

United Nations Global Compact (COP Report)

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.

Our Company, Myanmar Thilawa SEZ Holdings Public Limited (“MTSH”), became a member of United Nations Global Compact (“UNGC”) in June 2015. Since then, we have a responsibility to ensure that our operations and policies are guided by the ten principles of UNGC, which are in turn, centered around four main areas: Human Rights, Labor, Environment and Anti-corruption. In December 2015, our company was the main sponsor of UNGC Network Myanmar’s 2nd Anniversary seminar with the aim of encouraging all our employees and stakeholders to work together for a better future society by complying with the principles stated by UNGC.

MTSH also sponsors and supports Business for Peace (“B4P”). B4P promotes peace, justice and strong institution. Through the events, B4P hopes to expand the Global Compact Local Networks with a view of supporting participants in their efforts to develop responsible business practices and promote peace. The event has been held in Yangon, Mawlamyine, Hpa-An, Mandalay and Yangon University of Economics in order to reach out to the different stakeholders with the aim of promoting peace.

MTSH works closely with UNGC Network Myanmar to coordinate the events with assistance from the Peace Commission and UMFCCI. MTSH intends to support this event until the message is effectively broadcast to all corner of this country.

MTSH is fully committed to the program which will in turn bring about both direct and indirect benefits to our stakeholders, employees and community. MTSH values and upholds Universal Declaration of Human Rights not only to create the

best working environment for our employees but also to protect community. For that reason, we give overly unfair weight to human rights and accomplish our goals by integrating such Rights into our business activities. MTSH solemnly promise to support and respect the protection of international proclaimed human rights.

As a publicly listed company, we realize that accountability and transparency play an important role towards good corporate governance. As a first step towards respect of Human Rights, we begin by respecting each employee's rights within organization. Forced or compulsory labor is not condoned within the organization. Moreover, child labor is strictly prohibited in our company and we will actively refrain from all forms of human rights abuses. To promote transparency and trust between employer and employee, the management issued an Employee Handbook professionally drafted in accordance with international law, national labor law and social securities law, thereby protecting employees from any discrimination or unfair treatment in the work place.

Besides abiding by human rights principles, we provide reasonable working hours and equal opportunity to enhance the productivity of our workforce. Our working environment does not allow for any form of discrimination or harassment concerning gender, religion, color or ethnicity. Should any employee feel any discomfort at the workplace, they are encouraged to discuss with the highest levels of management without any fear of reprisal. In our company, there is Whistle Blowing Policy which facilitates access to the highest level of management. In the unlikely event of human rights abuses within the company, such cases will be officially put on record and thoroughly investigated by the higher management level. If necessary, appropriate action will be taken to redress all grievances.

In addition, our Company aims to deliver a long-term and sustainable business beneficial to all stakeholders of Thilawa SEZ. The objective of our corporate social responsibility (CSR) is to improve the physical and social wellbeing of the Thilawa community.

The MTSH group is actively involved in the area of community engagement and volunteering. First of all, as a responsible company, both our JV Company and MTSH donated funds to Flood Affected Areas in July when our country suffered from severe flooding. Among various social contribution activities of our company, in October 2015, we provided a voluntary service to the local community at Thabarwa Center (a place for the elderly, homeless and sick people and they need help and support). Company staff cleaned up the surrounding area, helped those people in need and donated the basic commodities to the sick, the old and the needy, and not less than 90% of our employees participated.

In June 2016, MTSH staff voluntarily spent a day at “Ywar Thar Gyi Mental Health Hospital” distributing meals to the patients. During the month of July and August, our employees participated in the health care service activities by co-organizing the events with the Peti Foundation in the urban area of the town. For promoting Good Corporate Governance practices, we have sponsored and organized a series of seminars for two consecutive years and hosted at UMFCCI and Prof. Dr. Aung Tun Thet provided guidance and knowledge on Corporate Governance responsibilities, benefits, principles and guidelines, in line with MTSH’s current practice.

Our JV Company, Myanmar Japan Thilawa Development Limited (MJTD) was also involved in beneficial activities for the society such as providing neighboring students with support and donating “Agga Dhamma” assembly hall to the monastery. In addition, MJTD held several job seminars and knowledge sharing program not only for Project Affected People (PAP) but also for the local community. It has given priority to PAP for employment opportunities and provided necessary vocational training to upgrade their skills, thereby putting them in a better position to land a better job. MJTD also provided assistance to physically challenged people in March 2016. It also organized and sponsored “Novitiation Ceremony” for 65 monks from the Special Economic Zone (SEZ) and its surrounding areas.

Our subsidiary, Thilawa Property Development Limited (TPD) has been performing CSR activities focusing on improving health and education development in the surrounding areas of Thilawa SEZ. It has initiated improvements to the primary school in Pha Lan Village. Improvements included improving the condition of the classrooms, school building, electricity supply, drinking water supply and hygiene. Such activities were done in coordination with the school's committee and its partner construction companies to deliver the best outcomes and benefits for the beneficiaries.

All of the above-mentioned activities emphasize our company's focus on Human Rights, and the CSR activities beneficial to our employees, shareholders and community.

Measurement of Outcomes

We always pay attention to our employees and shareholders' voices and evaluate our performance thoroughly regarding Human Rights policies. We shoulder great responsibilities of providing our community with long-term benefits in line with the principles of UNGC. Fortunately, we are proud to say that there is no case or complaints have been reported relating to Human Rights breaches and violations in our business and community.

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 supports and complies with International Labor Organization's ("ILO") eight fundamental core conventions. In addition, MTHS's Employee Handbook has been prepared in compliance with respective national employment laws and international applicable rules and regulations. Thus, our company values the rights of every employee, and staff are entitled to join unions.

Our Employee Handbook protects all employees against any form of discrimination and unfairness and provide equal opportunity according to their competency. There is a written contract of employment which includes detailed information and description for each respective position within the company. There is no forced labor in our company, and children under 18 have never been offered a job by MTSH. Any form of child labor is strictly prohibited in every operation of the business.

As stated by the Employee Handbook, staff are entitled to casual leave, earned leave, sick leave, medical leave, maternity leave and paternity leave with pay. Typically, the working hours are 8 hours per day and when they have to do overtime to meet their deadline, company arranges for them to get overtime pay and dinner. Our company also provides ferry services for all staff to commute between work and home with ease. If our staff needs to travel for work, they can enjoy travel allowances and approved reimbursements as well. As a social welfare, all staffs are encouraged to be members of Social Security Board so that they can enjoy the rights and benefits.

Our company realizes that effective human resource benefits not only the company but also the community. MTSH believes in investing in our employees, so as strengthen competencies of our staff at every level. We have adopted sustainable Human Resource Development and Management Policies which is crucial for our company's future success and growth. As a result, our workplace is inclusive and collaborative for our employees to perform comfortably and at their best. Our company provides and arranges external and internal training for our staff. The

development programs are connected with building effective teams, effective internal communication, time and stress management, problem solving steps and critical thinking tools. They aim to improve employees' competencies which produce positive outcomes for employees and the company. Staff Annual performance appraisal, salary review, annual remuneration increment and bonus payments are conducted without any form of bias.

The employees are encouraged to report their grievances freely. The Human Resource Department constantly monitors and reviews the performance of the employees and resolves the problems expediently so that the employees can be part of a more effective and productive workforce.

Measurement of Outcomes

As the company's achievement and success comes mainly from well-organized management and the effective workforce of employees, our company places great emphasis on human resources and completely complies with the principles of labor rights so as to maintain and enhance the competencies of employees. The Management and the Human Resource Department monitors the welfare and the performance of employee attentively, and takes appropriate action if necessary. Thus far, there is no reported case concerning labor rights abuses within our organization. Furthermore, there is a harmonious relation between the management and employees and among the employees in the company.

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.

As our company is one of the few public listed companies in the country, we take it as our responsibility to care for the community and planet. Our company is committed to improving both the commercial and environmental aspects of the business. Thus, the policies intended to protect our environment is well integrated into every operation of our business.

In support of safety and healthy working environments for both of our employees and stakeholders, we have increased our environmental awareness and adopted applicable environment laws and standards. To save energy in the office, we try to reduce electrical energy consumption by using energy-efficient light bulbs. Nowadays, we make an effort to be a paperless office as far as we concerned in order to preserve and save our natural resources and minimize the environment footprint. Instead of using enormous amount of paper, electronic communication is widely used among the management, the employees and the stakeholders.

Due to the nature of our business, we are required to focus on the area of waste disposal and to prevent environmental damage in the area of Thilawa SEZ and its surroundings. We have adopted the relevant environmental guidelines and undertaken a range of initiatives to reduce negative environmental impacts. One example is the waste collection activity at Alwan Sut Village which is situated next to Thilawa SEZ. Such kind of activity has been well-received by the local population. To be environmentally friendly, a sewage treatment plant and solid industrial waste management facilities has been built inside the zone. The Thilawa SEZ sets its own environmental monitoring and protection system, in line with international standards. In addition, the quality of discharged water from the SEZ is monitored periodically. We are also conducting a review of our waste disposal practices to identify areas for improvement.

Therefore, the risk assessments of long and short term impacts to the environment are monitored and reviewed continually with the aim of creating an environmentally sustainable society.

Measurement of Outcomes

Our company always shows a great interest in developing and preserving the environment. We care about all of our performance economically, socially, culturally and environmentally to promote sustainable development in every area of our business. Prior to development, we conducted the Environment Impact Assessments and Social Impact Assessments so as to minimize or totally eradicate any damage to the environment because of our operations. In the office, we attempt to reduce the paper consumption, water consumption and electrical energy consumption. Hence, we report that no incidents or serious problems causing negative impact to the environment are recorded and we are pleased that we possess a safe and healthy environment.

Anti-Corruption Principle

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

As a publicly listed company, MTSH has implemented Code of Conduct as a guideline for business and work ethics. We understand that the implementation of Corporate Governance is highly essential and important to sustain the business activities of the company to ensure that the Company has a competitive edge and good corporate image. In our Code of Conduct, all staff must adhere to all laws on corruption and bribery and other related regulations and requirements applicable in Myanmar.

Our internal policy also states that employees of MTSH are not allowed to give or promise to give, either directly or indirectly, a gift, bribe or the like, to any government official, business partner or any other party connected to the Company,

when such award is known to be or allegedly used to influence or encourage the party concerned to do or not do something in his/her position that would contradict to his/her responsibilities.

Measurement of Outcomes

Our company ensures that risks are being assessed properly by reviewing the cases on a monthly basis. As of now, there is no case against corruption in the company as we continue to follow the anti-corruption policy and guidance from UNGC. Myanmar Thilawa SEZ Holdings Public Limited is proud to be a member of UNGC and we will continue to support the 10 Principles of UNGC.