Ninh province Labor, War Invalid and Social Affairs. *Refer to **Appendix 7 - 2022 Occupational Social Health Report***
10. Gender Equality	1	1	1	Workforce composition is available by gender.	The Company complies with the regulations for female workers and assures gender equality through the Company' written policies.
11. Non discrimination & equal opportunity	2	1	2	There is a formal policy to avoid discrimination on hiring, wages, promotions.	The Company has committed to assure non-discrimination, harassment through the Company' written policies.
12. Compliance with national labor and employment law	3	1	3	There are no public controversies, including legal actions involving working conditions (associations, collective agreements, labor laws, discrimination, equal remuneration, lack of equal opportunity, harassment).	The Company has not had any lawsuits related to working conditions (associates, boards, committees...).

Indicators	Level of impacts on risks	Likelihood of risks occurring	Type of risk	Performance metrics	Response approach
13. Workers' organizations	2	1	2	The Company's practices do not restrict or obstruct workers' rights to join workers' organizations and mechanisms to express their grievances on working conditions and terms of employment.	The Company published equal policy at working place and conduct dialogue periodically.
14. Formal provisions to avoid sexual harassment at work	2	1	2	There are formal arrangements to avoid sexual harassment at work, including a sexual harassment policy with, at a minimum, a mechanism to file complaints anonymously and confidentially and trained HR staff to review sexual harassment cases.	The Company has commitment on non-discrimination, harassment and abuse policy at working place.
15. Workers feedback and recourse	2	1	2	There is a worker grievance mechanism.	The Company has implemented and applied progress of receive and resolve feedbacks from the employees.
Specific risks of the industry: supply chains in countries or sectors with a risk of forced or child labor (agriculture, textiles, construction, agribusiness).					
16. Forced and child labor in the Company	3	1	3	There are no public controversies, including legal actions involving forced and child labor in the Company's operations.	The Company has implemented a commitment not to used underage workers and strictly complied with this policy.
17. Forced and child labor in theprimary supply chain	3	1	3	There are no public controversies, including legal actions involving forced and child labor in the Company's primary supply chain.	The Company has been focusing on production of polyester filament, main suppliers of the company are PET chip supplier, who all achieved GRS Certification – in which, the most importance prerequisite is commitment of not using child and underage workers.
18. Safe worker accommodation	2	1	2	There are no public controversies, including legal actions involving accommodation (camps, dorms, etc.) such as health and safety (e.g. fire, water, sanitation, overcrowding).	Instead of constructing dormitory for workers, the Company rents dormitory in Cu Chi, these dormitory are self-contained with full kitchen, toilets and security guarantee. The employees don't need to pay rent, and partially support with water and electricity bills.

Indicators	Level of impacts on risks	Likelihood of risks occurring	Type of risk	Performance metrics	Response approach
BASED ON PERFORMANCE STANDARD 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION					
19. Impacts to water used by others	2	1	2	There are no public controversies, including legal actions involving past or on-going impacts to water used by others.	The Company doesn't use groundwater and discharge them directly to the natural water resource. Water resource used at the Company is provided by The Industrial Zone Management Board and out-put quality is assured before discharged to Industrial Zone Water Treatment System.
20. Pollution prevention and risks	2	1	2	There are no public controversies, including legal actions involving past or on-going pollution risks (e.g. air or water emissions, soil or groundwater contamination, waste disposal) from the Company/project.	The Company conducts Environment Assessment quarterly and issues written report, according to that, indicators of wastewater, emission, dust density ... all adapted to present regulations.
21. GHG emissions	3	1	3	There is information on GHG emissions: Scope 1 and 2 (t), Scope 3 if relevant to business activity, intensity (GHGs released in energy consumption for production / normalization factor [usually production or sales]).	The Company started monitoring and evaluating CO2, GHG emissions since 2016 based on the Company's total electricity consumption in each year (Scope 2), and took initiatives to reduce GHG emission, including the use of renewable energy (Solar energy) and raising the proportion of environmentally friendly fibers in the sales mix. *Refer to **Appendix 5 - Carbon footprint Management – Sustainable Development Report.***
22. Resource efficiency	1	1	1	There is an energy management system, cleaner production initiatives, resource efficiency (i.e., energy, water, other resources and material inputs) metrics in place.	The Company reused POY paper tubes in order to reduce deforestation. In 2022, POY paper tubes reused ratio reached 3.15 times. Besides that, Trang Bang phase 5 expansion project also incorporated a pellet making line of 1,500tons/ year which recycle waste yarn into re-Pet chip for re-use in production, contributing to profit enhancement, and significantly improving production saving efficiency. 90% of waster-yarn is recycled and reused. *Refer to **Appendix 5 – Raw Material Consumption Efficiency – Sustainable Development Report.***

Indicators	Level of impacts on risks	Likelihood of risks occurring	Type of risk	Performance metrics	Response approach
BASED ON STANDARD 4: COMMUNITY HEALTH, SAFETY AND SECURITY					
23. Security force impacts to a community	3	1	3	There are no public controversies, including legal actions associated with major security incidents involving the local community, including but not limited to gender based violence and a statement, policy or code on security forces and interaction with local community, including but not limited to gender based violence.	Complies with present regulations, incorporates with The Area's Board Management to assure the area's security.
24. Contribution to health impacts upon a community	3	1	3	There are no public controversies, including legal actions involving contribution to an increase of disease (HIV/Aids, malaria, etc.) to a community.	NA
25. Support local labor	2	1	2	Support local labor.	Through expanding capacity project, the Company could create more jobs, push income, and use more local supply services. *Refer to* ***Appendix 5 – Enhancement of Local Economics – Sustainable Development Report.***
26. Infrastructure failures that have resulted in harm to the public	3	1	3	If the Company constructs or operates infrastructure (bridges, dams, tailing dams, or ash ponds) harm to the public.	Not applicable
27. Fires or structural damage that have harmed the public	2	1	2	If the Company constructs or operates publicly accessed buildings or structures, there are public controversies, including legal actions indicating harm to the public.	Not applicable

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RESPONBILITY FOR ECONOMIC DEVELOPMENT – GRI 200

With an effort to maintain high value-added orders from high-end customers thanks to the long term relationship built with customers in terms of quality assurance and good product delivery time, Century has maintained its sales revenue and profit after tax targets despite the difficult market

2022 objectives

- Sales Revenue: VND2,605 billion; Profit after tax: VND300.2 billion;
- Ensure the basic salary is higher than the regional minimum wage;
- Increasing contributions to society and the local community;
- Expanding production capacity, developing more high value added products;
- Improving the salary and welfare regime for employees;
- Year-end bonus of 1 month average salary for employees;
- Maintaining the average salary increase at least 5% annually;
- Paying a minimum dividend of 15%/par value;
- Raising capital to contribute to Unitex subsidiary

2022 result

- Completed 81% of the sales revenue plan, reaching VND 2,116.7 billion;
- Completed 80% of the profit after tax plan, reaching VND 240.3 billion;
- Year-end bonus of more than 1 month's average salary, the number of employees participating in social insurance reaches 100%;
- The lowest salary at STK is 52%-56% higher than the regional minimum wage;
- Paid 15% cash dividend for the fiscal year 2021 – equivalent to VND98.7 billion;
- Completed tax obligations, paid VND152.6 billion of tax to the state budget;
- Implemented the Untiex capacity expansion project phase 1 and the Yarn-Textile-Garment Alliance.
- Successfully implementing share issuance to existing shareholders, injectingVND 142.2 billion to chartered capital of Unitex – a subsidiary;

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 impact of market economy downturn. In 2022, the Company has effectively applied business strategy and customer approach to satisfy customers' needs, gradually expanding domestic and export market share.

POLICIES	› Business plan in 2022, sales policy, customer service policy, annual marketing policy; › The Company's salary and bonus policy and commitment no. CS-06 (issuing date: 01/03/2016); › 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. 38/2022/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	› Developing the Company's sales revenue and profit in accordance with the set target; › Ensuring the payment to employees in accordance with the Company's wage scale and payroll; › Creating more jobs and incomes, improving the living standard and enhancing the professional knowledge for local labors; › Expanding the market shares in domestic and export markets;
RESPONSIBILITIES	› General General Director, Board of management;
MANAGEMENT RESOURCES	› Board of management, marketing and sales team, financial team... › Human Resources department, Training team;
GRIEVANCE MECHANISMS	› Process of resolving customer complaints (form: QA-QT-01); › Periodic customer survey; › Employee complaint / grievance process;

2. Evaluation of the management approach (GRI 103-3)

› In 2022, STK achieved positive sales revenue and profit after tax which were highly appreciated by the Board of Directors and Board of Management in the context of the whole market facing many difficulties due to inflation and economic recession.

› The Company still maintained the salary, bonus and welfare regimes which were paid on time and in accordance to the prior commitment to employees. Despite the fact that the Company had to temporarily reduce the production of Cu Chi factory and stopped operating in the period of Q3 & 4-2022 due to the decline in market demand, the Company still tried to keep employment by organizing training multi-skilled classes for employees, maintaining stable income and providing the 2022 Lunar New Year bonus based on the Company's business results at the end of the year to employees.

› Maintaining and promoting direct and indirect local community development activities.

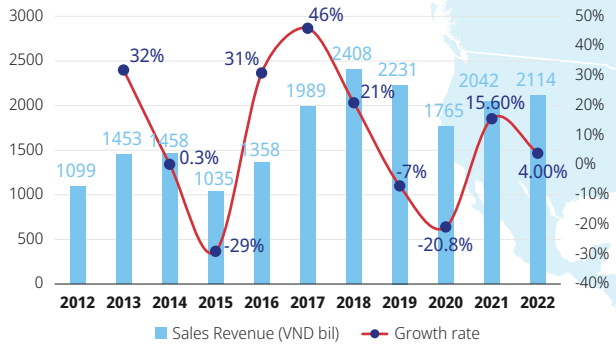
Responsibility to enhance the economic results (GRI 201)

Direct economic value generated and distributed (GRI 201-1)

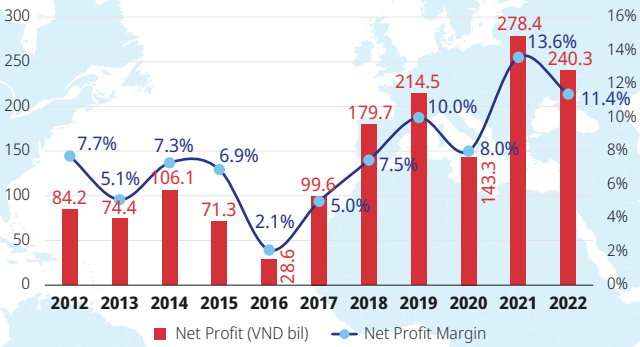
Despite the impact of high inflation and economic recession in the US and EU (Vietnam's mkey garment export markets) causing a sharp decline in consumer purchasing power, brands recorded highest inventories ever, leading to the delay/postponing of new orders, so yarn orders in Q4.2022 were also affected. Despite unfavorable market conditions, STK was able to keep high value-added orders from high-end customers thanks to customers' long-term relationship in terms of the Company's manufacturing technology for high value-added products and excellent customer service (short delivery times, good pre- and post-purchase service). Although the volume of those orders were small, the profitability was high, helping the Company maintain a stable price gap. The Company has made great efforts to achieve VND 2,114.7 billion in sales revenue, completing 81% of the planned sales revenue target of 2022, and 80% of the profit after tax target of 2022, reaching VND 240.3 billion.

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

Net sales revenue



Profit after tax, net profit margin



The wages and welfare regime to engage the company's employees (GRI 201-1)

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

- Ensure the welfare regime with the participation of employee in social insurance was 100%;
- Dividend payment: 15% cash dividend for the Company's shareholders for the fiscal year 2021, equivalent to VND 98.7 billion;
- Maintaining production activities during the difficult period of the market, contributing to creating jobs for local people, improving recruitment policies and good remuneration for workers;
- Salary and bonus payment to employees in 2022 was estimated at VND120.1 billion;
- Bonus with more than 1 month average 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 transportation, accommodation support, telephone allowances, Company trip, and Tet's gifts.

The market presence (GRI 202)

The standard entry level wage as compared to the regional minimum wages and gender composition ratio (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).

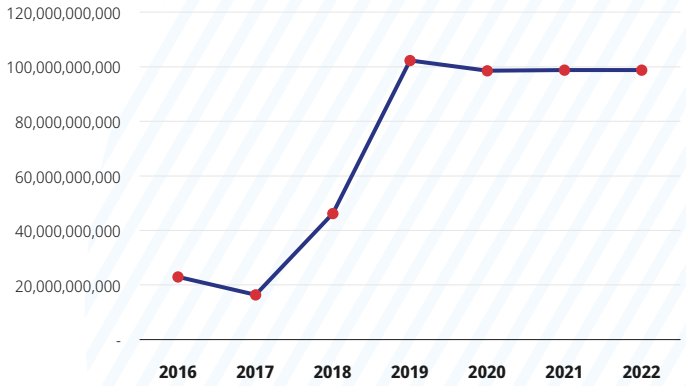
	HCM City (VND)	Tay Ninh Town (VND)
Regional minimum wage	4,680,000 VND/month	4,160,000 VND/month
The lowest salary at STK	7,100,000 VND/month	6,500,000 VND/month

Location	The male (%)	The female (%)
HCM City	71%	29%
Tay Ninh Town	85%	15%

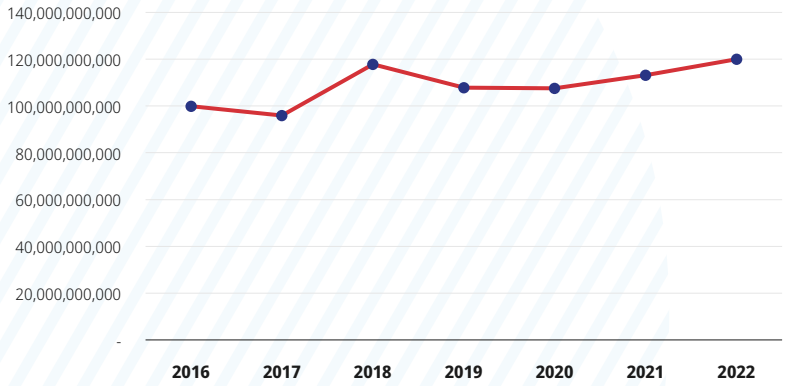
Indirect economic impacts (GRI 203)

STK's indirect contributions to the society and local community in 2022

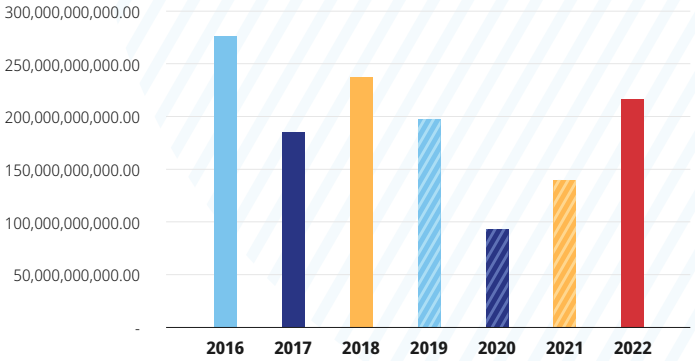
Dividend payment to company shareholders (VND billion)



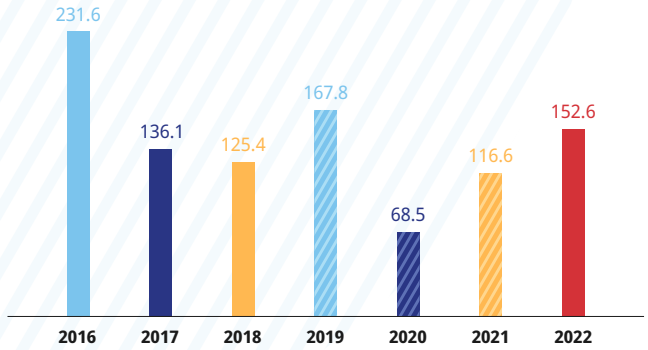
Total remuneration (salary and bonus) paid to employees (VND billion)



The transaction value with domestic suppliers (VND billion)



Total annual tax payment 2022 (VND billion)



Despite the impact of high inflation and economic recession, the Company still maintained its contribution to the local economy and society. In 2022, the Company has increased the salary and bonus spending for local employees by 6% as compared to 2021, contributing to improvement of the local people's living standards. In addition, STK's indirect contributions to the local economy and society were also reflected in the tax payment budget and transaction value with domestic suppliers, increasing by 55% and 31% respectively as compared to the previous year 2021.

ECONOMIC DEVELOPMENT TARGETS IN 2023

- Sales Revenue growth: VND 2,149 billion, increased by 2% as compared to actual 2022;
- Profit growth: VND 253.1 billion, an increase of 5% as compared to actual 2022;
- Increase the percentage of value-added yarn (recycled yarn): 64% of total revenue;
- Ensuring to maintain bonuses for employees according to year-end business results;
- Paying dividends to Company shareholders 15%/par value

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 improving production efficiency and maintaining profitability even when the Company's sales revenue decreased in the Q4.2022

2022 objectives

- Effective consumption of raw materials;
- Increasing the proportion of recycled materials used;
- Increasing the rate of reusing packaging materials;
- Using water resources rationally and savingly;
- Reusing of water in production;
- Using energy reasonably and saving;
- Reducing electricity costs;
- Reducing emissions;
- Reducing greenhouse gas emissions;
- Do not violate environmental laws regarded waste and wastewater;
- No violations of safety-sanitary-environmental incidents, fire prevention and environmental protection;
- Using renewable energy sources;
- Complying with current regulations and laws on environment;
- Target water consumption m3/kg of yarn: 0.0023;
- Target electricity consumption Kw/kg yarn: POY: 1.1 kw/kg yarn; DTY: 1.8 kw/kg yarn; FDY: 1.5 kw/kg yarn;
- The proportion of recycled yarn in total sales revenue is 54%;
- The average rate of reusing of POY paper tubes is 3.6 times;
- The rate of using circulating water reaches 2.3% of the total amount of water used;
- The rate of renewable energy accounts for 10% of the total energy demand;

2022 result

- The rate of reusing of POY paper tubes is 3.15%;
- Rate of water being circulated and reused: 2.7%;
- Water consumption unit (m3/kg yarn): 0.0031
- Total energy consumption decreased by 2.1%, electricity consumption unit (Kw/kg yarn): POY:1.36 kwh/kg yarn; DTY:2.17kwh/kg yarn; FDY: 1.63 kwh/kg yarn ;
- Implementing electricity saving solutions in 2022, reducing 289,440 Mwh/year;
- The carbon footprint of electricity is reduced by 2.1%;
- The total amount of electricity used from the solar energy project is 6,429 Mwh, accounting for more than 5% of the total energy consumption;
- The carbon foorprint of DO oil for forklifts is reduced by 100%;
- The percentage of recycled yarn accounts for 52% of total revenue;
- No case of violation of regulations regarded waste and wastewater treatment, safety-sanitation-environment, and fire prevention and fighting;
- The measured environmental indicators and inspection reports were in accordance with the environmental laws and regulations;

1. 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	› Policy on evaluation and selection of raw material suppliers at the Company according to MM-QT-02; › Supplier evaluation and control process; › Regulation on quality assurance of input water from the industrial park QCVN -02-2009/BYT; › Periodic water quality monitoring reports and environmental impact assessment reports; › Policy on energy saving; › Internal rules to turn off electrical equipment when not in use; › 5-year energy saving implementation plan; › Policy on management and treatment of waste at the Company, stipulating water quality standards with value C, Column B - QCVN 40:2011/BTNMT; › Environmental policy according to GRS 4.0 standards, environmental protection law No: 72/2020/QH14;
COMMITMENTS	› The Company prioritizes quality suppliers which can ensure the quality as well as comply with the environmental protection regulations; › The Company commits to provide qualified water for daily production and operation activities and reduce the water resources consumption via water-saving initiatives; › Optimizing the use of the energy resource, reducing the greenhouse gas emission, limiting global warming, protecting the environment, and optimizing costs; › The Company commits to effectively use and save energy resources, contributing to the reduction of greenhouse gas emissions (CO2); › The Company commits to strictly manage the wastewater and wastes in daily production and operation activities, ensuring of no impact on the surrounding environment;
GOALS AND TARGETS	› Ensuring the stability and high quality of the product; › Providing qualified water resources to daily production and sanitation, aiming to protect the employee's health; › Reducing the greenhouse gas emissions (CO_2) and protecting the environment;
RESPONSIBILITIES	› General General Director, Board of management
MANAGEMENT RESOURCES	› Board of management, Purchasing team, ISO team, Utility team, Administration team, Production team, financial team, the Company's employees.
GRIEVANCE MECHANISMS	› Purchasing team, Utility team, Administration team, Production team, Health and Safety committee.

2. Evaluation of the management approach (GRI 103-3)

› In 2022, the volume of recycled materials used (PET chip recycle) accounts for more than 37% of the total amount of PET chips used by the Company, mainly the Company focuses on developing and promoting the recycled yarn strategy according to market demand for environmentally friendly textile products.

› The amount of water used at the company increased by 14% as compared to 2021, mainly because the Company has not reached the production efficiency in POY process in accordance to its set quality KPIs, leading to higher water consumption in production of the year .

› The electricity consumption per 1kg of yarn of DTY, FDY and POY also increased by 1.4%, 1.9% and 13.3% respectively over the same period, mainly because the Company has not reached production efficiency according to the set quality KPIs along with the production of more special yarns, leading to higher energy consumption in production.

› Solar energy sources gradually increase in its capacity and actively contribute to total energy use, towards 100% capacity in 2023.

› The carbon footprint by electricity consumption has decreased by 2.1% as compared to 2021.

› There is no record of any spills or leaks of waste water and garbage.

› The measured environmental indicators and inspection reports are in accordance with the environmental laws and regulations;

Materials (GRI 301)

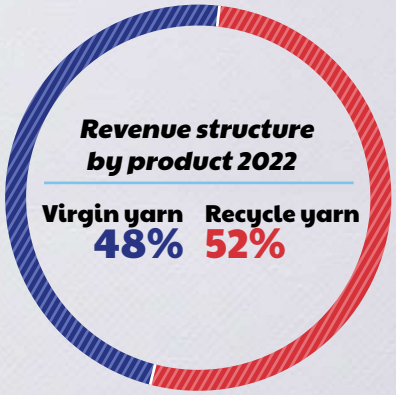
The materials used in the company's production (GRI 301-1)

- 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
- The Company encourages suppliers to protect the environment by making a written commitment to comply with environmental protection, applying innovative measures in business activities to reduce greenhouse gas emissions, fight against Climate Change.

Materials Category	No.	Materials	Importing regions
Non-renewable materials used	1	Polyester Chip	US, South Korea, Taiwan, Japan
	2	Oil	Taiwan, Japan, Germany
Renewable materials used	3	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 2022 was more than 52%.
- 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.



Reclaimed products and their packaging materials (GRI 301-2)

- In addition to the efficiency of using main raw materials, the Company has coordinated with reputable and quality partners to provide production of paper tubes with high quality. Therefore, the average current POY paper tubes after 1st time using could be reused more with 3.15 times, lessening the impact on the environment by reducing the number of paper tubes used in production. In addition, the Company also reuses wooden pallets in delivery activities, production items and components such as filters, spinerets in the POY production process, aiming to reduce consumption and use of natural resource.
- In 2022, the number of used POY paper tubes is 796,180 tubes and on average 1 POY paper tube can be reused 3.15 times; Therefore, the reusing rate of materials (paper tubes) in 2022 is:

$$\textit{The proportion of reuse} = \frac{\textit{Volume of reused material}}{\textit{Total volume of material used in year}}$$

$$= \frac{\textit{Volume of POY tubes} \times \textit{reusing time}}{\textit{Volume of POY tubes} \times \textit{reusing time} + \textit{volume of DTY tubes} + \textit{volume of FDY tubes}}$$

$$= \frac{796{,}180 \times 3.15}{796{,}180 \times 3.15 + 9{,}969{,}775} = \textbf{20\%}$$

The portion of reused materials (POY paper tubes) in in 2022 was 20%

Water (GRI 303)

The volume of input water by different resources (GRI 303-1)

SURFACE WATER INCLUDING WATER FROM SWAMP, RIVER, LAKE, OCEAN:

0 M³
(NOT APPLICABLE)

GROUND WATER:

0 M³
(NOT APPLICABLE)

RAIN WATER THAT THE COMPANY COLLECTS AND USES:

0 M³
(NOT APPLICABLE)

DISCHARGED WATER FROM OTHER PARTIES:

0 M³
(NOT APPLICABLE)

MUNICIPAL OR OTHER PUBLIC OR PRIVATE SUPPLIES: THE INPUT WATER OF THE COMPANY IS SUPPLIED AND ASSURED BY INDUSTRIAL ZONE (IZ).

Water consumption (GRI 303-1)

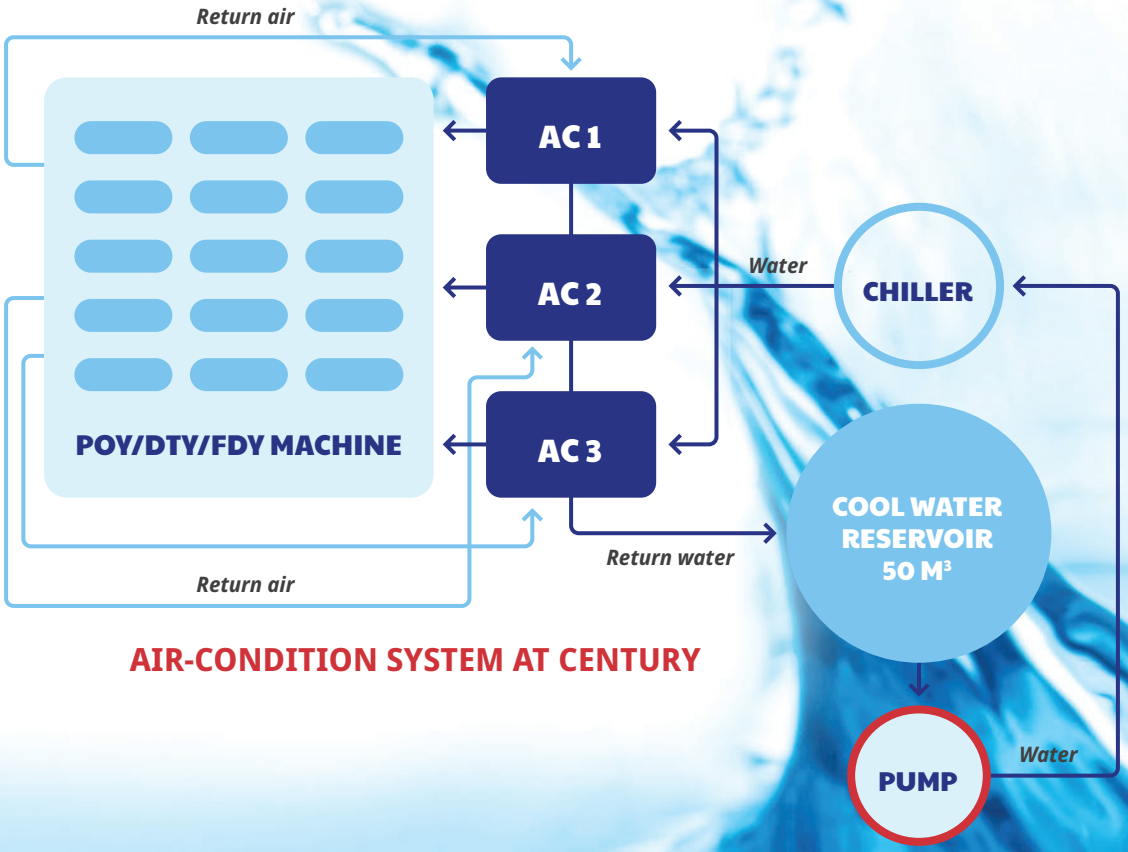
Water consumption (thousand m³)

Water consumption level on unit (m³/kg yarn)

› n 2022, water consumption increased by 14% as compared to 2021, mainly because the Company has not reached the production efficiency in POY process in accordance to its set quality KPIs, leading to higher water consumption in production of the year. Accordingly with lower production volume in 2022 than 2021 (due to the impact of the economic downturn) the amount of water consumed per 1 kg of yarn in 2022 increased by 24% as compared to 2021 (0.0025m3/kg yarn -2021 and 0.0031m3/kg -2022). In addition, the Company also continuously exerted to implement and improve water saving plans used in production activities such as maintaining and reusing condensate water at AC cooling towers of Cu Chi and Trang Bang factories, helping the Company to save costs more than 52.2 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^3 of water each year.



AIR-CONDITION SYSTEM AT CENTURY

THE PROPORTION OF RECLAIMED AND REUSED WATER 2022

$$= \frac{\textit{The volume of reclaimed and reused water}}{\textit{The total volume of used water at Company}} \times 100 = \frac{6{,}571}{245{,}840} \times 100 = \mathbf{2.7\%}$$

In 2022, the Company continued to implement water conservation measures:

Solution	Results
Collecting and reusing of water from TB2 and TB3 plants.	Saving 2,190 m^3 of water, equivalent to ~15,120,000 VND/year.
Collecting and reusing of water from the TB2 plant's air compressor.	Saving 730 m^3 of water equivalent to ~5,040,000 VND/year.
Reusing condensate AC 45 TB2 and TB3 plants.	Saving 1,861 m^3 of water equivalent to ~12,856,000 VND/year.

Energy (GRI 302)

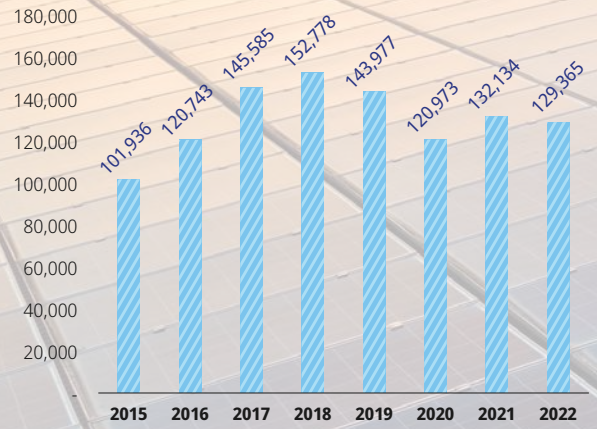
The energy consumption at the company (GRI 302-1)

The Company only uses electricity and DO oil in its production activities. In there:

- Non-renewable fuel source: **DO oil**. Volume of oil used in the year: **2.2 tons**.
- Renewable fuel sources: **electricity**;

TOTAL ENERGY CONSUMPTION AT THE COMPANY IN 2022

Amount of energy consumption (Mwh)



THE TOTAL ENERGY CONSUMPTION AT STK

The total energy consumption at STK

=

Used volume of non-renewable energy resource

+

Used volume of renewable energy

=

465,8 billion KJun

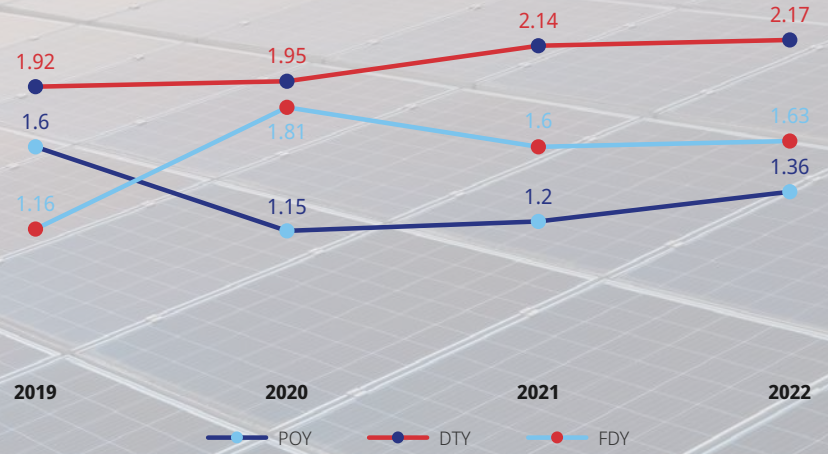
Notes:

- *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);*
- *ttp://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:



- Total electricity consumption in 2022 decreased by 2.1% as compared to 2021, mainly because the Company narrowed the production of Cu Chi factory since Q3.2022, so the total amount of electricity used in 2022 was lower than in 2021. However, the electricity consumption per 1kg of yarn of DTY, FDY and POY also increased by 1.4%, 1.9% and 13.3% respectively over the same period, mainly because the Company has not reached production efficiency according to the set quality KPIs along with the production of more special yarns, leading to higher energy consumption in production.

ENERGY-SAVING PLAN IN 2023

In 2023, the Company is going to implement the following measures to save electricity costs:

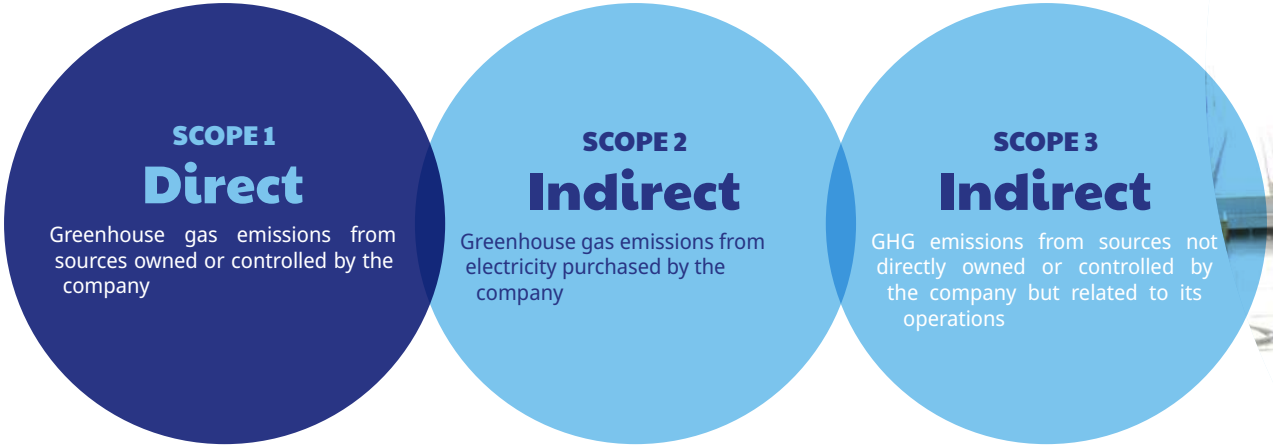
Solutions	Resultss
At Cu Chi factory: Installing inverter for cooling pump of air conditioning 1.	Save 83,311,200 VND/ year.
At Trang Bang factory: Installing inverter for DTY TB2 waste oil discharge device.	Save 116,016,000 VND/ month

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 every 3 months 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



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.

Not available data

IMPLEMENTATION METHOD TOWARDS REDUCING GHG EMISSIONS

STK'S CARBON FOOTPRINT INDEX IN 2022 WAS AS FOLLOWS

	Consump-tion amount in 2022	Emission factor CO_2 (Schneider Electric)	Carbon emissions 2019	Carbon emissions 2020	Carbon emissions 2021	Carbon emissions 2022	Increase/ Decrease (%) 2022/2021
Electricity Consump-tion volume	129,365 MWh/year	0.432[1] (tCO_2e/MWh)	62,198 (tCO_2e/year)	52,260 (tCO_2e/year)	57,081 (tCO_2e/year)	55,885 (tCO_2e/year)	2,1%
In which, carbon emission per 1 kilogram of polyester filament yarn							
POY	1.36 kwh/kg	0.432 (tCO_2e/MWh)	0,70 ($kgCO_2e$/kg)	0,50 ($kgCO_2e$/kg)	0,52 ($kgCO_2e$/kg)	0,58 ($kgCO_2e$/kg)	+12%
DTY	2.17 kwh/kg	0.432 (tCO_2e/MWh)	0,8 ($kgCO_2e$/kg)	0,84 ($kgCO_2e$/kg)	0,92 ($kgCO_2e$/kg)	0,93 ($kgCO_2e$/kg)	+1,1%
FDY	1.63 kwh/kg	0.432 (tCO_2e/MWh)	0,5 ($kgCO_2e$/kg)	0,78 ($kgCO_2e$/kg)	0,69 ($kgCO_2e$/kg)	0,70 ($kgCO_2e$/kg)	+1,4%

The carbon footprint in terms of electricity consumption per kilogram of DTY and FDY and POY yarn increased as compared to 2021 (DTY increased by 1,1%, FDY increased by 1,4%; POY increased by 12%), primarily because the Company has not reached production efficiency according to the set quality KPIs in the year along with the production of more special yarns, leading to higher energy consumption per unit of product.

1 *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-comparison-calculator/)*

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. 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. In the coming time, the Company plans to increase the proportion of renewable energy use by signing with a strategic partner to deploy rooftop solar power projects at Unitex factory and DDPA projects at Trang Bang and Unitex factories, helping the Company reduce its carbon footprint by 1.2 million tons of CO2 over the life of the project.

	Total
From the beginning of the project to the end of 2022	**13.475**
Amount of co2 (tons) reduced by the solar system	10.100
Electricity generated by solar system (mwh)	
From 2023 to the end of the project lifecycle	**514.343**
Amount of co2 (tons) reduced by the solar system	389.654
Electricity generated by the solar system (mwh)	765.700
Amount of co2 (tons) reduced by the solar system (dppa tb)	575.714
Electricity generated by the solar system (dppa tb)	
Total CO_2 reduction	**1.293.500**
Amount of co2 (tons) reduced by the solar system	975.468
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 proportion consumption of environmentally friendly products "Recycle yarn" from 52% in 2022 to 70% in 2025 on existing factories.

	2022	2025
The ratio of Recycled yarn in total sales revenue	52%	67%
The amount of CO_2 (tons) can be reduced by using recycled materials - PET Recycle chips from post-consumer-used plastic bottles.	18.374	47.712

3. Participate in carbon data report and assessment inventories

In 2022, in order to improve and monitor activities related to environmental impact, the Company has participated in the Carbon Disclose Project (CDP) program. The company provides relevant information and data through detailed questionnaires on climate change topics (emission data scope 1,2,3), announcement of system administration methods for identifying risks and opportunities of the enterprise, corporate governance mechanism, matters of energy consumption and development strategy of the Company. The Company got grade B- (Management) and this is the first year the Company participates in disclosing carbon information on the CDP system. (For detailed CDP results, please see attached appendix

With the above results, the Company has identified areas where it needs to improve in the coming time: increasing the reliability of carbon footprint scope 1 and 3 emissions data through assessment and certification by reputable organizations, strengthening the implementation of energy planning and energy efficiency initiatives at the organization, increasing the engagement of supply chain participation in the commitment to reduce carbon emissions and the strategy to combat climate change.

Parameters and results of emission monitoring in 2022:

*(See more **Results of air quality monitoring** in **Appendix 1**)*

Effluent and solid wastes (GRI 306)

The total volume of effluent by locations (GRI 306-1)

THE TABLE OF WASTEWATER STATISTICS:

		Unit	2015	2016	2017	2018	2019	2020	2021	2022
Waste-water	Cu Chi	m^3	11.482	6.137	6.188	6.173	8.304	5.843	8.607	5.541
	Trang Bang 1,2	m^3	14.581	9.462	12.988	11.222	9.496	14.907	11.802	13.744
	Trang Bang 3	m^3	4.431	17.724	12.786	9.537	8.817	13.520	8.224	13.807
	Total	m^3	30.494	33.323	31.961	26.932	26.617	34.269	28.633	33.092

The parameters and result of wastewater inspection in 2022:
*(Refer further to **The wastewater inspection result** at attached **Appendix 2**)*

Total amount of waste by type and treatment methods (GRI 306-2)

Waste types	Quantity (kg)	Organizations and individuals receiving waste
TRANG BANG		
Fuel oil	30.730	Tan Thien Nhien Environment Ltd
Plastic waste rigid packaging	9.720	
Membrane	11.499	Thai Tuan Environment Joint Stock Company
Rubbish dust	1.251	
Waste bulbs	184	Dai Phuc Services and Production Mechanical Co., Ltd.
Gloves, rags sticked with oil	1.388	
Waste ink cartridges	120	
Total quantity	54.892	
CU CHI		
Plastic waste rigid packaging	5.717	Dai Phuc Services and Production Mechanical Co., Ltd.
Waste bulbs	20	
Gloves, rags sticked with oil	260	Tan Thien Nhien Environment Ltd
Waste ink cartridges	18	
Total quantity	6.015	

- 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 as 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 2022.
- 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 306)

Non-compliance to environmental regulations and laws (GRI 306-1)

- 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 2023

- The reuse rate of POY paper tubes is **3.15 times**;
- Circulated water accounts for **2%** of the total amount of water used;
- Target water consumption level m^3/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 **64%**;
- Target electricity consumption kW/kg yarn:
  POY: **1.26kw**/kg yarn; DTY:**1.86 kw**/kg yarn; FDY: **1,41 kw**/kg yarn.
- Occurrence of violations on OSH, Fire Prevention and Environment when the inspection team of the State agency came to inspect the company: **0 case**;
- 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

> Continuously improving labor policies, improving working skills and developing careers for employees, the Company focuses on attracting and maintaining a stable workforce for production activities

2022 objectives

- Ensuring welfare policy for employees; reduce employee turnover rate;
- Increasing average training hours; developing many advanced training programs for employees;
- Creating promotion opportunities for employees; reducing the number of cases of labor accidents and occupational diseases;
- Ensuring that all employees are equipped with occupational safety-sanitation-knowledge and a safe working environment for employees;
- Providing quality and safe products for customers;
- Local community development; ensuring anti-corruption;
- Employee turnover rate **25%;**
- Failed recruitment rate **20%**;
- Meeting **95%** of human resource needs;
- Salary Budget Management **97%**;

2022 result

- Increasing average salary by more than 5% for employees; Tet bonus for more than 1 month's average salary for employees;
- Employee turnover rate increased by 24% (2021: 34.19%; 2022: 42.52%) as compared to the previous year; average training hours increased by 29% over the previous year;
- Organizing more than 48 training courses to improve employee skills; the ratio of employees assessed for career development is 100%;
- Number of accidents and occupational diseases: 0 cases; rate of employees trained in occupational safety, health and hygiene: 100%;
- The inspection report results are qualified with the standards of the working environment according to the regulations of the State;
- There have been no incidents of non-compliance regarding the health and safety impacts of products and services;
- Number of corruption cases: **0** case;
- Employee turnover rate **42.52%**;
- Failed recruitment rate **29.69%**;
- Meeting human resources needs **80.05%**;
- Salary Budget Management **91.21%**;

1. 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	› Recruitment policy and procedure at the Company; › Reward regulations in 2022; › Training plan in 2022; › Safety - hygiene - labor policies according to GRS 4.0 standards; › Regulations on occupational safety according to Decree 44/2016/ND-CP; › Procedures and policies of the system ISO 9001-2015, GRS v4.0, 5s, Reach 168, OEKO – TEX 100; › Local community development policy according to GRS v4.0 social responsibility standards;
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 human resources for the Company; › Conserving and developing stable human sources with good working skills for the Company; › Reducing the labor safety risks for employees working at the Company; › Satisfying the customer demand and enhancing the Company's prestige in the market; › Enhancing the average income, improving knowledge level and the living conditions of local workers;
RESPONSIBILITIES	› General General Director, Board of management
MANAGEMENT RESOURCES	› Administration team, Human resources team, Training team, Board of management, ISO team, production team, Recruitment team, Full-time in-charge person of occupational health and safety, health and safety network, Trade Union;
GRIEVANCE MECHANISMS	› Human resources team

2. Evaluation of the management approach (GRI 103-3)

› 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 2022: 42.52%, increased by 24% as compared to 2021 (39.14%), mainly due to the influence of the downsizing of Company's total production scale as a result of the market downturn.

› The training programs/courses organized by the Company helped enhancing employees' productivity and achieving the Company's targeted KPIs.

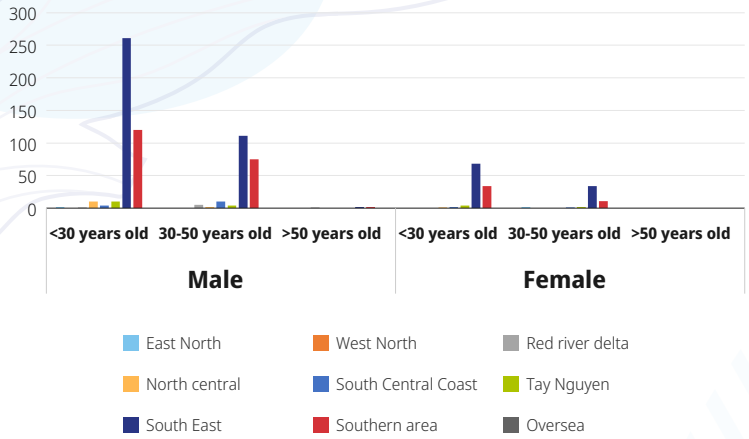
› The number of labor accidents recorded as well as the average overtime working hours of employees decreased significantly over the years;

› 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.

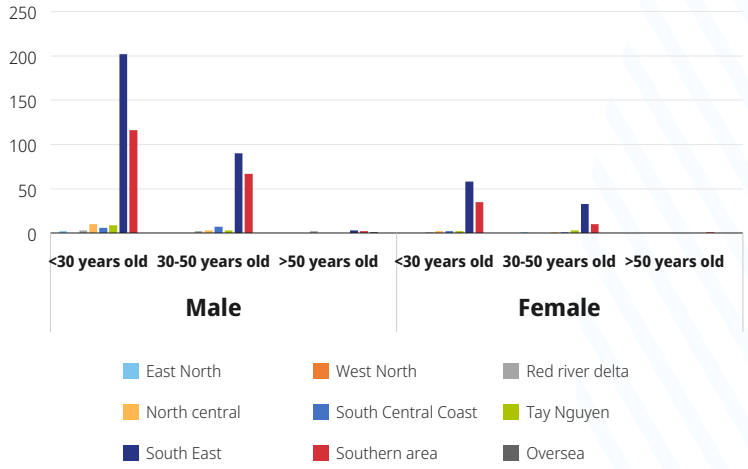
Employment (GRI 401)

Number of new hires and employment turnover rate (GRI 401-1)

The total number of new hires in the reporting period

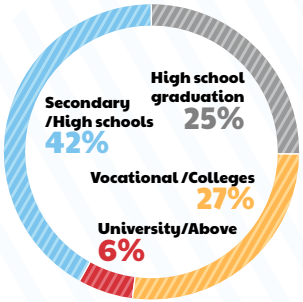


The number of employees leaving in reporting period

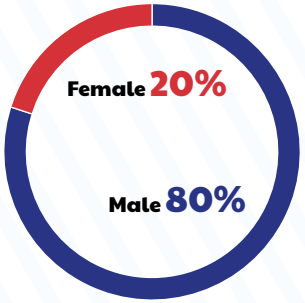


The number of full-time employees as at 31/12/2022 **882** people

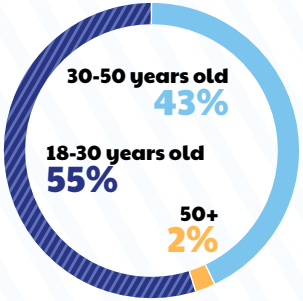
Education



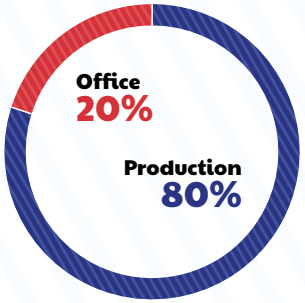
Genders



Employment by ages



Employment by functions



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.

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.

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.

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.

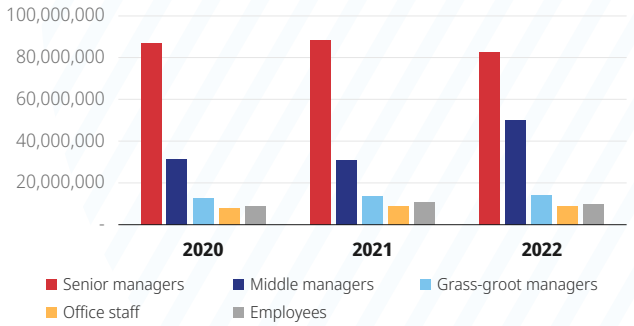
ACTUAL SALARY POLICY

- **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 2022 declined by 10% as compared to 2021, mainly because the Company stopped the operation of Cu Chi factory since Q3.2022, causing lower total output and production efficiency in 2022 as 2021, resulting in lower incomes of direct production people.

Although 2022 is an unfavorable market condition year, the Company still strived to maintain production and business activities, ensuring salary payment on time for employees as well as job security and stability.

Average income of employees at STK (VND/year)



Maternity leaving (GRI 401-3)

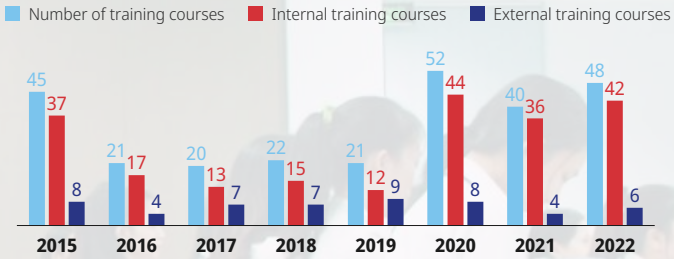
Total number of employees that were entitled to maternity leave, by gender	Male Female	 13
Total number of employees that took maternity leave, by gender	Male Female	 13
Total number of employees that returned to work in the reporting period after maternity leave ended, by gender	Male Female	 7
Total number of employees that returned to work after maternity leave ended that were still employed 12 months after their return to work, by gender	Male Female	 7
The return-to-work rate	Male Female	 54%
The employee's retention rate	Male Female	 54%

Training and education (GRI 404)

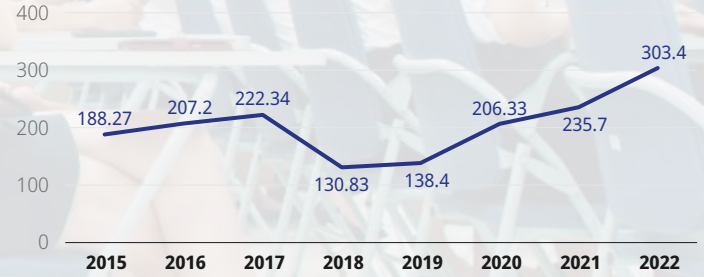
The average training hours per year per employee (GRI 404-1)

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

The number of training courses



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

In addition to the standard training programs, in 2022 the Company offered special training courses as follows:

Training courses	Trained divisions	Training hours (hours)	Number of participants (person)						Form of training	
			Managers		Office staff		Workers			
			Quan-tity	Time	Quan-tity	Time	Quan-tity	Time	Internal	External
Skill training for new comers in the production	POY section	332,8					1003	333798,4	1	
Training of Company's internal regulation for new commers	All	0,5	15	7,5	77	38,5	1003	501,5	1	
Training on occupational safety standards according to SOP - SX POY	POY section	0,33					155	51,7	1	
Training on chemical safety standards according to SOP - SX POY		0,33					155	51,7	1	
Training on fire safety standards according to SOP - SX POY		0,33					155	51,7	1	
Training standards on 5S SX POY		0,25					155	38,8	1	
Training regulations on respecting production products POY		0,25					155	38,8	1	
Training on occupational safety standards according to SOP - Production DTY	DTY section	0,33					629	209,7	1	
Training on chemical safety standards according to SOP - SX DTY		0,33					629	209,7	1	
Training on fire safety standards according to SOP - SX DTY		0,33					629	209,7	1	
Training standards on 5S SX DTY		0,25					629	157,3	1	
Training on regulations on respecting production products DTY		0,25					629	157,3	1	
Training on occupational safety standards according to SOP - QC	Quality Control Section	0,33					139	46,3	1	
Training on chemical safety standards according to SOP - QC		0,33					139	46,3	1	
Training on fire safety standards according to SOP - QC		0,33					139	46,3	1	
Training standards on 5S QC		0,25					139	34,8	1	
Training on Regulations on Product Respect QC		0,25					139	34,8	1	

Training courses	Trained divisions	Training hours (hours)	Number of participants (person)						Form of training	
			Managers		Office staff		Workers			
			Quan-tity	Time	Quan-tity	Time	Quan-tity	Time	Internal	External
Training on occupational safety standards according to SOP - Electrical	Utility	0,33					25	8,3	1	
Training on chemical safety standards according to SOP - Electrical		0,33					25	8,3	1	
Training on fire safety standards according to SOP - Electrical		0,33					25	8,3	1	
Training standards on 5S - Electricity		0,25					25	6,3	1	
Training on Regulations on respecting products - Electricity		0,25					25	6,3	1	
Training on occupational safety standards according to SOP - Office	Office	0,33	15	5,0	77	25,7			1	
Training on chemical safety standards according to SOP - Office		0,33	15	5,0	77	25,7			1	
Training on fire safety standards according to SOP - Office		0,33	15	5,0	77	25,7			1	
Training standards on 5S Office		0,25	15	3,75	77	19,25			1	
Training Regulations on respecting products-Office		0,25	15	3,75	77	19,25			1	
Social policies	All	0,25			184	71	844	211	1	
Fire protection training	All	8					60	480		1
First Aid Training	All	8					60	480		1
Occupational safety training for groups 1 - 4	All	8					660	5280		1
Chemical Safety Training	All	16					30	480	1	
Advanced training, skill cross-training for operators of DTY machines 54,17,32	All	42					23	966	1	
Advanced training, multi-skilled team of DTY Procedure	All	16					26	416	1	
Advanced training, multi-skilled for DTY LAB	All	36					6	216	1	
Advanced training, multi-skilled for DTY operators	All	36					5	180	1	
Advanced training, multi-skilled for POY preparation team	All	8					21	168	1	
Advanced training, multi-skilled for POY preparation team	All	332,8					10	3328	1	
Advanced training, multi-skilled for POY WINDER	All	332,8					28	9318,4	1	
Training on production differences between Cu Chi and Trang Bang plants	All	64					9	576	1	

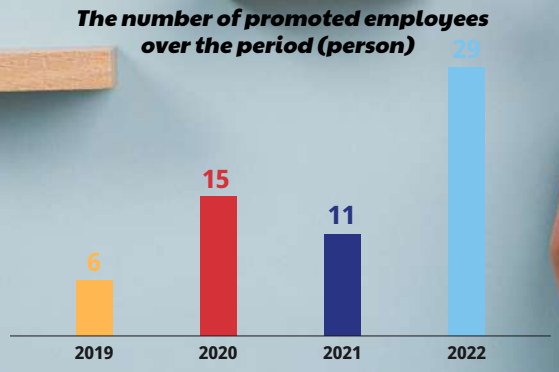
Training courses	Trained divisions	Training hours (hours)	Number of participants (person)						Form of training	
			Managers		Office staff		Workers			
			Quan-tity	Time	Quan-tity	Time	Quan-tity	Time	Internal	External
Advanced training, multi-skilled for QC POY	All	332,8					9	2995,2	1	
Advanced training, multi-skilled for POY technical team	All	56					23	1288	1	
Advanced training, multi-skilled for QC	All	332,8					12	3993,6	1	
POY production process training	Sales	1,5			20	30			1	
DTY production process training	Sales	1,5			20	30			1	
"INCOTERMS 2020 – INTERNATIONAL TRADE SPONSOR"	Sales	1			2	2				1
Training for forklift drivers	Packing Section	8			10	80				1
Trainign for recruitment team	Recruitment Staff	8			2	16				1

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 2022, the number of employees promoted to higher positions was 29 people with 24 males and 5 females.

The proportion of employees receiving regular performance and career development reviews: 100% (males: 100%, female: 100%)



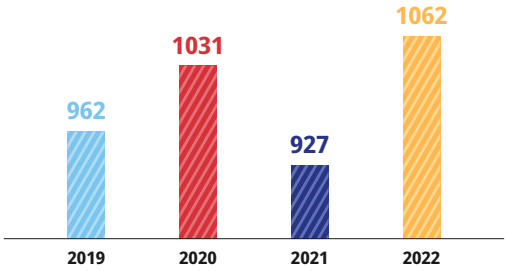
Occupational health and safety (GRI 403)

Worker participation, consultation, and communication on occupational health and safety (GRI 403-1)

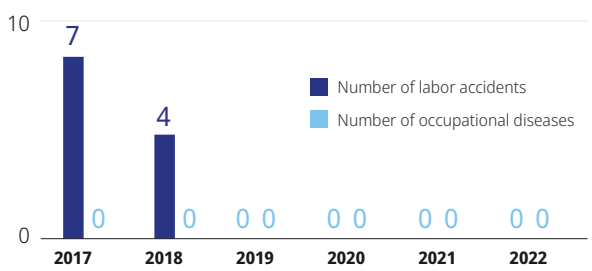
- The Company's health and safety committee consist of one full-time occupational safety officer and the occupational safety network.
- The Company's health and safety committee are responsible to ensure that all production and operation activities at the Company comply with the health and safety regulations 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:** 37 members (males: 34 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)

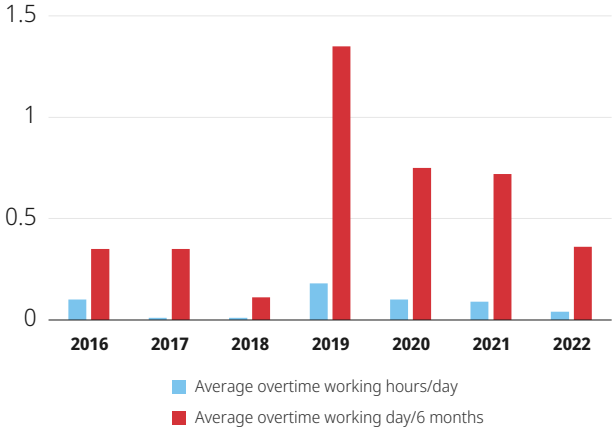
Total number of employees trained about health and safety



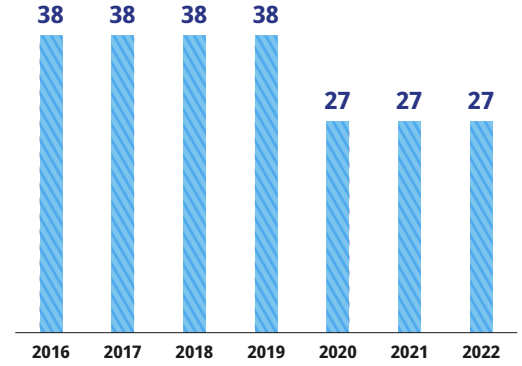
The number of labor accident and occupational diseases (cases)



Average working hours



The machinery and equipment have strict requirements about health and safety



The number of machinery and equipment having strict requirements about safety in 2022 was the same as in 2021. The Company did not have new machinery and equipment with strict requirements on OSH management in 2022.

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

(Under the Company's report of occupational health and safety in 2022 to the Department of Labor, War Invalids and Social Affairs of Ho Chi Minh City and Tay Ninh – December 31st, 2022)

Working environment measurements

- STK proactively implements measurement of the working environment to prevent occupational diseases and ensure health for employees.
- In 2022, 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 2022:

*(Refer further to **The testing result of microclimate, light, noise, dust, toxicant gas** at **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.

QUALITY CONTROL IS CARRIED OUT BY THE FOLLOWING DEPARTMENTS

Purchasing department

is responsible to check and take over raw materials, identify and eliminating defective materials before production, evaluating the quality of raw material during production to requesting the suppliers to fix the minor defects to ensure the stability of raw materials and product quality. Besides, the purchasing department has to ensure that raw materials meet requirements set out in Material Safety Data Sheet (MSDS)

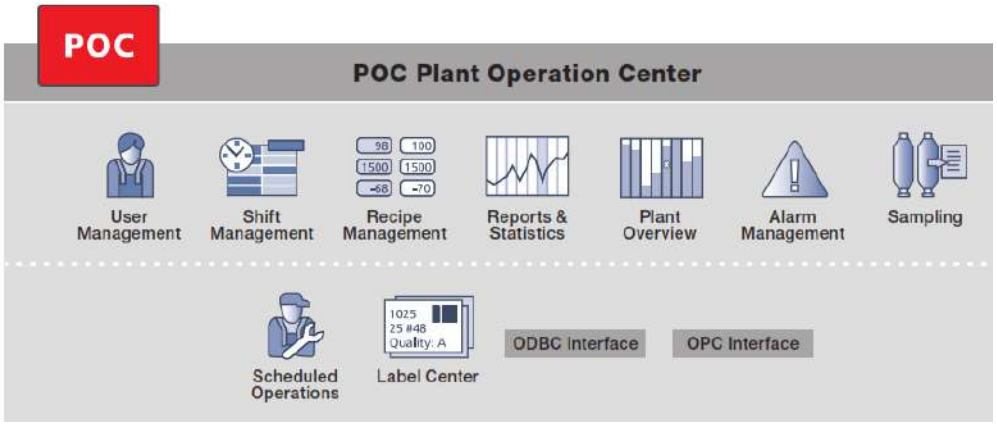
Production, mechanical & electrical and maintenance departments

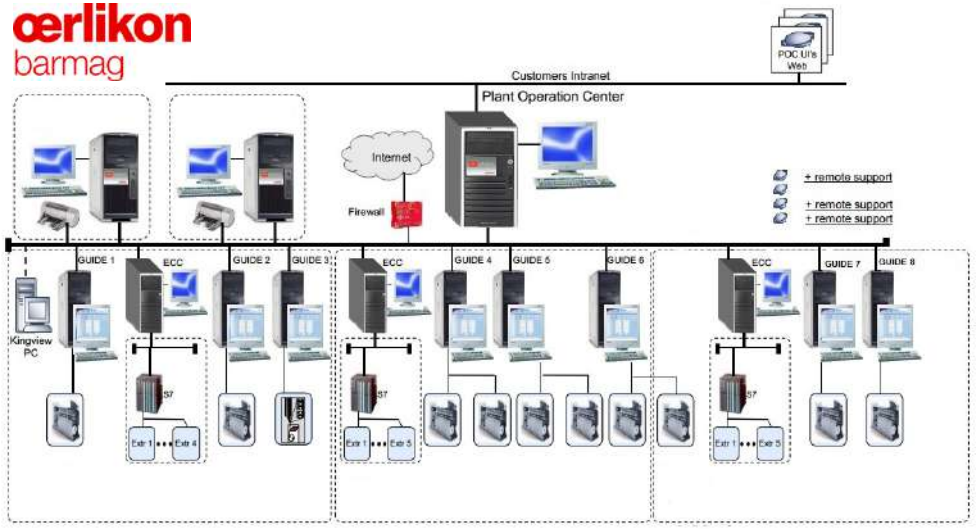
are responsible for controlling the quality of work and product in the production process to identify the errors and eliminate the substandard products.

Quality control departments (QC)

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.

THROUGH INVESTMENT IN MODERN MACHINERY AND PRODUCTION MANAGEMENT SYSTEM (POC)





Our existing factories are equipped with machines from Oerlikon Barmag, Germany. The production quality in terms of tension and yarn breakage is monitored by Unitens and actual output is controlled by the Plant Operations Center ("POC"). The POC and Unitens systems are the premise to upgrade our existing factories into smart factories, helping the production department to achieve higher production efficiency by eliminating errors right in the production process.

The collection of production data over time from Unitens and POC will be integrated and gradually transferred to the AI function as the "Smart factory", the system will learn from production experiences based on which it could know exactly what kind of manufacturing defect and how to fix it without direct technical experts onsite, furthermore, Smart factory with AI function could greatly help Company in ensuring product quality by remembering data production over time, it is possible to know exactly which production settings are best for which production products, helping the Company to maintain a consistently high quality in products.

VIA QUALITY ASSURANCE 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 2022, 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 labor;*
  - *Commitment to comply with a policy of freedom to establish associations and collective negotiation;*
  - *Commitment to comply with a policy of no discrimination, sexual harassment and abuse;*
  - *Commitment to a policy on health and occupational safety;*
  - *Commitment to comply with a policy on salary-reward in accordance with the regulations;*
  - *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

Evaluation of results 2022

The Company designed the vision & mission program in 2022, besides with evaluating the performance of each department's work performance, the departments also experienced the opportunity to give a presentation to share more topics about the good and bad virtues of Vietnamese people, thereby applying those useful information to improve the actual working environment inside the Company.

Commnunity spirit/solidarity of company

Objectives in 2022

- Support to employee having difficult circumstances working at the Company;
- Helping and supporting other colleagues;

Result 2022

- Trade Union provided gifts to Company employees: more than 300 gifts;
- Raising funds to support some employees with difficult circumstances after getting traffic acident.

LABOR-COMMUNITY DEVELOPMENT TARGETS IN 2023

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

Company's green projects

Towards the green capital market in line with the Company's sustainable development goals, STK has strongly invested and implemented green projects for the purpose of building and developing the Company in the direction of contributing to green growth, enhancing the value of economic development and protect and reduce the impact on the environment, in which:

Recycling the waste yarn from production processes

The Company has been utilizing a pellet making 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) and protecting the environment.

The recycling proportion of wasted yarn reached 90% on the total wasted yarn produced.

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_2 over the life of the projects. It is expected that the Company will expand the solar energy capacity by 15Mwp/year for Trang Bang factory through the DPPA project with strategic partners.

Recycled yarn

STK has been producing Recycled Yarn since 2016, In 2022, the proportion of recycled yarn on total sales revenue reached 52%. Through the production of recycled yarn, the Company has indirectly recycled 4.1 billion used bottles, contributing to environment protection from plastic bottle waste, which is one of the globe's alarming environmental problems.

Dope dyed yarn

The Company continues to develop further dope dye yarn with more colors such gray, black and blue navy (dope dyed yarn sales revenue accounts for 0.9% of total revenue in 2022, up 4.5 times as compared to 2021), 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.

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
CBCNV	OFFICERS AND EMPLOYEES
SX POY	POY FACTORY
SX DTY	DTY FACTORY
QLCL	QUALITY MANAGEMENT

NVTD	RECRUITMENT STAFF
NVVP	OFFICE STAFF
QL	MANAGERS
SPINNING	DRAWING MACHINE
SSR	RESISTOR
STK, CENTURY	CENTURY SYNTHETIC FIBER CORPORATION
SXKD	MANUFACTURING ANĐ OPERATION
TCVS	SANITARY STANDARDS
TCVSLĐ	LABOR HYGIENE STANDARDS
TGĐ	GENERAL DIRECTOR
BOD	BOARD OF DIRECTOR MEMBERS
BOS	SUPERVISOR COMMITTEE MEMBERS
TNCN	PERSONAL INCOME
TNDN	CORPORATE INCOME
TNHH	LIMITED
DOPE DYE	COLOR YARN
CARBON FOOTPRINT	CO2 EMISSION
WINDER	WINDING MACHINE
SGDCK	STOCK EXCHANGE AGENCY
HOSE	HO CHI MINH STOCK EXCHANGE
QC	QUALITY CONTROL
SOP	STANDARD OPERATION PROCEDURES
PDCA	PLAN-DO-CHECK-ACT
ESOP	PREFERRED SHARES

Reference table of report contents to GRI standards (GRI 102-55)

GRI standards	Disclosure items	Page
GRI		
GRI 100: UNIVERSAL STANDARDS		
ORGANIZATIONAL 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		
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	

GRI standards	Disclosure items	Page
GOVERNANCE		
102-18	Governance structure	
102-19	Delegating authority	
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	

GRI standards	Disclosure items	Page
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	
102-41	Collective bargaining agreements	
102-42	Identifying and selecting stakeholders	
102-43	Approach to stakeholder engagement	
102-44	Key topics and concerns raised	
REPORTING 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: MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its Boundary	
GRI 200: ECONOMIC STANDARDS		
GRI 201: ECONOMIC 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 standards	Disclosure items	Page
GRI 202: MARKET PRESENCE		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	
GRI 203: INDIRECT ECONOMIC IMPACTS		
203-1	Infrastructure investments and services supported	
203-2	Significant indirect economic impacts	
GRI 204: PROCUREMENT PRACTICES		
204-1	Proportion of purchase from plocal suppliers	
GRI 205: ANTI-CORRUPTION		
205-1	Operations assessed for risks related to corruption	
205-2	Communication and training about anti-corruption policies and procedures	
205-3	Confirmed incidents of corruption and actions taken	
GRI 206: ANTI- COMPETITIVE BEHAVIOR		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	
GRI 300: ENVIRONMENT STANDARDS		
GRI 301: MATERIALS		
301-1	Materials used by weight or volume	
301-2	Recycled input materials used	
301-3	Reclaimed products and their packaging materials	
GRI 302: ENERGY		
302-1	Energy consumption within the organization	
302-3	Energy intensity	
302-4	Reduction of energy consumption	
302-5	Reductions in energy requirements of products and services	
GRI 303: WATER		
303-1	Water withdrawal by source	
303-2	Water sources significantly affected by withdrawal of water	
303-3	Water recycled and reused	

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: EMISSIONS		
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: EFFLUENTS 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: ENVIRONMENTAL COMPLIANCE		
307-1	Non-compliance with environmental laws and regulations	
GRI 308: SUPPLIER 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	Page
GRI 400: SOCIAL STANDARDS		
GRI 401: EMPLOYMENT		
401-1	New employee hires and employee turnover	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	
GRI 402: LABOR/MANAGEMENT RELATIONS		
402-1	Minimum notice periods regarding operational changes	*The Company commits to notice time in accordance with the labor law*
GRI 403: OCCUPATIONAL HEALTH AND SAFETY		
403-1	Worker's representation in formal joint management–worker health and safety committees	
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	
403-3	Workers with high incidence or high risk of diseases related to their occupation	*None*
403-4	Health and safety topics covered in formal agreements with trade unions	
GRI 404: TRAINING AND EDUCATION		
404-1	Average hours of training per year per employee	
404-2	Programs for upgrading employee skills and transition assistance programs	
404-3	Percentage of employees receiving regular performance and career development reviews	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY		
405-1	Diversity of governance bodies and employees	
405-2	Ratio of basic salary and remuneration of women to men	
GRI 406: NON- DISCRIMINATION		
406-1	Incidents of discrimination and corrective actions taken	*No records*
GRI 407: FREEDOM 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: CHILD 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 standards	Disclosure items	Page
GRI 409: FORCED OR COMPLUSORY LABOR		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	*No records*
GRI 411: RIGHTS OF INDIGENOUS PEOPLES		
411-1	Incidents of violations involving rights of indigenous peoples	*No records*
GRI 412: HUMAN 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: LOCAL 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 416: CUSTOMER HEALTH AND SAFETY		
416-1	Assessment of the health and safety impacts of product and service categories	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	*No records*
GRI 417: MARKETING AND LABELING		
417-1	Requirements for product and service information and labelling	
417-2	Incidents of non-compliance concerning product and service information and labeling	*No records*
417-3	Incidents of non-compliance concerning marketing communications	
GRI 418: CUSTOMER PRIVACY		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	*No records*
GRI 419: SOCIOECONOMIC COMPLIANCE		
419-1	Non-compliance with laws regulations in the social and economic area	*No records*

Appendix 1: Air monitoring results at the Company

Parameters and results of air quality monitoring:

COMPANY GATE AREA					
No.	Parameter	Standard QCVN 05:2009/BTNMT	Standard QCVN 26:2010/BTNMT	Unit	2022
A	CU CHI Plant				
1	Temperature	-		°C	31.7
2	Noise level	-	70(")	dBA	67.4
3	Dust	0.3		mg/m^3	0.22
4	NO_2	0.2		mg/m^3	0.083
5	SO_2	0.35		mg/m^3	0.088
6	CO	30		mg/m^3	<6
B	TRANG BANG 1,2 Plant				
1	Temperature	-		°C	31.5
2	Noise level	-	70(")	dBA	68.6
3	Dust	0.3		mg/m^3	0.19
4	NO_2	0.2		mg/m^3	0.085
5	SO_2	0.35		mg/m^3	0.079
6	CO	30		mg/m^3	<6

COMPANY GATE AREA					
No.	Parameter	Standard QCVN 05:2009/BTNMT	Standard QCVN 26:2010/BTNMT	Unit	2022
B	TRANG BANG 3 Plant				
1	Temperature	-		°C	31.2
2	Noise level	-	70(")	dBA	66.3
3	Dust	0.3		mg/m^3	0.28
4	NO_2	0.2		mg/m^3	0.074
5	SO_2	0.35		mg/m^3	0.079
6	CO	30		mg/m^3	<6

→ **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.**

MANUFACTURER AREA					
No.	Parameter	Standard TCVS 3733/2002/QĐ-BYT	Unit	2022	
				POY Section	DTY Section
	CU CHI Plant				
1	**Temperature**	≤32	°C	31.2	30.1
				31.5	30.5
2	**Noise level**	≤85	dBA	85.4	86.8
				84.9	86.6
3	**Dust concentration**	8	mg/m³	0.270	0.306
				0.255	0.311
4	**NO_2**	10	mg/m³	0.117	0.063
				0.105	0.071
5	**SO_2**	10	mg/m³	0.106	0.056
				0.115	0.111
6	**CO**	40	mg/m³	<6	<6
				<6	<6
7	**VOC**	-	mg/m³	Not detected	Not detected
				Not detected	Not detected

MANUFACTURER AREA					
No.	Parameter	Standard TCVS 3733/2002/QĐ-BYT	Unit	2022	
				POY Section	DTY Section
	TRANG BANG 1,2 Plant				
1	**Temperature**	≤32	°C	30.7	31.6
2	**Noise level**	≤85	dBA	83.7	84.4
3	**Dust**	8	mg/m³	0.29	0.33
4	**NO_2**	10	mg/m³	0.093	0.088
5	**SO_2**	10	mg/m³	0.114	0.095
6	**CO**	40	mg/m³	<6	<6
7	**VOC**	-	mg/m³	Not detected	Not detected
	TRANG BANG 3 Plant				
1	**Temperature**	≤32	°C	31.5	30.6
2	**Noise level**	≤85	dBA	80.1	84.5
3	**Dust**	8	mg/m³	0.25	0.21
4	**NO_2**	10	mg/m³	0.118	0.068
5	**SO_2**	10	mg/m³	0.110	0.092
6	**CO**	40	mg/m³	<6	<6
7	**VOC**	-	mg/m³	Not detected	Not detected

→ **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 2022

No.	Name of parameters	C value Column B - QCVN 40:2011/BTNMT	Unit	System waste water after treatment
	CU CHI Plant			
1	**pH**	5-9	-	6.73
2	**BOD5**	50	mg/l	44
3	**COD**	150	mg/l	112
4	**TSS**	100	mg/l	66
5	**Copper (Cu)**	2		Not detected
6	**Total N**	40	mg/l	18.6
7	**Total P**	6	mg/l	2.68
8	**Total Coliform/100ml**	5000	MPN	4700
	TRANG BANG 1,2 Plant			
1	**pH**	5-9	-	6.68
2	**BOD5**	50	mg/l	46
3	**COD**	150	mg/l	115
4	**TSS**	100	mg/l	78
5	**Copper (Cu)**			Not detected
6	**Total N**	40	mg/l	29.3
7	**Total P**	6	mg/l	2.8
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 3 Plant			
1	**pH**	5-9	-	6.8
2	**BOD5**	50	mg/l	47
3	**COD**	150	mg/l	117
4	**TSS**	100	mg/l	74
5	**Copper (Cu)**			Not detected
6	**Total N**	40	mg/l	23.5
7	**Total P**	6	mg/l	2.05
8	**Total Coliform/100ml**	5000	MPN	4100

→ **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 2022 – dust concentration - microclimate - light - noise - toxic gases.

Concentration of dust

No.	Location of measurements	Total dust (mg/m³)							
		CU CHI Plant		TRANG BANG 1,2 Plant		TRANG BANG 3 Plant		TRANG BANG 5 Plant	
		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	0.994		0.987		0.915			
3	Workshop end area	0.951		1.025		1.178			
4	Factory DTY area #2								
5	Workshop head area	1.106		1.072		1.119		1.110	
6	Workshop middle area	1.097		1.103		1.014		1.148	
7	Workshop end area	0.981		1.048		1.087		1.156	
8	Winder workshop middle area	1.213		1.015		1.045			
9	Spinning workshop middle area	1.084		1.032		1.030			
10	Inspection area							1.210	
11	Packaging area							0.823	
12	Finished product area								
13	Recycle area							0.905	
	TOTAL	**07**		**07**		**07**		**06**	
OSH STANDARDS (Decision No. 3733/2002/QD-BYT) Maximum permissible concentration value of non-silicon dust		4.0							

Microclimate

No.	Location of measurements	TIME (h)	TEMPERATURE (°C)		HUMIDITY (Hr %)		WIND SPEED (m/s)	
			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 measuring: 10:30am							
	CU CHI Plant							
	Outside		30.5	50.2	0.3-0.5			
	Factory DTY area#1							
1	Workshop head area		30.3		52.1		0.2-0.3	
2	Workshop middle area		30.4		53.2		0.2-0.3	
	Factory DTY area #2							
3	Workshop head area		30.4		52.3		0.2-0.3	
4	Workshop middle area		30.5		51.4		0.2-0.3	
5	Workshop end area		30.5		54.1		0.2-0.3	
	Winder workshop							
6	Workshop head area		30.8		56.1		0.2-0.3	
7	Workshop end area		30.7		52.4		0.2-0.3	
	Spinning workshop							
8	Workshop head area		30.5		51.2		0.2-0.3	
9	Workshop end area		30.5		52.1		0.2-0.3	
	TOTAL		**09**		**09**		**09**	

No.	Location of measurements	TIME (h)	TEMPERATURE (°C)		HUMIDITY (Hr %)		WIND SPEED (m/s)	
			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		27.5	60.1	0.3-0.5			
	Factory DTY area#1							
1	Workshop head area							
2	Workshop end area							
3	**Factory DTY area #2**							
4	Workshop head area		28.0		54.1		0.2-0.3	
5	Workshop middle area		28.0		55.1		0.2-0.3	
6	Workshop end area		28.0		56.1		0.2-0.3	
	Winder workshop							
7	Workshop head area		29.6		50.1		0.2-0.3	
8	Workshop end area		29.8		55.1		0.2-0.3	
	Spinning workshop							
9	Workshop head area		31.6		50.6		0.2-0.3	
10	Workshop end area		31.7		44.8		0.2-0.3	
	TOTAL		**07**		**07**		**07**	

No.	Location of measurements	TIME (h)	TEMPERATURE (°C)		HUMIDITY (Hr %)		WIND SPEED (m/s)	
			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							
2	Workshop end area							
	Factory DTY area #2							
3	Workshop head area		28.0		51.1		0.2-0.3	
4	Workshop middle area		28.2		54.1		0.2-0.3	
5	Workshop end area		28.5		52.8		0.2-0.3	
	Winder workshop							
6	Workshop head area		26.5		52.0		0.2-0.3	
7	Workshop end area		27.0		52.0		0.2-0.3	
	Spinning workshop							
8	Workshop head area		27.6		54.4		0.2-0.3	
09	Workshop end area		27.6		54.2		0.2-0.3	
	TOTAL		**07**		**07**		**07**	
	TRANG BANG 5 plant		**32,1**		**51,1**		**0,3-0,5**	
	Outside							
1	DTY workshop		27.4		67.1		0.2-0.3	
2	Inspection area		28.2		62.9		0.2-0.3	
3	Packaging area		28.6		59.8		0.2-0.3	
4	Finished product area		28.9		57.1		0.2-0.3	
5	Recycle area		28.4		58.2		0.2-0.3	
	TOTAL		**05**		**05**		**05**	
TCVN 3733:2002 Requirements for temperature, humidity, air movement speed at the working position			≤32		≤80		0,2-2,0	

The light

No.	Location of measurements	THE LIGHT (Lux)		NOTE
		Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards	Allowed exposure to noise (8 hours/ day)
	CU CHI Plant			
	Factory DTY area #1			
1	Workshop head area	309		
2	Workshop middle area	314		
3	Workshop end area	371		
4	**Factory DTY area#2**			
5	Workshop head area	312		
6	Workshop end area	324		
7	**Winder workshop**			
8	Workshop head area	342		
09	Workshop end area	321		
10	**Spinning workshop**			
11	Workshop head area	320		
12	Workshop end area	330		
	TOTAL	**09**		

No.	Location of measurements	THE LIGHT (Lux)		NOTE
		Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards	Allowed exposure to noise (8 hours/ day)
	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	346		
5	Workshop middle area	325		
6	Workshop end area	370		
7	**Winder workshop**			
8	Workshop head area	329		
9	Workshop end area	336		
10	**Spinning workshop**			
11	Workshop head area	370		
12	Workshop end area	361		
	TOTAL	**07**		

No.	Location of measurements	THE LIGHT (Lux)		NOTE
		Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards	Allowed exposure to noise (8 hours/ day)
	TRANG BANG 3 Plant			
	DTY area			
1	Workshop head area	367		
2	Workshop middle area	419		
3	Workshop end area	451		
4	**Factory DTY area #2**			
5	Workshop head area			
6	Workshop middle area			
7	Workshop end area			
8	**Winder workshop**			
9	Workshop head area	320		
10	Workshop end area	335		
11	**Spinning workshop**			
12	Workshop head area	364		
13	Workshop end area	340		
14	**TOTAL**	**07**		

No.	Location of measurements	THE LIGHT (Lux)		NOTE
		Number of samples meeting the OSH standards	Number of samples not meeting the OSH standards	Allowed exposure to noise (8 hours/ day)
15	**TRANG BANG 5 plant**			
16	DTY workshop	310		
17	Inspection area	1095		
18	Packaging area	340		
19	Finished product area	120		
20	Recycle area	357		
	TOTAL	**05**		
OSH STANDARDS Decision No. 3733/2002/QD-BYT *Noise -Area where workers work in workshops and in factories *The light - Textile industry + Spinning, winding, dyeing			300	

Poisonous gas

No.	Location of measurements	Cacbon dioxit (mg/m³) <=7031	Etylen (mg/m³) <=898,44
	CU CHI plant		
1	DTY Workshop	720	
2	Winder workshop middle area	792	
3	Spinning workshop middle area	756	
4	Laboratory area	792	Not detected
5	Test dyeing room	720	Not detected
	TOTAL	**05**	**02**
	TRANG BANG 1,2 plant		
1	DTY Workshop	756	
2	Winder workshop middle area	792	
3	Spinning workshop middle area	864	
4	Laboratory area	1116	10.99
5	Test dyeing room	864	5.84
	TOTAL	**05**	**02**
	TRANG BANG 3 Plant		
1	DTY Workshop	756	
2	Winder workshop middle area	756	
3	Spinning workshop middle area	828	
4	Test dyeing room 1	864	8.25
5	Test dyeing room 2	792	6.41
	TOTAL	**05**	**02**

No.	Location of measurements	Cacbon dioxit (mg/m³) <=7031	Etylen (mg/m³) <=898,44
	TRANG BANG 5		
1	DTY Workshop	864	
2	Inspection area	828	
3	Packaging area	828	
4	Finished product area	7954	
5	Recycle area	756	
	TOTAL	**05**	**0**
OSH STANDARDS		900	1150
(Decision 3733/2002/QD-BYT)		1800	-
Limit values of chemicals in the air in the working area:			
- Average 8 hours (TWA)			
- Each time maximum (STEL)			

Noise

No.	Location of measurements	General sound level (dBA)	SOUND LEVELS IN FREQUENCIES (Hz)							
			63	125	250	500	1K	2K	4K	8K
	CU CHI Plant									
	DTY Workshop									
1	Machine# 15	51	18	28	39	45	47	44	38	33
2	Machine# 12	52	19	30	39	46	48	47	40	34
3	Machine# 10	51	18	29	39	45	47	46	39	33
4	Machine# 04	50,8	17	29	39	44	46	45	38	32
5	Machine# 06	50,1	17	28	38	44	46	45	37	32
6	**Winder workshop middle area**	**49,2**	**14**	**27**	**36**	**41**	**45**	**42**	**38**	**29**
7	**Spinning workshop middle area**	**50,2**	**17**	**30**	**39**	**44**	**46**	**45**	**38**	**32**
	TRANG BANG 1,2 Plant									
	DTY Workshop									
1	Machine# 26	86,1	51	62	75	80	81	79	74	68
2	Machine# 27	92,0	56	68	78	83	85	82	79	74
3	Machine# 28	92,6	56	68	79	84	85	82	78	73
4	**Winder workshop**	**84,4**	**50**	**61**	**74**	**78**	**80**	**78**	**73**	**68**
5	**Spinning workshop**	**78,1**	**44**	**56**	**65**	**70**	**73**	**70**	**67**	**61**

No.	Location of measurements	General sound level (dBA)	SOUND LEVELS IN FREQUENCIES (Hz)							
			63	125	250	500	1K	2K	4K	8K
	TRANG BANG 3 Plant									
	DTY Workshop									
1	Machine# 39	88,0	54	64	75	81	83	80	76	69
2	Machine# 43	88,6	52	64	75	81	83	80	77	69
3	Machine# 47	86,8	51	62	75	79	82	79	75	68
4	**Winder workshop middle area**	**86,7**	**50**	**62**	**75**	**78**	**81**	**79**	**75**	**68**
5	**Spinning workshop middle area**	**71,0**	**38**	**48**	**58**	**63**	**66**	**62**	**58**	**52**
	TRANG BANG 5 Plant									
1	**DTY Workshop**									
2	Machine#54	76,9	44	55	67	71	73	70	67	60
3	Machine# 53	77,3	44	56	66	70	72	68	63	57
4	Machine# 55	76,1	43	53	65	68	71	68	64	58
5	**Recycle area**	**75,8**	**44**	**54**	**65**	**69**	**71**	**68**	**64**	**58**
Occupational hygiene standards Decision 3733/2002/QD-BYT *Noise -Area where workers work in workshops and in factories										

SUMMARY RESULTS OF MEASUREMENT AND INSPECTION OF THE LABOR ENVIRONMENT

No.	Measuring and checking factors	CU CHI Plant			TRANG BANG Plants		
		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	11	0	32	22	10
7	Frequency analysis noise	11	11	0	25	15	10
8	Total dust	11	11	0	26	26	0
9	Poisonous gas						
10	- Cacbon dioxit	08	08	0	15	15	0
11	- Etylen	02	02	0	04	04	0