



# CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

MIND WITHIN THE MIND

2023

# AGENDA

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# ABOUT THIS REPORT



Starting from 2024, we will implement The Internal CSR (Corporate Social Responsibility) reporting. In each reporting period, we will disclose information regarding our business strategy, financial reporting data, non-financial reporting data, and the initiatives we are undertaking in the course of our business operations. We strive to present this information and data in a visually intuitive and easily understandable manner, allowing our customers, partners, and stakeholders to comprehend our efforts on the journey towards sustainable development.

### Reference materials

This report is prepared based on the 2021 Global Reporting Initiatives (GRI) standards and ISO 26000, the International Standard for Social Responsibility.

### **Report Scope**

This report has been compiled and prepared by the Sustainability Department of Sakata Inx Vietnam, approved by the General Director of Sakata Inx Vietnam and the Chairman of the Board of Directors of Sakata Inx Group. This report is scheduled for release in December 2024, and thereafter, it will be published annually every December. The report will use data from the preceding calendar year. The contents of this report cover activities within Vietnam, as well as updates from the parent company—Sakata Inx Group in Japan.

### Reporting period

From January 1 to December 31, 2023. Information prior to 2022 will be included for trend comparison purposes.

### Release date

From January 1 to December 31, 2023. Information prior to 2022 will be included for trend comparison purposes.

### **Contact Information**

Human Resources Department - Phone: (+274) 3767 811~14 - Fax: (+274) 3767 815

### **Stakeholders Communications**

All report content will be made publicly available on the company's official website. We aim to ensure that all stakeholders can easily access our report.

### **Design Copyrights**

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# CORPORATE PHILOSOPHY

### **CORPORATE PHILOSOPHY**

### MIND WITHIN THE MIND

We exist with the business philosophy of "Mind within the Mind", we hereby pledge that we shall always put our feelings of "We Love You" to everything we do. Our missions are:

- Be a company with a corporate culture that is creative, refined, and energetic, open-minded and newsy.
- Be a company that has a sensitive, responsive, flexible, innovative and progressive corporate culture.



For our customers, we are committed to providing satisfactory products in terms of both pricing and, above all, the quality we deliver. Through relentless efforts to continuously improve, we aim to become a company with a creative, sophisticated, energetic, open, and upto-date corporate culture. Moreover, we strive to be an organization with a responsive, quick-reacting, flexible, innovative, and progressive culture. We are dedicated to ensuring a positive experience for all stakeholders involved with our organization, particularly in:

- Dream inspiring and colorful lives for our society
- Brightness and distinctiveness for our community
- Pride for our shareholders
- More satisfaction for our customers
- Mutual prosperity for our suppliers
- Pride and job satisfaction for our employees

In line with the philosophy of "Mind within the Mind," we are deeply proud to contribute additional positive values to the community, helping to build a sustainable and healthy society.



At Sakata Inx Vietnam, the corporate philosophy of "Mind Within the Mind" forms the foundation of all our business activities and sustainable development. This philosophy not only reflects our commitment to product quality but also serves as a guiding principle for all decisions related to Environmental, Social, and Governance (ESG).

### **E - ENVIRONMENT**

### **Resource and Energy Management:**

We are committed to using resources and energy efficiently to minimize environmental impacts. Energy-saving measures, waste management, and recycling are implemented to reduce carbon emissions and protect the environment. This aligns with our philosophy of "Care for the Earth."

### **Environmentally Friendly Products:**

Our products are researched and developed with the goal of optimizing sustainability, minimizing negative environmental impacts. We continuously seek ecofriendly and human-safe alternative materials. This is how we demonstrate our care for the Earth while bringing color to life.

### **G - GOVERNANCE**

### **Transparent and Efficient Management:**

We are committed to maintaining principles of transparency, honesty, and efficiency in corporate governance. Internal control and risk management processes are rigorously established and implemented to ensure the sustainable growth of the company. This reflects innovation in our corporate governance practices.

### **Legal Compliance and Business Ethics:**

We adhere to legal regulations and ethical standards in all business activities. Transparency and honesty are core values that help us build and maintain the trust of customers, partners, and the community. This is how we care for and protect the core values in business.

### S - SOCIAL

### **Responsibility to the Community:**

We are dedicated to making positive contributions to the communities where we operate. Charity, education, and community development activities are key elements of our sustainable development strategy. This reflects the spirit of "Create and Innovate" as we craft solutions to improve the lives of communities.

### **Employee Benefits and Development:**

We ensure a safe, equitable working environment and provide opportunities for career development. Regular training and skill development programs are organized to enhance employee capabilities. This helps us bring vibrant colors to the lives of our employees.

The "Mind within the Mind" philosophy, along with Sakata Inx Vietnam's "Create and Innovate - Care for the Earth - Color for Life" principles, serves not only as a guiding compass for all business activities but also as a foundation for fulfilling our ESG commitments. We believe that by adhering to these philosophies, Sakata Inx Vietnam will continue to grow sustainably, delivering long-term value to society, the environment, and stakeholders.



# CODE OF CONDUCT & ETHICS



For us, the key to survival lies in developing a community culture that can help people live happier lives, based on the belief that "People are the heart of the organization." With these standards in mind, we confidently ensure that "We are a good and trustworthy supplier, partner and customer."

Building business ethics is the foundation for the sustainable existence and development of Sakata Inx Vietnam Co., Ltd. Alongside values such as diversity, fairness, equality, and inclusion, and a commitment to human rights, the importance of a well-structured code of conduct extends far beyond mere regulatory compliance. This, in turn, expands into areas of corporate social responsibility, quality control, and enhancing the satisfaction of customers and partners.

Sakata Inx Vietnam Co., Ltd is honored to inherit the excellence of the Sakata Inx Group. With transparent leadership, all employees of the company are committed to strictly adhering to the established standards, laws, and internal regulations. This creates a reliable working environment for employees, customers, suppliers and partners, contributing to the company's current market position. This is also considered the best proof of our commitment.

We believe that with our relentless efforts, we can achieve our goals and contribute value to our civilized society. This is a commitment from all employees of Sakata Inx Vietnam Co., Ltd.

# VISION MISSION

### **BUSINESS THEME**

Creation of Visual Communication Technology

### **CORE PURPOSE**

Develop a communication culture that makes people's lives more enjoyable.

### **MISSION**

Be a company with a corporate culture that is creative, refined, and energetic, openminded.

Be a company that has a responsive, flexible, innovative, and progressive corporate culture.

### **PRINCIPLES**

- Customer first
- Aggressive business development
- Challenges
- Creativity
- Fair business practices
- Corporate values and assessment of the practices



### POLICIES SYSTEM

Sakata Inx Vietnam Co., Ltd, hereinafter referred to as "We," always carries a sense of gratitude and appreciation for the individuals and organizations that have, are, and will collaborate with us in our development. Therefore, we strive to perfect our policies to provide the best benefits to those who contribute, foster relationships, drive sales, and, most importantly, contribute to a sustainable, civilized, and healthy society.

With a policy system that is continually updated and innovated to keep pace with market trends and human preferences, we believe that Sakata Inx Vietnam will be a proud, desirable place to work and collaborate for all stakeholders involved.

We believe that by adhering to policies with high ethical standards, we will move closer to achieving the Sustainable Development goals outlined in the Sakata Vision 2030. To fulfill our sustainability commitment, build trust within the community, and become a responsible company, we maintain strong relationships with third parties, creating a positive impact on our existence. Our Code of Conduct and Ethics is one of the key demonstrations of this effort.



### **POLICIES**







# OUR TOP MESSAGES



### MESSAGE FROM THE GENERAL DIRECTOR

Sakata Inx Vietnam Co., Ltd., hereinafter referred to as "We" was established in 2003. Over the past 20 years of collaboration and development, we are honored to have contributed significant values and growth to our beloved company, society, shareholders and community.

At Sakata INX Vietnam, sustainable development is the key value for our company. We emphasize the important in balancing economic growth, environmental protection, social equity and corporate governance. Sustainable efforts guide the products, the process we use and how we treat all our employees, community and stakeholders.

As an industry leader in all type of printing inks, we are committed to offer the highest of products quality and services and add sustainable value to our customers, brand owners, consumers, community and employees. In the face of growing environmental challenges and social inequalities, our commitment to sustainable development is more crucial than ever. Sustainable development is not just a goal but necessity to ensure a thriving planet for future generations.

### **Vison and Commitment:**

"Our vision is to create a resilient, sustainable future through innovative and responsible practices. We are dedicated to integrating sustainability into every aspect of our operations and decision-making process"

### **Strategic Goals and Objectives:**

"Our long-term goal is to achieve carbon neutrality by 2030, in short term, we aim to reduce our energy consumption by 24% and increase our use of renewable energy source by 20% for the next five years"

### **Key strategies:**

"To reach these objectives, we will implement energy-efficient technologies, invest in renewable energy projects, and foster partnerships with local communities, industry partner and organizations to drive sustainability initiatives" "To reach these objectives, we will implement energy-efficient technologies, invest in renewable energy project, and foster partnerships with local communities, industry partner and organization to drive sustainability initiatives"

### Implementation Plan:

"Implementation will involve a series of action steps, including upgrading our facilities with energy-efficient systems, conducting regular sustainability training for employees, and establishing a dedicated sustainability team. The initial phase will be completed within 18 months followed by ongoing evaluations"

### **Monitoring and Evaluation:**

"We will measure our progress using key performance indicators such as energy consumption rates and greenhouse gas emissions reductions. Regular reviews will be conducted to ensure we stay on track and make necessary adjustments"

#### Call to actions:

"We invite all our business partners across the value chain and stakeholders to join us in this vital journey toward a sustainable future, Together, we can make a meaningful impact and build a better world for generations to come"

Mr. Robert NG

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**Board Member & General Director, Sakata Inx Vietnam** 



# GENERAL DISCLOSURES

**Building Trust and Integrity** 





### **GENERAL DISCLOSURES**

### About us

As a corporate theme, we Sakata Inx Vietnam Co., Ltd. will strive to improve the lifestyle of society through creative Visual Communication Technology. We promise that our creativity of communication culture will enrich the lifestyle of society, as the basis of our existence. As corporate objectives, we set forth to become creative, refined and full of vitality. We shall be responsive, flexible, innovative and progressive.

### **OUR HISTORY**



Tsuneshiro Sakata (founder)

Japan

Osaka, Japan 1896

Founded in Osaka as a small private business (SAKATA INK SEIZOUSHO), and started making and selling newspaper inks



Binh Duong, Vietnam 2006

Inaugurated the new factory. Moved the main office to VSIP 1 in Binh Duong Province.





Binh Duong, Vietnam

Expand factory in Binh Duong Province -Built Plant 2

Plan 2 - VSIP1, Binh Duong Province

Ho Chi Minh, Vietnam

Founded the first facility at Le Minh Xuan Industrial Park, Ho Chi Minh City, and implemented business registration licenses.



First facility in Vietnam

Binh Duong, Vietnam

Obtained ISO Certifications: ISO 9001:2015, ISO 14001:2015





ISO Certifications

Binh Duong, Vietnam

Obtained ISO Certification: ISO 45001:2018



ISO 45001:2018 Certification



### **COMPANY**

## INFORMATION

- Company name: SAKATA INX VIETNAM CO., LTD
- Trade name: SAKATA INX VIET NAM COMPANY LIMITED
- Abbreviation: SIV
- **Head office:** No. 33, Tu Do Avenue, Vietnam-Singapore Industrial Park, Thuan An City, Binh Duong Province
- Enterprise registration certificate number: 0303177976 issued by the Department of Planning and Investment Binh Duong Business Registration on March 01, 2007
- **Telephone:** (+274) 3767 811 ~814 Fax: (+274) 3767 815







### **OUR MANUFACTORY**

# **FACILITIES**

With over twenty years of accompanying the Vietnamese market, we have established three manufacturing facilities to meet the growing demands of the market. It is through our commitment to quality and the trust of our customers and partners that we have been able to grow into what we are today.



### Main Office (Binh Duong)

- Address: No. 33, Tu Do Avenue, VSIP 1 Industrial Park, Thuan
   An City, Binh Duong Province
- Approximately 55 minutes from Ho Chi Minh City
- Land area: 15.099,5 m<sup>2</sup>
- Construction area: 7,338m²
- Products: Solvent-based inks and coatings



### Plant 2 (Binh Duong)

- Address: No. 11, Road 10, VSIP 1, Thuan An City, Binh Duong Province. Near the main office (VSIP 1)
- Land area: 11,984m²
- Construction area: 10,636m²
- Products: Water-based inks, metallic inks, offset inks, printing materials, chemicals, and equipment

# CERTIFICATIONS







**ISO 14001:2015 Certification** for Environmental Management System Standards.

**ISO 45001:2018 Certification** for Occupational Health and Safety Management System Standards.

**ISO 9001:2015 Certification** for Quality Management System Standards.



Official Member of the Vietnam Paint and Printing Ink Association.



# OUR GLOBAL CONNECTIONS

With a history of 128 years of establishment and development (as of 2024), Sakata Inx Group, headquartered in Japan, is the third-largest global chemical manufacturer in terms of printing ink sales. We manufacture and sell various types of printing inks used in packaging, beverage cans, media, industrial inkjet, and digital printing as well as display materials for liquid crystal screens.

With the business theme "Creating Image Communication Technology," we continue to embrace new challenges in emerging fields, striving toward "Creating an Information Culture that Enhances People's Lives" through sustainable and environmentally friendly products.

We operate in over 20 countries, with 17 facilities in Japan and a total of 28 Group companies. We established our first overseas office in the Philippines in 1960 and have since expanded across Asia, the Americas, and Europe. In the Americas, we have three companies located in the U.S., Canada, and Brazil. In Europe, we have six companies across countries such as the U.K., Spain, Germany, the Czech Republic, Italy, and France. Most notably, we focus on accelerating development in the Asian region, evidenced by the presence of over 10 companies, with each country hosting two to three or more facilities.



### 1. Americas

- USA: THE INX GROUP LTD. (Holding Company) INX INTERNATIONAL INK CO. Chicago
- Canada: INX INTERNATIONAL INK CORP. Montreal
- Brazil: INX DO BRASIL LTDA. Sao Paulo

### 2. Europe

- UK: INX EUROPE LTD. (Holding Company) INX INTERNATIONAL UK LTD. Manchester
- Spain: SAKATA INX ESPANA, S.A. Barcelona
- Germany: A.M. Ramp & Co. GmbH Frankfurt
- Czech: INX DIGITAL CZECH, A.S. Prague
- Italy: INX DIGITAL ITALY S.R.L. Milan
- France: INX INTERNATIONAL FRANCE SAS Paris

### 3. Asia

- Indonesia: PT. SAKATA INX INDONESIA Jakarta
- Malaysia: SAKATA INX (MALAYSIA) SDN. BHD. Kuala Lumpur
- Vietnam: SAKATA INX VIETNAM CO., LTD. Binh Duong
- Cambodia: SAKATA INX (CAMBODIA) CO., LTD. Phnom Penh
- Philippines: CDI SAKATA INX CORP. Manila
- Thailand: ETERNAL SAKATA INX CO., LTD. Bangkok Phetkasem & Bangkok Sinsakhon
- India: SAKATA INX (INDIA) PRIVATE LTD. New Delhi, Panoli & Bhiwadi
- Bangladesh: SAKATA INX (BANGLADESH) PRIVATE LTD. Dhaka
- **China:** <u>SAKATA INX SHANGHAI CO., LTD.</u> Shanghai & SAKATA INX (ZHONGSHAN) CORP. Zhongshan, Guangdong Province
- Taiwan: TAIWAN SAKATA INX CORP. Taipei

# THE HIGHLIGHT OF OUR PERFORMANCE



# THE HIGHLIGHT OF OUR PERFORMANCE

### Capacity and Non-toluene ink (Super ink, Bell color ink, Xa -55vn)



YEAR	BASE INK(TONS)	NON-TOLUNE(TONS)	% non toluen ink
2019	9,082	1,263	13.91%
2020	9,114	1,728	18.96%
2021	9,272	2,225	24.00%
2022	9,498	2,330	24.53%
2023	10,069	2,583	25.65%
FC 2024	11,500	3,500	30.43%

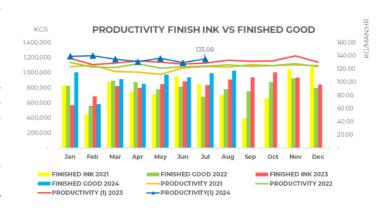
The chart depicts the comparison between Finished Ink and Finished Goods production from 2021 to 2024, and the corresponding productivity levels (in KG/MAN.HR) over the same period:

- The overall production of finished ink shows consistent growth, with a notable increase in 2023 compared to previous years, especially in months like June, August, and October.
- Productivity in 2024 (represented by the blue triangles) reaches a peak of 135.08 KG/MAN.HR in August, highlighting operational efficiency improvements.

The company's business development, as reflected by the steady growth in ink production and the increasing share of environmentally friendly products, brings pride to all stakeholders:

- The total base ink supply increased steadily from 9,082 tons in 2019 to 10,069 tons in 2023, reflecting a growth of approximately 10.86%. This indicates a stable and growing production capacity.
- Non-Toluene ink supply more than doubled, from 1,263 tons in 2019 to 2,583 tons in 2023, showing a 104.51% increase. This demonstrates a strong shift towards more environmentally friendly products.

The company's ability to maintain a stable and growing production capacity ensures that its customers receive a reliable supply of high-quality ink products. The steady rise in production volume, coupled with the increase in environmentally friendly products, reinforces the company's commitment to delivering consistent and safe products to the market.



The chart shows a steady increase in finished ink production and productivity, particularly in 2023 and 2024, reflecting the company's strong operational efficiency. This growth highlights the company's ability to maintain high-quality output while optimizing resources, ensuring a stable and reliable supply for stakeholders. These improvements demonstrate the company's commitment to sustainable development and long-term success in the market.



### THE MESSAGE **FROM THE FINANCE** DEPARTMENT

### **66** COST CONTROL **MAXIMIZING PROFIT**

We will continue striving to realize our short- and medium-term strategies as well as our Vision for 2030. In 2023, we achieved a record revenue of over VND 1,500 billion, with Gravure ink and Water-based ink accounting for the largest share, followed by two-piece ink and offset printing ink.

In both 2022 and 2023, the global economy faced many unfavorable fluctuations. The aftermath of the Covid pandemic caused production stagnation and labor shortages in various sectors. Ongoing wars in Ukraine and the Middle East severely impacted global supply chains. The skyrocketing of raw materials, fuel. transportation led to significantly increased production costs.

Furthermore, geopolitical tensions also caused foreign exchange rates to rise, further increasing the company's production costs. To mitigate this situation, implemented company measures to minimize risks and the impact on production. We negotiated with reputable suppliers to stabilize prices and maintained inventory reserves to avoid price fluctuations. Additionally, financial measures, including the use of financial instruments, were employed to stabilize exchange rates. Internally, various cost control methods were introduced, such as monitoring wastage during production, controlling the approval processes for operational expenses, and enhancing maintenance of machinery to ensure continuous production.



# SUSTAINABILITY DEVELOPMENT COMMITMENT

Sustainable commitment is considered a global direction for any organization, and at Sakata Inx Vietnam Co., Ltd, we are committed to the United Nations Sustainable Development Goals (SDGs) and pledge to contribute to achieving these goals. We recognize that maintaining a globally sustainable environment is a significant challenge in business management. However, with mutual respect and the creation of strong "walls," we support the achievement of the SDGs through our actions.



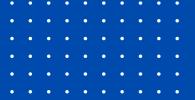


In line with the Corporation's philosophy of

"Mind within the Mind," we engage in social contribution activities as members of the community. We believe that businesses play a crucial role in building strong relationships and earning trust from stakeholders, contributing to societal sustainability by creating a work environment where employees can voluntarily participate in social contribution activities.

We are proud that all employees embrace the belief that "Every small action today will lead to significant changes for the future." Each effort contributes to building a sustainably developing society, and we hope this message will spread, encouraging active participation from everyone.

encouraging active partic



For us, "People" are the driving force behind the company's sustainable growth. This is also a commitment from the leadership of the Company. Additionally, we recognize that the key to sustainable development is "ESG" (Environmental, Social, and Governance).

Our primary goal is to make a significant contribution to improving the global environment and ensuring the well-being of individuals employee. We are actively reinforcing our commitment to becoming a trusted and anticipated company. This is most evident in our strong efforts to build a policy system that not only supports corporate responsibility but also promotes achieving sustainability metrics on a societal scale.



We believe that with relentless effort, we will continue to achieve increasingly positive values for the community. We are convinced that the core values for our existence are the **3Cs: Create** and Innovate, Care for the Earth, Color for Life. We have, are, and will continue to uphold our commitments to society today and in the future.

### MESSAGE FROM

### **ESG DEPARTMENT**





Since 2021, Sakata Inx Vietnam Co., Ltd. has been provided with updated guidance from the Sakata INX Corporation regarding global ESG trends. Following the direction of the ESG initiative, the Corporation has developed related policies and strengthened its commitment to local communities where the company operates by implementing social contribution initiatives. Since then, we have actively adhered to these guidelines, updated related policies from the Corporation, and conducted training sessions to widely disseminate them among employees.

Through internal training, employees will understand our sustainable development direction in particular and that of the Group in general. With the unity of our employees, the company believes that ESG initiatives will be practically implemented. In the process of implementing these policies, we continuously reference and learn from sustainable development initiatives, and we are currently studying the United Nations' Sustainable Development Goals (SDGs).

These SDGs are also communicated widely to employees through publications, and we are continuously working to implement sustainable development initiatives based on these SDGs. We strive to take all possible measures to become a sustainable company contributing to the community as a responsible corporate citizen.

Adherence to ISO standards not only strengthens our reputation in the market but also demonstrates our commitment to environmental initiatives.

### **Environmental Initiatives**

As a responsible business, we consistently comply with local legal regulations where we operate. Currently, for production activities involving chemicals, we regularly update the Vietnam National Chemical Database. Once a year, we report Summary of chemical activity situation according to the guidelines of Decree No. 113/2017/TT-BCT issued by the Ministry of Industry and Trade. Additionally, we are in the process of completing the necessary documentation for applying for an Environmental Permit as required by the 2020 Environmental Protection Law effective from 2022. Our goal is to obtain the Environmental Permit by the end of 2024.

We are an ink manufacturing company using chemicals in production, we carefully assess environmental risks during business operations. To minimize environmental risks, under the management of the Sakata INX Group, we conduct annual greenhouse gas (GHG) emissions inventories in accordance with international standards. Our inventory criteria adhere to international GHG reporting standards (additional details about inventoried gases and methodology). We also conduct training and drills on chemical spill response to address environmental incidents.

Following our commitment to environmental protection, we conduct quarterly wastewater and emissions sampling. We collaborate with third-party agencies to analyze and evaluate wastewater and emissions, ensuring that our waste meets allowable standards. (Include regulatory decree and monitoring categories).

In addition to following the Group's guidelines and complying with Vietnamese regulations, we voluntarily conduct annual management standard evaluations. We first obtained the Certificate of ISO 9001: 2015, ISO 14001:2015 and OHSAS 18001:2007 in 2017 and upgraded OHSAS 18001:2007 to ISO 45001:2018 in 2020. Our ISO certifications are reevaluated annually by SGS, a certification body. Through internal management system assessments, we have established and refined various processes and internal guidelines, including procedures for hazard identification, risk assessment and management, environmental impact assessment, ink recycling procedures, and handling returned goods.

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The Vietnamese market has evolved significantly since foreign enterprises began actively promoting environmental protection movements and inspiring local companies. The packaging industry in Vietnam has started shifting towards environmentally friendly products. To meet market demand, we have developed plant-based ink products, such as the EcoPlata and EcoFiore lines, which are suitable for paper printing.

### **Social Initiatives**

We are actively pursuing sustainable social initiatives. One of our efforts is to uphold and promote Human Rights. In particular, we encourage gender equality and promote Diversity, Equity, Inclusion, and Belonging (DEIB) in line with Group policies. With the guiding principle that "People are the heart of the organization," we prioritize human resource development. By providing equal training opportunities to all employees, our diverse workforce can enhance their individual capabilities and become valuable contributors to society.



In addition, we fully comply with Vietnamese legal requirements and ensure the rights and benefits of our employees. We provide 100% participation in Social Insurance, Unemployment Insurance and Health Insurance for employees.

When enrolled in **Social Insurance**, employees are entitled to have the following well fares such as:

- 1. Sickness Benefits
- 2. Maternity Benefits
- 3. Workplace Accident and Occupational Disease Benefits
- 4. Retirement Benefits
- 5. Bereavement Benefits

For the Mandatory Health Insurance participation, employees having follows benefits:

- Coverage for medical examination, rehabilitation costs, prenatal care, and childbirth expenses at hospitals.
- Costs for early diagnostic screening for certain diseases.
- Transportation costs in cases of emergency referral or inpatient hospital treatment.
- Employees are entitled to leave and receive allowances when they are sick or when their children under seven years old are ill.
- Maternity benefits for prenatal checkups, miscarriage, abortion, stillbirth, therapeutic abortion, childbirth, adopting a child under six months old, and contraceptive procedures.
- Choice of initial healthcare facility.
- Provision of a health insurance card.

### Mandatory Unemployment Insurance benefits:

- Receive monthly unemployment benefits upon job loss.
- Access to career counseling and job placement support.
- Vocational training assistance.

In addition, in instances of bereavement or personal events, the company also offers financial support. For every five years of service, employees receive an additional day of paid leave. Long-serving employees are also recognized with special gifts in appreciation of their contributions. Through these welfare policies, we believe the company can help employees alleviate concerns and achieve a balance between work and life.

To encourage employees to contribute to society, we actively seek ways to connect with the local community through meaningful activities. Most recently, we participated in practical ESG activities, such as:

- The Community Cleanup Campaign: "Green Journey, Clean Footprints," in collaboration with the People's Committee of Thuan Giao Ward, Thuan An City, Binh Duong Province
- The Environmental Tree Planting Campaign: "Green Footprint, Sowing Green Seeds," in cooperation with the Beli Foundation charity organization

Aiming for a healthy working environment where employees can freely express their full potential, we are gradually improving our policies to minimize human rights and ethical violations.

We established annual KPIs and periodically evaluated them to ensure our KPIs process. We established the KPIs on 4 main pillars in Labor & Human Rights, Ethics, Environment, Sustainability Procurement including:

- 1.OHS (Employee Health & Safety)
- 2. Career Management & Training
- 3. Working Conditions
- 4. The labor of children (Child Labor, Forced Labor, and Human Trafficking)
- 5. Discrimination & Harassment
- 6. Training Ethics
- 7. Internal audit of ethics
- 8. Internal complaints
- 9. Corruption and bribery
- 10. Security of customer information
- 11. Sustainability Procurement
- 12. Environment

We thrive to update the KPIs to ensure they are suitable to current situation .With these KPIs, we believe our effort would reach the sustainability goal in the near future.

### 1. KPI about OHS (Employee Health & Safety)

Section	Year 2022	Year 2023	Year 2024	Description/reference
Number of workers granted labor protection (%)	200(100%)	210(100%)	211(100%)	List of protection allocations
% of workers wearing labor protection	100%	100%	100%	List of protection grants and current status
Number of serious occupational accidents occurred (times/times)	0	0	0	Occupational Accident Monitoring Book
Number of minor accidents occurred (not having to quit work) (times/times)	0	0	0	Occupational Accident Monitoring Book
The number of working hours that had to be stopped because of industrial accidents (hours)	0	0	0	Occupational Accident Monitoring Book
Number of seasonal workers suffering from industrial accidents (times)	0	0	0	Occupational Accident Monitoring Book
Workers receive periodic health check- ups(%)	120 (60%)	159(65%)	137(70%)	Summary table of medical examination and treatment for employees
Number of health indicators of type 4, type5	0	0	0	Summary table of medical examination and treatment for employees



### 2. Career Management & Training

Section	Year 2022	Year 2023	Year 2024	Description/reference
Number of workers trained in occupational safety and hygiene (%)	200(100%)	210(100%)	211(100%)	Training Profile
Number of seasonal workers trained in occupational safety	0	0	0	
Hours of worker training on OHS(hour/employee)	48	48	48	Training Profile OHS
Hours of occupational training(hour/employee)	48	48	48	Professional training document

### 3. KPI about Working Conditions

Section	Year 2022	Year 2023	Year 2024	Description/reference
Number of full-time workers	200	210	211	
Number of seasonal workers	0	0	0	
Number of complaints about late payment of salaries	0	0	0	
Number of complaints about forced overtime,Continuous working hours	0	0	0	
Number of employees who are contracted when accepting a job	200(100%)	210(100%)	211(100%)	List of workers
Number of employees trained when employed	200(100%)	210(100%)	211(100%)	Training Profile
Number of employees work in the hard hazardous, and dangerous environment	50	50	50	List of workers working in the positions

### 4. KPI about the labor children (Child Labor, Forced Labor and Human Trafficking)

Section	Year 2022	Year 2023	Year 2024	Description/reference
Internal Assessment of Child Labor Itimes/year	0	0	1	
Risk assessment of child labor at the company once a year	0	0	1	
Number of child employees from 15 to under 18 working in the company	0	0	0	List of workers
Number of child employees under the age of 15 working in the company	0	0	0	List of workers

### 5. KPI about Discrimination & Harassment

Section	Year 2022	Year 2023	Year 2024	Description/reference
Number of workers trained in discrimination and harassment	100%	100%	100%	
Complaints about discrimination incompany (times/year)	0	0	0	
Female workers (%)	17 %	18 %	19 %	Staff List
Female employees in the management board (%)	27 %	27 %	27 %	List of manager

Conclusion: The company has complied with the requirements of the Law and well implemented the rights of employees, and needs to maintain implementation measures to control KPIs in accordance with human rights requirements.

### 6. Training ethics

Section	Year 2022	Year 2023	Year 2024	Description/reference
Number of employees trained in business ethics	200	210	211	Training profile
Percentage of employees trained	100%	100%	100%	Worker training records
Hours of employee training on business ethics	8	8	8	Annual Training Plan

### 7. Internal audit of ethics

Section	Year 2022	Year 2023	Year 2024	Description/reference
Number of Employee Perceptions of Business Ethics	1	1	2	Results of internal ethics assessment
Number of managers trained (number/ratio)	11/100%	11/100%	11/100%	Training Profile
Number of workers surveyed on ethics/total number of workers	70%	70%	100%	Employee Survey
Re-evaluate the effectiveness of the company's activities and policies	Yes	Yes	Yes	Evaluation of the validity of activities

### 8. Internal complaints

Section	Year 2022	Year 2023	Year 2024	Description/reference
Reduce the rate of worker complaints about business ethics	0	0	0	Complaint tracking book
Number of violations of human security and computer security	0	0	0	Complaint tracking book
Complaint rate/total number of workers/year	0	0	0	Complaint tracking book
Rate of complaints about the agency's monopoly other/year.	0	0	0	Complaint tracking book
Rate of complaints about customer information insecurity of customers/state agencies.	0	0	0	Complaint tracking book

### 9. KPI of corruption and bribery

Section	Year 2022	Year 2023	Year 2024	Description/reference
Conducted a risk assessment on corruption	1	1	1	Risk Assessment
Number of positions/departments assessed for corruption risk	8	8	8	Risk Assessment
Total and Percentage of Management Trained in Corruption and Bribery	19/100%	19/100%	19/100%	Training Profile
Total number and percentage of employees trained in corruption and bribery	0	100%	100%	Training Profile
Total number and percentage of business partners trained in bribery	0	0	82 (100%)	Training Profile
The total number and nature of corruption cases have been confirmed.	0	0	0	Discipline Monitoring Book
Total number of confirmed incidents in which employees have been fired or disciplined due to corrupt	0	0	0	Discipline Monitoring Book
The total number of confirmed cases when terminating or not renewing contracts with business partners due to corruption-related violations.	0	0	0	Discipline Monitoring Book
Public legal proceedings in which an organization or its employees are accused of corruption occur during the reporting period and the outcome of such lawsuits.	0	0	O	Discipline Monitoring Book

### 10. Security of customer information

Section	Year 2022	Year 2023	Year 2024	Description/reference
The total number of well-founded complaints received related to the violation of the right to confidentiality of customer information	0	0	0	Complaint tracking book
Total number of customer data leaks, thefts, or losses	O	O	O	Complaint tracking book

Other issues: up to now, our company has not received reports of trademark infringement, trademark information, infringement of communications, advertising, marketing and promotional information.

### 11. KPI of Sustainability Procurement

Section	Year 2022	Year 2023	Year 2024	Description/reference
Number of Suppliers Purchased	68	78	82	List of suppliers approved according to ISO 9001:2015
Number of Suppliers who have included the Code of Conduct implementation clause in the purchase and sale contract (%)	0	0	82 (100%)	Contract in principle of sale and purchase
Number of Suppliers who have signed a commitment to implement the company's code of conduct (%)	0	0	82 (100%)	Signed Supplier Commitment
Number of Suppliers Evaluated by Questionnaire	0	0	81 (98,8%)	The collected set of questions
Number of Onsite Review Suppliers	0	0	6 (7,3%)	Supplier Review
Number of Corrective Action Tickets Completed	0	0	0	Supplier Review
Number of suppliers trained in compliance with the Code of Conduct	0	0	82	Training Profile

Conclusion: the company has controlled human rights issues at raw material production facilities, requiring timely monitoring of corrective actions.



# **OUR KPIS**

### 12. KPI about Environment

Objectives/mục tiêu	Year 2022	Year 2023	Year 2024	Note
Installation of solar cell power system for corridor lighting	0,0	1,0	1,0	Complete the aim
Reduce electricity consumption rate by 1% compared to 2023	1,0%	1,0%	1,0%	Complete the aim
Reduce water consumption rate by 1% compared to 2023	0,0%	1,0%	1,0%	Complete the aim
Reduce stationery usage rate to 1% compared to 2023	27M VND	25M VND	25M VND	Complete the aim
Classify and manage hazardous waste and domestic waste by regulations	Achieved	Achieved	Achieved	Complete the aim
Not sanctioned by the authorities	0,0	0,0	0,0	Complete the aim



### **OUR KPIS**

### **ON SDGS**

### Good Health and Well-being



#### 1.KPI

- Operation and monitoring of the chemical substance management system
- 100% attendance rate for safety training
- Zero serious accidents
- 100% employees have annual health check
- 100% employees participate in incident insurance
- 80% employees spend all their annual leave

#### 2.Achievements

- Establishment of a the chemical substance management system
- 90% attendance rate for safety training
- Zero serious accidents in 2023
- 90% employees have annual health check
- 100% official employees participated in incident insurance
- 85% employees spent all their annual leave

## Decent Work and Economic Growth



#### 1.KPI

- Creation of new businesses.
- Volume Growth
- Increase the market share of eco-friendly products.
- 30% employees have seniority from 5 years

#### 2.Achievements

- Conduct market research and competitor analysis to identify trends and refine strategies & execute the plan.
- Grow production of eco-friendly inks and implement the Belle Washable Inks project for key customers.
- Develop pricing, sales, and promotional policies with effective implementation.
- Organize a seminar on Botanical ink and eco-friendly products in October 2023.
- 58% employees have seniority from 5 years in December 2023

## Industry, Innovation and Infrastructure



### 1.KPI

- Innovate the Air Waste Treatment System
- Install modern equipment to increase productivity
- Improve the Water Waste Treatment System
- Build the Business Continue Plan in emergencies
- Install the CDS machine for Flexo and Gravure customers

### 2.Achievements

- Planning to innovate the Air Waste Treatment System in 2024
- Statistic production situation.
   Planning to install more equipment in 2024.
- Finished improve the Water Waste Treatment System in 2023
- Finished the Business Continue Plan in fire, flood and natural disasters.
- Increase the sales volumes, and strengthen Long-Term Relationships. Helps customers enhance operational efficiency,



### **OUR KPIS**

### **ON SDGS**

### Responsible Consumption and Production



#### 1.KPI

- Reduce the total amount of waste by 15% by 2029, so that total plastic waste will decrease by 9% by 2029 compared to 2023 emission levels.
- Reducing water consumption by 6% by 2029 based on 2023 consumption.
- Improved evaluation by external organizations
- Strengthening quality assurance and product management

### 2.Achievements

- Continue reducing waste by 1% compared to the previous year
- Improved evaluation by external organizations
- Continue to reduce water consumption
- Strengthening quality assurance and product management
- In 2023, total waste was 427 tons, a 9.5% drop from 2022, though plastic recycling/reuse fell by 19.6%.

### Climate Action



### 1.KPI

- Reduce emissions by 24% by 2026 (6% each year) and 40% by 2029, (5% each year) based on 2022 levels (Scope 1 & 2).
- 100% attendance rate for environmental training

### 2.Achievements

- Reduced 7.6% CO2 emission per products volume but still have not achieved the set target 12% reduction base on 2022 data. Timer installation is not complete yet, 30% of Plant 1 (Main Office), we plan to finish this installation at quarter 1 of 2025.
- Enact the Environment Policy for Sakata Inx Vietnam in 2024
- Planning to hold a training on environment in 2024

### Life Below Water



#### 1.KPI

- At least 01 activity a year to enhance the water environment (Trash picking, raising awareness,..)
- 30% employee attend to activity
- Raising employees awareness in Life Below Water

### 2.Achievements

- Planning for the activity in 2024
- Planning training for employees

### Life on Land



#### 1.KPI

- Planting at least 300 trees a year
- Participate in local community activity to enhance life on land
- Encourage employees to participate the activity

### 2.Achievements

- Planted 500 trees in September 2023
- Corporate to local community to held 02 trash picking activities in 2023
- Almost 50% employees register to participate in activities



# BUSINESS INTRODUCTION

## OUR PRODUCTS



'Sakata Inx Vietnam are developing printing inks for use in the printing of various packages for food, beverage, daily necessities, corrugated cardboard, paper bags, and other product packages. Our own brand of environmentally-friendly biomass ink, the ""BOTANICAL INK series," is being increasingly adopted for use in a wide range of products



#### Solvent-Based Inks -

"GRAVURE REVERSE PRINTING INK for LAMINATION" - specifically designed for snacks foods & boil-in-bags packaging. This solvent-based ink is formulated to meet the high standards of gravure reverse printing, providing exceptional adhesion, vibrant colors, and durable performance. It is perfect for creating eye-catching designs on laminated food packages.



#### Water-Based Inks

"WATER BASED INK" - an eco-friendly solution for all your printing needs. This water-based ink is formulated with high-quality pigments and resins, ensuring vibrant colors, sharp details, and long-lasting prints. Our WATER BASED INK offers excellent adhesion and compatibility with various substrates, including paper, cardboard, fabric, and more. It is perfect for a wide range of applications, including packaging, textiles, and signage.



#### Metal coating & Decorating Inks -

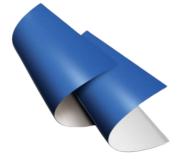
Elevate the aesthetics and functionality of your metal packaging with our premium Metal Coating & Decorating Inks. Designed to enhance the visual appeal and durability of metal surfaces, our cutting-edge inks are the go-to choice for a wide range of applications



#### **Offset Inks & Overprint Varnish**

Offset inks and water-based overprint varnishes are essential in the printing industry:

- Offset Inks: Offset inks are used in offset printing, a widely used printing technique. They come in different types, including conventional, eco-friendly, hybrid, and UV-cured, catering to various printing needs. These inks are known for their high-quality color reproduction, quick drying times, and compatibility with various substrates
- Water-Based Overprint Varnish: Clear coatings applied over printed materials to enhance the durability, appearance, and protection of the print. They are environmentally friendly alternatives to solvent-based varnishes and are known for their low odor, low VOC content, and quick drying times. These varnishes can be applied in gloss, satin, or matte finishes and provide excellent resistance against scuffing, water, and chemicals.



#### Graphic Arts and printing supplies —

- Prepress graphic arts CTP plates and Films for the printing and packaging consumers.
- Pressroom chemical and supplies to suit all types of Litho press, dry/wet offset printing.

# TARGETS OF SAKATA INX VIETNAM



#### 1.Products

Our business environment continues to dramatically change due to rapid adaption of digital media and the important of environmental impacts including climate changes, carbon emissions, recycling activities, and we expect more changes in the future. SIV continues to grow up and we anticipate our innovative products are able to cater for all printing ink markets

#### 2.R&D/ Technical services support

To continue our sustainable growth as a company under such circumstances we will play our part to solve various social and environment issue as we continue to develop our company:

- Support our customers in ROOT CAUSE ANALYSIS
- Help our customers PREVENT & IMPROVE manufacturing process
- Utilize our resources to support customer's CONTIUNOUS IMPROVEMENT

We deliver a range and level of services unlike other major ink manufacturers. Our application specialists not only know inks and coatings, but the nuances stemming from presses and other pressroom related products and services.

- 24/7/365 Services & Support
- Audits & support services
- Color management tools & techniques
- In-plant trouble-shoot, color matching, press adjustment and improve overall applied cost per printing job.

#### 3. Social Responsibility

- To continue our sustainable growth as a company under such circumstances we will play our part to solve various social and environment issue as we continue to develop our company.
- We have long-term strategic vision SAKATA INX VISION 2030 which emphasize "Create and Innovate, Care for the Earth, Color for Life" a company that creates innovations and new opportunities, with earth-friendly technology that adds color and happiness to life.

Corporate Philosophy Mind within the Mind

Sustainability Basic Policy

#### **SAKATA INX VISION 2030**

Create and Innovate, Care for the Earth, Color for Life

2030

**Ethical Code of Conduct** 

### **SOCIAL VALUE** THROUGH PRODUCTS

#### 1.Botanical Ink



Even if the Plant-derived carbon burns and CO2 is generated, total CO2 in the earth will not increase because it's CO2 was originally in the atmosphere. (The concept of Carbon Neutral)

- Petrochemical-derived materials: When the Petrol burns, the emission amount of CO2 in the atmosphere will be increased because Petrol (Hydrocarbons) accumulated in the ground for more than a 100 million years.
- Plant-based material: By the concept of carbon neutrality, the emission amount of CO2 in the atmosphere will be zero because the life span of plants is not long (about several months to several decades as the longest)

CO2 co, increase CO2 Carbon Neutral

Petro-chemically derived chemistries are replaced by clean, renewable, sustainable alternatives encourage agriculture and forestry over-extraction and depletion. Botanical ink contains the highest degree possible plant-based material, and we promise that all Botanical ink products contain more than 10wt% in the solid content.

### WHY CAN **BOTANICAL** INK & REDUCE CO2 **EMISSION**

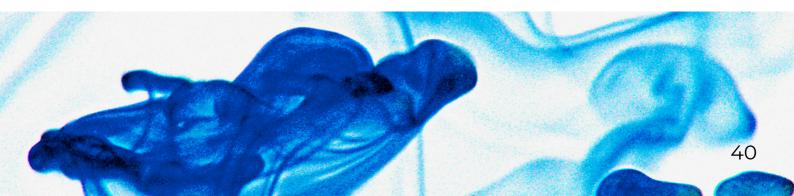
#### 2. Water Based Ink

Instead of solvent, it uses water. <Environment aspect>

• Reduction of VOC Emission Significantly.

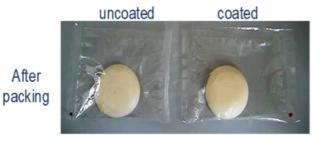


Reduction of CO<sub>2</sub> Emission during the Printing Process Comparison Printing Method



#### 3. Contribution to circular plastics: Film Recycle

OPP#25 / Ecostage GB-XA / CPP#25 Coating Weight: 0.6 g/m<sup>2</sup> dry



uncoated coated

1 week later





Mochi (rice cake)

Cut apple

#### Gas barrier coating

or RECYCLING PLASTICS [MANY KIND of FILMS] PET, PA, Cellophane, PP, PE, Al foil...



**DIFFICULT to** SEPARATE

[MONO-MATERIALIZATION] Using PP, PE...



How to secure **GAS BARRIER** 

[GAS BARRIER COATING] **ECOSTAGE GB-XA** 

#### Wash - off Primer

- Wash off all inks on this primer and separate film and ink
- · No need to change existing ink, just anchor coat this primer

#### **Needs: Mono-materialization**

- Product Features
- Easy de-inking by alkaline liquid treatment
- Boil retort possible
- Two components

Target market: Flexible packaging

Key technology: Material design compatible with treatment with alkaline solution

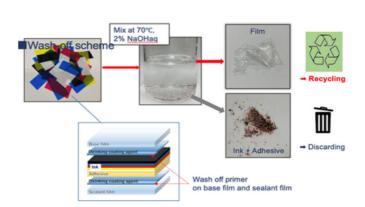
pending(Apply for a patent)

#### Features:

- EVOH resin-based gas barrier coating agent that applies our core technology.
- High oxygen barrier property is exhibited even in thin films due to the hybrid composition of EVOH resin and inorganic plate-shaped filler.
- Since it is a wet coating type, it can be used for various packaging material configurations.
- Chlorine-free
- Water/Alcohol-based

#### **Remarks:**

- Not available for Boil / Retort application
- Anchor coating is recommended \*depending on the application.
- The barrier property of the final product is the customer's responsibility for quality assurance.



#### 4. Effective use of Environmentally friendly biomass raw materials

• New materials using printing technology

#### "Belle Flora"

- Contains more than 10% plant-derived material in the solid part
- Applicable for PET/ OPP/ ONY/ PE film
- Applicable for High heat requirement jobs like Boil/ Retort usage.
- Applicable for Adhesive lamination and PE extrusion lamination.
- Toluene/MEK Free





CO2 emission reduction effect



# INVESTMENT



Vietnam currently Sakata holds an investment in subsidiary based in Cambodia. This subsidiary was established in 2022 and primarily operates in the business of ink products. The total investment amounts to 150,000 USD. The company consistently seeks investment opportunities and aims to expand its business activities in field of industrial the packaging printing.



### **BUSINESS**

#### **STRATEGIES**

#### **Expansion into Emerging Markets:**

- Market Analysis: Conduct detailed market research to identify emerging markets with high growth potential for all types of printing and packaging inks.
- Special trade fairs, exhibitions, and promotions for new and emerging markets.
- Appoint distributors, dealers, and partners for new markets to provide better services to product end users.
- Customized Product Adaptation: Tailor product formulations to meet specific environmental regulations and cultural preferences in each target market to increase adoption.
- Government Relations and Compliance: Engage with local governments to ensure compliance and, where possible, gain access to incentives or subsidies for sustainable practices in markets with strict environmental regulations.

#### **Specific Measures for New Products:**

- Innovation in Product Offerings: We will continue introducing a new Eco-Friendly Water-Based Adhesive to meet the increasing demand for sustainable Ink products.
- Enhanced Marketing Efforts: Launch targeted Sales focusing on Solvent Adhesives and Solvent-Less Adhesive products.
- Promote new eco-friendly products and services in trade exhibitions both domestically and overseas.

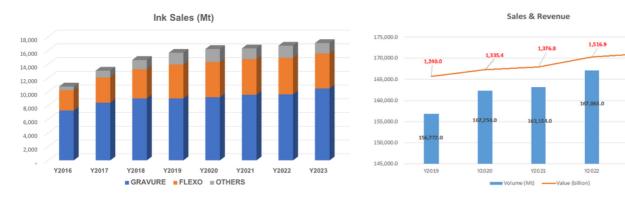
**Product Testing and Certification:** Obtain internationally recognized eco-certifications for the new eco-friendly products, boosting their appeal and credibility in markets with strong environmental awareness.

- Consider updating the latest SGS Rohs 2.0, MOSH/MOAH, Reach, Halogen, HAVI... product certification according to customer requirements.
- Monitor product-related regulatory trends.
- Consider reviewing the system to comply with global laws
- Prioritize improving the Perfetti-compliant white ink by removing Aluminum content for Gravure Ink, upgrading non-IPA and non-DEG Flexo inks, and focusing on other quality concerns to secure customer orders.

**Customer Education Programs:** Conduct workshops or webinars to educate customers on the benefits and application methods of eco-friendly water-based adhesives and other sustainable products, helping to drive demand.

#### Improvements:

- Delivery Time: Implement more efficiently to reduce delivery times and ink return costs, enhancing customer satisfaction.
- Reduce, Reuse and Recycle: Identify and implement 3R's to help the environment and keep material out of landfills. Reusing can also save money and cost.
- Enhance the use of online ordering system to improve efficient and human mistakes in ordering.
- **Supply Chain Optimization:** Build a more resilient and cost-effective supply chain by diversifying suppliers and implementing just-in-time inventory management, helping to minimize delays and reduce inventory costs.
- Carbon Footprint Reduction Goals: Set and publicize ambitious carbon reduction targets and regularly update stakeholders on progress to showcase the company's commitment to sustainability.



1,800.0

1,600.0

1,000.0

### **ACTION PLANS**

#### **FOR 2024**

#### A. Sales Growth Initiatives: \*\*Flexo Ink:

- Focus on High-Value Products: Such as VF-HP, SWR, and specialty inks in high-growth sectors like durian carton printing and HVB for beer packaging.
- On-Site Technical Support: Provide long-term technical services at Tan A and Ojitex Long Thanh and Taiwanese Chinh Long Group with the goal of increasing market share by supporting their specific production.
- Regain Lost Market Share: Push to get back market share from Ojitex DN by offering upgraded non-IPA and non-DEG Flexo inks.
- Proactive Customer Engagement: Recover market share from Tan A, Sovi, Chinese Group TPPC, and YFY, specifically targeting jobs related to Nike and Shoe Box manufacturing.

#### **\*\*Gravure Ink:**

- Enhance Product Quality: Prioritize improving the Perfetti-compliant white ink by removing Aluminum content and focusing on other quality concerns to secure orders from customers.
- Strengthen Long-Term Relationships: Providing technical support to Huhtamaki, particularly in ink kitchen management and operational assistance.
- Volume Growth: Expand sales of the Gravure Ink series, especially among the top 10 and Japanese Group customers.

#### **\*\*Adhesives Segment:**

- Water-based adhesive: Prioritize expanding the Eco-Friendly focus on offerings together with Green Ink as an initiative. Develop new compostable adhesives for customers like Go-Pak and Detmold.
- Solvent-Based adhesive: Continue focusing on solvent-based adhesives to increase overall volume.

#### **B.** Cost Reduction & Process Efficiency

#### **\*Improve Product Cost Margins:**

- Collaborate with technical teams to resolve quality issues, particularly for products with profit margins below 7%
- Cost reduction to THP as a priority project needs to be achieving
- Target cost-saving measures, especially for Flexo and Gravure inks to improve profitability.

#### **\*Delivery Time Efficiency:**

• Implement more efficient processes to reduce delivery times by dealing with MOQ and minimize ink return costs, ensuring better customer satisfaction and operational efficiency.

#### **C.** Technical Support & Customer Service Initiatives

#### **\*Technical Expansion:**

- Provide technicians to key customers such as Huhtamaki, Tan A, and Ojitex to provide on-site technical support for trials, troubleshooting, and operational improvements.
- Support customers in shifting from current inks to non-toluene inks. Promoting Belle Ink as a solution.

#### Customer Engagement:

§ For customers exploring lower-cost options, we will offer flexible, competitive solutions to retain volume.

D. Debt Management & Financial Controls

#### **\*\*Tightened Collection Focus:**

- Strengthen debt collection efforts for slow-paying customers such as Trung Son, Brand Pack, and Bach Dat. Strictly control sales to the lousy debt customers to avoid the potential risk that may occur.
- Strengthen Collection Targets: Set clear collection targets for September and Q4, aiming to collect 100% of the projected amounts. Prioritize high-value customers to maintain cash flow stability.



# BUSINESS GORVERNANCE



#### **OUR**

# TEAM MANAGEMENT

#### **Management Strategy**

The Board of Directors (BOD) oversees the activities of the Executive Board, specifically in the following areas:

- Supervising the implementation of BOD resolutions and business development plans at the beginning of the year.
- Monitoring the company's investment and expansion plan.
- Overseeing the execution of the company's business activities through reports submitted by the Executive Board to the BOD monthly.
- Ensuring compliance with Vietnamese and international laws and checking adherence to internal rules and regulations related to production management.

Annually, the BOD holds a meeting at the main office of Sakata Inx Vietnam. The purpose of the meeting is to discuss the business results of the past year and set business directions for the coming year. Additionally, the BOD discusses other important matters, such strategic business plan, new investment, new market development, dividend-related topics and ongoing, upcoming, or planned investments.



#### The Business Continuity Plan (BCP)

At Sakata Vietnam, we have collaborated with our parent company to implement a global BCP survey. This marks the initial step towards establishing a comprehensive global BCP for the entire group. We are committed to ensuring human safety, protecting assets, and minimizing the impact on local communities. Numerous initiatives related to disaster prevention, including the introduction of a "safety confirmation system," are being implemented.

#### Internal Control

Currently, Sakata Vietnam does not have a dedicated internal audit department. Internal control activities are handled by the Finance Director under the guidance and oversight of the Group's Internal Audit team.

Annually, the Group's Internal Audit team conducts an overall assessment of the company's internal control system (both at the company level and financial reporting level).



#### **Risk Management**

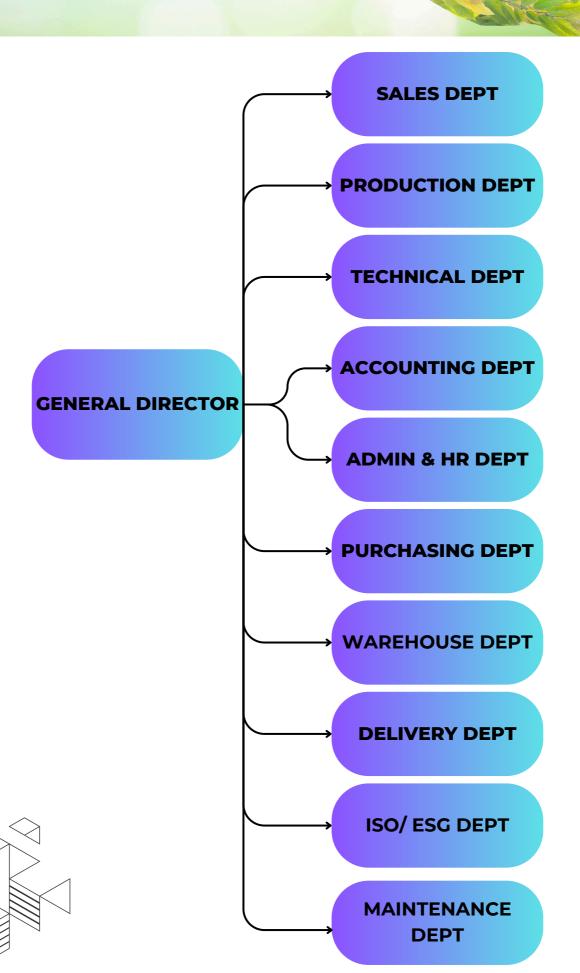
At Sakata Vietnam, we have established a Risk Committee to promote risk management, management philosophy, and ethical standards. Our goal is to ensure strict compliance based on a spirit of law observance, discussing and approving compliance-related issues and countermeasures.

The Risk Committee includes:

1.Mr. Robert Ng	(Chair)
2.Mr. Trương Đình Khoa	(Deputy Chair)
3.Mr. Đặng Trung Hoán	(Deputy Chair)
4.Mrs. Phan Thị Tố Quyên	(Member)
5.Mr. Hồ Minh Vũ	(Member)
6.Mr. Masashi Fujiwara	(Member)
7.Mr. Akinori Moriyama	(Member)
8.Mr. Nguyễn Bá Vi	(Member)

The Risk Management Committee holds a meeting once a year. Additionally, twice a year, we conduct risk assessments across departments to ensure comprehensive risk management.

#### **ORGANIZATION CHART**



#### **OUR**

# **TEAM**

# **MANAGEMEMT**



MR. ROBERT NG
General Director



MR. TRUONG DINH KHOA
Deputy General Director



MR. HO MINH VU Factory Manager



MR. DIEC CHI HUY
Sale Director



MR. BUI VAN VINH
Sale Manager



MR. VU HUY
Technical and Sales Manager



MR. DANG TRUNG HOAN Senior Finance Manager



MS. PHAN THI TO QUYEN Senior HR Manager



MS. VO TRAN MONG LONG
Purchasing Manager



MR. MASASHI FUJIWARA
Technical Consultant



MR. AKINORI MORIYAMA Flexo Technical Manager



MR. MATSUKI SEIJIRO
Deputy Gravure Technical Manager

# TEAM MANAGEMENT



MS. NGUYEN THI KHOI NGUYEN
Chief Accountant



MS. LY MY LIEN
Office Manager - Trading Products



MR. LE THANH HAI
Deputy Sales Manager (Graphic Arts)



MR. DUONG TUAN ANH
Maintenance Manager



MR. LE THANH SON
Deputy Factory Manager



MR. TRINH QUOC HUNG Delivery & Logistic Manager



MR. NGUYEN MAU DUNG Warehouse Manager

#### **OUR**

# BUSINESS ETHICS



#### **Business Ethics**

We have established policies on Company Rules and Ethics, which are based on the group's "Corporate Rules and Ethics" and adapted to fit the culture and laws of Vietnam. Sakata Vietnam places great emphasis on the ethical behavior of employees in their work, and also values business ethics in transactions with our esteemed partners. We have conducted training for all employees to ensure they understand and apply these principles effectively in their work.

#### **Whistleblowing System**

Our whistleblowing system is designed to ensure that any violations of laws and regulations are reported if someone is found to be acting against the "Ethical Behavior Standards." This policy applies to all stakeholders in our business activities, including customers using our products and services, suppliers, partners, employees, and job candidates. The purpose of this policy is to swiftly identify and address fraudulent behavior, thereby enhancing the company's governance.

#### **Anti-Corruption**

We have implemented an anti-corruption policy, which is based on the group's "Anti-Corruption Policy" and adjusted to suit the culture and laws of Vietnam. Sakata Vietnam emphasizes integrity and honesty in the work of all employees. The goal of this policy is to prevent corrupt activities by all employees of Sakata Inx Vietnam and to ensure compliance with current anti-corruption laws and regulations, while promoting fair business practices. We have conducted training for all employees to ensure they understand and effectively implement this policy in their work.

#### **Information System Security**

At Sakata Ink Vietnam, we take information security seriously, and we have developed a range of policies related to this matter:

- 1. Backup policy
- 2.IT infrastructure disaster recovery process
- 3. Security policy

Our company's data, such as product formulas, customer data, supplier data, and accounting data, are critical assets that are vulnerable to loss and damage. Recognizing this, we protect and manage information appropriately, implementing computer antivirus measures and secure internal networks. We enforce strict security measures, such as access restrictions to sensitive information.

Additionally, selected employees have been targeted with spear-phishing emails to raise awareness. Training sessions are conducted to warn employees about data breaches, increasing awareness of the importance of information security.

#### **Personal Information Protection**

We have published a Personal Information Protection policy. This policy is based on the group's policy and has been adapted to comply with Vietnamese laws. The goal of the policy is to ensure that the company implements a strategy for protecting personal data in business activities, aiming for transparent business operations. We have trained all employees to ensure they understand and effectively apply this policy in their work.





#### **Governance Initiatives**

The Board of Directors of Sakata Inx Vietnam is committed to promoting effective Corporate Governance alongside Corporate Social Responsibility. At the same time, we are committed to creating long-term profit growth for shareholders and protecting the interests of stakeholders in areas where Sakata Inx Vietnam conducts business.

We consistently strive to build policies and improve work processes to enhance governance efficiency. Issues related to sustainability, the environment, and society are always considered before making strategic business decisions. Currently, we continue to enhance governance by adhering to Group guidance and conducting necessary evaluations. In 2024, we established and operationalized a Whistleblowing System. We hope this system will operate effectively, allowing us to gather valuable feedback from employees, partners, and suppliers.



#### **Challenges and Future Plans**

Despite the challenges in implementing ESG, particularly in the production of inks, we are making continuous efforts to develop environmentally friendly ink products. Our future plans include expanding ESG activities and enhancing management to achieve sustainable development goals.



#### **Establishing Ethics and Maintaining Corporate Culture**

Sakata Inx Group revised its "Code of Business Ethics," hereinafter referred to as "the Code," on August 1, 2023. It was disseminated and widely applied to all employees of the Group, including Sakata Inx Vietnam. To ensure continuous sustainable growth and remain a trusted and essential company for society, all employees are required to commit to strictly adhering to this Code. Additionally, they must fully participate in all training related to "Business Ethics."

In the future, the Code will continue to be updated, revised, and supplemented to keep up with current laws and contribute to the fight against corruption, a pressing issue, and to help realize a sustainable society. We are making every effort to build human values through transparent, fair, and reasonable actions based on the contributions that employees and organizations make to the company and the community. To further express our commitment to ethical development, Sakata Inx Group has signed and endorsed the 10 Principles of the United Nations Global Compact in the four areas of Human Rights, Labor, Environment, and Anti-Corruption.





In 2023, the training rate on the "Code of Ethics" was notably high due to the Sakata Inx Group's revision of the Code. This initiative aimed to raise awareness about the importance of business ethics. Following the Group's direction, Sakata Inx Vietnam has implemented comprehensive training for employees to prevent violations, identify risks, foster a strong corporate culture, and align with global trends in corporate social responsibility and sustainability.

Sakata Inx Vietnam is honored to report that our ethics violation rate is 0%. This result, verified by the Company's Employee Representatives and the Internal Audit Committee, reflects the strong commitment of all employees to comply with the Code and the current laws. If any employee has concerns and feels uncomfortable addressing them with their direct manager, they may express their opinions to the Union Representatives, who will escalate the issues to the Management for resolution. Additionally, Company's Internal Audit Committee is empowered to investigate and address violations. The process of receiving and handling violations is transparent and fair, in line with labor regulations, employment contracts, and current laws.

Violations	Number of violations Y2022	Number of violations Y2023
Whistleblowing	0	0
Corruption	0	0
Conflict of interest	0	0
Money laundering or Insider trading	0	0
Information security incidents	0	0
Sexual Harassment	0	0

This is a positive signal, demonstrating that all employees are adhering to the Code's regulations and strictly complying with the law. Achieving these results can be attributed to the rigorous training and increased awareness efforts at Sakata Inx Vietnam. Each year, we conduct 10 to 12 training sessions for all employees across our three operating sites, through both in-person and online formats. Employees are required to take an exam after each training session to ensure they grasp the essential information. Only those who score five or higher pass the training; employees scoring below five must retake the session. This policy has led to employees being highly attentive and engaged, asking questions when unclear, which helps enhance and improve the training content.

Moreover, to further ensure transparency in financial figures, we have enlisted independent audit services from KPMG. The KPMG audit report confirms that Sakata Inx Vietnam complies well with legal business activities related to finance.



# SOCIAL INITIATIVES



## HUMAN RIGHT PHILOSOPHY

#### **Human Rights respect**

As a member of society, we understand that respecting human rights is a fundamental aspect of fulfilling our responsibilities. According to the Human Rights Policy of Sakata Inx Vietnam Co., Ltd., our aim is to uphold our commitment to respecting the human rights of employees and stakeholders involved in our business operations.

We are committed to adhering to human rights in the following areas:

- Wages and social benefits
- Compliance with working hours
- Ensuring the right to freedom of association and collective bargaining
- Prohibition of discrimination
- Prohibition of sexual harassment
- · Prohibition of forced labor
- · Commitment to not employing child labor
- Ensuring occupational safety and hygiene
- Compliance with personal data protection
- Managing human rights for suppliers and partners

### Complying Law & Regulations in Labor & Human Right

We respect human rights and strictly comply with relevant human rights laws in Vietnam as well as global organizations' regulations. At Sakata Inx Vietnam, we uphold human rights in accordance with the guidance of Vietnam's Labor Law and the "International Labor Organization Declaration on Fundamental Principles and Rights at Work," which includes the following five core principles and rights at work:

- Freedom of association and the effective recognition of the right to collective bargaining;
- The elimination of all forms of forced or compulsory labor;
- The effective abolition of child labor;
- The elimination of discrimination in respect of employment and occupation;
- · A safe and healthy working environment.



#### **Human Rights Commitment**

To ensure compliance with our commitments to respect and protect human rights, the company will conduct an assessment of human rights risks at least once a year. The results of this risk assessment will be publicly disclosed to all stakeholders. In the event of any human rights violations, the company will take serious steps to evaluate the damages and implement corrective measures. The abuse of human rights is strictly prohibited at Sakata Inx Vietnam Co., Ltd.

All employees, customers, partners, and suppliers can report human rights violations through the whistleblower system of Sakata Inx Vietnam. The procedure for addressing reported violations is clearly defined in the Whistleblower Policy.

During the implementation of this policy, we are committed to providing equal training opportunities to all of our employees to ensure they fully understand Sakata Inx Vietnam's Human Rights Policy. We also ensure that this policy is made publicly available alongside the company's other policies.

#### **Gender equality / Disabled Jobs**

According to the Labor Regulations of Sakata Inx Vietnam Co., Ltd., we have developed a recruitment policy that promotes diversity. We do not discriminate based on ethnicity, gender, marital status, or any other personal relationships within the company. All individuals are considered for employment based on their skills, experience, and performance during the application or interview process. We are currently researching measures to enhance the role of women within the organization. Gender equality, in particular, and overall equality are reflected in our "Diversity, Equity, Inclusion, and Belonging Policy," "Women's Policy," and "Anti-Discrimination Policy."

We encourage diversity among employees and strive to create a working environment where they are provided with fair opportunities. We do not tolerate or condone any form of discrimination based on any factors in areas such as:

- Recruitment and employment
- Review of salaries, bonuses, allowances, and other benefits
- Promotion, discipline, job assignments
- Termination of employment and retirement benefits



To enhance the role of women in the organization, we continuously work to improve the working environment with a focus on fairness and gender equality. Specifically, we provide comfortable working conditions for pregnant women and those with young children. During menstruation, female employees are entitled to a 30-minute break each day for three days to ensure their health. The company does not require employees to work during this period, and if they choose to work, it must be approved by the employer.

- We have set the following commitment goals for female employees:
- Achieve a female workforce ratio of 21% compared to the total workforce from the previous year.
- Achieve a female representation of 18% at managerial levels by 2026.
- Ensure 100% of female employees participate in training courses to enhance their ethics, skills, and professional qualifications.
- Guarantee 100% compliance with no complaints or issues related to discrimination in the workplace.
- Implement at least 80% of new policy proposals after surveying feedback from female employees.
- Ensure at least 99% of female employees are satisfied with their working conditions and well-being at the company.

Additionally, we continue to recruit individuals with disabilities, provided that their disability does not affect job performance. For cases such as finger disabilities, the company remains open to recruitment.

#### **Encourage the participant of elders**



Although specific benefits for elderly employees are not clearly outlined in our company policies, we comply with legal regulations in Vietnam. We do not assign elderly employees to work in hazardous or particularly dangerous environments without their consent and agreement. Elderly employees at our company are covered by insurance and benefits just like other employees. To balance working hours and create suitable working conditions for elderly employees, the company offers a reduction of one hour of work per day. Elderly employees can choose from the following options:

- Leaving work one hour earlier each day;
- Arriving one hour later each day;
- Arriving 30 minutes later and leaving 30 minutes earlier each day.

The choice of the employee is formalized and agreed upon through a "Leave Request Form."

Currently, the company employs three elderly workers in its operations, all of whom enjoy the above-mentioned benefits.

In the future, we aim to formalize policies related to the benefits of elderly employees. We are committed to ensuring that 100% of elderly employees receive the company's welfare benefits, have access to training opportunities, and are considered fairly for salary and bonuses. For certain positions, we will prioritize the recruitment of elderly workers, such as janitors, security guards, and gardeners.



# HUMAN RIGHTS POLICIES

At Sakata Inx Vietnam Co., Ltd., we value human rights and always consider human-related issues when making business decisions. To us, people are the organization's heart and the driving force behind its growth, and their contributions and roles within the organization are undeniable.

Under the guidance of the Group and the Corporate Theme "Creating Communication Technology through Imaging," we aspire to develop a cultural community where people can live joyfully and harmoniously. We adhere to the sustainable development criteria of ESG, with a particular focus on the Social (S) factor. Among the three ESG factors, social policies are the most prevalent in our system. As of now, we have 12 policies related to the Social factor:

- Human Rights Policy
- Diversity, Equity, Inclusion, and Belonging Policy
- Human Resource Development and Workplace Environment Enhancement Policy
- Social Contribution Policy
- Women Employees Policy
- Anti-Discrimination Policy
- Anti-Sexual Harassment Policy
- Child Labor and Forced Labor Policy
- Communication Policy
- Whistleblowing Systems Policy





#### **Human Rights Policy**

We eliminate all forms of discrimination, harassments, child labor, forced labor, etc. We are committed to responsible labor practices including the provision of a safe and healthy environment in the workplace, basic labor rights such as freedom of association, the right to collective bargaining, etc. as well as the basic rights, personalities, diversity of various stakeholders. We will strive for harmonious coexistence with local communities as a member of society.

This policy applies to all executives and employees at Sakata Inx Vietnam. Additionally, we require all business contacts, including business partners and suppliers involved in our products, goods, and services, to comply with this policy. We will actively identify potential or actual adverse human rights impacts and seek to prevent or mitigate such impacts through our human rights due diligence framework.

In cases where we have caused or contributed to adverse human rights impacts, we are committed to remediating those impacts through appropriate processes. We will engage in dialogue and discussions with stakeholders regarding responses to potential and actual human rights impacts. To ensure a thorough understanding and effective implementation of this policy, we will provide appropriate education to all executives and employees.

#### Diversity, Equity, Inclusion & Belonging (DEIB) Basic Policy

We recognize that having our employees work to their fullest potential and creating new ideas and values means to put diversity, equity, inclusion and belonging (DEIB) into practice. We will work to grow the organization, and improve the environment so that our employees have pride and job satisfaction by practicing diversity, equity, inclusion and belonging (DEIB).

We follow 5 guiding principles to put diversity, equity inclusion and belonging (DEIB) into practice:

- 1. Respect for diversified personalities
- 2. Promoting active roles for diverse human resources
- 3. Realize a flexible work style
- 4. Support career development and capacity building
- 5. Value autonomy and the challenging spirit

#### Human Resource Development and Workplace Environment Enhancement Policy

We will work to enhance the workplace environment so that employees can be autonomous, can take on challenges, be satisfied and have pride in their work.

The 6 guiding principles to put human resource development and workplace environment enhancement into practice are as follows.

- 1.Respect diversified personalities and abilities and realize an organizational climate that human resources with challenging spirit can perform to the best
- 2. Realize a diversified work style
- 3. Offer educational training
- 4. Support career development and capacity building
- 5. Value autonomy and the challenging spirit, and assessment of the practices
- 6. Employee safety, and physical and mental health

#### **Social Contribution Policy**

To contribute to SAKATA INX Group's core purpose of existence — "develop a communication culture that makes people's lives more enjoyable" — we conduct social contribution activities in the 3 priority areas of "global environment," "next generation" and "local community."

- Global Environment: We conduct activities that help to coexist with nature, and to preserve and conserve the global environment.
- Next generation: We conduct activities that play a role in fostering human resources and next generation, which contributes to the growth of international society.
- Local Community: We work to build mutual trust to coexist with the local community.



#### **Women Employees Policy**



We respect the personality, individuality, and diversity of our employees. We always strive to practice improving the workplace, as well as intensifying the inclusion of women employees, facilitating support to them both in physical and mental health, so that they can be satisfied have pride in their work, and perform fully to their capabilities.

We commit to ensure their equity by support opportunities in each life stages. There will be no discrimination based on sex, marriage status, and pregnancy in our organization as well as recruitment process.

#### **Anti-Discrimination Policy**

We enacts the "Anti-Discrimination" policy as the guideline to build and improve a workplace environment that is safe, fair, and non-discriminatory for all employees of the company, regardless of gender, race, religion, nationality, origin, ability, marital status, age, education, or any other personal characteristics:

- 1. Commits to non-discrimination against employees or applicants in any recruitment process, promotion, training, salary, benefits, or any other employment-related decisions.
- 2.Any discriminatory behavior, harassment, bullying, abuse, retaliation, or unfair treatment will not be accepted and will be dealt with seriously.
- 3. Employees are responsible for reporting any cases of discrimination they witness or experience. The company will investigate all complaints and address them fairly and effectively.
- 4. Employees shall not be personally retaliated against or punished for reporting cases of discrimination.
- 5. Conduct ongoing training and educational activities to raise awareness and understanding of discrimination issues and encourage a positive and supportive work environment.





#### **Child Labor and Forced Labor Policy**

The "Anti-Child Labor & Forced Labor" Policy is enacted to build a respectful, healthy, and protective work environment for employees and human rights. Company commits to not using child labor following regulations, as well as performing any forced labor norms. Any violations if any will not be accepted and will be dealt with seriously. At Sakata Inx Vietnam, we:

- Commit to complying with the laws and policies;
- Does not force or coerce employees to work overtime;
- Does not tolerate any acts of using force, threatening to use force, or other coercive measures to compel employees to work against their will;
- Will review and select alternative partners or suppliers upon discovering their engage in any violations;
- Employees are guaranteed to be provided with comprehensive information about wages, bonuses, labor contracts, job descriptions, and working conditions, etc;
- Any documents in foreign languages will be translated into Vietnamese for employees;
- Not delaying wage payments according to company regulations;
- Ensures that employees are free to move within designated areas to drink water or use the restroom;
- Not retaining any portion of employees' wages, money, or original documents;
- Recruitment costs are entirely borne by the company;
- Conduct ongoing training and educational activities to raise awareness.

#### **Communication Policy**

Sakata INX Vietnam places considerable importance on effective communication. The guiding principles for the company's communications are to:

- Communicate in an open, reliable, well-structured, and transparent way, both internally and externally
- Treat all market stakeholders equally
- Disseminate all inside information timely and accurately
- Fulfil legal requirements and comply with applicable ink and packaging market regulations
- Uphold a high level of ethics
- Ensure the reliability of information by maintaining specific communication channels and procedures
- Ensure a consistent and aligned communication to protect and promote company image and business in a proper and consistent manner
- Ensure a consistent and aligned communication to protect and promote company image and business in a proper and consistent manner

#### Whistleblowing Systems Policy

We published Whistleblowing Systems Policy for any violations on corruption and human rights:

- INX Global Whistleblowing System: Apply for all corruption matters
- The whistleblowing System in Sakata Inx Vietnam: Apply for all human rights violation matters

#### **Anti-Sexual Harassment Policy**

Sakata Inx Vietnam has implemented the "Anti-Sexual Harassment Policy" in 2024, as part of its commitment to fostering a healthy work culture where employees feel comfortable working and able to reach their full potential. With the establishment of this policy, we aim to create a respectful, healthy, and safe working environment for all employees. Sexual harassment is an unacceptable behavior at the company and will be dealt with appropriately according to the rules.

The company is committed to:

- Complying with the current laws and regulations.
- Not engaging in or allowing anyone to engage in any form of discrimination or harassment that violates human rights.
- Building a healthy working environment where all employees are protected from negative behaviors, including sexual harassment, discrimination, and general harassment.
- Not tolerating or allowing any acts of sexual harassment, whether by temporary employees, management, clients, or business partners. The company encourages reporting sexual harassment behaviors, regardless of the perpetrator's role or position.
- All forms of sexual harassment, including but not limited to verbal comments, text messages, images, written documents, physical actions, gestures, and looks, both online and offline within the workplace, are strictly prohibited.
- Prohibiting any form of sexual exchange, such as suggestions, requests, insinuations, threats, or coercion, in exchange for any work-related benefits.
- Not allowing anyone to abuse their power to engage in sexual harassment, including using authority or seniority to harass or cause mental or physical harm to other employees, or to negatively affect the overall working environment.
- Investigating all complaints and addressing them fairly and effectively.
- · Protecting the identity, dignity, reputation, and safety of those who report sexual harassment incidents.
- Conducting continuous training and education activities to raise awareness and understanding of sexual harassment issues and promote a positive, supportive working environment.

Additionally, the company has established a complaint resolution process to ensure that sexual harassment complaints are handled fairly and appropriately. We guarantee that all complaints are resolved within 15 days, and in special serious cases, the resolution process will not exceed 30 days. During the complaint resolution process, we take necessary actions to protect the whistleblower, such as:

- Keeping confidential the name, address, handwriting, and other personal information of the whistleblower during the collection and use of the information and documents provided by them:
- Removing the whistleblower's name, address, handwriting, and other personal information from the complaint and related documents to maintain confidentiality when providing them to agencies, organizations, or individuals responsible for verifying the complaint's contents;
- Arranging suitable times, locations, and methods for meetings to ensure the whistleblower's confidentiality when working directly with the accused, or any related agency, organization, or individual;
- Applying other measures as prescribed by law.



# DEIB INITIATIVES

#### **Policy**

Following the guidance of the Group, we have been, and continue to be, committed to the principles of the "Diversity, Equity, Inclusion, and Belonging" (DEIB) policy. In the process of implementing this policy in Vietnam, we have organized awareness-raising training sessions for all employees. We understand that all employees, regardless of their position, deserve equal opportunities for training. Our training programs, not only those related to DEIB, are provided to all employees to ensure that they are equipped with the same knowledge

#### **Initiatives**

We encourage the participation of all employees in social activities and team-building excursions organized by the company, without discrimination based on position, department, or any other factor. Similarly, for the company's benefit policies, except in cases related to working conditions (hazardous or especially hazardous environments), we ensure that all employees are entitled to equal benefits related to salary, bonuses, leave, and personal events. Regarding promotion opportunities, all employees are given the chance to demonstrate their full potential. The company evaluates promotions based on employee performance and qualifications in accordance with the "Employee Promotion Policy."

For candidates participating in the company's recruitment process, we are committed to evaluating and making hiring decisions based solely on criteria related to experience, knowledge, attitude, and work capability. Other unrelated factors, such as gender, age, or marital status, are not considered in the candidate selection process.

Due to the nature of our business, we face certain challenges in balancing the male-to-female ratio within the company. However, we are continuously striving to improve gender balance and encourage the participation of women in managerial positions.

#### Report

No	RATE	Y2022	Y2023
1	Percentage of women employed in the whole organization	18.62%	18.78%
2	Percentage of women at top management level	27.00%	27.00%
3	Percentage of women within the organization's board	27.00%	27.00%
4	Average unadjusted gender pay gap	0.00%	0.00%
5	Percentage of employees from a minority and/or vulnerable group in the whole organization	0.00%	0.00%
6	Percentage of employees from a minority and/or vulnerable group at top management level	0.00%	0.00%

In Y2023, we tried to priority recruiting female employees. We are also open some position that for female. In Y2024, our plan is improve the percentage to 20%. About the average gender wage gap, we setup target for reduce 1% in Y2024.

## WORKING ENVIRONMENT

#### **Health Management (Mental Health & Physical Health)**

At Sakata Inx Vietnam, we strictly follow the guidelines of the "Human Resource Development and Workplace Environment Improvement" policy of Sakata Inx Group. We consider "Occupational Safety, and Employees' Physical and Mental Health" as one of the top priorities that must be continually evaluated and improved. Sakata Inx Vietnam is committed to creating a healthy and safe working environment, focusing on enhancing both the physical and mental well-being of employees. We believe that the comprehensive health of our employees is a crucial factor contributing to the sustainable development of the company.

#### 1. Physical Health:

Annually, in accordance with Vietnamese law, the company conducts regular health check-ups for employees. This includes one general health check per year and two occupational disease screenings per year for employees working in hazardous environments.



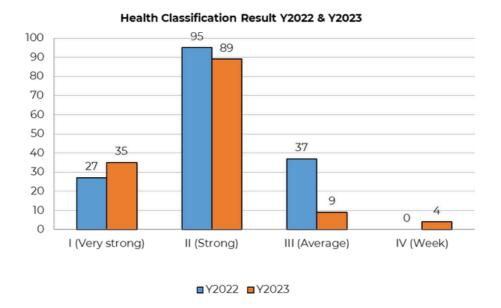






The annual health check for all employees

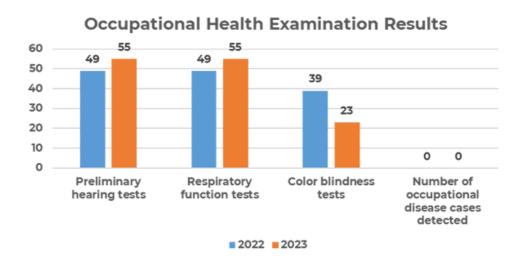
#### Health classification results for 2022 & 2023:



Note: The above figures apply only to employees who participated in the company-organized health check-ups. For technical staff working at customer sites, the company provides financial support for health check-ups, which employees can arrange at local hospitals. At the time of this report, the company has not yet collected all health check records for these employees. In the next report cycle, the company will begin consolidating results and taking necessary measures to ensure compliance with company health policies.

From the chart above, it is evident that more than 50% of employees who underwent health check-ups were classified in Category II. The number of employees in Categories I and II has improved compared to 2022, while the number of employees in Category III has significantly decreased. However, in 2023, there were cases classified in Category IV. Most of these employees were classified in Category IV due to height, but all other health indicators remained normal, with no impact on their work efficiency.

#### Occupational disease examination results for 2022 & 2023



At Sakata Inx Vietnam, in addition to the legally mandated 60-minute lunch break, the company provides an additional 15-minute break during each working session, allowing employees a total of 90 minutes of rest time. To further facilitate rest, the company has equipped male and female Locker Rooms, where employees can rest during breaks, express milk during breastfeeding periods, or take rest in case of health issues (with the permission of the department head). Additionally, for female employees, the company has a specific policy for rest during menstruation, as outlined in the company's labor regulations: Female employees are entitled to a 30-minute break per day for three consecutive days each month, which is counted as working time.

#### 2. Mental Health:

Following the company's employee welfare policies, an annual company trip is organized for employees. These trips provide a chance for employees to escape the pressures of daily work. The recreational and relaxation activities help reduce stress, improve mood, and enhance mental well-being. Exploring new places and engaging in novel experiences during these trips help employees recharge and leave behind daily worries. The new environment fosters excitement and comfort, reducing stress and pressure



Company trip 2022

Company trip 2023

In addition to company trip for all employees, Sakata Inx Vietnam also encourages employees within the same department to take leave together for relaxation trips. Recently, the Metal Department organized trips combined with charitable activities to foster team bonding.



Metal 2PC Inks Team in the 2023 trip



Metal 2PC & Offset Inks Team in the 2023 trip



Admin & HR team (Employees and their family) in 2022 trip



Sales Team in the 2016 trip



We believe that organizing and encouraging employees to participate in corporate social responsibility (CSR) activities is one of the ways to support their mental well-being. Through environmental campaigns or charitable activities, employees work together to contribute to social improvement. This participation gives them a sense of purpose, satisfaction, and meaning, helping to improve their mood, reduce stress, and enhance social connection.

Sakata Inx Vietnam is committed to continuously developing and improving health management programs, ensuring that every employee is cared for and supported. We believe that investing in employees' health is not only a social responsibility but also a sustainable business strategy that helps the company grow and achieve long-term success.

#### **Enhance work-life balance**

Work-life balance is an essential factor in maintaining the health, happiness, and work performance of employees. At Sakata Inx Vietnam, we understand that providing employees with time to rest, take care of their families, and themselves is an effective way to enhance their quality of life and work efficiency. Therefore, the company has implemented special leave policies such as seniority leave, marriage leave, and bereavement leave. These special leave policies are clearly stated in the company's Labor Regulations and are widely communicated to all employees:

- Employees who have worked for the company for five years or more are entitled to an additional day of annual leave for every five years of service.
- Officially contracted employees are entitled to the following marriage leave:
  - Employees who marry are entitled to three days of paid leave.
  - Employees' biological or adopted children who marry are entitled to one day of paid leave.
  - Married parents and siblings are entitled to 1 day of unpaid leave.

All employees, regardless of official or probationary contracts, are entitled to bereavement leave in the following circumstances:

- In the event of the death of biological or adoptive parents, parents-in-law, spouse, biological or adopted children: employees are entitled to three days of leave.
- In the event of the death of grandparents or siblings: employees are entitled to one day of paid leave.

In addition, the company strictly adheres to the labor laws of Vietnam, implementing welfare policies on statutory leave. Each employee is entitled to 11 public holidays in accordance with the Labor Law of 2019. Depending on the nature of the job and length of service, employees may have different numbers of annual leave days. Regular employees are entitled to 12 days of annual leave, while employees working in hazardous environments (such as in production operations) are entitled to 14 days of annual leave. The company also provides support for employees to take leave in cases covered by social insurance, such as maternity leave, paternity leave, and sick leave. In special cases, the company makes reasonable accommodations to allow employees to take leave to balance work and personal life.

Promoting work-life balance is one of the key strategies of Sakata Inx Vietnam to improve employee health, happiness, and performance. Seniority leave, marriage leave, and bereavement leave have proven to offer practical benefits, contributing to a sustainable and effective work environment. The company is committed to maintaining and expanding these policies to best support its employees.



#### Child care / Nursing

At Sakata Inx Vietnam, we place people at the heart of all business activities, and a key part of this is caring for and supporting our employees' families, especially in the area of child care. We recognize that supporting employees during critical life stages, such as caring for young children or providing care for ill family members, not only enhances their quality of life but also fulfills the company's social responsibility. To ensure that employees can balance their work and personal lives, we have implemented the following support policies:

- 1. Leave Policy: We offer leave benefits for employees when they need to care for young children or when they are ill. Employees can rest assured that they will not have to worry about financial concerns, thanks to our paid leave and social insurance policies. In cases where employees take leave to care for sick children under the age of six, they are entitled to 75% of their social insurance-covered salary, in accordance with the law.
- 2. Flexible Working Environment: Understanding that employees need flexibility to meet family demands, we offer options such as remote working or adjusted working hours to help them better manage work and personal life during special circumstances. This rules applies to roles suitable for remote work.

We believe that supporting employees in child care and caregiving brings benefits not only to the individuals but also helps foster a friendly, cohesive, and sustainable work environment. This approach aligns with our "Heart in Heart" philosophy and demonstrates our commitment to social responsibility, contributing to the building of a stronger community.





#### **Employee Survey**

We began conducting employee surveys in 2024 and will continue to do so annually. Prior to each employee survey, the company will hold briefing sessions to explain the questions and address any concerns related to the survey, ensuring that employees fully understand the content of the questions and provide accurate responses. The company is committed to transparency in the analysis and publication of data related to the 'Employee Survey'.

The survey consists of 15 questions: 14 are rated on a scale, and 1 is an open-ended question. The survey will cover various topics aimed at gathering insights, including:

- Management direction
- Workload
- Communication
- Capacity building
- Work environment and benefits
- Human resource systems
- Ethics and compliance
- Commitment

#### **Living Standard**

In Sakata Inx Vietnam, we conduct the living standard survey annually to ensure the wages of our employees are enough for their family live, and a saving expense. The average wage and the living wage benchmark are calculated in Vietnamese dong. In 2022 & 2023, the average salary of all employees are both higher than the living wage benchmark.

No	RATE	Y2022	Y2023
1	Living wage benchmark	8,246,120	8,593,700
2	Average wage of all employees	17,548,780	18,421,690
3	Percentage of direct employees covered by a living wage benchmarking analysis	100%	100%
4	Percentage of direct employees paid below living wage	0%	0%
5	Percentage of all employees paid below living wage, including direct employees and non-employee workers	0%	0%
6	Percentage of average wage gap for direct employees paid above living wage benchmark	0%	0%

The living wage benchmark & average wage of all employees in Y2022 are higher than in Y2023. They are both increased at a similar rate. That comes from our effort to ensure employees living quality. Every year, we adjust employees' wages once time at the beginning of the year through KPI performance appraisal.









# TRAINING SYSTEMS





According to the "Human Resource Development and Workplace Improvement" policy of Sakata Inx Group, we view human resources as a sustainable asset that generates mid-term and long-term value in a socially responsible manner. This policy represents our efforts in developing human resources and improving the working environment so that our employees—who are the creators and leaders of the future—can face the challenges of "change and shaping."

We respect the individuality and diversity of our employees and are committed to enhancing the working environment to enable them to be proactive, embrace challenges, and feel satisfied and proud of their work. We are dedicated to implementing six key principles:

- Respect for diversity in personality, ability, and the organizational environment as a place where people can best express their challenging spirit.
- Realization of diverse working styles.
- Providing educational training opportunities.
- Supporting career development and building competencies.
- Emphasizing freedom, challenging spirit, and practical evaluation.
- Ensuring occupational safety, physical health, and mental well-being of employees.

All our employees are provided with equal training opportunities. Regardless of their position, employees will participate in training programs relevant to their job roles to perform their daily tasks and improve themselves. We ensure that 100% of new employees receive training on the following topics at least once a year:

- Labor regulations
- Company culture and conduct
- Wage and bonus policies
- Fire safety
- Static electricity

In addition, employees also participate in training sessions on company policies, vision, and business direction. For policy training sessions, we design assessments to ensure training effectiveness and gather feedback to improve quality.

Annually, we collaborate with external training organizations to design programs that meet actual needs. For instructors, we have specific requirements for educational background and teaching experience. Safety training and first aid courses are among our priorities:

- "Occupational Safety and Health Training": Instructors must hold at least a bachelor's degree in relevant fields and have at least 5 years of experience.
- "First Aid Training": We partner with local healthcare providers for this training, with instructors being medical professionals from hospitals.

# COMMUNICATION WITH STAKEHOLDERS



By sharing our vision and values with stakeholders, we emphasize the importance of fostering an environment encouraging dialogue about the future. Our efforts to communicate with stakeholders through various projects focus on developing a tailored approach for each individual and building a relationship based on understanding and trust with our company. We are actively implementing specific measures to strengthen these relationships.

Through our daily selling activities, we engage with numerous customers, and in collaboration with our suppliers, we are working toward achieving the following sustainable development goals:

#### For Our Customers:

 We primarily focus on promoting and encouraging the use of environmentally friendly products such as Botanical Ink, Water-Based Ink, and Non-Toluene & Non-MEK (Bell Ink). Additionally, we provide technical support to facilitate the use of these products. This approach not only makes it easier for customers to adopt these products but also plays a crucial role in reducing CO2 emissions.

#### For Our Business:

 We strive to reach the highest peak of success by achieving optimum market shares in the sales of all our range of products.

#### For Our Employees:

 We believe in nurturing creativity, fostering initiatives, and showing support to all our employees by providing them equal opportunities to succeed

#### **For Our Society:**

 We stand proud as a responsible corporate citizen that generously contributes our time, effort and expertise to our customers, our environment and our society.

#### **Building our website**

From 2023, we strived to rebuild our website to enhance communication with our stakeholders. With the user-friendly interface optimizing information presentation, we believe all of our transparent disclosures will be easily reached. We disclose information about our organization, including ESG initiatives, news updates of our efforts on CSR activities, training, and internal activities to enhance employees' diversity participant. We are going to continue developing our disclosures on the website.

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# SOCIAL CONTRIBUTION ACTIVITIES

#### **Company Philosophy**

Following the guidelines set by Sakata Inx Corporation, we adhere to the core philosophy of "Mind within mind". Guided by this philosophy, we are committed to contributing to society as an integral member, engaging in socially responsible activities. By practicing fair competition and ensuring reasonable profitability, we aim to deliver products and services that address pressing societal issues, particularly environmental challenges such as climate change, plastic and hazardous waste, waste management, and promoting a safe and environmentally friendly product lifecycle. We continuously research and innovate eco-friendly product solutions by optimizing plant-based materials. As a result, we have successfully developed the Botanical Inks product line and expanded its application to flexo inks for packaging surfaces, sheet-fed offset inks for flyers and similar products, and UV inkjet inks for industrial use.

In addition to environmental initiatives, our social contribution is reflected in community and environmental care activities. These CSR efforts are either carried out internally or in collaboration with other non-profit organizations in Vietnam. As of now, we have set a target of conducting at least two social responsibility activities per year and have met this goal for both 2023 and 2024. The budget for each activity is funded by both the company and voluntary employee contributions. We are committed to fostering a supportive environment where employees can voluntarily participate in CSR activities organized by the company.

Aligned with the core purpose of the Sakata Inx Group to "Create a cultural community where people can live more comfortably," our CSR activities are based on three key pillars: "Global Environment," "Future Generations," and "Local Communities."

#### **Global Environment:**

We undertake activities that co-exist with nature, placing a strong emphasis on global environmental conservation. This is demonstrated through environmental campaigns like recycling, litter collection, and tree planting.

#### **Future Generations:**

We contribute to nurturing future generations by supporting human resource development, which in turn fosters societal progress. This is reflected in charitable campaigns aimed at children, including book donations, scholarship programs, school infrastructure improvements, and initiatives to support underprivileged families.

#### **Local Communities:**

We build trust with local communities by offering support through activities such as free meal programs for the elderly and voluntary blood donation campaigns.

We continuously strive to identify vulnerable aspects of local society and diversify our CSR initiatives to maximize the number of beneficiaries supported through these campaigns.

# OUR ACTIVITIES ON CORPORATION SOCIAL RESPONSIBILITY

Since implementing our ESG plan and the United Nations' Sustainable Development Goals (SDGs), we have consistently strived to carry out environmental protection and social contribution activities.

August 27

2023



Community Cleanup Campaign:
"Green Journey – Clean Imprint"

September 23

2023



Honored to Participate in the launching ceremony of the "Clean Up the Earth 2023" Campaign

September 24

2023



Contributes 500 Trees to 7th Division - Binh Duong Province through the "Nurture Green Sprout- Green Imprint" environmental protection campaign

Our goal is to organize at least two activities each year to encourage participation and raise employees' awareness of sustainable development. In 2024, we set a target to sponsor and support the renovation of facilities at local community schools and donate books to children in remote areas, contributing to nurturing the country's future generations. We are working to diversify our social activities so the company can contribute to society in various aspects.















# CSR PURCHASING

# 1. Responsibility Purchasing

In 2022, within our group, the guidelines for procurement activities, which were established in 2018, were based on the "Sakata Inx Group Basic Procurement Policy," and the relationship between our company and suppliers was outlined in the "Sakata Inx Group Procurement Guidelines." We also promote a responsible supply chain. To achieve this, we communicated these policies and guidelines to our raw material suppliers, covering 90% of our domestic procurement volume.

Our goal is to maintain long-term relationships with our suppliers, helping to address key social and environmental issues. By reinforcing a responsible and sustainable supply chain, we are confident that we can contribute to a more sustainable society in the years ahead.



# 2. Purchasing Policy

Sakata Inx Group upholds high standards across all procurement activities. We are committed to maintaining ethical standards and social etiquette while complying with both domestic and international laws and regulations. We strive to enhance our supply chain through fair, impartial, and honest procurement practices. As a responsible corporate entity, we prioritize hygiene and human rights in our procurement processes.

Additionally, all our procurement partners are dedicated to providing better products and services. We recognize that we are key partners in delivering products and services and in building mutual trust-based relationships. Our aim is to achieve co-prosperity and symbiosis, contributing to the development of a sustainable society. Sakata Inx Group Basic Procurement Policy:

- 1. Fairness and transparency.
- 2. Compliance with legal regulations.
- 3. Consideration for human rights and labor practices.
- 4. Environmental responsibility.
- 5. Social responsibility.

# 3. Green Purchasing

When purchasing office supplies and materials, we encourage the use of recycled products. If no such products are available, we consider purchasing eco-friendly alternatives based on quality and price. This procurement strategy is our top priority. In 2022, our green procurement rate reached 74.1%. Due to a revision of our targets, data from 2019 to 2021 has been adjusted accordingly.

Additionally, for commercial vehicle leases, we prioritize low-pollution vehicles (fuel-efficient and low-emission). By the end of the fiscal year 2022, the adoption rate of low-pollution vehicles reached 100%.

GPN (Green Purchasing Network): Refers to products and services with the least possible environmental impact. We are promoting measures to increase this number.

# **SUPPLIER**

# SOCIAL ASSESSMENT

# 1. New suppliers that were screened using social criteria

The process of screening new suppliers using social criteria is a vital step in ensuring that potential business partners align with the ethical and sustainability standards upheld by Sakata Inx Group. This comprehensive evaluation involves assessing various aspects of a supplier's operations, policies, and commitments before establishing any formal business relationship. Primarily, the screening focuses on four key areas: human rights and labor practices, occupational health and safety management, environmental responsibility, and overall social responsibility.

First, the supplier's adherence to human rights and fair labor practices is thoroughly reviewed to ensure compliance with international standards, such as preventing child labor, forced labor, and ensuring fair wages and working conditions. Second, the supplier's health and safety management systems are scrutinized to guarantee a safe working environment, ensuring that the wellbeing of employees is a top priority. This includes regular inspections, safety training, and accident prevention measures. Our procurement policy mention this content and we asked our suppliers sign procurement policies to ensure they are following our conduct that respects the environment and human rights.

Third, environmental responsibility is another critical criterion, where suppliers are expected to demonstrate their commitment to reducing their ecological footprint. This might include initiatives such as minimizing waste, using sustainable materials, and adhering to environmental laws. Finally, suppliers are evaluated based on their broader social responsibility, which encompasses their contributions to local communities, ethical business practices, and their role in promoting social welfare beyond profit-making activities.

By enforcing this rigorous screening process, Sakata Inx Group aims to build a sustainable and ethical supply chain, ensuring that all partners contribute positively to society and the environment. This approach not only supports the Group's ESG (Environmental, Social, Governance) goals but also helps foster long-term, mutually beneficial relationships with suppliers who share the same values.



# 2. Negative social impacts in the supply chain and actions taken

Negative social impacts in the supply chain refer to the identification and addressing of potential adverse effects on society that may arise during the sourcing, manufacturing, and distribution processes within a company's supply chain. These impacts can manifest in various forms and often require proactive measures to mitigate them. Common issues include:

- Forced labor and child labor: Companies must be vigilant about the potential use of forced labor or child labor, particularly in regions with vulnerable populations. Measures to address this issue include regular audits, strict labor sourcing policies, and ensuring that suppliers comply with international labor laws.
- Irresponsible sourcing of minerals: The procurement of conflict minerals such as tantalum, tin, tungsten, and gold from regions with ongoing conflicts can contribute to human rights abuses. To mitigate this, companies can implement responsible sourcing policies, trace the origins of these minerals, and work only with certified suppliers. We conduct audits of our suppliers to verify their compliance with these responsible sourcing policies.
- Inadequate wages and allowances: Paying fair wages and ensuring appropriate compensation is vital in maintaining a socially responsible supply chain. Monitoring wage standards and enforcing fair compensation policies across all suppliers helps prevent exploitation.
- Human rights violations and discrimination: Issues such as discrimination, inhumane treatment, and violations of personal rights must be actively addressed. Companies should respect individual rights, promote non-discrimination policies, and ensure that no human rights abuses occur within their supply chain.

To address these negative impacts, companies implement rigorous supplier screening processes, ongoing audits, and establish codes of conduct, including SAKATA INX Group Basic Procurement Policy that suppliers must adhere to. These efforts aim to ensure that all partners in the supply chain act ethically, contribute positively to society, and uphold the values of human dignity and fairness. By actively mitigating these risks, companies work towards creating a more sustainable and socially responsible global supply chain. We work closely with our suppliers to ensure compliance, foster continuous improvements, and actively mitigate risks, striving towards a more sustainable, transparent, and socially responsible global supply chain.

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# QUALITY, ENVIRONMENT & SAFETY **POLICY**

We achieved quality, environment and safety system (ISO 9001: 2015, ISO 14001: 2015, ISO 45001:2018) With our policy, we live up to our reputation in "Creating visual communication technology". We strongly uphold a set of policies that aims to:



Strengthen OH&S management to prevent injury and illness, focusing on hazard elimination, risk reduction, and worker participation.



Innovate printing inks and specialty products (EcoFiore, EcoPlata) with sustainable and eco-friendly solutions.



Provide high-quality, environmentally friendly products that maximize customer satisfaction and productivity, continuously building trust through quality assurance principles.

With this aim, we are working to continuously improve quality



Adapt to changes in the business environment by enhancing CSR activities and promoting sustainable environmental management.



novate for the future by investing in research, development, and improving technological and production processes through TPM activities.



Incorporate new technology into fields related to our core business for future growth.



Fully commit to environmental protection, including pollution prevention, while complying with relevant authorities.



Focus on energy-saving equipment and waste reduction as core strategies.



Main costs include R&D for environmentally friendly products, waste reduction, recycling, water pollution prevention, and equipment maintenance.

Our company policies and targets are implemented, reviewed and updated periodically to fully reflect our company's mission and values. As a team, we will continue to improve the effectiveness of total management system.



# **TPM ACTIVITIES**

As part of our commitment to Total Productive Maintenance (TPM) and sustainable business practices, we actively implement the 3R principles—Reuse, Reduce, and Recycle—across all aspects of our operations. This approach not only minimizes waste and optimizes resource efficiency but also aligns with our environmental goals by reducing our carbon footprint and conserving natural resources. Through continuous efforts in waste reduction, resource reuse, and recycling, we ensure that our production processes contribute to a more sustainable future.

### 1. Reuse:

### a) Reused of used drums:

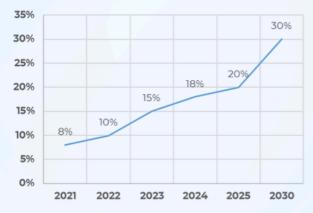
- Reused ≈ 150 drums/month
- Use the solvent drums which are used with a large percentage of inks
- These drums were taken with all solvents and reused for the same type of ink
- SEL-312, SEL-517: Was used for Lamiall and Super Ink
- SEL -304: was used for DX-60V inks
- SAL-216: was used for NPPL ink

### b) Reused of used metal pails:

- Reused ≈ 1,000 pails/month
- Some big color matching ink can reuse pails inks
- There are percentage in formula from 20 %
- · Customer accept to use these pails



# % tank/total finish ink



### 2.Reduce

We use stainless tank (1000 kgs) and target to reduce the consumption of pail and reuse again after washing. Our company is focused on reducing waste and enhancing sustainability through the use of stainless steel tanks with a capacity of 1,000 kg for ink production. This effort helps decrease the consumption of disposable pails and supports reuse after proper cleaning. As part of this initiative, we have seen steady progress in the percentage of ink stored in tanks compared to total finished ink. Starting from 8% in 2021, this figure increased to 10% in 2022, 15% in 2023, and 18% in 2024. Our target is to reach 20% by 2025 and continue growing this number to 30% by 2030. These milestones reflect our long-term commitment to sustainability, waste reduction, and resource efficiency.









# Process to reuse these stainless-steel tanks (Inox Tanks) 1 PACKING BY NEW TANK AND SEND TO CUSTOMERS TAKE BACK EMPTY TANK AFTER USE WASHING - CHECKING EMPTY TANK WASHING - CHECKING EMPTY TANK REUSE TANK FOR NEXT LOT

- After tank was washed by recycle solvents, use 30-50 kgs fresh solvent to wash again
- With non-toluene inks use EA (80%) SAL (20%). Toluene inks use
- All these solvents were recycled for next washing (60 % SHC-102:30 % SES -501-10 % SAL-204)

### 3. Recycle: Solvent recovery of waste solvents

Our company is committed to sustainability through effective recycling practices, specifically focusing on solvent recovery. This initiative not only reduces waste but also optimizes resource use, contributing to our overall environmental goals. We are recycling:

- Solvent from washing solvent (Stainless steel tanks, washing machines, washing mixers, washing tanks)
- The dregs were treated by waste treatment company
- Record solvent used daily and used washing solvent reasonably



Our company's commitment to sustainability is evident in our robust solvent recycling efforts:

- Continuous Improvement: We have made significant strides in increasing the amount of recycled solvent from 13.49 tons in 2019 to an impressive 21.55 tons in 2023, demonstrating our proactive approach to waste management.
- Resilience in Challenges: Even when faced with fluctuations in 2021 and 2022 due to Covid-19 pandemic, our focus on recovery and innovation has allowed us to bounce back strongly in 2023, showcasing our resilience and determination.

These efforts highlight our dedication to reducing environmental impact and promoting a sustainable future through effective solvent recycling practices.

We monitoring of recycled solvent everyday. Training conducted to ensure all employees understand and follow the guideline.





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# CHEMICAL SUBSTANCE MANAGEMENT

We strictly comply with the Chemical Law 06/2007/QH12, Decree No. 113/2017/ND-CP, which provides guidelines for implementing certain articles of the Law on Chemicals. Additionally, we follow Circular No. 40/2011/TT-BCT on Chemical Declaration

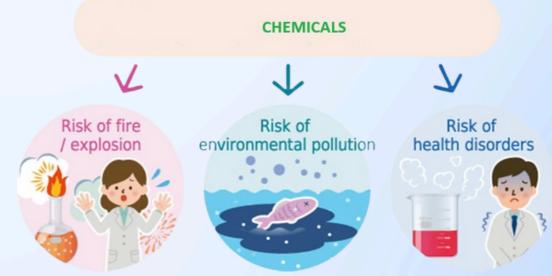
We take extra care in the labeling of chemicals, ensuring that all chemicals are classified and labeled according to the guidelines:

- Circular No. 04/2012/TT-BCT regulating the classification and labeling of chemicals
- The use of Safety Data Sheets (SDS)
- The Globally Harmonized System of Classification and Labelling of Chemicals (GHS)

These labels include vital information about chemical hazards, safety precautions, and instructions for safe usage, storage, and disposal. Proper labeling ensures that employees are immediately aware of potential risks and can take the necessary precautions during handling.

We continuously evaluate risks associated with chemicals and prioritize improvements for those identified with higher levels of risk. This evaluation process involves all ranks, including employees, managers, and supervisors.

Furthermore, as part of our ongoing improvement activities, we provide training to ensure staff are knowledgeable about chemical management, daily safety and health practices, and the relevant laws and regulations. In-house training courses are regularly offered to reinforce these commitments. By classifying chemicals according to GHS and managing them through SDS, we ensure that employees are aware of the potential hazards and equipped with appropriate measures for safe handling and usage.



# **HEALTH & SAFETY**

# **BASIC POLICY**

Under the guidelines of the Corporation, we strictly comply with the highest standards of Health & Safety within our possibility. We are following these seven principles for promoting our health & activities:

- Observe laws, regulations, and internal rules about health & safety.
- Build a safe, comfortable workplace environment
- Raise the awareness of all employees
- Engage in effective communication
- Conduct regular risk assessments of equipment and operations
- Enhance follow-up instructions given based on the results of health checkups and stress checks
- Allocate management resources to health & safety initiatives as appropriate

We are dedicated to creating a safe, secure, and supportive working environment by implementing several key measures. We ensure that all employees have the necessary personal protective equipment (PPE) to perform their tasks safely and effectively. Whether working in production areas or other operational environments, employees are equipped with gear that meets stringent safety standards, minimizing exposure to potential risks.

Training is a critical component of our health and safety strategy. All employees, from new hires to long-serving staff, participate in regular and comprehensive safety training programs. Every employee receives safety training on their first day of work, which includes essential information on static electricity safety and how to prevent accidents in the workplace. We believe that a well-informed workforce is key to maintaining a safe working environment.

Regular inspections of our production areas are conducted to ensure compliance with safety regulations and identify areas for improvement. These inspections are part of our proactive approach to risk management, allowing us to address potential hazards before they result in incidents. In addition, we carry out routine risk assessments, particularly in areas involving the use of hazardous chemicals or complex machinery. These assessments help us to mitigate both physical and psychological risks associated with dangerous work practices, ensuring that our operations remain safe for all employees.

Beyond meeting legal requirements, we aim to foster a culture of safety within Sakata Inx Vietnam. We encourage open communication between employees and management regarding health and safety concerns. Employees are empowered to report potential hazards, incidents, or unsafe conditions without fear of reprisal. This feedback loop allows us to take swift corrective action and improve safety measures on an ongoing basis. We also engage with our workforce to ensure that they feel supported both physically and mentally, offering follow-up support based on health checkups and stress assessments.

Finally, we are committed to the continuous improvement of our health and safety initiatives. By allocating appropriate resources to these efforts, we aim to not only meet current safety standards but to exceed them, striving for zero workplace accidents. Our ultimate goal is to cultivate a workplace where every employee feels secure, valued, and protected, contributing to both their personal well-being and the overall success of our organization.











Our employees are equipped with specific gear based on their work.

# CUSTOMERS HEALTH & SAFETY POLICY

At our company, ensuring the health and safety of our consumers and customers is a top priority. We are committed to producing high-quality, safe products by strictly adhering to international safety standards and regulations throughout our manufacturing processes. Our rigorous quality control measures and regular testing ensure that our products are free from harmful substances and meet the highest industry benchmarks. By prioritizing the well-being of those who use our products, we reinforce our dedication to building trust and fostering long-term relationships with our customers. We commit to:

- **Product Safety:** Our company is committed to supplying only products that have undergone thorough testing to ensure they pose no health risks to customers. All raw materials are carefully inspected to guarantee their safety.
- Transparency of Information: We provide comprehensive product information, including ingredients, usage instructions, safety warnings, and any potential health risks. Safety Data Sheets (SDS) are updated annually to reflect the latest safety standards.
- Customer Training and Support: We offer training sessions and workshops on the safe use of our products, including risk management related to chemical handling, to ensure customers can operate confidently and safely.
- Risk Assessment: We conduct regular risk assessments to identify and eliminate or mitigate any potential hazards that could affect customer health and safety.

To ensure effective health and safety policies in chemical and printing ink manufacturing, key actions include:

- Provide MSDS: Keep customers updated with MSDS, especially when product compositions change.
- Quality Checks and Certifications: Regularly issue safety certifications like RoHS and mineral oil compliance for printing inks.
- Customer Training: Offer training on safe product use and chemical risk management.
- Continuous Improvement: Establish a feedback process to address health and safety concerns and adjust accordingly.
- Eco-Friendly Products: Develop products with minimal environmental impact, such as solvent-free inks.
- Legal Compliance: Adhere to international chemical safety standards, including REACH.
- Risk Management: Provide emergency response procedures for chemical incidents.



# OCCUPATIONAL HEALTH & SAFETY

# **MANAGEMENT SYSTEM**



At Sakata INX Group, the health and safety of our employees managed through a comprehensive, structured system certified under ISO 45001:2018, which we have maintained since 2018 certification demonstrates our commitment to creating a safe and healthy work environment, following international best practices for Occupational Health and Safety (OH&S) management.

Our management structure is designed to systematically identify, assess, and mitigate workplace hazards, ensuring compliance with all relevant safety regulations and continuous improvement in our safety performance. The structure includes the following key elements:

- 1. Leadership and Responsibility: Senior management is critical in leading our health and safety initiatives. They are responsible for setting safety policies, allocating adequate resources, and actively monitoring safety performance. Additionally, they engage with employees to foster a safety culture across all levels of the organization.
- 2. Employee Involvement and Training: All employees are encouraged to participate in our health and safety management processes, from reporting hazards to taking part in safety committees. We provide regular, comprehensive training programs on workplace safety, risk management, and proper use of personal protective equipment. This ensures that employees are equipped to work safely and contribute to hazard identification and safety improvements.
- 3. Risk Management and Control: Our OH&S management system includes rigorous processes for identifying potential hazards in the workplace, conducting risk assessments, and implementing control measures to mitigate risks. We conduct regular inspections and audits of our production facilities to ensure ongoing compliance with safety regulations.
- 4. Incident Reporting and Response: We have established clear procedures for reporting, investigating, and responding to workplace incidents. This enables us to learn from any safety failures and implement corrective actions to prevent future occurrences. We encourage all employees to report near-misses and unsafe conditions to improve overall safety performance.
- 5. Monitoring and Continuous Improvement: Our health and safety management system is subject to regular audits and reviews to ensure it remains effective and aligned with both ISO 45001 standards and our internal objectives. We actively seek opportunities for improvement by analyzing data from safety inspections, incident reports, and employee feedback.

By adhering to **ISO 45001**, we strive to achieve the highest standards of occupational health and safety, with a long-term goal of zero accidents and a healthy, secure working environment for all employees.

# OCCUPATIONAL HEALTH

**AND SAFETY** 



Occupational safety is a critical factor in the production and business activities of Sakata Inx Vietnam. Ensuring a safe working environment not only protects the health and lives of employees but also contributes to enhancing productivity and the company's sustainable development. Within the scope of this report, we will summarize the company's workplace accident status for the years 2022 and 2023.

In accordance with Clause 1, Article 24 of Decree 39/2016/ND-CP, the company submits an annual report on workplace accidents to the Department of Labor, War Invalids, and Social Affairs by January 10 each year. According to the submitted report, in both 2022 and 2023, the company recorded zero workplace accidents. This result reflects the strict adherence to occupational safety regulations and the effective implementation of accident prevention measures. The key preventive actions we have undertaken include:

- Regularly organizing Occupational Safety and Hygiene Awareness and Training sessions.
- Conducting scheduled inspections and maintenance of equipment annually to ensure all machinery is in optimal and safe working condition, thus minimizing accident risks.
- Providing comprehensive and high-quality personal protective equipment to all employees.

The maintenance of zero workplace accidents over the two-year period of 2022 and 2023 is clear evidence of the effectiveness of Sakata Inx Vietnam's safety measures. This achievement not only ensures the safety of our employees but also strengthens the company's reputation and trust with customers and partners. Sakata Inx Vietnam remains committed to maintaining and continuously improving occupational safety measures

to ensure a safe and healthy working environment for all employees. The success of recording no workplace accidents for two consecutive years serves as motivation for the company to continue striving toward sustainable growth.



# **ENVIRONMENT**MANAGEMENT

Green is the new competitive edge

# **ENVIRONMENT**

# **MANAGEMENT**

### 1. Environmental Philosophy & Basic Policy

challenge is to move towards a circular society and maintain a sustainable environment globally. We continuously promote environmentally friendly initiatives in our company's operations.

To achieve sustainable environmental goals, we develop action plans and actively participate in environmentally oriented activities such as energy emissions to limit pollution sources.

management system.

### 2.Complying Law & Regulations in Environment

We recognize that the most significant management. We recognize that the most significant management challenge is to move towards a circular society and maintain a sustainable environment globally. We continuously promote environmentally friendly initiatives in our company's operations.

To achieve sustainable environmental goals, we develop action plans and actively participate in environmentally oriented activities such as energy conservation, utilizing conservation, utilizing renewable energy, and reducing renewable energy, and reducing emissions to limit pollution sources.

In response to local and global environmental issues in In response to local and global environmental issues in the the future, we will continue to uphold and improve our future, we will continue to uphold and improve our management system.

### 3. Training Activities

We continually strive to enhance our employees' awareness and skills, particularly regarding environmental knowledge, through regular training activities. The training programs offered include waste management, chemical management, operation of wastewater treatment systems, chemical incident response, environmental incident response, and fire prevention drills.

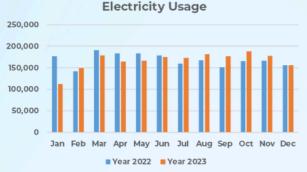
Additionally, our employees participate in identifying risks and hazards, as well as potential environmental impacts that may arise during their work. We also establish and regularly update procedures and guidelines related to waste and chemical management to ensure they align with current conditions.

## 4. Environmental Management

**CSR DEPARTMENT** 



# **ENERGY**CONSUMPTION









# **Energy consumption within the organization**

To assess the current state of energy management in our business operations, we continuously monitor energy usage to ensure efficient and economical consumption through improvement initiatives. These efforts help minimize waste and reduce negative environmental impacts.

# **Energy intensity**

The continuous business growth and expansion in 2022 required an increase in energy consumption, leading to higher production costs. This became a driving force for us to constantly improve energy usage control, ensuring efficient and cost-effective consumption.

## **Reduction of energy consumption**

We continue to make improvements through TPM activities to enhance production efficiency and conserve energy, while also striving to reduce electricity consumption. We are considering installing and obtaining certification for non-fossil electricity usage in 2025 & 2026, such as rooftop solar power, and will continue our efforts to lower energy usage. Our goal is to understand and mitigate this issue. Examples of energy-saving activities include:

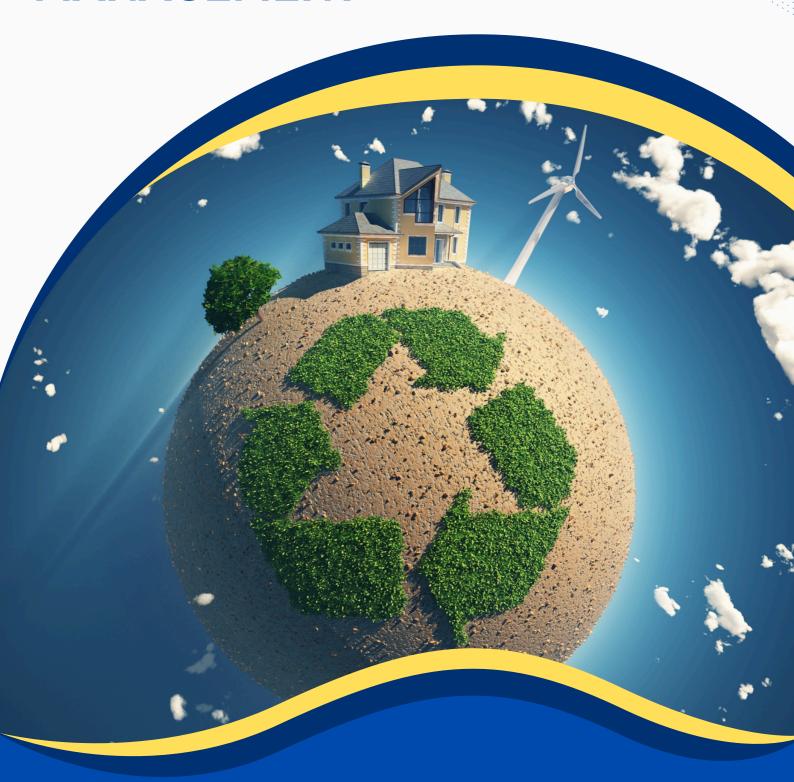
- Reviewing production conditions.
- Optimizing processes to increase production efficiency.
- Improving equipment performance and minimizing unnecessary operating time.

# **Energy Recycle / Initiatives**

Sakata Inx Vietnam (SIV) places the highest priority on addressing energy issues as part of its sustainable development journey, committing to reducing environmental impact and contributing positively to the fight against climate change. In the coming years, SIV will continue its efforts to decrease energy consumption by implementing energy-saving measures, improving production efficiency, and transitioning to low-carbon energy sources. Notably, SIV plans to install a rooftop solar power system by 2025, aiming to cut CO2 emissions by 24% by 2026, marking a significant step towards achieving carbon neutrality by 2050.

These efforts underscore the company's long-term commitment to sustainability, not only through cleaner production activities but also by fostering environmental awareness across its operations and supply chain. Furthermore, SIV proactively seeks innovative solutions to enhance energy efficiency, minimize waste, and optimize the use of natural resources. With this commitment, SIV affirms its strategic vision, ensuring economic growth while contributing to a more sustainable and greener future for future generations.

# WASTE MANAGEMENT



# WASTE MANAGEMENT

# Waste generation and significant wasterelated impacts

At Sakata Inx Vietnam (SIV), waste generated from business operations presents a critical environmental challenge that demands thorough attention. If not properly managed, collected, and treated, waste can become a serious threat, leading to environmental pollution and negatively impacting community health. Proper waste management is not just a regulatory requirement, but also a core component of our commitment to sustainability and corporate responsibility. It is essential to minimize waste at its source, recycle materials wherever possible, and ensure safe disposal methods for unavoidable waste. By effectively addressing waste management, we not only mitigate environmental harm but also contribute to the well-being of the communities in which we operate. Sustainable waste handling practices also align with global trends towards reducing pollution and fostering a circular economy, reinforcing our dedication to protecting ecosystems and public health while promoting long-term business growth. At SIV, we understand that the way we manage waste today will significantly influence our future environmental footprint, and as such, we are committed to adopting innovative approaches to waste reduction and processing, ensuring that we contribute to a healthier planet for future generations.

# Management of significant waste-related impacts

In addition to minimizing waste as much as possible, recycling and reusing waste are highly effective solutions for reducing the volume of waste released into the environment. These practices not only help protect the environment but also conserve valuable natural resources. At SIV, waste management is seen as a critical aspect of our sustainability strategy. By prioritizing recycling and reuse, we aim to turn waste into a resource, promoting a circular economy and reducing our overall environmental footprint. Effective recycling also contributes to reducing greenhouse gas emissions and lowering the pressure landfills, which are increasingly becoming overburdened. Furthermore, the reprocessing of waste materials helps reduce the demand for raw materials, conserving energy and reducing the environmental impact associated with resource extraction. Our commitment to responsible waste management aligns with both regulatory requirements and global trends towards sustainability, ensuring that we continuously our operations to meet the environmental standards. Through these efforts, we strive to not only mitigate the significant impacts of waste but also contribute to a healthier and more sustainable future.

# **Waste Generation Report**





# Waste generated

In the fiscal year 2023, SIV made significant efforts to reduce the total amount of waste generated, demonstrating a firm commitment to environmental stewardship. Compared to 2022, total waste decreased from 472 tons to 427 tons, marking a 9.5% reduction. This decrease reflects the company's dedication to improving waste management processes and enhancing operational efficiency. However, the recycling and reuse rate for plastic waste fell by 19.6%, indicating room for improvement in this specific area. SIV continues to prioritize waste diversion strategies, focusing on minimizing environmental impact by implementing more sustainable practices and reinforcing the need for improved waste sorting, recycling, and reuse measures. Through these initiatives, we aim to reduce reliance on landfills and preserve natural resources, aligning our efforts with broader sustainability goals.

# **Waste Recycle / Initiatives**

At our company, we are deeply committed to sustainability and social responsibility, and we recognize the crucial role of waste management in achieving these goals. Our ambitious targets include reducing overall waste generation by 9% by 2026 and 15% by 2029, with specific focus on plastic waste reduction of 5% by 2026 and 9% by 2029, using FY 2023 as our baseline.

To reach these objectives, we will implement a series of initiatives designed to minimize waste at its source and enhance our recycling efforts:

- 1. Enhancing Production Efficiency: We are dedicated to improving our manufacturing processes to ensure that we produce quality products right from the start. By minimizing rework, we not only reduce material waste but also enhance operational efficiency, contributing to a lower environmental impact.
- 2. Plastic Waste Management: We are actively working to control plastic waste through comprehensive recycling and reuse programs. By collecting and processing plastic containers, we can significantly reduce our reliance on new plastic materials. This initiative will not only lower our waste output but also support the circular economy.
- 3.Streamlining Return Processes: We aim to reduce the instances of returns that require rework. By implementing stricter quality control measures and improving customer communication, we will minimize the need for product returns, thereby decreasing waste associated with unsold or returned goods.

Through these initiatives, we strive to cultivate a culture of sustainability within our organization, fostering collaboration among employees and stakeholders. We believe that by prioritizing waste reduction and recycling, we are not only fulfilling our corporate responsibilities but also contributing positively to society and the environment. Our goal is to pave the way for a sustainable future, where our operations align with ecological principles, and we serve as a model for responsible business practices in our industry.





# **WATER AND EFFLUENTS**

Water is one of the most essential needs in life and production activities. Providing sufficient clean and safe water is crucial for protecting public health and maintaining social security. However, water is not an infinite resource, and water conservation is necessary even in areas with abundant water supply. To contribute to the protection of natural resources, prevent the depletion of groundwater, and ensure a clean water supply for both the community and our company's operations, we are committed to using water resources responsibly with the goal of reducing water consumption by 6% by 2029 based on 2023 consumption levels through the following initiatives:

- Complying with legal regulations and ensuring that we do not exploit groundwater for production and business activities, nor discharge waste into the environment.
- Optimizing usage efficiency by regularly monitoring and maintaining the piping system to prevent leaks. We promote water-saving practices, such as refraining from watering plants during the rainy season and reusing treated wastewater for production activities.
- Minimizing factors that cause water pollution by equipping ourselves with wastewater treatment systems for both production and domestic wastewater. We conduct periodic monitoring of the quality of treated wastewater to ensure that its quality meets the permissible standards before being discharged into the centralized wastewater treatment system of the industrial park.

### 1.Water consumption

To contribute to the protection of natural resources, especially groundwater, and to ensure a clean water supply for our production processes and company operations, we utilize water sourced from the industrial park.

To optimize usage efficiency, conserve natural resources, and minimize factors causing water pollution, our company implements various initiatives aimed at reducing water consumption. These include regular maintenance and servicing of the piping system, utilizing water-saving devices, refraining from disposing of trash or cigarette butts in toilets, and avoiding watering plants during the rainy season.

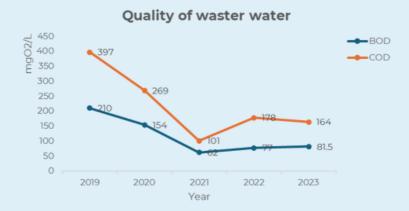
## 2. Water generated / Water directed to disposal

Wastewater is primarily generated from the cleaning of production equipment, cleaning of the factory, and employee activities. To prevent water pollution, we have installed a wastewater treatment system for both industrial and domestic wastewater.

We conduct regular monitoring of the effluent quality to ensure that the wastewater discharged to the centralized wastewater treatment system of the industrial park meets the allowable standards.

### 3. Management of water discharge-related impacts





In our management of water discharge-related impacts, we have made significant progress in reducing key water quality indicators, such as Biological Oxygen Demand (BOD) and Chemical Oxygen Demand (COD). From 2019 to 2023, BOD levels have decreased from 210 mg/L to 81.5 mg/L, while COD levels dropped from 397 mg/L to 164 mg/L. These reductions demonstrate our ongoing efforts to improve wastewater treatment processes, ensuring compliance with environmental standards and minimizing the impact of our operations on local water ecosystems. Regular monitoring and targeted improvements have been crucial in achieving these results.



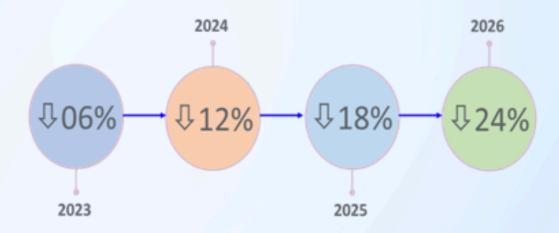
# **EMISSIONS**

SIV reaffirms its strong commitment to achieving the emission reduction goals that have been publicly announced. By 2026, the company aims to reduce total emissions from its operational activities by 24% (equivalent to a 6% reduction annually) compared to the baseline year of 2022. In addition, SIV is setting ambitious targets for 2029, where it plans to achieve a further reduction of ???% (???% each year) in total emissions from both Scope 1 and Scope 2 activities, which encompass direct emissions from company operations and indirect emissions from energy consumption. These efforts are part of SIV's long-term goal to reach carbon neutrality by 2050, fully aligning with global climate targets.

To meet these ambitious goals, SIV is not only focusing on its internal operations but also extending its sustainability commitments across its supply chain. SIV requires that suppliers, representing 80% of its total purchasing value, commit to achieving reduction targets by 2029, in line with the Paris Agreement's guidelines. This involves implementing environmentally responsible practices and ensuring that their operations contribute to a lower-carbon economy. By engaging its suppliers, SIV aims to create a ripple effect that will help reduce emissions not only within the company but throughout the industry as a whole.

Beyond these operational goals, SIV is dedicated to contributing to the broader agenda of sustainable development and corporate responsibility. The company is committed to reducing emissions in a way that benefits the environment while also contributing to the well-being of society. By adopting cleaner energy practices, such as the installation of rooftop solar panels by 2025, SIV seeks to reduce its CO2 emissions and become a leader in renewable energy adoption within the manufacturing sector. These efforts will help SIV reduce its environmental impact and inspire other companies to follow suit in the journey toward sustainability.

Through these actions, SIV demonstrates a holistic approach to sustainability, focusing on the reduction of its carbon footprint, supporting sustainable practices across its supply chain, and making meaningful contributions to the community. This comprehensive strategy ensures that SIV is not only meeting its corporate objectives but also contributing to the global fight against climate change, with a vision of creating a more sustainable future for generations to come.





# IODIVERSITY

The business landscape is increasingly evolving towards environmentally friendly products, reflecting a growing consumer demand for sustainable solutions. This trend is particularly evident in the packaging industry, where there is a significant shift towards products that decompose quickly in natural environments. As customers become more conscious of their ecological footprint, we must adapt to these changing preferences to remain relevant, competitive, and contribute to social community.

To keep pace with market trends and fulfill our commitment to biodiversity, we must transform our product offerings to include more sustainable options. By developing eco-friendly products like Eco Plata Ink, Eco Biore Ink, and Botanical Ink, we not only align with market demands but also raise awareness about biodiversity conservation. Embracing these changes allows us to foster long-term relationships with our customers while positively impacting commitment environment. Our to promoting sustainability and biodiversity is essential in addressing the pressing challenges of our time, ensuring that we contribute to a sustainable society and preserve the planet for future generations.

Amidst our impressive growth and improved living standards for our employees, we have also recognized the environmental pressures and challenges our development has created, particularly regarding biodiversity. The link between biodiversity and human health has become a critical issue, highlighting the need to address the health impacts stemming from biodiversity loss, which is closely tied to climate change.

# DECARBONIZED CIRCULAR (CO2 REDUCTION)

# 1.Protect the global environment, Environmentally friendly through business activities

# **Sustainable Supply Chain Management:**

- Eco-friendly Materials: Source raw materials from sustainable and ethical suppliers. For example, we are using recycled or biodegradable materials.
- Green Logistics: Implement green logistics practices by optimizing transportation routes, using energyefficient vehicles, and consolidating shipments to reduce carbon emissions.

## **Green Product Development:**

- Eco-friendly Products: Develop and promote environmentally friendly products, such as those made from sustainable materials or those with a low environmental impact.
- Ex: Botanical Ink, Water Based Ink, and Non-Toluene & Non-MEK (Bell Ink).

## **Sustainable Packaging:**

Biodegradable Packaging: Use biodegradable or compostable packaging materials instead of plastic.
 Besides, we recommend using paper bags to replace plastic bags.

# 2. Our initiatives on environmental-friendly productions chain

## **Reducing environmental impact:**

- Solvent recycling from waste solvents
- · Wasted water treatment for industrial wasted water
- Reducing VOC emissions from the factory
- Monitoring air and water

## Reducing electricity usage:

- Optimizing processes to increase production efficiency.
- Improving equipment performance and minimizing unnecessary operating time.

# 3. Our initiatives on environmental-friendly (Technical)

## **Reducing environmental impact:**

- Adoption of plant-derivable materials as ink raw materials
- Introducing toluene free ink
- · Conversion to water based ink from solvent based ink

# Reducing electricity usage:

- Development of new coating agents
- Contributing to the recycling of printed plastics and papers

# MATERIALS IN USE

The role of packaging in ensuring safe and hygienic delivery is crucial. We strive to convey the appeal of products while providing essential functions. Our inks are used to enhance added value and are combined with protective coatings such as varnish.

In recent years, both consumers and businesses have increasingly shifted towards sustainable products, driven by greater awareness of Sustainable Development Goals (SDGs). To meet this demand, our company has proactively developed products using vegetable oils and plant-based ingredients. Since 2016, we have made continuous efforts to develop environmentally friendly products, including our "vegetable-based ink" line, which has been applied across numerous product packages nationwide.

The growing use of these products has been widely recognized. Moving forward, we will accelerate our efforts to expand into international markets. These high-quality and sustainable products are becoming globally popular, used in packaging for boxes, cartons, beverage cans, and a variety of other products in over 60 countries and regions. These products reach consumers in various forms.

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Some raw materials are completely plant-based, with all ingredients derived from plant sources, and contains no animal-derived materials, making it free from transmissible spongiform encephalopathy (TSE) and bovine spongiform encephalopathy (BSE) risks. Additionally, raw materials are free from genetically modified organisms (GMOs) in every aspect: they are not a GMO source itself, nor are not manufactured using any ingredients derived from GMO sources.

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At SAKATA INX Vietnam, we integrate ESG (Environmental, Social, and Governance) management into our practices. We are committed to contributing to a sustainable society through daily operations and CSR (Corporate Social Responsibility) initiatives. We aim to address social issues within our supply chain by collaborating with business partners to provide better products, goods, and services in terms of quality, cost, and delivery time, while ensuring compliance with laws, protecting consumers, preserving the environment, maintaining a safe working environment, respecting human rights, and integrating with the community, among others.

In addition, some raw materials are completely free of genetically modified organisms (GMOs): it is neither a GMO source nor manufactured using any GMO-derived ingredients. Furthermore, we comply to the EU RoHS Directive 2015/863 (Annex II) and EU RoHS Directive 2011/65/EC by avoiding the intentional use or storage of any restricted phthalates in our facility, eliminating the risk of cross-contamination and ensuring full RoHS-3 compliance. Additionally, no substances listed in Annexes I, III, or IV of Regulation (EC) No 850/2004 on Persistent Organic Pollutants (POPs) or any subsequent amendments are intentionally used during production. As for responsible mineral sourcing: when using minerals such as tantalum, tin, tungsten, gold, cobalt, mica, etc., in our products, we carefully consider whether such sourcing could lead to, or be complicit in, human rights violations, conflict, corruption, or environmental degradation in conflict-affected and high-risk areas.

All raw materials delivered must comply with the Environmental Chemical Management Standards, with restrictions and prohibitions on usage where necessary.

# RESEARCH AND DEVELOPMENT





Our products are developed with a focus on material safety, product functionality for environmental impact, and consumer safety, all while emphasizing recycle-ready products. We formulate our products to be easily applied by customers and to increase efficiencies that result in using the least amount of product while gaining high-quality results.

# **Intellectual Property Strategy**

Japanese engineers are stationed at each local subsidiary, and they provide guidance and education to local staff in order to share the knowledge and technology of the parent company. In cooperation with the Japanese research department, they research and develop products that are tailored to the characteristics of each product, such as the products of globally expanding client companies and the uniqueness of each region, and provide user support on a global level.

# **Basic Technology**

- **Printing/coating evaluation technology:** coats ink, functional coatings, etc. on the surface of base materials such as both paper and film, and evaluates the formed images and functional thin films.
- **Dispersion/processing technology:** finely disperses particles such as organic and inorganic pigments from submicron to nanoscale to create a stable and uniform dispersion system.
- Color technology: manage color using spectrophotometers and software.
- Resin synthesis technology: imparts pigment dispersion function, adhesive function, printability, and various durability and functions to binder resins used in inks, etc.

		Plastic Film		Paper			Metal
	Surface Printing	Reverse Printing for Lamination	Shrinkable Label	General Paper	Carton Box	Paper Bag	Can
Solvent based Ink	<b>~</b>	<b>~</b>	<b>~</b>				
Water based Ink	<b>~</b>			<b>&gt;</b>	<b>~</b>	<b>&gt;</b>	
Offset Ink				<b>&gt;</b>			
Metal Ink							<b>~</b>

# **Environment-Friendly Products**

Our group has been working on developing environmentally friendly products for a long time, and the mainstream approach has been to change the solvent used to disperse the materials in the ink to one that is environmentally friendly (toluene-free). Eliminating toluene from inks improves the working environment at printing sites and increases product safety. In Vietnam, we have line-up of toluene-free type inks for flexible packaging.

Toluene-free Ink Li	ne-up in Vietnam	Comment			
	Super Laminate	Applicable for boil/Retort			
For Laminate	Belle Color	MEK free, Applicable for boil/Retort			
	NT-PPL	OPP film, Applicable for PP/PE extrusion			
For Surface	NT-5220VN	Good gross and adhesion			
For Shrinkable label	NT-PVC	Applicable for PET/PVC film			
i oi siiiiikable label	PS-985	Applicable for PS film			

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### \*Environment-Friendly Products

In 2016, we focused on the solid content of the ink applied to printed materials and started developing our own unique brand of "Botanical Ink," based on the concept of making part of it from plant-derived ingredients in Japan. By using plant-derived raw materials for more than 10% of the ink solid content, we aim to contribute to reducing CO2 emissions and the use of fossil-derived raw materials. In Vietnam, we developed "Eco Plata" and "NT-5220VN" inks in 2021 and "Eco Fiore" and "Belle Flora" inks on 2023 as "Botanical Ink".

Botanical ink Line	-up in Vietnam	Comment			
Flexo, water based ink	Eco Plata	For paper food package.			
rieko, water based irik	Eco Fiore	For corrugated Board Printing			
Gravure, Solvent based ink	Belle Flora	For lamination, Applicable for Boil/Retort			
(Toluene-free)	NT-5220VN	For surface printing			



# \* Washable ink:

From the perspective of recycling, the Sakata Group has developed and marketed ink that can be washed off of printed materials in post-processing. By washing off the ink, the film can be reused. We have also started manufacturing and selling this washable ink in Vietnam from 2021.

Washable ink Line	e-up in Vietnam	Comment				
Gravure, solvent based ink (Toluene-free)	SP-ECO	For PET shrinkable label				

# \*Oxygen barrier coating agent:

By imparting high oxygen barrier properties to the film through printing, it is possible to reduce the use of aluminum, which is a metal, and by inhibiting the oxidation of the contents, it contributes to reducing food waste.

Oxygen barrier coati	ing agent Line-up	Comment				
Gravure, Water based coating agent	Ecostage GB-XA	Applicable for PET, PE, OPP, PA				

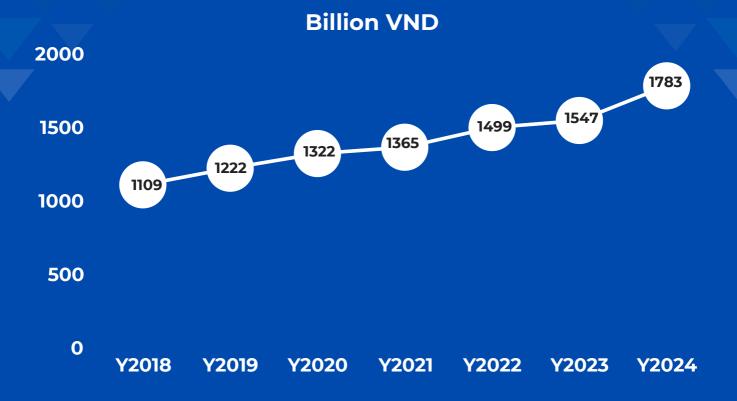




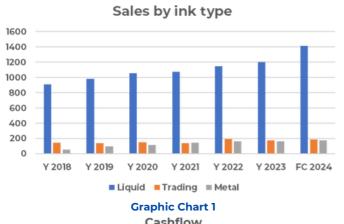
# COMPANY DATA



The following are the detailed financial indicators over the 5 years from 2018 to 2023, and forecast 2024:



Sales: The company's sales have grown steadily each year, increasing by 3% to 10% annually.





### Operating income by ink type 180 160 140 120 100 80 60 40 20 Y 2018 Y 2023 Y 2019 Y 2020 Y 2021 Y 2022 (20)■Liquid ■ Metal ■ Offset

**Graphic Chart 2** 

ITEM	UNIT	Y 2018	Y 2019	Y 2020	Y 2021	Y 2022	Y 2023	FC 2024
Sales	Billion VND	1,109	1,222	1,322	1,365	1,499	1,547	1,783
ROS	%	9.5	7.8	11.6	6.6	6.6	11.1	10.4
ROE	%	13.5	11.2	16.1	8.7	9.1	14.3	13.6
ROA	%	10.2	8.5	12.4	6.7	7.1	11.2	10.9

### **Data Table 1**

- Sales by ink type: Sales from Gravure and Flexo inks make up the largest proportion following the Graphic Chart 1.
- The Data Table 1 shows the Return on Sales (ROS), Return on Equity (ROE), and Return on Assets (ROA) for each year.
- Cash flow from operating activities has grown steadily each year, with a significant increase in 2023 following Graphic Chart 3.



# TOWARD SUSTAINABILITY DEVELOPMENT FUTURE



# **SAKATA INX VIETNAM**

33 Tu Do Avenue, Viet Nam – Singapore Industrial Park, Thuan An City, Binh Duong Province

www.inx.com.vn