



SHINEC JOINT STOCK COMPANY

# SUSTAINABILITY REPORT

*Industrial Park Model  
Ecology - Circulation - Heritage*

SHINEC JOINT STOCK COMPANY

Nam Cau Kien IP, Kien Bai,  
Thuy Nguyen, Ha Phong

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**To Our valued Customers, and Partners,**

Shinec Joint Stock Company aims to build model of Eco Industrial Park real estate projects, economic development combined with environmental protection.

**ENVIRONMENTAL PROTECTION**

The company prioritizes and aims for a friendly business model and a positive impact on the environment through green initiatives such as launching environmental action programs and tree planting festivals. We have controlled and managed environmental protection by regularly reporting to authorities, attracting investors owning environment-friendly production lines, projects supporting circular economy and industrial symbiosis

- Nam Cau Kien complies with legal regulations
- In addition to industrial parks control and management, we also invest and operate environmental protection projects according to the Law.
- Attracting to waste treatment, the Industrial Park aims to attract clean, environment-friendly fields and social responsibility in protecting environment in Nam Cau Kien, participating in developing ecological activities and circular economy

**ACCOMPANY SOCIETY**

With a commitment to build a fair and equal society both inside and outside the Company, we have launched and implemented many policies with practical values that contribute to community.

Shinec has fulfilled its responsibilities in converting structure of land use with activities such as fully compensating farmers for agricultural land, social welfare by creating a livelihood through recruiting local people to work in Nam Cau Kien industrial park as well as purchasing agricultural products from the people, encouraging the working-age population to participate in production activities and services in Nam Cau Kien.

We say no to child labor. For employees in the Company, we have provided facilities to meet fundamental needs in life, developed and implemented insurance policies, and supported daily living expenses and design cultural and artistic programs to serve and appreciate workers.

**ADVANCED GOVERNANCE**

We always aim and apply advanced management principles, maintain business ethics and equality in business competition. Shinec's governance principles help stakeholders feel secure when working in industrial park that is firmly guaranteed by reasonable investment, cooperation for mutual development and greater security. In addition, we have been building a sustainable governance model through the project to establish the ESG Sustainable Development Board.

ESG Sustainable Development Board is the focal point to advise and propose to the Board of Directors on policies, strategies, plans and directly conduct duties related to the journey for practicing sustainable development. This will be a milestone in Shinec's management, contributing to harmonious advancement and clearly expressing the viewpoint and vision of Shinec's Board of Directors throughout the future green business journey.

With the continuous efforts of the board of directors, experts and staffs of the Company in implementing the construction of Nam Cau Kien Eco Industrial park, Shinec is an outstanding firm that government and functional organizations choose to organize scientific research on the possibility of building eco-industrial parks and circular economic models in industrial parks in Vietnam.

Shinec, along with businesses in the Industrial Park, has successfully researched solutions to link manufacture development with environmental protection, creating an industrial symbiotic supply chain without interruption in production between enterprises, creating a symbiotic environment with green space, pure wastewater and fresh air in the industrial park. Thereby, it shows that Shinec always takes environmental protection as a core value for sustainable development and a "guideline" for investment and business.

This report represents an appreciation to all partners who have accompanied Shinec on the journey of sustainable development, as well as a reminder that Shinec constantly make an effort to promote the process of building Eco Industrial Parks associated with sustainable development, circular economy and is a model for other industrial parks in Vietnam. With all achievements, we are proud of the work we have done, the initiatives that are beneficial to society, environment, and the sustainable development of Vietnam's industry.

In the future, we desire to continue to spread the image of Nam Cau Kien Eco Industrial Park - an industrial park with "a green footprint" and "happiness" to all investors developing industrial park infrastructure, managers, students, towards a sustainable Vietnamese industrial environment, and above all, a long-term prosperous Vietnam

*With sincere gratitude!*

**SHINEC JOINT STOCK COMPANY  
CHAIRMAN OF THE BOARD**



**PHAM HONG DIEP**

## MESSAGE FROM THE CHAIRMAN OF THE BOARD

**Shinec** commits to **building a pioneering Eco Industrial Park and spreading the circular economy model in Vietnam** based on harmonious benefits between stakeholders through three key pillars: Environment (E), Society (S) and Governance (G) to create a balance between economic development, environmental protection, and accompanying society connected with advanced governance principles.

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**Mr PHAM HONG DIEP**  
CHAIRMAN OF THE BOARD -  
SHINEC JOINT STOCK COMPANY

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# 01

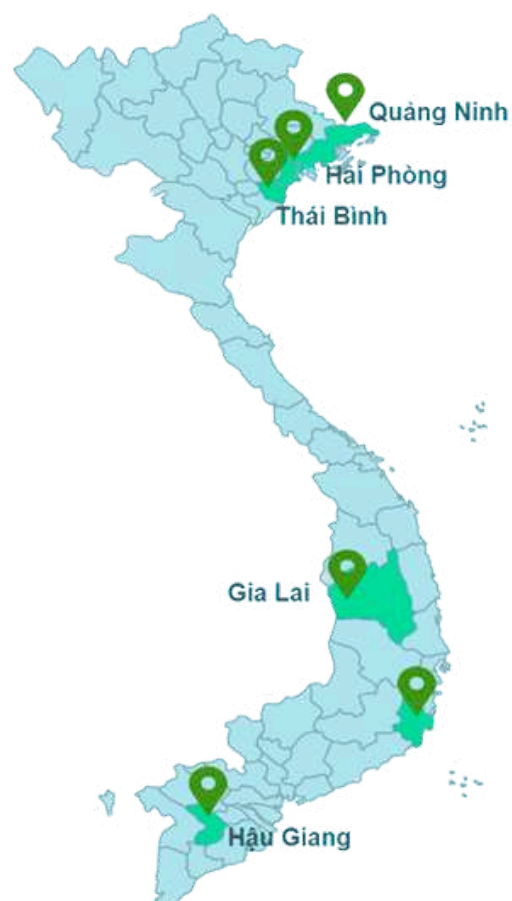
## CHAPTER I OVERVIEW

1. About the Company
2. Sustainable development achievements
3. Bringing Sustainable Value To Stakeholders
4. Sustainable Development Goals
5. Sustainable Governance





By **December 31, 2023**, Shinec was present in Vietnam through the Nam Cau Kien industrial park project. According to the expansion plan until 2030, Shinec's total expected land fund of 3,500 ha includes the following projects:



NAM CAU KIEN INDUSTRIAL PARK PROJECT

AN THO INDUSTRIAL CLUSTER PROJECT

DAM HA INDUSTRIAL CLUSTER PROJECT

THAI DO INDUSTRIAL PARK PROJECT

DAK DOA INDUSTRIAL CLUSTER PROJECT

DONG PHU 2 INDUSTRIAL PARK PROJECT



## SHINEC JOINT STOCK COMPANY

### GENERAL INTRODUCTION

**Shinec Joint Stock Company** was established in 2001. After more than 20 years of foundation and development, Shinec is a pioneering enterprise in building an eco industrial park model associated with circular economy in Vietnam.

A typical model is **Nam Cau Kien industrial park** in Hai Phong. This is the first Eco Industrial Park following the Circular Economy model in Vietnam, invested by Vietnamese people, a harmonious combination in the field of environmental protection, circular economic ecosystem and renewable energy, meeting the requirements of Decree No. 35/2022/ND-CP of the Prime Minister and Law on Environmental Protection No. 72/2020/QH14.

**Headquarter** Kien Bai, Thuy Nguyen, Hai Phong

**Hotline** (+84) 2253.645.365

**Website** shinec.com.vn

**Business sectors** Investing, constructing, and trading in industrial park and industrial cluster infrastructure and utility services



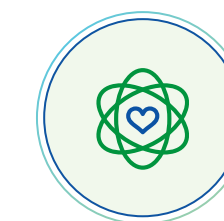
#### VISION

- Establish a position as a leader in the field of sustainable eco-industrial park development in Vietnam.



#### MISSION

- Become a model that changes the way industrial infrastructure is developed and operated in the direction of ecology, circularity and sustainability.
- Bringing the brand of Vietnam IP to the international level.
- Long-term contribution to the sustainable development of the locality regarding economy, society, environment, culture



#### CORE VALUES

- Put the sustainable development strategy at the center. Along with that are: Faith - Heart - Mind - Speed - Love - Humanity



# DEVELOPMENT HISTORY

Establishment of Shinec Construction Enterprise Branch

**2004**

Business expansion in the field: design consultancy, interior construction of ships and civil works

**2003**



The HaiPhong economic zone authority (HEZA) issued an Investment Registration Certificate for the investment project on construction and technical infrastructure business of Nam Cau Kien Industrial Park

**2008**



Vietnam Records Organization confirmed:

- The wastewater treatment plant in Nam Cau Kien industrial park is designed according to the model of Japanese garden - The first model in Vietnam
- The largest Japanese garden in Vietnam on the grounds of the Industrial Park
- General Vo Nguyen Giap Memorial Area in the campus of Nam Cau Kien IP - the first model in Vietnam.

**2020**



**2001**



**2001**

Established Shinec Shipbuilding Industry Joint Stock Company. Established representative office in Hanoi

**2002**

Expanding business in the field of processing and trading of agricultural, forestry and fishery products, shrimp feed production  
The project of 5000 ha forest in Lang Son, serving wood processing factories and furniture for export

**2006 - 2007**



**2006**

Establishment of ship furniture factory enterprise and foundation of Shinec ship furniture installation enterprise

**2007**

Branch Establishment

- Shinec Metal Furniture Factory
- Shinec Export Furniture Factory

Expanding the field of investment in the construction of infrastructure of industrial parks and industrial clusters

**2015-2018**



**2015**

Corporate restructuring and renaming to Shinec Joint Stock Company

**2018**

Signing a cooperation agreement with the Carbon Reduction Center of Kytayushu City to build a pilot of Nam Cau Kien eco industrial park

**2024**



**2024**

Continuing to build and develop industrial park and industrial cluster projects, actively advertising, attracting and promoting investment



# SUSTAINABILITY AT A GLANCE UNTIL 2023

## ENVIRONMENTAL SECTOR



### Water resource management

**Wastewater Treatment Plant**, microbiological treatment technology with capacity of 2000 m<sup>3</sup>/day and night in the industrial park campus designed according to **the first Japanese garden model**

**in Viet Nam**, certified by Vietnam Record Organization.

**25%** The amount of treated **wastewater** is reused for watering plants and washing roads, reducing the amount discharged to environment

**600 MIL VNĐ** **saving** the cost of buying clean water each year



### Waste Management

**100%** the **waste treatment needs** of investors are met according to the Circular Symbiotic Chain model.

**03** **industrial symbiotic chains** (steel, plastics and electronic auxiliaries) have been successfully established.)



### Biodiversity

**65%** The **ecosystem in the industrial park was restored** after the eco industrial park model was thoroughly applied in Nam Cau Kien.

**17** **sub-ecosystems** belong to 2 groups of terrestrial and inland waters in number.

**1200** the **species of the organism is developed.**

**33%** The area of Nam Cau Kien Industrial Park is reserved for **public works, trees, traffic, etc.** compared to 25% of the national technical regulation on construction planning.

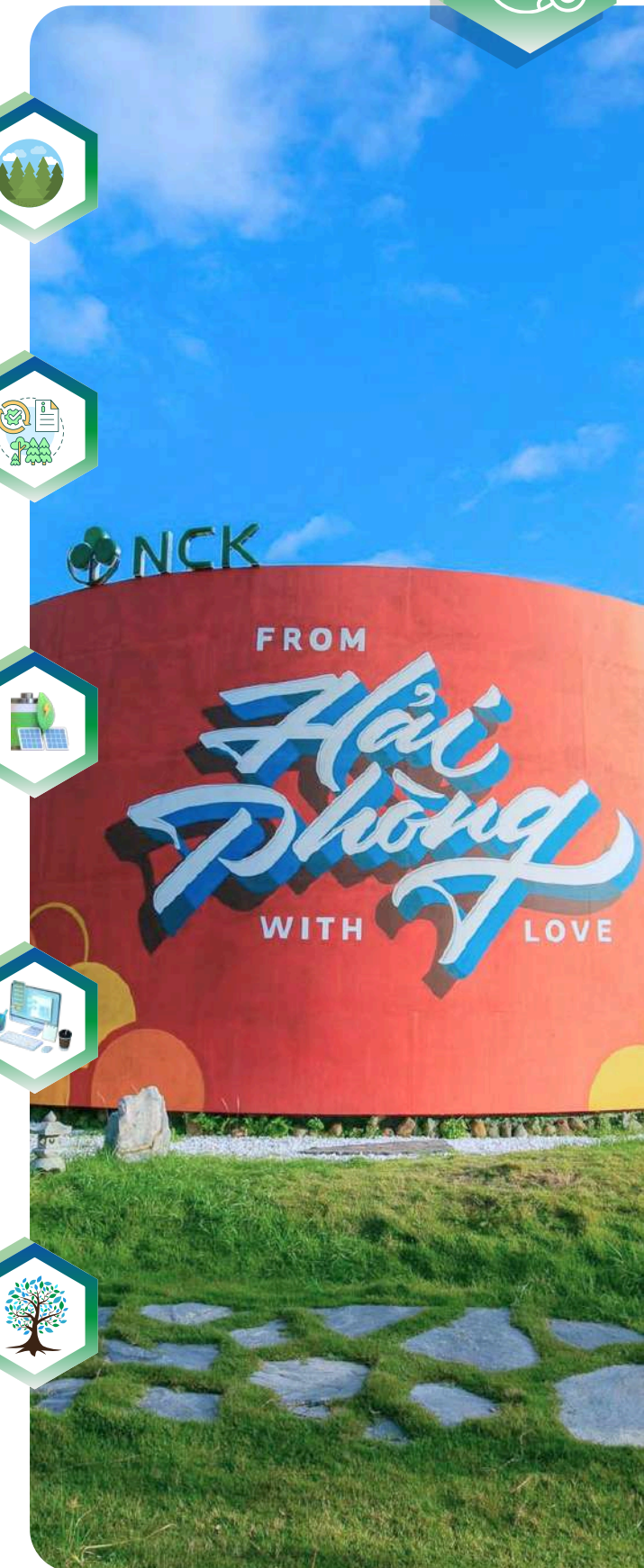
**1 million** **Trees are part of the planting plan** in Nam Cau Kien Industrial Park. Responding to the Government's program of **planting 1 billion trees.**

**81,4 KWH** The average electricity output exploited from the rooftop solar power project (**pilot project at the company's office**) in 1 year.

**24/24 hour** Automatic and continuous wastewater source monitoring system, **transmitting information** to DONRE HPC

Project scale  
**30.000 m<sup>2</sup>** The Japanese garden in the Nam Cau Kien campus is **the largest Japanese garden in Vietnam** Certified by Vietnam Record Organization.

## Climate recovery





# SUSTAINABILITY AT A GLANCE UNTIL 2023

## SOCIAL SECTOR

The first **Memorial Area** for General Võ Nguyên Giáp within the premises of an industrial park in Vietnam was completed and certified in 2020. Certificate of General Vo Nguyen Giap Cultural Heritage Works (issued by the Vietnam Heritage Association).

**Typical ecological constructions** are built and maintained within the Nam Cau Kien industrial zone.

**Annual growth rate** in the number of new jobs.

Labors find jobs

**Books** were contributed to the general library of Nam Cau Kien Industrial Park.

"Memorabilia Garden"

10

Increase 35%

8000

1000

### Social impact and responsibility



### Human resource development and management

Shinec employees are **evaluated for their performance on a monthly basis.**

100%

For employees to improve their capacity and professional knowledge.

Training Program



75%

**Businesses** responded from Good level or higher on all 5 criteria for evaluating the service quality of Nam Cau Kien Industrial Park.

Corporate governance

100%

**Management system** meets international standards such as ISO 14001:2015, ISO 9001; ISO 14000; 3S, 5S, Kaizen.

## GOVERNANCE SECTOR

Nearly 80

**Domestic and foreign investors** - High attraction and occupancy rate.

Economy

More than 1000 Billion VND

The entire Industrial Park **contributes taxes** to the State Budget in 2023.

10%

**Average rental fees** have increased since 2017



“越”见商机 共谋发展

VĂN HỘI VIỆT NAM - ĐỒNG HÀNH PHÁT TRIỂN

越南Shinec集团综合产业园深圳推介会

HỘI HỢC TIẾC TỰ CỎA HIỆP TÁN NH SHINEC NAM CAU KIEN

“越”见商机 共谋发展



# BRINGING SUSTAINABLE VALUE TO STAKEHOLDERS



## ASSESSMENT FROM PARTNERS IN NAM CAU KIEN IP

Every year, Shinec collects feedbacks from tenants who are operating in the industrial park to maintain and improve service quality. According to survey data in 2023, Nam Cau Kien Industrial Park achieved a quality score of "Good" for all 5 out of 5 evaluation criteria from more than 75% of the number of customers surveyed.

General service quality of the industrial park

01

Ecological environment in the industrial park

05

Utility services in the Industrial Park

02

Circular supply chains in industrial parks

04

Waste treatment, electricity and renewable water in industrial parks

03

## OPINIONS OF EXPERTS AND STAKEHOLDERS ON THE SUSTAINABLE MODEL OF NAM CAU KIEN INDUSTRIAL PARK AND SHINEC



"One of the three pillars of sustainable socio-economic development is economic development associated with environmental protection. In that context, the circular economy has emerged as a green production method, especially when resources around the world and in our country are increasingly depleted, helping to solve the important problem between economic and environmental benefits.

The model of Nam Cau Kien eco industrial park in Hai Phong is invested by Shinec enterprise. Here, the green economy model - circular economy is being successfully built and applied, making an important contribution to economic development as well as raising the awareness and actions of businesses in environmental protection."

- D.Sc. PHAN XUAN DUNG -  
PRESIDENT OF VIETNAM UNION OF SCIENTIFIC AND TECHNICAL ASSOCIATIONS

"Surpassing the image of an existing conventional industrial park in Vietnam, Nam Cau Kien Industrial Park based on the criteria of eco industrial parks has built the first concept of circular economy in industrial parks in Vietnam and proposed a set of circular economy criteria that can be widely applied throughout the country.

Nam Cau Kien Industrial Park is not in the pilot group for the transformation from a conventional industrial park to an eco industrial park, so it means that there is no support from State Resources in financial and technical issues, as well as assessing the ability to meet the criteria of the eco industrial park. However, because of this, Nam Cau Kien is feasible to create a point model to help businesses and investors learn, if they also do not receive any support. The selection of a survey in a self-reliant industrial park, self-mobilizing conditions for cooperation and investment, learning from experience, especially from Japan, which has built an eco industrial park model and achieved successful results, will keep organization's spirit up and develop circular economy for the vast majority of industrial parks in Viet Nam."

- Prof. Dr ĐANG KIM CHI -  
VICE CHAIRMAN OF VIETNAM ASSOCIATION FOR CONSERVATION OF NATURE AND ENVIRONMENT



# BRINGING SUSTAINABLE VALUE TO STAKEHOLDERS



**- MR HERU KUSTANTO -**  
**DIRECTOR OF INDUSTRY DEPARTMENT, MINISTRY OF INDUSTRY, REPUBLIC OF INDONESIA**

“We are surprised to see so many factories coexisting, integrating in a green, beautiful and harmonious area with nature. The interior is operated smoothly, methodically and circularly through a digital management system. We highly appreciate the commitments and policies that the Vietnamese government implements in building eco industrial parks like this”

**- Prof. ACADEMIC PHAM VAN THUC -**  
**FRENCH ACADEMY OF MEDICAL SCIENCES**

“The topic of assessing the feasibility of implementing the circular economy model in industrial parks in Vietnam has showed basic difficulties in the application of circular economy in Vietnam and there is also no circular economy model to ensure the continuous and sustainable cycle of substance used in the economy. However, through the model of Nam Cau Kien Eco Industrial Park, it meets two basic approaches of the CE, the basic criteria of international eco industrial park standards and 8 criteria of Decree 82/2018/ND-CP, at the same time creates a special ecological standard system to build the CE model in Nam Cau Kien Industrial Park becoming a preminent model for the modern industrial economy in Vietnam, strongly solving the challenge between economic growth and environmental protection.



## STAKEHOLDER ENGAGEMENT

STAKEHOLDER	KEY CONCERNS	ENGAGEMENT	VALUES
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**EMPLOYEE**




- |   |   |  |
|---|---|--|
| <ul style="list-style-type: none"> <li>• Appropriate compensation and benefits</li> <li>• Evaluate employee performance fairly</li> <li>• Diversity and inclusion in the workplace</li> <li>• Career path</li> <li>• Raising awareness about sustainable development</li> </ul> | <ul style="list-style-type: none"> <li>• Company and department meeting</li> <li>• Monthly employee performance reviews</li> <li>• Suitable training sessions</li> <li>• Regular internal communications</li> </ul> | <ul style="list-style-type: none"> <li>• Professional, creative, and motivating working environment</li> <li>• Salary, bonus and remuneration in accordance with the contribution of personnel</li> <li>• Career path tailored to each employee</li> <li>• Training programs on expertise, laws and sustainable development</li> </ul> |
|---|---|--|







# BRINGING SUSTAINABLE VALUE TO STAKEHOLDERS

## STAKEHOLDER ENGAGEMENT (CONTINUED)

STAKEHOLDER	KEY CONCERNS	ENGAGEMENT	VALUES
 <b>CUSTOMER</b>	<ul style="list-style-type: none"> <li>• After-sales services quality</li> <li>• Managing and expanding the network of relationships</li> <li>• Industrial Park Infrastructure</li> <li>• Water, electricity, and waste management</li> <li>• Traffic and road issues</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction survey</li> <li>• Visiting/promotional activities</li> <li>• Face-to-face meeting</li> <li>• Hotline to complain about service</li> <li>• Online/Offline discussion</li> </ul>	<ul style="list-style-type: none"> <li>• Bringing the best experience to customers before, during and after using service</li> <li>• Commitment to service quality</li> <li>• Listening and understanding the needs of customers</li> </ul>
 <b>SHAREHOLDERS AND INVESTORS</b>	<ul style="list-style-type: none"> <li>• Business results</li> <li>• Enterprise vision and strategy</li> <li>• Risk management</li> <li>• Presence in the market</li> </ul>	<ul style="list-style-type: none"> <li>• Board meetings</li> <li>• Quarterly/monthly report</li> <li>• Extraordinary meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Implementing transparent governance to protect shareholder interests</li> <li>• Publishing information, promptly seek shareholders' opinions on important decisions through annual board meetings or reports.</li> <li>• Creating opportunities for shareholders/investors to arrange meetings with the Management Board</li> <li>• Ensuring transparency on social and environmental strategies</li> </ul>
 <b>LOCAL COMMUNITY</b>	<ul style="list-style-type: none"> <li>• Economic and environmental impact on local communities</li> <li>• Water and waste management</li> <li>• Energy</li> </ul>	<ul style="list-style-type: none"> <li>• Volunteer programs for environment</li> <li>• Enhancing community development</li> <li>• Communication channel with authorities</li> <li>• Labor resources</li> <li>• Developing new services</li> </ul>	<ul style="list-style-type: none"> <li>• Commitment to social responsibilities</li> <li>• Protecting the environment around the industrial park</li> <li>• Participating in activities to contribute and build local facilities</li> <li>• Creating jobs for local workers</li> </ul>

STAKEHOLDER	KEY CONCERNS	ENGAGEMENT	VALUES
 <b>GOVERNMENT</b>	<ul style="list-style-type: none"> <li>• Complying with legal regulations</li> <li>• Anti-corruption</li> <li>• Economic and environmental impact</li> <li>• Coordinating in supervising and managing secondary enterprises in compliance with regulations in production and business activities</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings and seminars</li> <li>• Economic organizations</li> </ul>	<ul style="list-style-type: none"> <li>• Closely monitoring compliance with government policies and regulations</li> <li>• Contributing opinions to government policies</li> <li>• Participating in conferences and seminars organized by state management agencies or organizations and associations to contribute ideas to build sustainable industries.</li> </ul>
 <b>MEDIA</b>	<ul style="list-style-type: none"> <li>• Corporate image</li> <li>• Information related to eco industrial parks</li> <li>• Exchange of information</li> <li>• Communication center, experiential training for employees at all levels, CEOs, CFOs</li> </ul>	<ul style="list-style-type: none"> <li>• Cooperation with media agencies</li> <li>• Posting on intranets and press releases</li> <li>• Model of experience and field trip at the industrial park</li> </ul>	<ul style="list-style-type: none"> <li>• Contributing articles and publications on eco industrial parks, spreading knowledge to stakeholders</li> </ul>





# SUSTAINABLE GOVERNANCE



The Board of Directors leads the implementation of the sustainable program at all levels of the company and functional departments, encouraging a culture of collaboration and innovation to achieve these ambitious goals.



Each department will have employees in charge of different areas of the sustainable journey, support implementation, and coordinate with stakeholders to achieve the goals, vision and mission that the company has set. We aim to compare and follow the company's sustainability commitments to stay on track and make appropriate adjustments when necessary



Shinec established the Sustainable Department. The Chairman of the Board of Directors is the Chairman of the Department.

# ORGANIZATIONAL STRUCTURE



**Chairman of the Department  
Chairman of the Board of Directors**

- Orientation to direct the development of the Sustainable Development Strategy;
- Approval and high-level supervision of implementing of initiatives sustainable development strategy
- Approving policies, regulations, goals and annual sustainable development reports.



**Vice Chairman of the Department  
Director General**

- Advising on developing a sustainable development strategy and submit it to BOD for approval
- Directly commanding, allocating resources and supervising the implementation of sustainable development initiatives
- To be responsible to BOD for the results of the application of sustainable development initiatives
- Directing the formulation and approval of policies,, processes and tools for sustainable development to submit to BOD for permission.



**Members are leaders of relevant  
functional departments**

- Advising on the development of sustainable development initiatives within the scope of expertise
- Advising on the development of regulations, processes and tools for sustainable development within the scope of expertise. Concretizing sustainable development initiatives into projects and programs within the scope of expertise
- Directly implementing, supervising and taking responsibility for the results of relevant projects and jobs within the approved budget and resources.





# 02

## CHAPTER II SOCIETY

- 1. Social Impact and Responsibility
- 2. Human Resource Development and Management
- 3. Employee Benefits





**ALL ARE ORIENTED TO THE COMPANY'S GOAL OF BUILDING A HAPPY ECO INDUSTRIAL PARK AND HELP SOCIETY DEVELOP AND BECOME BETTER, FOR A SUSTAINABLE VIETNAM.**

**With a business philosophy that takes the word “Tâm” as the through-line axis for corporate governance and economic development, Shinec focuses on building and developing happy eco industrial parks. To do that, we focus on “Nhân” - human factor, because we believe that happy people will create a happy eco industrial park, thereby building a happy society.**

In addition, we aim to build public construction, community programs, and volunteer activities, with the goal of improving social welfare for the community around the industrial park as well as a gratitude to employees.

Human are the core of development, so Shinec focuses on human resource development, providing benefits to support employees' lives, and building a impartial, professional, friendly working environment and being committed to ensuring the safety of the community in the industrial park.

We understand that the social community is an extremely important resource, contributions to society are an indispensable factor on the way to build happy eco industrial parks.

**ALIGNING THE GLOBAL GOAL OF SUSTAINABLE DEVELOPMENT UN SDG**



# SUSTAINABLE DEVELOPMENT STRATEGY

At Shinec, we have identified **four (04) pillars** for sustainable social development strategy, including:



## CONTRIBUTING TO SOCIETY

Through the development and construction of eco industrial parks across, we create jobs and positive impacts on communities around our projects. In addition, the Company focuses on creating a network of cooperation between other stakeholders, e.g. customers, suppliers and various organizations to help develop society as a whole.



## DEVELOPING SUSTAINABLE WORKFORCE

With human as the core of our business's growth, we ensure that our employees are given the best conditions to develop their professional skills and other soft skills in parallel. In addition, we encourage our employees to develop their capacity and qualification for career advancement.



## ENSURING COMMUNITY SAFETY

The company is committed to building a safe society in all responsible areas and the areas around the industrial park by emphasizing the importance of complying with relevant laws and preparing both equipment and manpower to be able to respond to various types of emergency situations. In addition, we carry out activities to raise awareness for employees, customers, contractors and the surrounding community about safety, thereby building a safe society as well as creating trust for the local around industrial parks.



## PROTECT HUMAN RIGHTS

Shinec provides guidelines for employee care in accordance with by-law and international standards related to the business in which it operates, including human rights principles. All employees are treated equally and fairly, and their rights are protected and respected. Complaint channels are provided to receive suggestions, problems and expectations of all employees in order to improve HR management accordingly.

## SUSTAINABLE DEVELOPMENT GOALS



### CONTRIBUTING TO SOCIETY

- Construction of utility areas for community in the eco industrial park.
- Providing jobs for residents around industrial parks and city neighboring areas.
- Raising a study promotion fund to support children of employees in difficulties.
- Volunteer program, supporting to build charity houses, contributing to building spacious, safe villages and protect environment.



### SUSTAINABLE WORKFORCE DEVELOPMENT

- 100% of employees participate in training courses to improve professional skills.
- Completing succession plans for potential candidates.



### PROTECTING HUMAN RIGHTS

- 100% of employees are paid fairly and equally according to their abilities.
- 100% of employees are guaranteed a balance between work and personal life.
- Completing the complaint channel.
- Finalizing the code of conduct but not limited to regulations on diversity, equity, and involvement.

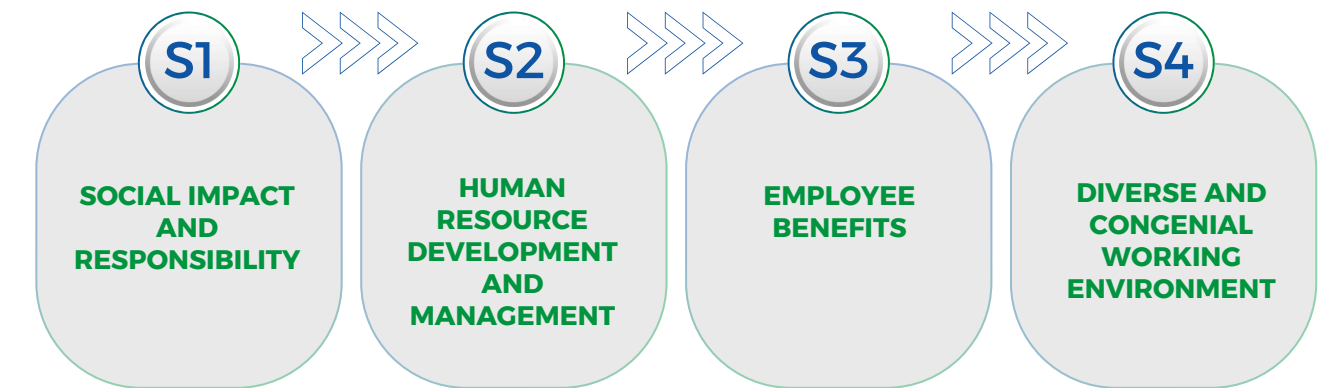


### ENSURING COMMUNITY SAFETY

- No occupational accidents occurred.
- Protecting the environment in and around the industrial park.

From the above goals, we have determined:

## FOUR (04) KEY TOPICS OF SOCIAL PILLARS IN SUSTAINABLE DEVELOPMENT STRATEGY, INCLUDING:



## MATERIAL TOPICS

## INITIATIVES

### Social impact and responsibility

- S1-1 Creating a green community: creating constructions, activities, social welfare for the community and workers in the industrial park.
- S1-2 Building models of green agriculture with clean products with the participation of the community.

### Human resource development and management

- S2-1 Diverse training program, constantly innovating: providing training programs and communication which are suitable to career development paths of employees.
- S2-2 Transparent and fair performance reviews: monthly performance reviews and improvements to career development paths.

### Employee benefits

- S3-1 Employee benefits: ensuring employee welfare to improve morale and maintain employee engagement with the company.
- S3-2 Maternity leave: Complying with Vietnam's Law on maternity leave and ensuring benefits for employees.

### Diverse and congenial working environment

- S4 Complying with human rights laws and ensuring a diverse and equal working environment. We promote a healthy and productive environment where everyone has equal opportunities.

# SOCIAL IMPACT AND RESPONSIBILITY

## S1-1 CREATING A GREEN WELFARE COMMUNITY



“As a highly responsible enterprise, we are aware of our obligation to create value for society. The Company's outreach activities focus mainly on the campaigns "When drinking water, remember its source", nature conservation and community development.”



With the goal of creating projects, activities, welfare, social security, and construction in the industrial park for a green, clean and beautiful environment for the residents, for the workers in the industrial park, Shinec has successfully created and built a green community.

By concrete actions, the industrial park and businesses have received the support and trust of the community including the government, authorities, local community and associations, who care about the environment, solve people's environmental concerns, thereby creating trust and accompanying the development of the industrial park. The company aims to avoid complaints from residential areas and local authorities about the industrial park causing environmental pollution like some other industrial parks today.

### COMMUNITY IN THE INDUSTRIAL PARK



- Building the Nam Cau Kien ecological library: storing research topics, books on environmental science and many famous books in various fields such as business, economics, science, engineering, literature, history,...
- Establishment of the "Fund for Innovation in a Sustainable Environment"
- Organizing arts, entertainment, cultural and sports activities for employees, expressing gratitude to them
- Propagating, organizing training sessions, improving knowledge and activities on environmental protection, fire safety, etc.

### COMMUNITY OUTSIDE THE INDUSTRIAL PARK



- Building and developing the Center for Environmental Communication Innovation
- Construction of cultural and social works in the community
- Organizing programs for the environment
- Releasing scientific research publications
- Organizing culture - sports exchanges inside and outside the industrial park
- Sharing knowledge, participating in activities, giving opinions to industrial parks in environmental protection

# SOCIAL IMPACT AND RESPONSIBILITY

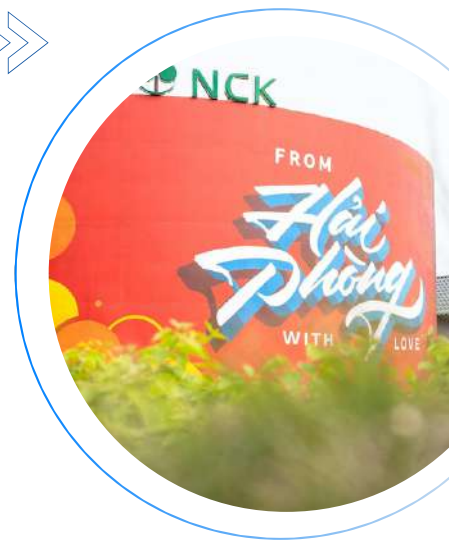
## S1-1 CREATING A GREEN WELFARE COMMUNITY

### BUILD THE GARDEN OF HAPPINESS

The industrial park has conducted experiments on Happy Gardens at factories with many workers, before getting married, each couple plant 1 tree in the Happy Garden has not only humanitarian meaning but also environmental benefits, and awareness benefits for generations who must protect the forest. It is necessary to plant many trees according to Uncle Ho's words "For the sake of ten years, we must plant trees, for the sake of 100 years, we should cultivate people".

Through that reality, Nam Cau Kien went to propagate to communes and wards to mobilize each commune to create a Happy Garden to educate, propagate and spread to many communes and provinces. In Hai Phong, the Department of Justice participated in the campaign to build many Happy Gardens.

We took advantage of the vacant ground under the high-voltage power line to build the "Happy Garden". This is not only a place to visit and relax after stress hours, but also shows outstanding mindset about improving the area under the high-voltage power station to minimize the rate of wasteland, erosion, and spontaneous landfills causing loss of aesthetics.



### CONSTRUCTION OF THE JAPANESE GARDEN AT THE INDUSTRIAL PARK'S CENTRALIZED WASTEWATER TREATMENT PLANT

In addition, Shinec cooperated with Tashiro Zouen Co., Ltd. to build the Japanese Garden Complex - the landscape of the wastewater treatment plant in Japanese style. The project is part of the ecological landscape chain of Nam Cau Kien Industrial Park, with the aim of contributing to highlight the friendship between both cities during the past time. The landscape helps bring interesting experiences to workers, surrounding people and tourists when discovering the characteristics, customs and people of Japan in Nam Cau Kien Industrial Park as well as creating a green and fresh environment that attracts more people with ecological space.

The Kyousei-no-niwa Japanese Garden (共生の庭) covers an area of more than 30,000 m<sup>2</sup>, designed and supervised by Japanese and Vietnamese engineers, and is designed to cover the grounds of the wastewater treatment plant and functional lakes connected to the park along the central canal. This creates a soft green strip, contributing to the uniqueness of the Eco Industrial Park – Where there is a business system with a symbiotic relationship, a multi-layered interconnected business ecosystem that develops together according to the criteria of the circular economy, bringing sustainable added value to investors in Nam Cau Kien Industrial Park.

Nam Cau Kien Industrial Park was especially honored to receive the approval decision to place the mascot of Kitakyushu city (Teitan Bear).

With the development of ecological space in Nam Cau Kien, it has attracted thousands of visitors to visit and experience, this place has become an impressive destination for tourists whenever they come to Hai Phong city.

Nam Cau Kien expects that this garden will bring the quintessence of Japanese culture to adorn the beauty of landscape in the industrial park to attract a group of Japanese investors. At the same time, the garden will also be a bridge and spread to create a mini Japanese community in Nam Cau Kien Industrial Park, increasing friendship and marking the anniversary of cooperation between Kitakyushu and Nam Cau Kien, further strengthening the relationship between both cities Hai Phong – Kitakyushu.

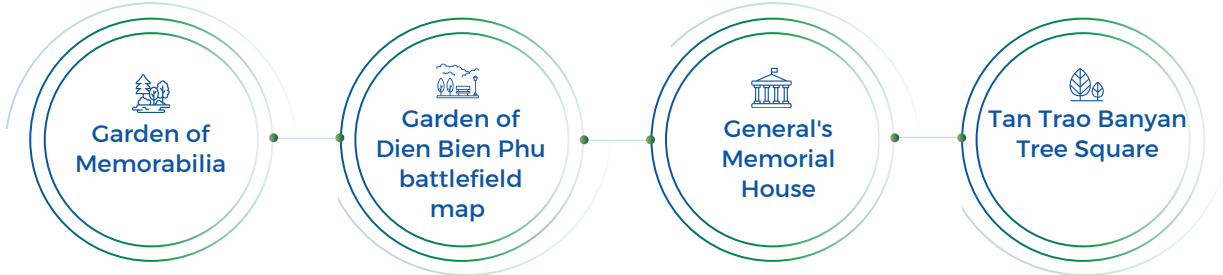


# SOCIAL IMPACT AND RESPONSIBILITY

## S1-1 CREATING A GREEN WELFARE COMMUNITY

### GENERAL VO NGUYEN GIAP CULTURAL SPACE COMPLEX

To maintain the good tradition of "Drinking water and remembering the source" of the Vietnamese, Nam Cau Kien IP has created the General Vo Nguyen Giap Cultural Space Complex, including 4 constructions:



Nam Cau Kien Industrial Park has become 1 of 19 school tourist destinations. Especially, with the General Vo Nguyen Giap Cultural Space Complex, it will become a place of learning and experience for student, bringing values and lessons about culture and history.

#### GARDEN OF MEMORABILIA

The IP has built the Garden of Memorabilia to commemorate General Vo Nguyen Giap's merits and remember to promote the idea of building an economy associated with environmental protection according to the General's words to the leader of Shinec

Garden of Memorabilia was built on the premises of the office building, honorably placing a statue to memorialize the General along with memorabilia from his birth and 02 stones engraved with a letter to the Chairman of the Board of Directors, encouraging the spirit of promoting economic associated with environmental protection.



#### GARDEN OF DIEN BIEN PHU BATTLEFIELD MAP

The model is made from banyan trees that the General donated to Nam Cau Kien IP in 2010, combining 37 banyan trees with symbolic significance to the event that at the age of 37, Vo Nguyen Giap was appointed by President Ho Chi Minh as the Commanding General of the Vietnamese People's Army.

With the goal of socialization to create the landscape of this historical work, Nam Cau Kien IP has mobilized employees to deduct a part of their monthly salary and join hands to build the miracle of the banyan tree of the General, the mark of a great man. This action shows the consensus and determination to successfully build an eco industrial park and build a sustainable corporate culture.



#### DIEN BIEN PHU

The construction is located in the green strip in the center of the industrial park connecting phase I and phase II. This place will become a destination for visiting and experimental learning for the younger generations. At the same time, arousing the pride and dedication of Nam Cau Kien's employees, who unanimously agreed to develop a sustainable economy associated with environmental protection.



#### GENERAL'S MEMORIAL HOUSE

This is a place to store and exhibit photos of the General, books, memorabilia associated with the General, meticulously collected and preserved by businessman Pham Hong Diep - Chairman of Shinec Joint Stock Company.



#### TAN TRAO BANYAN TREE SQUARE

Tan Trao banyan tree square and other historical sites such as the roof of Tan Trao temple are built entirely by links from the leaves of the Sanh tree, the statue of Uncle Ho with the General and marching soldiers,... is a place to store vivid historical values and also demonstrates the spirit of creative landscape development associated with environmental protection.



# SOCIAL IMPACT AND RESPONSIBILITY

## SI-1 CREATING A GREEN WELFARE COMMUNITY

### PROGRAM "NAM CAU KIEN TREE PLANTING FESTIVAL"

Responding to the Prime Minister's launching program "Planting 01 billion trees": On March 21, 2021, at the Botanical Garden of Nam Cau Kien Industrial Park (Hai Phong), the event "Tree Planting Festival" took place with the participation of representatives of HP City People's Committee, HP Municipal HCYU, Ho Chi Minh Monument Management Board at the Presidential Palace and associations, units and businesses in the area such as the Vietnam Industry and Trade Association, HP Young Entrepreneurs Association, HPM Entrepreneur Training Academy, ...



### PROGRAM "SPRING IS TREE PLANTING FESTIVAL"

With the goal of not only contributing to the National 1 Billion Tree Planting Program but also creating a strong spillover effect to the business community, entrepreneurs and employees nationwide. Nam Cau Kien Industrial Park organized Program "Spring is tree planting festival", making its commitment to protect the environment and promote sustainable development. The Tet tree planting event is not only an opportunity for each individual to show a sense of social responsibility but also an opportunity to create a space for positive social exchange and interaction. At the same time, through planting trees, we also inspire and raise awareness for future generations about the importance of protecting and developing natural resources. Each trees planted into the soil is a seed for a green future, a new step in the journey of protecting the environment and building an increasingly rich and beautiful country.

The program received the attention and participation of a large number of enterprises operating in Nam Cau Kien Industrial Park, representatives of communes and press agencies,... Their participation not only helps to increase resources but also spreads the message of environmental protection and sustainable development to each class of society. At the same time, the presence of representatives from communes and press agencies is also indispensable in creating a spread and momentum for the program, thereby attracting the concern and cooperation of more and more people, opening up new opportunities for each person to contribute to the sustainable development of the community and the country.



The program has implemented in **the period from 2021 to 2025** to all organizations, associations, business communities, and individuals inside and outside Hai Phong city to spread the campaign **For One Vietnam, responding to the project of planting 01 billion trees** of the Prime Minister to contribute to protect the ecological environment, improve the landscape, adapt to climate change, develop socio-economic and improve the quality of life of the people and the sustainable development of the country.



In particular, the program was honored to receive trees from President Ho Chi Minh's Vestige to plant in Nam Cau Kien Industrial Park. **By the end of 2021**, the program has received an enthusiastic response from agencies and units, the number of trees registered to participate has **reached 80,000 trees** and continued to receive a lot of attention and participation. In addition, the IP also engages in events organized by agencies, departments and units on environmental protection such as participating in the program of environmental ambassadors – managers – entrepreneurs towards the roots of the nation, planting trees at the Hung temple to raise the spirit and contribute to the maintenance of the country and sustainable development.

# SOCIAL IMPACT AND RESPONSIBILITY

## SI-1 CREATING A GREEN WELFARE COMMUNITY

### NAM CAU KIEN ECO FARM - AGRICULTURAL GARDEN MODEL



Nam Cau Kien Eco Farm is a subsidiary project within the ecological development plan of Nam Cau Kien Industrial Park, bringing practical value to the community. Applying the model of growing clean vegetables combined with high technology in greenhouses, Nam Cau Kien Eco Farm has led agricultural development in industrial parks in Hai Phong. The main product of Nam Cau Kien Eco Farm is Asparagus – A food that brings high nutritional value and an experiential program, visiting the asparagus planting model can provide knowledge and a comprehensive view of modern agriculture.

Through this model, we aim to create healthy agricultural products, while providing jobs and additional income for local farmers.

Beside providing clean food, Eco farm also offers many experiential programs, visiting the model of growing asparagus in greenhouses to provide more comprehensive knowledge and views on modern agriculture as well as the role of ecological models in the Industrial Park. We have a plan to guide technology, bring the high-tech asparagus cultivation model to outside the Industrial Park through product transfer and consumption with the desire to expand the planting area and increase income for farmers



# SOCIAL IMPACT AND RESPONSIBILITY

## S1-1 CREATING A GREEN WELFARE COMMUNITY

### PROGRAM "INNOVATION IN A SUSTAINABLE ENVIRONMENT"

The Innovation for Sustainable Environment Contest is organized with the objective of encouraging and promoting practical creative activities to create new, widely applicable, easy and cost-effective technologies to renovate environmental protection works of the Industrial Park, contributing to environmental management and protecting the environmental landscape of the Industrial Park. The program has attracted a large number of young employees from factories to participate and contribute creatives to apply solutions for the enterprises themselves as well as protect the industrial park in terms of renovation, emission and wastewater control, the application of the 5S model in enterprises, treatment of recycled waste for other purposes, construction of industrial parks,...



#### SOME TYPICAL TOPICS

- Management measures towards eco-industrial parks
- Regeneration of sliced lubricants by physicochemical methods contributes to reducing environmental pollution
- Method of treating oil-contaminated surface water of scrap recycling factories at route 19 of Nam Cau Kien IP
- Improvement of washing system and wastewater circulation during scrap washing
- The application of high-tech agriculture contributes to the construction of eco industrial parks, developing and applying the high-tech inRAS for whiteleg shrimp farming model
- Changing the structure of activated carbon increases the absorption of harmful ions in wastewater
- Minimizing gas pollution at the factories
- Circulating, reusing organic compounds after pyrolysis, distillation of MMA as combustion fuel for pyrolysis furnace
- Some solutions to enhance green office space



### PROGRAM "EXCHANGING PLASTIC BOTTLES TO GIFTS"

Within the framework of the Innovation in Sustainable Environment contest, the program "Exchanging plastic bottles to gifts" is organized to encourage residents and employees in the industrial park to participate in environmental protection by recycling and reducing plastic waste. People can bring used plastic bottles to the program's stalls in exchange for meaningful gifts such as trees, cloth bags, and recycled products.

The organization board hope that the program "Exchanging plastic bottles to gifts" will contribute to raise public awareness about the plastic waste problem and encourage people to apply green and sustainable living measures in their daily lives. The program "Exchanging plastic bottles to gifts" not only brings immediate value but also sows the seeds for positive changes in the future, when every citizen is aware of the importance of protecting the environment and is ready to take action for a green planet.



# SOCIAL IMPACT AND RESPONSIBILITY

## SI-1 CREATING A GREEN WELFARE COMMUNITY

### CULTURAL AND ARTISTIC PERFORMANCES

With the desire to create activities to help improve the spiritual life of Shinec employees in particular, as well as employees in Nam Cau Kien Industrial Park in general, Shinec has organized more than 20 performing arts programs in recent years. Some of our typical programs such as: Entrepreneur's Aspiration Music Night, Music Show to Celebrate the Birthday of General Vo Nguyen Giap, Shinec Love Song, Startup Music Notes, Successor's Aspiration Music Night and other programs. The concerts are not just a mere art performance, but are actually stories about authors and works, giving a vivid picture of the soul, the life of an entrepreneur, and the contributions of a musician to the city's art life.

Through performances, we wish to connect employees in Nam Cau Kien Industrial Park, spread cultural and historical values and also create a playground for employees to show their talents.

Program: Successor's Aspiration



Program: Startup Music Notes



Program: Entrepreneur's Aspiration



Program: Shinec Love Song



Program: The General's Birthday Celebration



### MARATHON CONTEST "NCK RUN TOGETHER"



Nam Cau Kien Industrial Park cooperates with Operation Smile charity organization



Attracted 67 participating units (Enterprises operating at NCK, partners, con at NCK, partners, contractors,...tractors,....)



Nearly 600 athletes



The program aims to raise funds and contribute to the activities of the Operation Smile organization - Surgery for children with cleft palate



# SOCIAL IMPACT AND RESPONSIBILITY

## S1-1 CREATING A GREEN WELFARE COMMUNITY

### RELEASING PUBLICATIONS AND SCIENTIFIC RESEARCH TOPICS

By 2023, Shinec has released 10 publications and scientific research topics with the content of sustainable, harmonious economic development and accompanying the community and workers. Some typical publications such as: the book "Circular Economy - Format and sustainable development in Nam Cau Kien Eco Industrial Park" by Chairman of the Board of Directors Pham Hong Diep won Second Prize and awarded 442 books to Library of Congress. The content of the book "Circular Economy - Format and sustainable development in Nam Cau Kien Eco Industrial Park" is written in two languages Vietnamese - English and arranged scientifically, comprehensively presenting the Research and development of the green economy. This book has important significance for environmental management, helping businesses save energy, finance, protect the environment, protect ecosystems and human health. This is a superior model, allowing to eliminate waste generation, develop economic coupled with environmental protection.



In addition, the book "Environment and Life" was compiled with the hope that it would serve as a handbook for waste collection and waste treatment activities in rural areas for all communes and wards across the country. Hoping that people will be aware and change their daily behavior about littering and garbage collection for a fresher and more beautiful life..



### ECO NAM CAU KIEN ENTREPRENEUR COMMUNITY

The Industrial Park has established "Eco Nam Cau Kien Environmental Club" with the purpose of uniting young officers from businesses and investors in the Industrial Park to strive for success as well as promote their roles and resources, improve management and professional knowledge, cooperation and business development, for the goal of sustainable development.

Recently, with strong activities and support from all parties, the Club has coordinated to organize and develop programs for the environment; actively participate in common social activities



# HUMAN RESOURCE DEVELOPMENT AND MANAGEMENT

## THE TRAINING PROGRAM IS DIVERSE AND CONSTANTLY INNOVATED

With the motto of building a sustainable workforce, Shinec has constantly promoted training activities to expand employees' knowledge, develop skills and improve capacity. In addition to training programs at the company-wide level, with the goal of popularizing and updating corporate culture and occupational safety, we also implement Intensive Professional Training, Soft Skills Training and Compliance Training. We always strive to provide employees with opportunities to develop skills that are relevant to their roles and professional work.



**Diverse learning topics:** Tax, Law, Finance, Soft skills, senior leadership, Project management, Risk management, specialized training, training, compliance dissemination.



**Target of training:** 100% of employees



**Number of learning programs:** 20 courses and enterprise-wide compliance training sessions.



**Number of training hours:** average 400 hours/year



Training: Project management

Training: Liberal leadership



### COMPANY-WIDE TRAINING

The Company implements training courses for all employees on corporate culture, codes of conduct and general charter of the Company.

### SOFT SKILLS TRAINING

Training in presentation skills, leadership skills and capacity (Liberal Leadership Course)

### PROFESSIONAL TRAINING

- The company organized a financial director training course for 23 employees.
- Law training course (Land Law)

### COMPLIANCE TRAINING

Besides the above courses, the Company also organizes training courses on fire prevention, anti-corruption, and money laundering; occupational safety and health.

Specialized training: Land law



Training: Soft skills



# HUMAN RESOURCE DEVELOPMENT AND MANAGEMENT

## PROMOTING RESEARCH AND CREATIVITY PROGRAMS

The company also promotes creativity and scientific research, we encourage young employees to participate in the fields of environmental issues, industrial park management, business, research and application of science and technology practices in environmental management at Shinec's projects.

Biodiversity Competition



Scientific research



Scientific research in Korea



Exchanging and learning about eco industrial parks in Indonesia



Scientific research - VIFOTEC



Delegations of Indonesian agencies and businesses studing at the eco IP



Learning and exchanging experiences in Japan



Connecting green projects at businesses



## "EMPOWERMENT" OF EMPLOYEES

### CAREER ADVANCEMENT

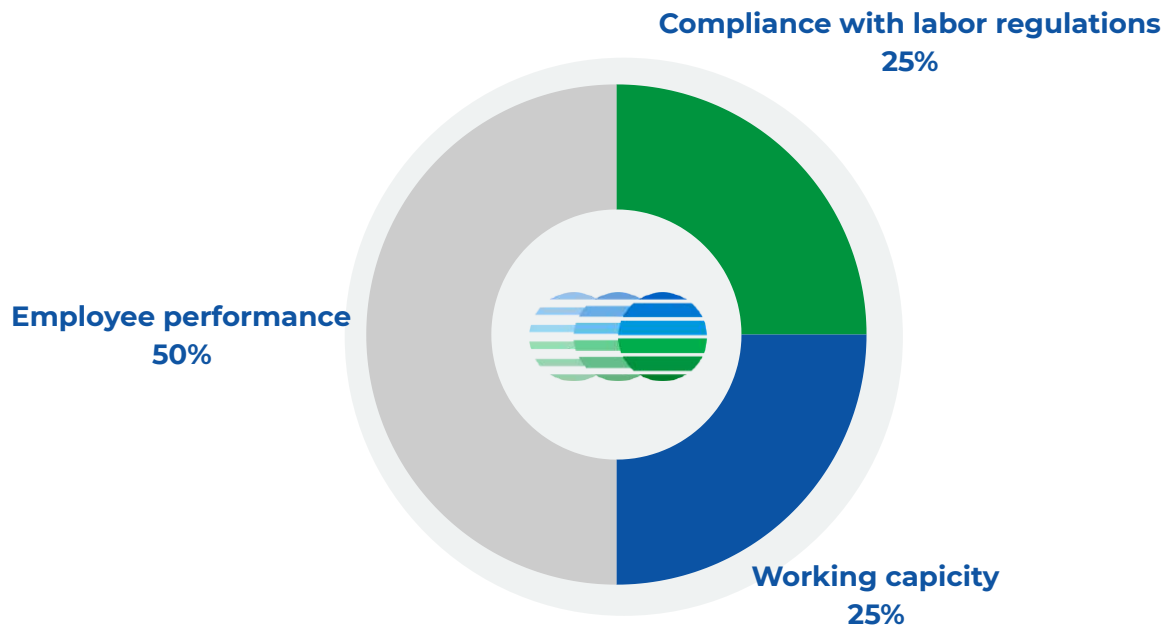
Engaged and capable employees are proposed by the company to develop their work to become leaders in major fields and projects of enterprises in Vietnam.

### SKILLS DEVELOPMENT

- Giving opportunities to become experts in various fields, become representatives to participate, negotiate, and speak in seminars in Vietnam and internationally.
- Become a speaker in NCK Media Center's teaching programs
- Participating in scientific research competitions, trade union events, training and guiding trainees.
- Developing personal talents such as culture, arts (historical culture, singing), sports (football, swimming, table tennis, badminton,..)

# HUMAN RESOURCE DEVELOPMENT AND MANAGEMENT

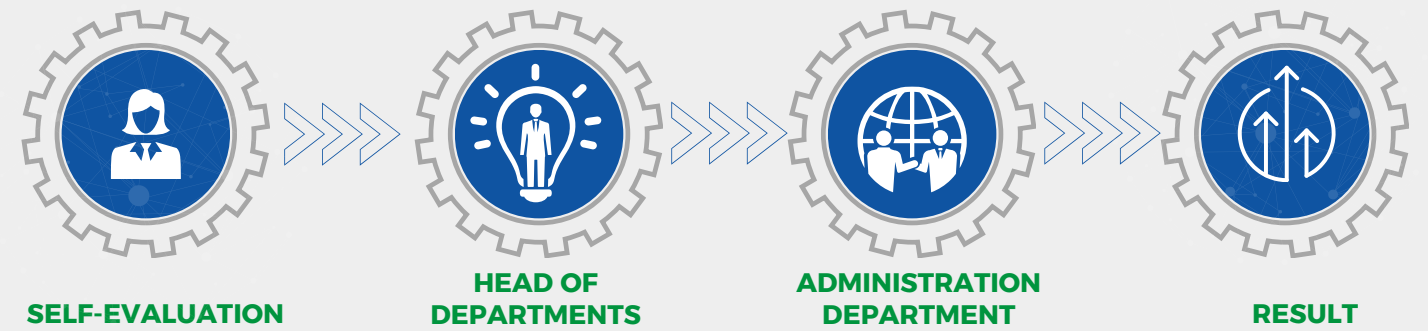
## TRANSPARENT AND FAIR EMPLOYEE PERFORMANCE EVALUATION



To promote sustainable professional development for our workforce, we conduct monthly performance reviews based on three criteria including: compliance with Labor Rules, employee performance, and working capacity applied to specific roles and functions. These criteria are applied openly and equally to all employees at Shinec.

Any areas of improvement identified are solved through training and professional development plans tailored to each employee. **100% of our employees** are evaluated for their performance on a monthly basis.

## PROCESS OF EMPLOYEE PERFORMANCE EVALUATION



**SELF-EVALUATION**

The employees themselves describe, comment, evaluate and then send to the Head of departments.

**HEAD OF DEPARTMENTS**

Heads of departments/managers are responsible for administering and conducting the assessment. It is necessary to discuss with employees, find out what is agreed and what is disagreed, point out the good points as well as the points that need to be corrected in work. Finally, the evaluation results were issued.

**ADMINISTRATION DEPARTMENT**

Forwarding the evaluation results to the administration department for opinions on evaluating the compliance of the labor regulations

**RESULT**

The administration department forwards the evaluation results to the Director and the Chairman of the Board of Directors for final decision.

# EMPLOYEE BENEFITS



At Shinec, we commit our employees to receive a fair wage for working hours and strive to provide our employees with a salary higher than the regional minimum regulated in Decree 90/2019/ND-CP and Decree 38/2022/ND-CP. We are committed to ensuring the rights and welfare of employees through the Collective Labor Agreement and Trade Union at the Company. We solve the problem of overtime work by limiting working hours and introducing a policy of overtime pay in accordance with current regulations.

Every year, **Shinec re-evaluates salaries** to ensure that our compensation packages are competitive in the industry. The Company's periodic salary increase period complies with the salary increase regulations registered with HEZA. In addition, the Company considers raising salaries ahead of time for employees in case of unexpected bonuses, initiative bonuses, and productivity and efficiency bonuses. In addition to adjusting the minimum wage according to the Government's Region-based Minimum Wage Decree, the Company may adjust the salary unexpectedly for individuals with achievements in business activities.

## COMMITMENT

The company is committed to operating in compliance with the Circular No. 19/TT-BYT dated June 06, 2011 of the Ministry of Health to guide the management of occupational hygiene, employee health and occupational diseases.



## S3-1 Employee benefits

### Leave

- Annual leave
- Sick leave
- Maternity leave
- Marriage/Funeral leave
- Holiday
- Company Establishment Day off
- Leave for personal reasons

### Other benefits

- On-duty meal
- Transportation, accommodation
- Tourism
- Visiting Mode
- Other benefits

### Insurance and health

- Health Insurance
- Social Insurance
- Unemployment Insurance
- Annual medical examination

### Bonuses

- Lunar New Year bonus
- Anniversaries bonus
- Performance bonus
- Unexpected bonus
- Other allowances



## BENEFITS

- In addition, the Company invests in the construction of football fields and swimming pools,... Besides, the Company also regularly organizes cultural and sports activities, helping employees increase solidarity and entertain after stressful working hours.
- We also participate in the trade union system of the economic zone, the city trade union combined with the trade union of the industrial park to sell cheap goods to employees, helping to improve their lives.



# EMPLOYEE BENEFITS

## S3-2 MATERNITY LEAVE

“We believe in helping our employees balance work and life through developing strong relationships inside and outside the office, as we consider Shinec as a family. Shinec fully supports and complies with the 2014 Law on Social Insurance regarding the period of benefits when giving birth for female employees who give birth and male employees who are paying social insurance premiums when their wives give birth.”



“Culture is formed from creative employees - Creative employees create culture”



The employee returned to work during the reporting period after the end of maternity leave

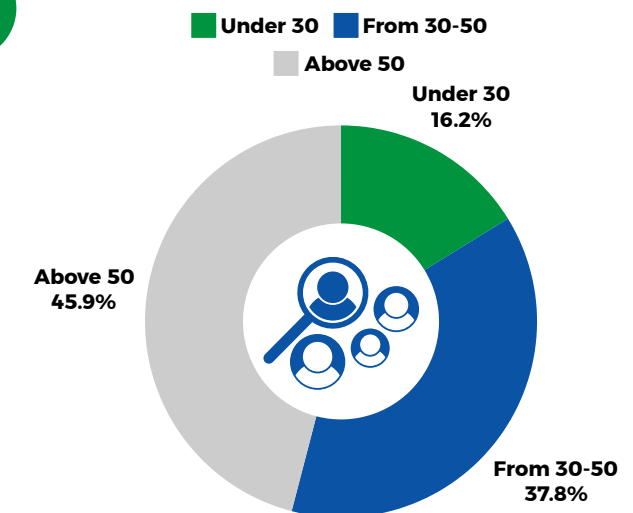
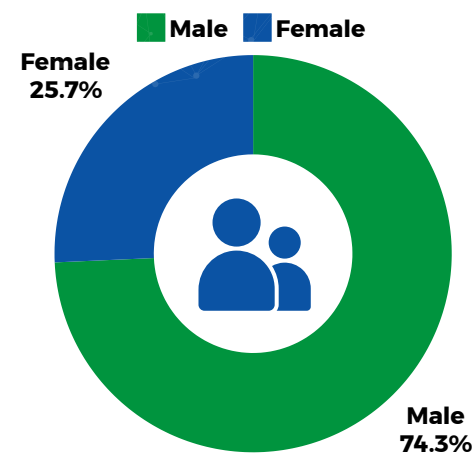


Employees who have returned to work after ending maternity leave are still retained for 12 months after returning to work

## S4 DIVERSE AND EQUAL WORK ENVIRONMENT

Shinec has identified that building corporate culture is the radial axis of corporate survival. Therefore, Shinec has built a solid foundation in all fields, always mobilizing, innovating and creating to improve physical and mental life in all activities, thereby increasing labor productivity, increasing the solidarity of all members in the business, creating stability in human and promotion at work.

### EQUAL REMUNERATION FOR TALENTS



This ratio is specific to Shinec's business sectors, which is to invest in infrastructure of eco industrial parks, eco industrial clusters, leasing factories, supporting and manufacturing in industrial parks.

- 0** Discrimination by gender, age, religion, ethnicity, level
- 0** Child labor and forced labor
- 12** Average years employees work at the enterprise



# EMPLOYEE BENEFITS

## S4 DIVERSE AND EQUAL WORK ENVIRONMENT



### EMPOWERING WOMEN TO BE BRAVE, CONFIDENT AND SHINING!

The environment promotes creativity and enhances the role of women in contributing to business development.

- 100%** Employees are given general benefits and privileges  
Giving opportunities to promote capability, try creative and start-up fields.
- 5%** Percentage of women who are members of the Board of Directors
- 25%** Percentage of women who are business leaders and in charge of projects in the enterprise





# 03

## CHAPTER III ENVIRONMENT

1. Compliance with the Law on Production and Business, Environmental Protection
2. Construction and development of Eco Industrial Park, Circular Economy



## ALIGNING WITH THE GLOBAL GOALS OF SUSTAINABLE DEVELOPMENT UN SDG



At the 26th United Nations Climate Change Conference of the Parties (COP26) in the United Kingdom in 2021, Prime Minister Pham Minh Chinh announced Vietnam's commitments to respond to climate change, including the commitment to bring Net Zero emissions to "0" by 2050. At COP27 held in Egypt, the above commitment was once again reaffirmed, showing the strong determination of the Government.

Contributing to the country's great goal, many businesses in Vietnam have begun to put the Green issue into the core of their operations through "reducing brown – increasing green", including us - Shinec Joint Stock Company. The company's leadership said that for Vietnam to achieve the Net Zero 2050 goal, it not only requires efforts from the Government but also organizations, businesses, mass organizations and the whole Vietnamese people. As a Vietnamese enterprise, Shinec always keeps in mind that protecting the natural environment and accompanying the Government on the journey to respond to climate change is one of our top development goals. Shinec is proud to be the investor of Nam Cau Kien Industrial Park - the first eco industrial park following the circular economy model in Vietnam to meet the requirements and criteria of Decree No. 35/2022/ND-CP of the Prime Minister, the Law on Environmental Protection No. 72/2020/QH14 and Resolution No. 55-NQ/TW of the Political Bureau

# SHINEC

# COMPLIANCE WITH THE LAW ON PRODUCTION AND BUSINESS, ENVIRONMENTAL PROTECTION



## SHINEC COMPLIES WITH THE LAW



Approved environmental impact assessment (EIA)\* No. 1353/QD-BTNMT dated April 27, 2018 of the project "Construction investment and infrastructure business of Nam Cau Kien Industrial Park".



The company has been granted certification No. 08/GXN-BTNMT by MONRE to confirm the completion of environmental protection works Phase 1 of the project "Construction investment and infrastructure business of Nam Cau Kien Industrial Park" on 20/01/2020.



Confirming annual environmental protection activities for Hai Phong Environmental Protection Department, DONRE HPC, HEZA, MONRE



## INVESTMENT IN THE CONSTRUCTION OF WORKS, ENVIRONMENTAL PROTECTION SYSTEM

### WASTEWATER TREATMENT SYSTEMS, FACTORIES AND ACCIDENT LAKES

CENTRALIZED WASTEWATER COLLECTION AND TREATMENT SYSTEM	WASTEWATER COLLECTION SYSTEM OUTSIDE FENCE	ENVIRONMENTAL MONITORING CAMERA SYSTEM	EMPLOYEE MONITORING THE WASTEWATER TREATMENT SYSTEM
Wastewater from factories in the IP will be preliminarily treated before being discharged to centralized wastewater collection system with a capacity of 2000 m <sup>2</sup> /day, ensuring a 24/24 treatment capacity with connection standard according to regulations to guarantee effective collection, environmental quality control	Connecting, collecting all wastewater of enterprises by pipes installed on all industrial park routes and bringing it to the wastewater treatment plant. On the pipeline, there is 01 manhole every 50m to facilitate the collection and control of wastewater quality.	The investor has invested in installing a camera system to monitor waste sources and maintain operations to ensure the transmission of monitoring images to the DONRE <ul style="list-style-type: none"> <li>• 01 Camera on the roof of the operating room.</li> <li>• 01 Camera to monitor waste sources at the releasing location after treatment</li> </ul>	Trained and fostered professional skills. Arranging environmental specialists to regularly check the operation of the wastewater treatment system to promptly detect problems, control the operating process, and comply with technical requirements.

### REUSING WATER

As part of the Vietnam-Netherlands cooperation agreement program by UNDP, Shinec and NX filtration in March 2024 signed a pilot study on the reuse of industrial wastewater for industrial purposes in the industrial park.



## INVESTMENT IN THE CONSTRUCTION OF WORKS, ENVIRONMENTAL PROTECTION SYSTEM

### ENSURING WASTEWATER QUALITY



The wastewater collection and treatment system is separate from the rainwater collection system. **100% of wastewater** generated by units in the industrial park has been treated to meet prescribed standards and collected by a separate road leading to the centralized treatment station.



Building an incident lake to store untreated wastewater or treated wastewater that does not meet the prescribed standards when the wastewater treatment system encounters problems.



**25% of water after treatment**

**Reused for watering plants, washing roads, reducing the amount of discharged wastewater into the environment.**

**600 million VND**

**Cost savings per year**

### CENTRALIZED WASTEWATER TREATMENT PLANT IN NAM CAU KIEN INDUSTRIAL PARK IS THE FIRST AND ONLY ONE IN VIETNAM THAT MEETS TECHNICAL CAPABILITIES AND IS DESIGNED ACCORDING TO A JAPANESE GARDEN PARK.

1.

Installed technologies and systems include standard microbiological treatment technology that meets QCVN 40:2011/BTNMT

2.

The online wastewater monitoring system is automatic, continuous 24/24 hours and sends data directly to the Department of Natural Resources and Environment

3.

The collection route system, HDPE pipe material standards, incident lake, detention Bbsin and environmental protection works have been certified for completion by the Ministry of Natural Resources and Environment.



### OPERATING MONITORING

1.

Shinec has made a report and submitted **a full report on environmental monitoring results** (quarterly) to DONRE HPC and HEZA. The quality of environmental components is within the allowable standard



2.

Enterprises investing in NCK, after signing the land sublease contract and utility service contract, will carry out procedures to connect to the general system of the IP, and the investor's wastewater must ensure discharge standards specified in the land sublease contract. Periodic monitoring and supervision carried out and complying with environmental protection, is reported in the annual report sent to state management agencies and the IP. Not only carrying out **periodic environmental monitoring 4 times/year**, the IP also takes sample and analyzes wastewater quality at wastewater drainage manholes of businesses to monitor and promptly prevent – handle environmental wastewater incidents

In case, the enterprise discharges wastewater in excess of the permitted standards of the industrial park, **the industrial park will immediately close the wastewater discharge point of the factory/enterprise to prevent the impact** on the treatment efficiency of the centralized wastewater treatment system, finding out the causes, coordinating to overcome, in serious cases, reporting to state management agencies for prompt handling. Ensuring good control, minimizing water pollution.



## BUILDING AN ECO INDUSTRIAL PARK CIRCULAR ECONOMY

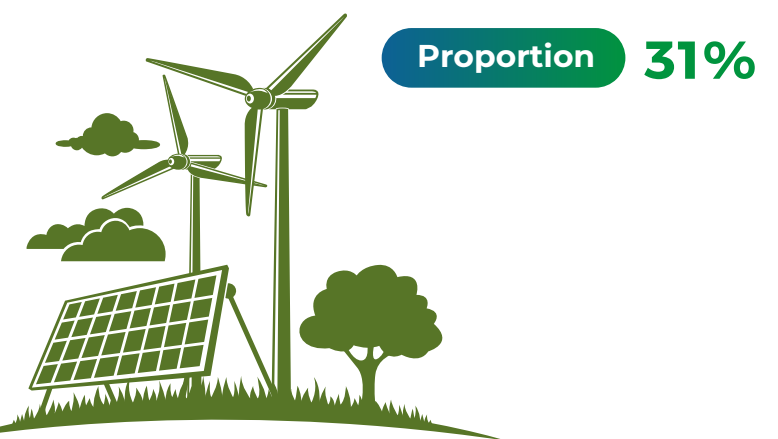


After a period of determination to build, up to now, Nam Cau Kien Industrial Park has basically completed the **criteria in Decree 35/2022/ND-CP, Decree on Management of Industrial Parks and Economic Zones**

### FOCUSING ON THE DEVELOPMENT OF GREEN SPACE IN NAM CAU KIEN



Nam Cau Kien Industrial Park with total area **263,47 Ha**  
 Area for greenery, traffic, and shared service infrastructure: **82,01 Ha**



## WASTE



Waste and by-products generated from the activities of Shinec and businesses in Nam Cau Kien Industrial Park include many different types. Most of them include domestic waste, industrial solid waste, hazardous waste, sludge from industrial water treatment systems and waste from office buildings as well as production activities of enterprises in the industrial park. Starting from strategic initiatives, we apply the rules of the circular economy and have recorded many positive results in reducing the amount of waste.

From the first days of embarking on the Nam Cau Kien Industrial Park construction project, with the goal of effective waste management, we determined and clarified the responsibilities of the investor as well as the owners of production, business and services in industrial parks.

### Responsibility for environmental protection of the enterprise during the project's operation phase for Nam Cau Kien

#### Industrial Park Investor:

Regularly and continuously operating technical infrastructure to protect the industrial park's environment, ensuring green areas in the industrial park according to the provisions of law;

Implementing the environmental monitoring program of industrial park according to the provisions of law.



Summarizing and reporting the results of environmental monitoring and environmental protection in IP, production and business establishments to the Management Board of industrial parks and DONRE within the prescribed time

Checking and reviewing infrastructure and environment to promptly detect and coordinate with competent agencies in industrial park environmental management

### Entering the operation stage, the obligation to protect industrial park environment belongs to both the project owner and the owners of the establishment operating in the industrial park. Accordingly, these entities have the following obligations:

- Making environmental impact assessment and submitting them to competent state agencies for appraisal, approval or formulation of environmental protection plans and sending them to competent state agencies for registration
- Signing a agreement on wastewater connection with the investor in construction and business of industrial park infrastructure; connecting the wastewater of the factory to the wastewater collection system of the centralized wastewater treatment plant under the supervision of the investor in the construction and business of industrial park infrastructure or having a wastewater treatment system to ensure compliance with environmental technical regulations
- Building a waste treatment system or sign a contract for collection and treatment with a unit that fully meets the conditions prescribed by law.

# WASTE

Currently, the industrial park has successfully built a circular symbiosis chain according to the CE model to treat industrial waste (non-hazardous waste) and hazardous waste with advanced technology to meet the ability to collect and treat not only 100% of the needs of all investors in the industrial park in a circular way, quickly, but also industrial zones, large partners in the city and neighboring areas such as LG, Samsung, etc.

Currently, in Nam Cau Kien, there are three main partners in industrial waste treatment activities, which are important links in the development of industrial symbiosis, including:



**Dai Thang Development Trading & Manufacturing Co., Ltd**

**Tan Thuan Phong Co., Ltd**

**Thanh Đại Phú My Hai Phong JSC**

	DAI THANG DEVELOPMENT TRADING & MANUFACTURING CO., LTD	TAN THUAN PHONG CO., LTD
<b>Khả năng xử lý</b>	<ul style="list-style-type: none"> <li>Recycling and treatment of hazardous waste</li> <li>Dai Thang has invested in building a hazardous waste solidification system and items for classifying and recycling industrial scrap</li> </ul>	<ul style="list-style-type: none"> <li>Recycling, treatment of industrial waste and hazardous waste</li> <li>Tan Thuan Phong has invested in building a factory being capable of collecting, transporting, temporarily storing, treating, recycling, incinerating industrial waste and hazardous wastes inside and outside the city by systems such as hazardous waste incinerators, wastewater treatment and liquid waste systems, waste oil treatment systems, other treatment,...</li> </ul>



# NON-HAZARDOUS WASTE MANAGEMENT

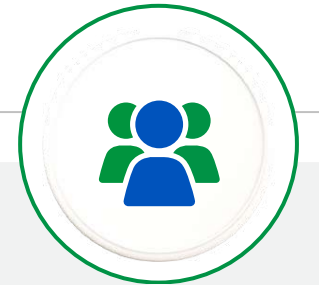
As the investor of Nam Cau Kien Industrial Park, Shinec has constructed and installed a system of works serving the storage of domestic waste.



Waste is classified at its source and collected, transported and treated by specialized units; **100% of the daily amount of domestic solid waste** generated is collected into waste containers at the Company's office area and wastewater treatment plant. All are sorted before being collected – transported – treated by the treatment unit.



All domestic waste generated in the office area of Shinec and the centralized wastewater treatment plant of the industrial park is collected into waste containers and transferred to Phu Hung Trading and Logistics Services JSC for collection, transportation and treatment according to regulations.



The investor has a team that regularly maintains infrastructure, cleans roads to ensure hygiene and aesthetics for the industrial park.



Shinec signed a contract with Phu Hung Logistics Trading and Service JSC to collect, transport and treat domestic solid waste. Currently, the amount of solid waste generated mainly from the office area and the wastewater treatment plant is about 20 kg/day and is collected 03 times/week to ensure that waste is collected and treated promptly and in the future, it will be collected according to the actual needs of the industrial park.



## HAZARDOUS WASTE MANAGEMENT

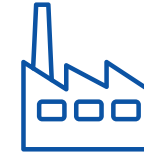


- Hazardous waste is collected and managed according to **Decree 08/2022/ND-CP** and the **Law on Environmental Protection 2020**.
- In 2023, the amount of hazardous waste generated by Shinec: **321 kg**

**(waste toner cartridge is 6kg, waste sludge is 315kg)**

- Generated hazardous waste is collected and classified separately** for each type, stored in separate containers with lids. Each box has its own hazard warning symbol, name and label along with the hazardous waste code on each container. Storing it at the hazardous waste warehouse before being collected – transported – treated.
- The hazardous waste warehouse is built on the campus of the wastewater treatment plant to facilitate the collection, management and transfer to specialized units. It has **an area of 15m2** and built according to regulations.

*For enterprises that have built works for waste storage according to regulations and are allowed to collect all domestic waste, hazardous waste of enterprises will be transported and treated by specialized units.*



### FOR ENTERPRISES IN INDUSTRIAL PARKS:

Hazardous waste is collected at the factory and signs a collection – transportation – treatment contract with twith specialized units. Investors are responsible for reporting to Shinec JSC for monitoring and management.



### FOR INDUSTRIAL PARK INVESTORS:

- The hazardous waste warehouse of Shinec contains hazardous waste, mainly office waste. It is built in accordance with specifications, ensuring good isolation from the outside, with a system of anti-overflow ledges, a system of fire extinguishers, and sand to extinguish fires when an incident occurs.
- Currently, the entire amount of hazardous wastes arising from the activities of Shinec is collected, sorted into separate containers and temporarily stored in the hazardous waste warehouse. The project owner has contracted with Dai Thang Development Trading & Manufacturing Co., Ltd to collect and treat according to regulations.

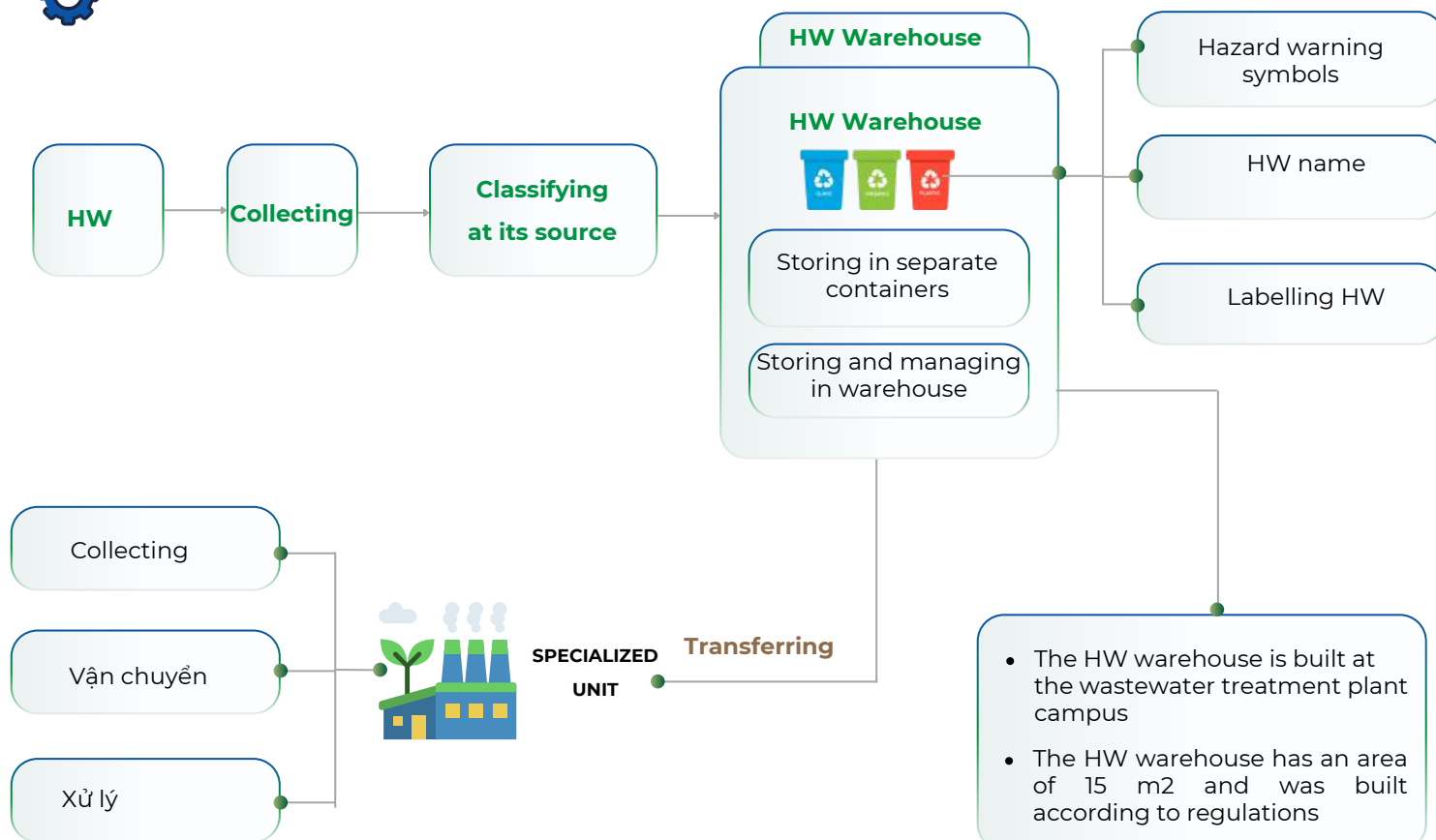


### RESPONSIBILITIES OF ORGANIZATIONS AND INDIVIDUALS:

Businesses and individuals in the industrial park are responsible for managing the entire amount of solid waste and hazardous wastes generated internally by investors. In the process of building the factory, there must be an area to store industrial waste, hazardous waste, and hazardous materials in accordance with the provisions of law. These wastes must be collected and treated by functional units

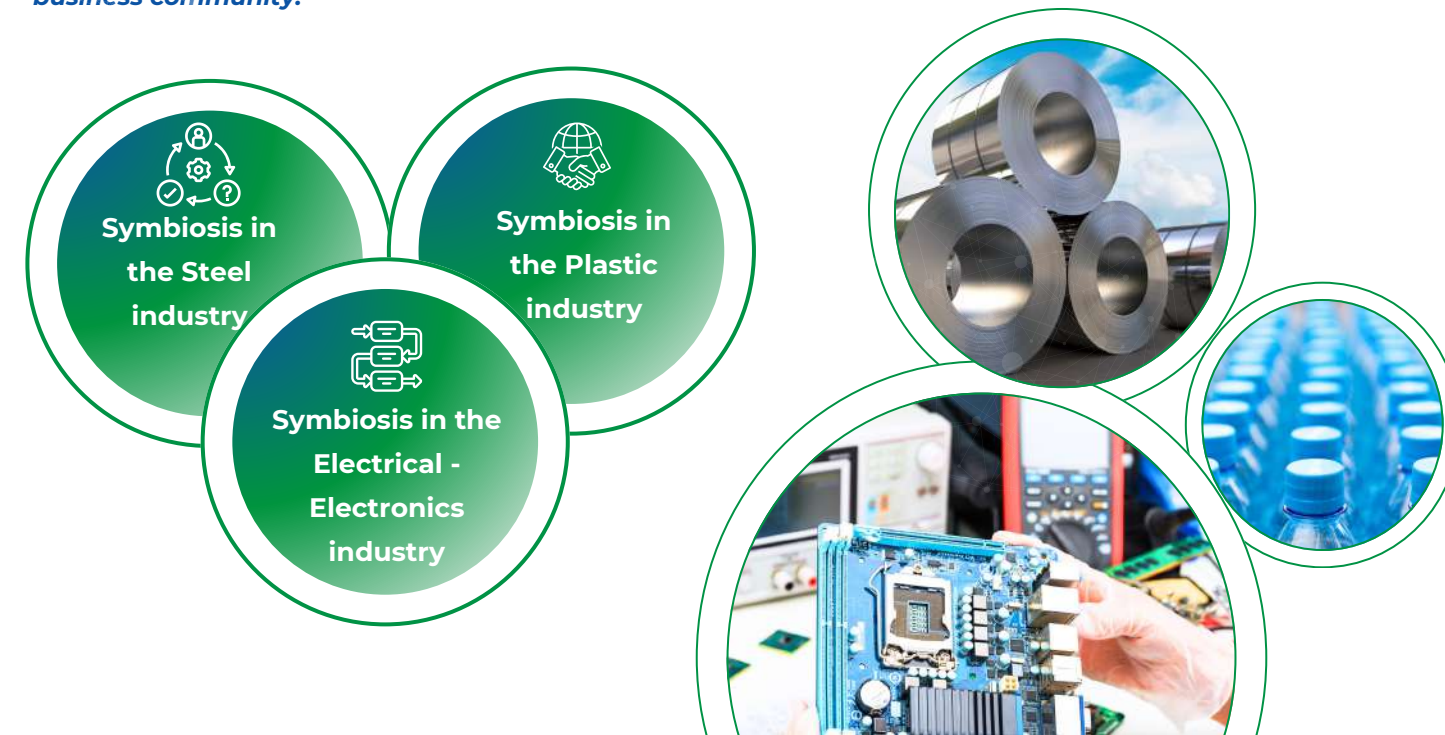


## ILLUSTRATING THE HAZARDOUS WASTE (HW) MANAGEMENT PROCESS



## INDUSTRIAL SYMBIOTIC CHAIN

*Nam Cau Kien Industrial Park has developed and expanded symbiotic links within the Nam Cau Kien business community.*



## SOLAR ENERGY

Shinec's Board of Directors determined that developing solar renewable energy sources is one of the most important goals on the journey towards Net Zero of the entire Nam Cau Kien Industrial Park.

From 2021, Shinec began to implement a pilot rooftop solar power project in Nam Cau Kien Industrial Park. We have signed a MoU on cooperation with service providers and investors in Nam Cau Kien Industrial Park to build and form a symbiotic link of green energy and renewable energy in eco industrial park model applying the circular economic model that Shinec is pioneering in building in Nam Cau Kien Industrial Park.

In 2022, the rooftop solar power project has generated 81.4 kWh (equivalent to 0.000293 TJ) and was used in the operation of Nam Cau Kien, used for the campus of executive office. Besides, there are projects:

- Lighting roads in the industrial park (Battery systems are installed directly on each power pole, not using electricity from the rooftop).
- Operating the automatic watering system, sensors for economical watering.

Currently, Shinec has invested in a 110kV substation and is installing solar panels on all rooftops with an expected power capacity of 40 MWp



## BIODIVERSITY



65%

65% of the ecosystem in the industrial park was restored after the eco-industrial park model was applied



17

17 sub-ecosystems belong to 2 groups: terrestrial and aquatic.



1200

There are 1,200 species



# 04

## CHAPTER IV GOVERNANCE

1. Compliance with the Law on Production and Business and Environmental Protection
2. Construction and development of Eco Industrial Park, Circular Economy



## ALIGNING THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)



**Governance can be considered a "currency magnet"** that attracts investment sources and responsible investors from within and outside the country. With the orientation of developing industrial zones and clusters not only in the form of traditional industrial parks but towards the construction of eco industrial parks, along with the ambition to make Nam Cau Kien become a model eco industrial park for all industrial parks in Vietnam. We believe that governance is the core nucleus, an important factor determining the success of Shinec on the journey towards this goal.

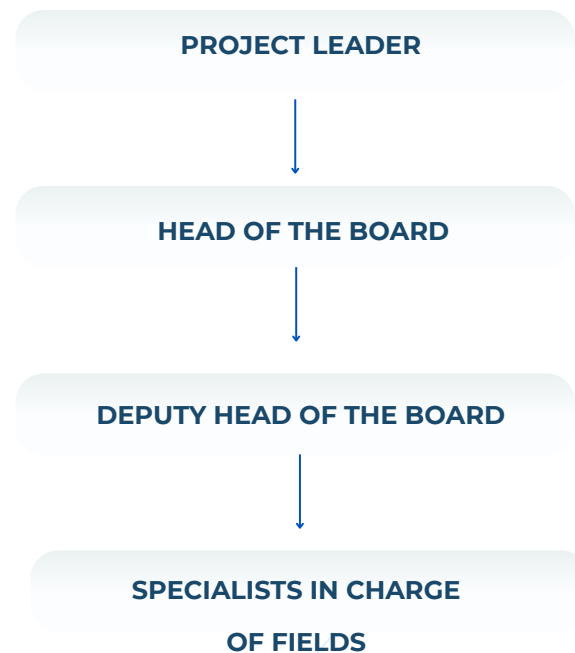
Eco industrial parks are one of the optimized industrial park development trends in the world and have achieved very high efficiency in minimizing the environmental impact of manufacturing activities. Although this concept is no longer strange in Vietnam, to ensure implementation according to ecological criteria is also one of the big questions that managers ask at the present time. Over the past time, there have been many models and initiatives proposed by managers to achieve sustainable economic development goals, but there have been many barriers in the implementation process such as changing the perception of businesses to determine the importance of changing the method of a project, or for each scale, it is very difficult to be able to apply the models appropriately, many difficulties in the lack of a comprehensive assessment of the areas that cause the "halfway" transformation and finally return to the existing model. This difficulty is both a challenge and an opportunity for Shinec to upgrade its corporate governance system to develop and create momentum for a more sustainable development period in the future.

# SHINEC

## CORPORATE GOVERNANCE AND ORGANIZATIONAL BEHAVIOR



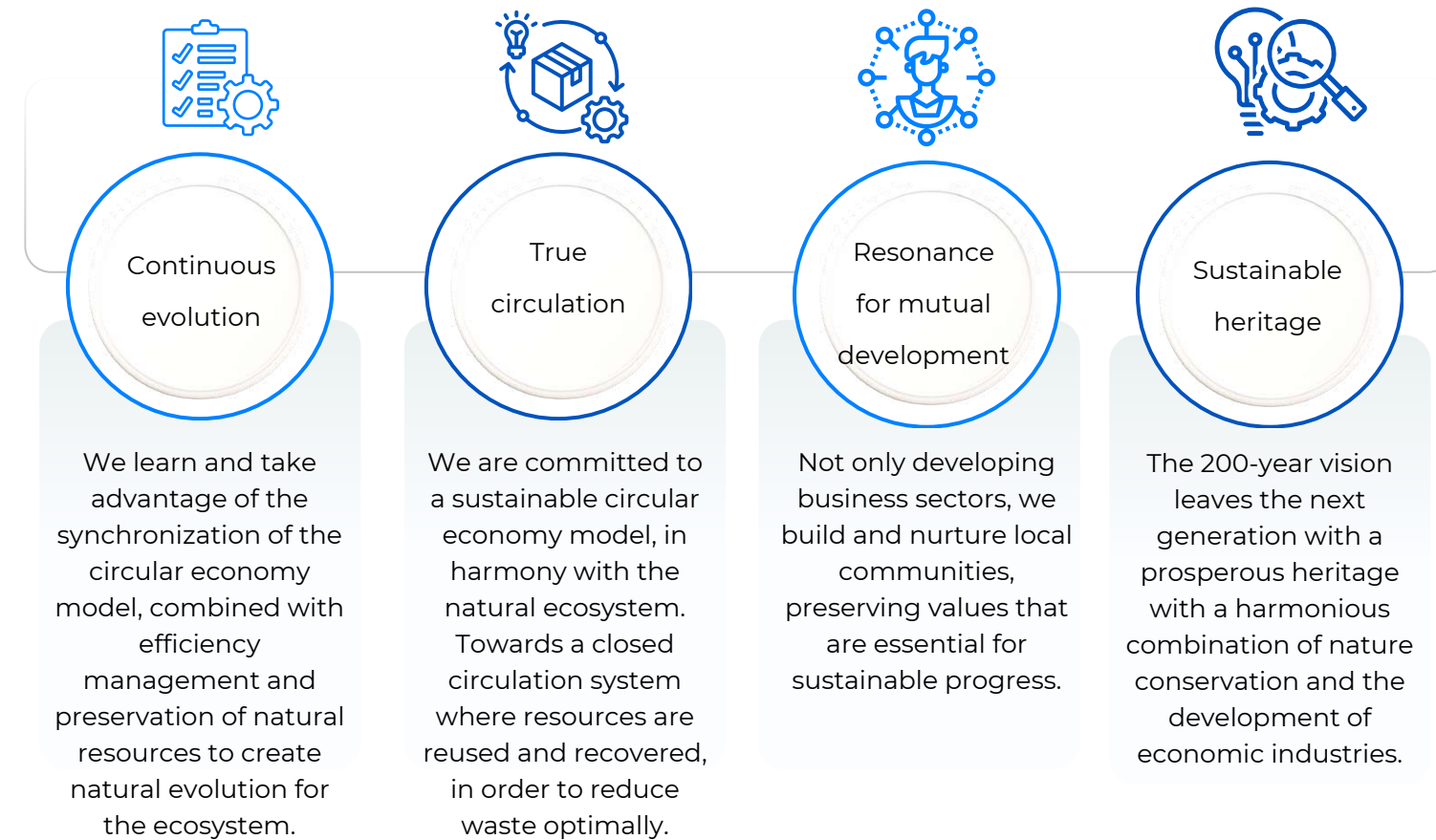
### ORGANIZATIONAL STRUCTURE OF THE SUSTAINABLE DEVELOPMENT PROJECT BOARD



## CORPORATE GOVERNANCE

### GOVERNANCE METHOD

Shinec makes information transparent and standardizes all business activities based on the following **four (04)** governance principles:



These four governance principles affect all decisions and strategies of the Board of Directors in building and operating Shinec, aiming to build a happy corporate culture for all stakeholders of Shinec.





**LIST OF MEMBERS OF THE SUSTAINABLE DEVELOPMENT PROJECT BOARD**

*Established by Decision No. 404/QĐ-Shinec/2023 dated October 28, 2023*

STT	FULLNAME	POSITION	POSITION IN PROJECT BOARD
1	Mr Pham Hong Diep	Chairman of the Board	Project leader
2	Mr Hoang Tuan Anh	General Director	Head of the board
3	Mrs Bui Thi Loan	Administration manager	Deputy Head of Department - General Coordination
4	Ms Vu Thi Lan Nhi	Environmental Specialist	Deputy Head of Department
5	Ms Hoang Thi Ngoc Anh	Environmental staff	Member
6	Ms Do Thi Thu Hai	Environmental staff	Member
7	Ms Bui Minh Hien	Business staff	Member
8	Ms Pham Thi Phuong Thanh	Environmental staff	Member

**ACTIVITIES OF PROJECT BOARD**

**Searching and selecting** partners to provide the service "Auditing to build sustainability reports and standardize the model of Nam Cau Kien Eco Industrial Park - ESG Auditing Unit".



**Combining** with service providers in "Auditing and developing subtainability reports and standardizing the model of Nam Cau Kien eco industrial park".



**DUTY AND POWER**

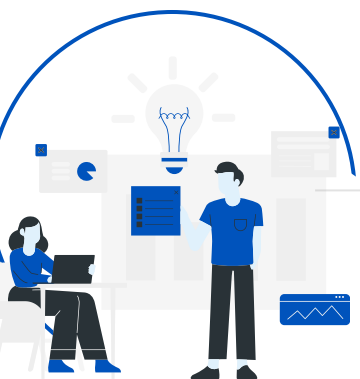
- Coordinating with the "ESG Audit Unit" throughout the project implementation process
- Assisting in collecting documents, providing information related to the project, managing the project on a daily basis
- Ensuring and taking responsibility for the efficiency and effectiveness of the construction, application, maintenance and improvement untill completing project
- Planning and contacting with stakeholders
- Data appraisal, internal coordination; monitoring and coordinating departments and officials, in compiling and editing information, documents, processes,...standardizing model
- To act as a point of contact in the process of developing, applying, maintaining and improving the process and plan of the project
- Project quality appraisal, model change management
- Implementing projects, updating project changes from time to time.



**CORPORATE CULTURE**

“ We believe that an ethical business culture is the foundation of sustainable development. With the goal of maintaining the position, brand and reputation of Shinec JSC, in addition to complying with legal regulations, we have developed the Internal Labor Regulations approved by the Chairman of the Board of Directors and officially applied since March 20, 2017, in order to set general rules of conduct, clearly define the obligations and responsibilities of employees, and at the same time serving as a basis for disciplining and implementing punishment for violating employees to ensure the honesty and objectivity in professional ethics of all Shinec officers and employees.”

# ETHICS AND BEHAVIOR RULES



## NỀ NẾP LÀM VIỆC



- Employees must always protect the reputation, image, honor, and interests of the Company.;
- Employees must always comply with the Company's rules and regulations;
- Employees have the responsibility to update their knowledge, enhance their accountability, and improve their professional skills in handling tasks, making every effort to achieve the best possible work efficiency;
- Employees must strictly follow the directives and management of their direct supervisor, comply with labor discipline, and maintain and build a modern, professional, transparent, productive, high-quality, and efficient working environment;
- Employees are not permitted to engage in any activities (including occasional work with a third party) where the interests may directly or indirectly conflict with the interests of the Company.

# BEHAVIOR

 <p><b>With higher management level</b></p>	<ul style="list-style-type: none"> <li>• Do not have disrespectful attitudes, behaviors and statements that cause disorder in the Company and affect the reputation of higher managers;</li> <li>• For direct managers: When working, you must follow the instructions of the direct manager (if you have other opinions, you have the right to express your personal opinion - if the manager does not accept, you must still follow instructions but opinions may be reserved).</li> </ul>
 <p><b>With colleagues</b></p>	<ul style="list-style-type: none"> <li>• Must support each other to do work;</li> <li>• Communicating courteously, having a spirit of cooperation, having proper manners and attitudes, and do not offend the dignity and honor of others;</li> <li>• Do not have divisive attitudes or behaviors that cause internal disunity and loss of reputation among colleagues.</li> </ul>
 <p><b>With customers/partners</b></p>	<ul style="list-style-type: none"> <li>• Must have an open, enthusiastic and polite attitude towards customers/partners; listening to their opinions and trying to meet their legitimate requests.</li> <li>• Do not request or receive commissions from any person related to the Company's business activities.</li> </ul>

## COMMUNICATION AND TRAINING ON STANDARDS OF BEHAVIOR



After the Code of Conduct was promulgated, Shinec communicated to all employees through the Company's internal email system and posted on general bulletin boards and bulletin boards in each departments.



Not only the officers, 100% of employees working at Shinec are committed to implementing the provisions in the internal labor regulations, but the Company's leaders also commit to strictly implement them, and this commitment is specified in the Commitment. between Shinec and employees to ensure all employees understand and comply.



Every year, Shinec organizes training and tests to assess the understanding capacity of officers and employees about the Company's internal regulations in order to strengthen the professional ethics of them and at the same time contribute to limit risks arising from potential violations that affect the Company's reputation. Not only that, the compliance of labor regulations is also one of the important criteria to evaluate the work efficiency of each individuals, in charge of departments in the Company and is the basis for considering annual promotions and rewards.

## REGULATIONS FOR MANAGING CONTRACTORS AND SERVICE PROVIDERS

This regulation applies to contractors who construct, provide services for construction, repair and installation of works within the scope of Nam Cau Kien Industrial Park, including but not limited construction contractors of enterprises, organizations that lease land and factories in the industrial park, service providers in the industrial park... (referred to as contractors). Before carrying out construction, contractors must ensure that they have read and understood all the contents and signed a commitment to comply with the internal regulations on management of contractors and service providers in Nam Cau Kien Industrial Park.

**Nhà thầu, đơn vị cung cấp dịch vụ cần phải cam kết tuân thủ các quy định của pháp luật và tuân thủ các nội quy chính của KCN Nam Cầu Kiền như sau:**

Criteria	Main regulation
 <p>Environment</p>	<ul style="list-style-type: none"> <li>During the construction process, the contractor must take environmental protection measures, including: Air environment, water environment, solid waste, noise and other environmental sanitation requirements.</li> <li>Taking preventive measures to avoid the occurrence of cases such as vibration, noise, radiation, electromagnetic fields, environmental pollution, dust, toxic substances; dust, noise, waste treatment and site cleanup, strictly complying with the Law on Environmental Protection according to current regulations.</li> <li>Implementing measures to prevent, minimizing impacts and respond to incidents during the construction process that affect the industrial park environment.</li> </ul>
 <p>Human</p>	<ul style="list-style-type: none"> <li>Ensuring occupational safety for employees;</li> <li>Training and guiding safety measures and safety rules for employees;</li> <li>Fully equipping labor protection and occupational safety for employees;</li> <li>Implementing first aid and fire prevention training to reduce occupational accidents at risk</li> <li>Employees must not be required to work in hazardous environments;</li> <li>Fully preparing medical first aid equipment and medicines to ensure health safety for employees.</li> </ul>
 <p>Traffic</p>	<ul style="list-style-type: none"> <li>When participating in traffic within the industrial park, the contractor must strictly comply with the provisions of the Law on Road Traffic and the regulations of the industrial park, specifically:</li> <li>Allowable tonnage speed</li> <li>Parking</li> <li>Other general regulations: vehicles that are strictly prohibited, restricting using vehicles as tools for transporting banned goods by the country</li> </ul>
 <p>Fire and explosion safety</p>	<ul style="list-style-type: none"> <li>Fire extinguishers must be prepared for items that use fire, electricity or emit sparks to respond to fire and explosion emergencies, ensuring the safety of people and property. At the same time, it is strictly forbidden to bring flammable and explosive substances, toxic substances and prohibited goods into the industrial park.</li> </ul>



## COMPETITIVENESS AND INNOVATION

### Policies and regulations on competitive behavior

Shinec commits to complying with the 2018 Competition Law in particular and the Law on Business within the territory of Vietnam in general. We understand and comply with regulations and laws on positive competition, anti-competitive behavior and unfair competition, including prohibitions on market manipulation, monopolistic behavior and competitive cheating.

In addition, to build Shinec as a pioneering brand in positive competition, we have been developing regulations and guidelines on positive competitive behavior to guide business decisions. Aiming for positive competition contributes to create a driving force for the economy, promote production and business activities and maintain a fair environment in Hai Phong, and more broadly, contributing significantly to the harmonious regulation of the economy. home country.

*Here are some of Shinec's internal regulations that are oriented towards positive competition:*

#### Regulations on promotional communications



Honesty in advertising, including ensuring that advertising statements are not misleading or misleading to consumers.

#### Customer protection policy



Các quyền lợi thông tin, quyền lợi về sản phẩm và dịch vụ đang sử dụng.

#### Regulations on investment and competition



In order to ensure a healthy competitive environment, there are regulations on competitive behavior in attracting and using investment capital.

## The Impact of competitive behavior on the sustainable development of shinec

Competition is an inevitable rule in the business environment. It fosters innovation and drives continuous development. With a commitment to positive competition, we recognize the significant role it plays in our journey to establish Nam Cau Kien as a model eco-industrial park for all industrial zones in Vietnam. We identify, analyze, and evaluate the impacts of positive competitive behavior as follows:

- 1. Enhancing Innovation and Improvement:** Competitive behavior encourages businesses to focus on improving the quality of their products and services, fostering continuous innovation and improvement to create higher value for customers and enhance the competitive position of the business in the market.
- 2. Focus on Cost Optimization:** To compete effectively, businesses are driven to focus on optimizing production, management, and marketing costs to achieve the highest economic benefits in a fiercely competitive environment.
- 3. Establishing Position:** Competition determines a business's position in the marketplace through the advantages it gains over its competitors. At the same time, competition is a factor that can enhance or diminish a business's reputation in the market.
- 4. Promoting Equality:** Competition acts as a catalyst and a driving force for promoting equal development opportunities for all businesses within the shared business environment.



## SUSTAINABLE GOVERNANCE



Shinec will collaborate with Base to implement a digital transformation roadmap using the Base Work+ project and work management solutions and **Base HRM+** human resource management solutions over **the next five years**. This collaboration will ensure the execution of five principles agreed upon by Shinec and Base, including:

- 1** Decisive action and save time management
- 2** Leaders take the lead in Digital Transformation, employees actively implements
- 3** Smooth transition, minimize risks
- 4** Accurate recognition, timely encouragement
- 5** Constructive spirit, Open communication

**100% of management systems** meet international standards such as ISO 14001:2015, ISO 9001, ISO 14000, 3S, 5S, and Kaizen



**75% of businesses** rate the quality of industrial park services as Good or above.



Attract **nearly 100 investors**, with the entire industrial park contributing over **1,000 billion VND** in taxes to the state budget.



# COMMITMENT TO IMPLEMENTING AND DEVELOPING ESG ORIENTATION IN THE FUTURE



With a steadfast commitment to the philosophy of sustainable development, we commit to continue implementing and developing ESG (Environmental, Social, and Governance) orientation in the future as a crucial part of our sustainable development strategy. Shinec, with our experience in developing eco-industrial parks and the circular economy, will contribute our expertise to the sustainable development of eco-industrial parks and eco-industrial clusters nationwide.

We will continue to maintain strict adherence to legal compliance, applying numerous initiatives to implement carbon reduction measures, save energy, and manage natural resources effectively. We are committed to building and maintaining a clean and safe working environment that helps protect the health of our employees and the surrounding community.

**Contributing to Social Development:** We are committed to increasing investment and supporting the fair and equitable development of the community and society. We will continue to maintain and develop programs that help and enhance the well-being of the community.

**Business Governance:** We are dedicated to creating a fair, transparent, and accountable working environment in all decisions and activities of the organization. We strive to build and maintain an environment where every member is free to innovate within a happy and supportive setting.

We commit to continuously monitoring, evaluating, and updating our ESG strategy to ensure we meet the best criteria of a green economy and responsible society. This commitment will form the foundation for sustainable development and create long-term value for all stakeholders.

## CHAIRMAN - PHAM HONG DIEP SHINEC JOINT STOCK COMPANY

“We join hand to build successfully a true Eco-Industrial Park in Nam Cau Kien, bringing this pride from Hai Phong to inspire investors nationwide to adopt a sustainable investment perspective. By investing in future economic development closely linked with environmental protection, we aim to create many symbiotic ecosystems that bring happiness to everyone.”

