

United Nations Global Compact
Communication on Progress Report 2019

Statement of Continued Support

Since MTSH was incorporated as a public company limited under the Myanmar Companies Act, it has been dedicating and putting best effort to be a responsible and sustainable business. For that reason, MTSH is honored to be a member of the United Nations Global Compact since 2015. Since then, in addition to already-existed MTSH's own disciplines, we strictly ensured that our organization has never slipped out of guidelines and principles UNGC has guided.

For MTSH, this COP report is the 4th time submission and we assure that every stage of our business operation has been integrated with ten principles of UNGC on the subject of Human Rights, Labor Rights, Environmental Rights and Anti-Corruption.

We hereby pleased to make a commitment to reaffirm our continued support by acting in accordance with the ten principles and guidelines of UNGC. As well, we will promise to share this information with our stakeholders using our primary channels of communication.

Yours Sincerely



Kyaw Zaw Wai

Chief Executive officer

Myanmar Thilawa SEZ Holdings Public Co., Ltd.

Human Rights Principles

Principle 1 - Businesses should support and respect the protection of international proclaimed human rights.

Principle 2 - Make sure Businesses are not complicit in human right abuses.

In line with the UN Guiding Principles on Business and Human Rights, we, MTSH, base our human rights commitments and policies on the International Bill of Human Rights including Universal Declaration of Human Rights and the principles concerning the fundamental rights that must be followed by nations, companies, organizations and individual as well.

We adopt and use the UN Guiding Principles Reporting Framework to fulfill our commitment to report and disclose publicly on our operations, activities and occasionally updated information.

First of all, we support and respect the protection of international proclaimed human rights with the aim of building a better community for our human beings. Secondly, we can declare with assurance that we are not complicit in human right abuses. Any form of human right mistreatments such as discrimination and harassment based on gender, religion, color and ethnicity is intolerable in our organization and MTSH always keeps and improves its image by sidestepping improper performances and manners that will be harmful to our society as well.

To be a safe and happy working environment, our employees have been protected by rules and regulations of human rights and also they have been well educated not to break those fundamental policies by themselves. We encourage them to have mutual respect, trust and understanding between each other. At all times, we take care on that there is no forced labor and child labor in our business. Within our organization, everyone has its own right to report of human right abuses to high level of management by means of Whistle Blowing Policy and the suitable investigation and related action will be conducted. We are committed to ensuring that all our employees work in an environment that promotes diversity, trust, human rights and equal opportunities, and are free from discrimination or victimization.

As per MTSH's long-term commitments, we are willing to contribute and support as much as we can to our stakeholders and community. Corporate Social Responsibility Program is one of the tools for social and community welfare. Similar to the previous year, MTSH participated in the Thilawa Special Economic Zone Back to School Program which is intended for the students who live in the Project Affected Area. On 20th May 2019, MTSH donated (10) million kyats in order to provide the students with school stationeries, uniform and the other necessary items.



In addition, the staff from MTSH and its subsidiary company, Thilawa Property Development Limited (TPD), conducted the 1st time blood donation program on 31st May 2019 at National Blood Bank and we are proud that one third of our staff actively participated in this program.



Since MTSH is the public company consists of more than (17,000) shareholders and also one of the listed companies on Yangon Stock Exchange, transparency, accountability and public trust are very important to us. Therefore, we have to disclose information and let our shareholders know our businesses and future plan. Regarding sharing information to shareholders, we participated in the seminars, panel discussion organized by YSX. In May 17, 2019, MTSH Project Director participated in the seminar of "Myanmar Stock Market Outlook and Trend 2019" and discussed conditions of Myanmar Stock Market and future development.

To sum up, MTSH has made a lot of effort to complying with Human Rights policies always attempts to bring welfares and benefits to our society, shareholders and employees as well.

Measurement of Outcomes

We are pleased to declare that MTSH has no grievance and unusual cases of Human Rights breaches and abuses occurred not only within our organization but also in our community. We will uphold the Human Right Principles guided by UNGC with the aim of being a more and more responsible and sustainable business. MTSH hereby reaffirms our commitment to support and respect the protection of the international proclaimed human rights and avoid involving in any abuses.

Labor Principles

Principle 3 – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4 – The elimination of all forms of forced and compulsory labor.

Principle 5 – The effective abolition of child labor.

Principle 6 – The elimination of discrimination in respect of employment and occupation.

MTSH is committed to respecting labor rights in all of its activities and support for International Labor Organization's ("ILO") eight fundamental core conventions and comply with national labor law and regulations. We updated our employee handbook according to Myanmar Labor Law to be fair and square. Also, the right to collective bargaining is recognized within our Human Rights policy.

Our processes include due diligence which aims to ensure forced and compulsory labor and child labor are not present in our value chain. We are guided in our practices by conventions such as the UNICEF Convention on the Rights of the Child. Our stakeholder engagement ensures a continuous dialogue on labor issues and sharing of such knowledge among our peers and within our communities.

MTSH supports equality and is devoted to creating a stimulating work environment for people from all backgrounds. Employee Handbook and Employment contracts have been registered in the Labor Office so as to protect the employee from any form of labor abuses. In the working environment, we have zero-tolerance for discrimination (by gender, age, religion, ethnic origin, or nationality) in respect of employment and occupation. We recognize the sustainability benefits of having a highly diverse workforce, and therefore continue to take steps to increase diversity across the company, during recruitment and promote processes by considering candidates irrespective of gender, age, religion, ethnic origin, or nationality.

MTSH makes certain that reasonable working hours, overtime package, travel allowance, ferry service are well-deserved allowances for all employees. Furthermore, bonus, increment and promotion have been equally determined by the senior management through KPI without any discrimination. Our organization emphasizes that how important gender equality is for the company to be successful. We endeavor to close the gender gap and boost the empowerment of women by giving the equal pay, equal benefits and equal job opportunity. According to our annual report (2018-2019), 37% of our workforce is female employees. As a social welfare benefits, all staff are the members of Social Security Board and they are entitled for sickness, maternity, parental and work-related injury allowance.

For work-life balance in the workplace, MTSH has the program such as Happy Friday which is 30 minutes break time for all staff to have some delicious and nutritious food provided by the company with the purpose of creating a quality social time among employees.

We care about not only our employees but also their related family members. For this purpose, "Back to School Program" is organized by MTSH for the children of our employees who are going to schools, have been supported school stationeries and necessary materials for their education.





We realize that the power of human resources and skilled labor is the main part of successful business. Thus, we value and appreciate capacity and productivity of each employee. As in house trainings and knowledge-sharing program, our Legal Officer makes presentation once a month related to the topics that need to be aware by the employees such as Myanmar Company Law, Contract Law, SEZ law and rules. If respective departments need external training, we allowed them to attend such kind of trainings and seminars like Deferred Tax Calculation Workshop, Dialogue with PWC's Risk Assurance Leaders on the Evolving Risk Landscape Seminar, Myanmar HR Trend, Current Employee Market, Business Continuity Planning Toolkit Training, etc. We also believe that training and learning is one of the ways to boost employee's capacity and productivity.

Since MTSH has Whistle Blowing Policy, employees are permissible to report of any labor buses which they experienced to the senior management without any fear or threat. MTSH leads to me more pleasant and productive working environment for all staff by complying with the Labor rights.

Measurement of Outcomes

MTSH hereby stated that there is zero case of labor abuses and grievances caused in the organization. Both the organization and each employee obey and being aware of the rules and regulations of Labor Rights and we always pay attention to be on the right track. MTSH will continue building up well organization structure and valuable workplace between management and employees in harmony.

Environment Principles

Principle 7 – Businesses should support a precautionary approach to environmental challenges.

Principle 8 – Undertake initiatives to promote greater environmental responsibility.

Principle 9 – Encourage the development and diffusion of environmentally friendly technology.

MTSH applies the precautionary principle through its risk management toward potential environmental and social impact. Our sustainable framework and related policies govern our approach toward environmental concerns. As a responsible and sustainable business, protecting and taking care of our environment from the harmful effects is one of our commitments.

Environmental aspects are considered in our client and supplier assessments and risk management process. This helps to ensure well informed decision-making and that our client interactions do not harm society or the environment.

MTSH trains its workers to follow and practice the environmental rules and regulations during performing their daily tasks. To avoid consuming vast amount of natural resources and minimize the environmental footprint, we strive to reduce paper usage and intend to be a paperless working environment by substituting electronic communication for using large amount of paper when sharing information among the internal and external network.

Our business is concerned with Thilawa Special Economic Zone and we are committed to abide by SEZ laws and rules. Regarding environmental issues, we must operate our task without any harmful to environment and follow up Environmental Impact assessments will be conducted if necessary. Thilawa Special Economic Zone is protected systematically by setting up its own sewage treatment plant, water treatment plant and other high-tech protection systems with

the good purpose of taking the necessary precaution against negative side effects upon the environment.

Our subsidiary company, Thilawa Development Limited is one of the developers to develop the Residential and Commercial area of Thilawa SEZ. In our project, we are responsible for creating a green landscape so that nearly 1,300 plants have been grown in Residential and Commercial Area.

With the intention of being sustainable development, MTSH pays fully attention to take care of our environment in every stage of our operation.

Measurement of Outcomes

It is a great pleasure to announce that MTSH comply with UNGC's environmental principles and our staff is also well educated to follow the said rules in operating their tasks. As a result, there is no severe impact on the environment because of our business operation.

Anti-Corruption Principle

Principle 10 – Businesses should work against corruption in all its forms, including extortion and bribery.

There are many commitments to be a public and listed company. Therefore, MTSH has responsibilities for setting up good corporate governance including corporate governance missions and goals that lead toward a sustainable business model. MTSH also possesses its own Code of Conduct and Audit Charter to apply them in our management and operation. Compliance officer, external and internal auditor are appointed in our organization in order to watch out for unusual transactions.

MTSH has a zero-tolerance approach to bribery in any form: it is committed to being a no-bribe business and eradicating any practices or behaviors in this regard. This zero-tolerance policy extends to MTSH employees, contractors, third parties, new acquisitions and joint-ventures, through which or with whom we do business, irrespective of financial values involved, We operate with a broad definition of corruption which includes fraud and financial misrepresentation, conflicts of interest, bribery, anti-trust activity, misuse of information and misrepresentation of the company or its assets.

Countering corruption continues to be a focus area in 2019 and we continue to deploy mandated interactive trainings across the business to all employees such as Gifts and Hospitality, Conflicts of Interest and Anti-Money Laundering.

Any suspected breach is subject to an accelerated review procedure that involves experts from Legal Group. Confirmed breaches will be resulted in disciplinary action in line with our standard.

MTSH is committed to working with others who share our values and seek to operate to the same standards as we do. Both our partners and clients are prohibited through mandatory compliance from all forms of bribery, corruption, extortion or embezzlement.

Measurement of Outcomes

In line with our internal rules and applicable international regulations, MTSH has no record of corruption in all its forms. In the future, we would like to confirm our commitments again to comply with the ten principles of UNGC and integrated them in our business performances. MTSH makes a lot effort to stand as a responsible and sustainable business and sharing benefits to our shareholders, employees, the society and the environment.