

COMMUNICATION ON PROGRESS

SHWE TAUNG GROUP
MAY 2014 / MAY 2015



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ABOUT THE REPORT CHAIRMAN'S STATEMENT



To our stakeholders,

It is with great pleasure that we are introducing our second Communications On Progress, reaffirming our support to the Ten Principles of the United Nations Global Compact.

Between May 2014 and May 2015, we have been working on improving and mastering our commitment towards the 10 UNGC Principles in the areas of Human

Rights, Labour, Environment and Anti-Corruption.

Sustainability has continued to be at the chore of our activities this year, guiding our long-term strategies and our daily operations.

The focus for this second year of engagement has been put on developing more tools allowing us to assess and measure our practices.

In this Communication on Progress, we provide a deeper description of our actions and the steps taken to improve the integration of the Global Compact and its principles, in accordance with our corporate vision of "Inspiring Lives With Responsible Investment and Sustainable Development".

This report will be shared with our stakeholders thanks to our primary channels of communication.

We acknowledge that the respect of the Ten Principles of the Global Compact, together with a pro-active behavior to support social stability and economic development are essential to allow the successful and sustainable development of our country.

We look forward to support the UN Global Compact in 2016 and beyond.

A handwritten signature in black ink, appearing to read 'Aik Htun'.

Sincerely,
Aik Htun

*"Place
sustainability at
the center of our
group's
strategy"*

Aik Htun
Chairman

ABOUT THE REPORT

Shwe Taung Group's activities are guided by the strong corporate vision of inspiring lives with responsible investment and sustainable development. The company is working towards making a positive change by enhancing people, protecting the environment, and participating to the country's development.

Responsible investment and sustainable development are at the core of the company's strategy, and inherent to the company's culture. Our aim is to provide high international standards quality products and services while operating through the scope of sustainability.

We are committed to be a good corporate citizen, contributing to the society of Myanmar within which we operate.

Our aim is to create value for stakeholders, while conducting sustainable business practices, caring for the community and protecting the environment. We aim to champion our CSR engagement and inspire other actors of the business community in Myanmar.

In order to achieve this goal, we are committed to identify, manage and fix sustainability-related risks including human capital risk, safety risks, environmental risks as well as fraud and corruption risks. We follow a pro-active behavior towards these areas and our actions do not only comply with Myanmar laws but also go beyond them.

This second report has led to a certain number of restatements of information provided in our 1st COP, as our commitments is deepened and our CSR expertise is improving. This report is aiming to reach the Core Global Reporting Initiatives (GRI) context to create and disseminate a global framework for sustainability reports have helped shape our own efforts. Shwe Taung will continue to report annually.



Materiality

Our report covers all the aspects that reflect Shwe Taung Group's significant economic, environmental and social impacts; as a tool to substantively influence the assessments and decisions of stakeholders.



Stakeholder Inclusiveness

Shwe Taung Group has identify its stakeholders, in order to produce relevant strategies to respond to their reasonable expectations and interests.



Sustainability Context

Our report aims to present Shwe Taung Group's performance in the wide context of sustainability. Our corporate objectives, strategies and procedures are designed according to the idea of sustainability.



Completeness

Our report presents a fair and measured assessment of our strategies & procedures. Our aim is to reflect our significant economic, environmental and social impacts in an objective way, and to enable stakeholders to assess the Shwe Taung Group's performance between May 2014 and May 2015.

SHWE TAUNG GROUP AND SUSTAINIBILITY

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About this Report

This report provides an overview of our economic, social and environmental impacts and performance between May 2014 and May 2015.

The structure of this report has been guided by GRI G4 guideline as well as the 10 principles stated by the UN Global Compact. All data have been collected and compiled by our Corporate Responsibility Team created in May 2014 following our membership to the UNGC.

The Corporate Responsibility Team is composed of a core group of 5 people and of a delegate of each subsidiary. The report represents the actions undertaken by all these sister companies.

As a reader of our report and a Shwe Taung Group stakeholder, your views are important to us. Please send comments and suggestions to: info@shwetaunggroup.com

External assessment hasn't been provided this year, as we are implementing an external assessment strategy for the year to come.



PRINCIPLED BUSINESS

Aligning with Ten Principles on Human Rights, Labour, Environment and Anti-Corruption



STRENGTHENING SOCIETY

Taking action and collaborating with business, local and international institutions, businesses and civil society to advance global challenges



LEADERSHIP COMMITMENT

Effecting long-term change begins with Shwe Taung's leadership



REPORTING PROGRESS

Transparency in business practice is crucial for sustainability. We multiply our audits, measurement and communications tools to make sure we reach the highest standard of reporting



LOCAL ACTION

We use our 20+ years experience in Myanmar to bring local solutions through local lens

OUR MATERIALITY STRATEGY

We consider that a sustainability strategy should be ever evolving, in order to always reach its highest potential impact.

This involves the use of a set of tools to assess our policies and measure our outcomes. These tools allow us and our partners to have an objective insight of our activities, and to observe our improvements through time. This set of material therefore allows us to set our standards and have them understood by our all stakeholders and observers.

They allow us to « translate into a common language » our observations and goals when assessing and reporting on our CSR risks and opportunities. Thanks to the development of these materials, we can translate into principles our standards and ask our stakeholders to do the same.

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STAKEHOLDER INCLUSIVENESS

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Our stakeholders are the groups with whom we engage and whom we expect to commit to our principles. We engage our business partners, our suppliers, our client, our coworkers, civil societies and institutions into our commitment to sustainability.

Our strategy relies on long-term relations of trust and confidence, we choose stakeholders that share our vision. Therefore, we communicate of our actions and we have put into place a set of procedures aiming to communicate our actions on a regular basis and assess undertaken policies. The diagram above shows our different stakeholders.



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G4-27

Our business partners

Our aim is to create long-term value for our business partners. We are determined to set some responsible business practices that will benefit every business working with us.

Contracts, common CSR policies, written policies

Our suppliers

Shwe Taung Group has settled a Code of Conduct for its suppliers so that they comply with Shwe Taung's commitments in the areas of Human Rights, Labour Rights, Environment and Anti-corruption.

Contracts, obligation to respect Shwe Taung Group's commitments

Our coworkers

It is crucial for us to offer the best possible work conditions for our employees, in which they are treated with a fair and equal treatment based on merit. We want them to feel proud of the company they are working for by working in a diverse and inclusive workplace.

Code of conduct, training, regular meetings and opinion polls

Our clients

We are committed to offering our clients with the best goods and services with a fair market price. We want to engage sustainably with our customers and insure constant customer satisfaction.

ISO, customer care, quality management, performance reviews

Civil society

Participating to Myanmar's development is central in our business strategies. Through our activities, we aim to improve people's lives on the long term.

CSR activities, participation to civil society based initiatives

Institutions

Shwe Taung Group engages with local and international institutions to settle high business standards focused on corporate responsibility, market standards and sustainability.

Involvement in local and international dialogues

Environment

The environment and its resources is considered by STG as a stakeholder that also needs to be taken care of in our strategy.

Environmental Impact Assessments, Green Plans, National and international dialogues

SUATAINABILITY CONTEXT

Myanmar is knowing an unprecedented moment of change. In the past couple of years, local and foreign investment have dramatically increased, leading to a promising economic growth. The task is huge, and the expectations from citizens, Governments and the international community are high. As a local company with more than 20 field years experience on the Myanmar market, we see the numerous opportunities to develop and increase our businesses. This said, this exciting trend does not come without substantial challenges. The intensification of the economy can lead to positive externalities – creating resources, jobs, infrastructures and bringing technologies for Myanmar people – but also negative ones, affecting communities and the environment. It is the reforeour responsibility to adopt a set of good business practices, to insure the sustainable success of our activities and of Myanmar. Very conscious of these risks and opportunities, Shwe Taung Group has adopted a Corporate and Social Responsibility strategy, continuously adapted to match these risks and opportunities. By developing assessment and measurement tools, Shwe Taung Group is always trying to measure its impact and the needs of its environment, to adjust its policies and practices in the scope of sustainability. We give a particular attention to determine policies that are in accordance with our core businesses and our values : our CSR policy is fully embendedin to our corporate identity and culture.



In order to assess our sustainability performance, we have listed the total number of operations and related assessment in terms of local community engagement, impact assessments, and development programs. Our aim is to see these figures improving continuously every year.

Report of the number and percentage of operations with implemented local community engagement, impact assessments, and development programs, including the use of:

Total number of operations	115
Social impact assessments, including gender impact assessments, based on participatory processes	4
Percentage of Social impact assessments, including gender impact assessments, based on participatory processes	3%
Environmental impact assessments and ongoing monitoring	19
Percentage of Environmental impact assessments and ongoing monitoring	17%
Public disclosure of results of environmental and social impact assessments	19
Percentage of Public disclosure of results of environmental and social impact assessments	17%
Stakeholder engagement plans based on stakeholder mapping	16
Percentage of Stakeholder engagement plans based on stakeholder mapping	14%
Broad based local community consultation committees and processes that include vulnerable groups	19
Percentage of Broad based local community consultation committees and processes that include vulnerable groups	17%
Works councils, occupational health and safety committees and other employee representation bodies to deal with impacts	16
Percentage of Works councils, occupational health and safety committees and other employee representation bodies to deal with impacts	14%
Formal local community grievance processes	1
Formal local community grievance processes	1%

Implementing sustainability initiatives requires participation from individuals and departments through out an organization, from senior leadership to front-line workers. Like any organization-wide effort, successful sustainability programs require skilled, accountable staff; adequate resources to meet organizational goals; and a clear understanding of roles and responsibilities across the organization.

At Shwe Taung Group, decisions regarding actions that will have an economic, environmental and social impacts are shared by both the board and dedicated sub-committees at both a subsidiary and a group level. Sub-committees work independently but can relate directly to the board, as one board member has been appointed « Coordinator » for the Corporate Sustainability Team.

Indeed, Corporate Social Responsibility policies are designed by each subsidiary independently, but following the group's main directions. An independent Corporate Sustainability Team has been appointed, composed of a core group of 5 people which coordinate with at least one member of each subsidiary. A monthly meeting between the coordinator and the Corporate Sustainability Team permits the fluid exchange of information between the board and the committees.

Since September 2014, CSR Working Groups have been set up. Each group is composed of 10 to 12 employees to efficiently assess, plan, implement, review the daily activities and processes in each subsidiaries or divisions.

Managing Director of each subsidiary or division is leading a Working Group for decision making and guidance for sustainability issue. Other members are taking responsibilities of individual CSR related issues; such as Implementation and data collection of elements relating to Human Rights and Labour, Environment and Business Ethic & Anti-Corruption. To compile a correct cost of CSR implementation, accountants are also included as members in the working group. Individual CSR Working Group also include internal audit for CSR issues for monitoring the successfulness of CSR activities.

The board and senior managing team give guidelines to develop strategies, policies, and goals related to economic, environmental and social impacts but give full autonomy for the committees to take initiatives. They have recently approved the update of the organization's purpose, value or mission, placing in around the theme « Inspiring Lives With Responsible Investment and Sustainable Development » ; and undertaken a series of business decisions towards this corporate motto.

The Managing Team and Chairman have also got ten involved in a series of networks, forums and events dedicated to learning more about CSR activities (like the UNGC Local Network)

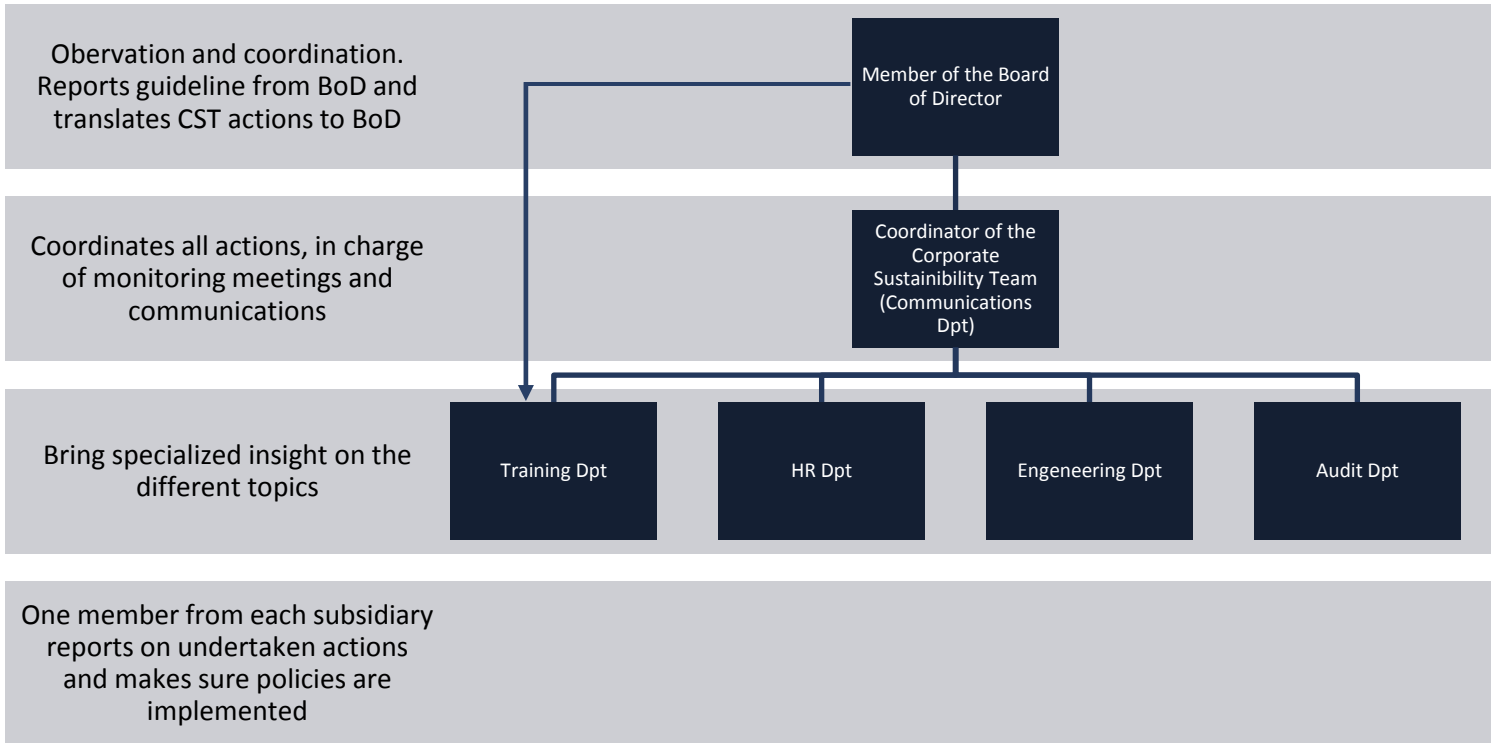
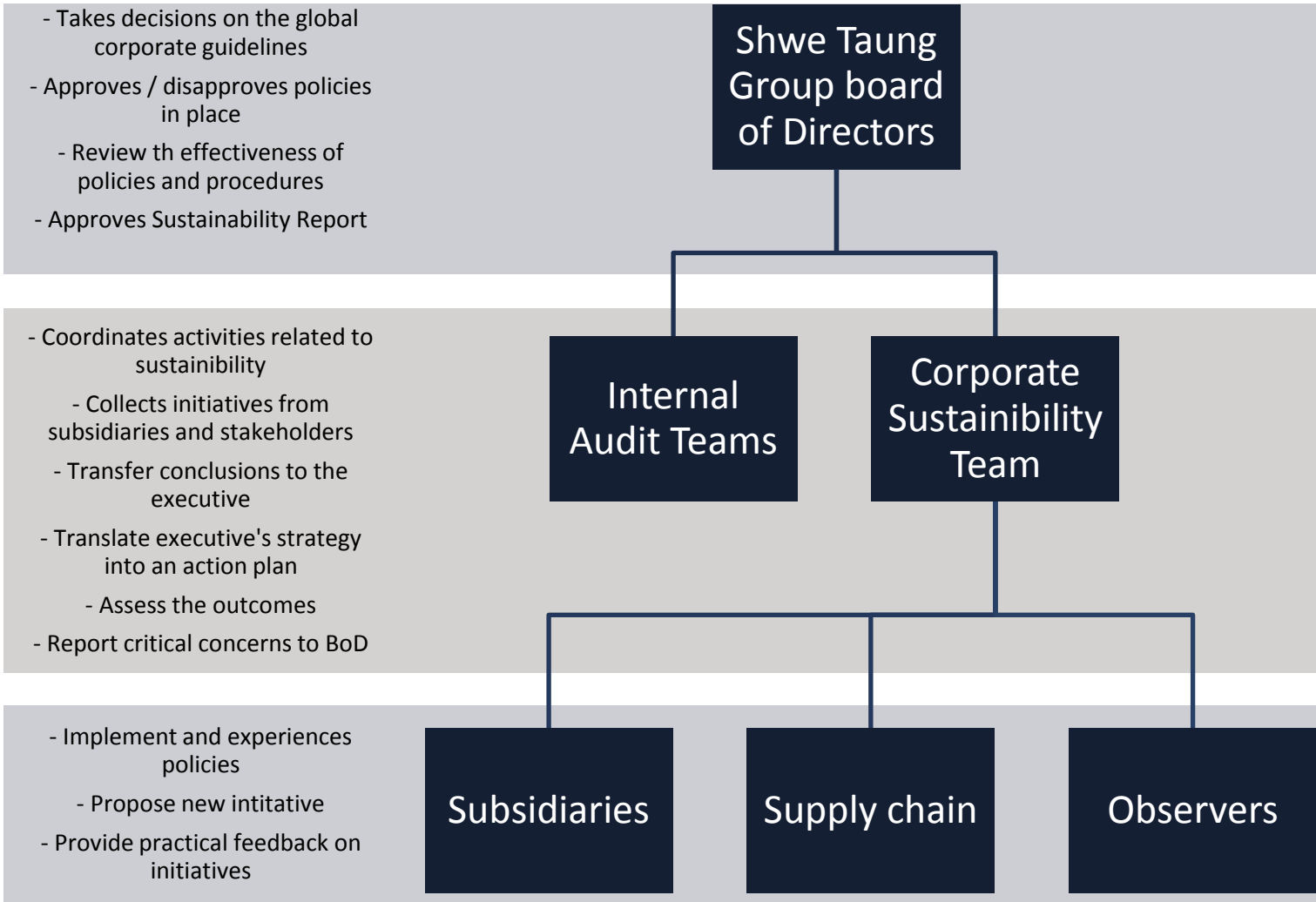
Shwe Taung Group will keep on enhancing its sustainability efforts by gradually. In incorporating existing structures into a Sustainability Management framework.

STG communicates on its action. In 2015, STG's calendar, distributed to more than 5,300 people showcased what we have done in the areas of human rights, labour rights, environment, anti-corruption.

CORPORATE SUSTAINIBILITY TEAM

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Future Energy

Being one of the first and major players in the Myanmar Energy industry, Future Energy Co., Ltd. focuses on energy investment. The first project – Balu Chaung (3) Hydropower plant, is located approximately 25 km east of Loikaw, Kayah State. It has an installed capacity of 52 MW and annual average production of 334 Million Kwh. The power generated by this project will be distributed to the national grid line. This project is the first IPP & BOT (Build, Operate and Transfer) Basis projects of the Group.

Shwe Taung Cement

In 2008, STD ventured into a cement manufacturing project, later known as Pyi Nyaung project, in 2008 granted by the Ministry of Mining. In 2010, the company formed Shwe Taung Cement Co., Ltd. to implement this project. The core activities of the company include exploration mining for cement raw materials, production and distribution of cement with planned annual production capacity of 450,000 tons. In 2014, the company launched Apache Cement



Shwe Taung Property Development

Shwe Taung has over 20 years of field experience in the design, development and construction of real estate projects in Myanmar. From 1992 until today, the company has developed over 788 acres of land which include thousands of residential units, offices, commercial centers, hotels and industrial properties.

Shwe Taung Property Management

We offer management services in the areas of property development, leasing and property management in Myanmar. Our portfolio extends over 600,000 sq ft and 300 000 sq ft of retail & offices spaces. Retail properties include Junction Square, Junction Centre Mawtin, Junction Centre 8 Mile, Junction Centre Zawana and Junction Centre Nay Pyi Taw. We also manage Grade A office buildings Union Financial Centre and Union Business Centre. As the largest retail mall operator in Myanmar, the Junction Centre Group is ISO (9001:2008) certified and is a market leader in the retail sector in downtown Yangon.



High Tech Concrete Technology

HTCT provides ready mixed CVC (Conventional Vibrated Concrete) and RCC (Roller compacted concrete) for commercial and residential buildings, federal government projects, bridge constructions and crushing facilities for aggregate production. It is the main and only supplier of RCC concrete for Yeywa Hydropower Project construction, the third largest RCC dam in the world. HTCT had launched its interest in Hydropower, infrastructure, railway and airport projects.

High Tech Concrete

HTC is one of the domestic market leaders in construction materials industry. HTC manufactures and supplies ready-mixed concrete and provides related services to construction sites all over Myanmar. Its products include; low heat concrete, high durable concrete, high early strength concrete, waterproofing concrete, self-compacting concrete and retarding concrete. HTC is the first ISO (9001:2000) certified company in ready-mixed concrete industry in Myanmar.



Golden Tri Star

Established in 2003, GTS brings its technical experience and operational expertise in tunnel construction and bore pilling projects providing comprehensive solutions and service in engineering, technology and construction areas. Its most recent construction include Hledan Flyover project and the iconic Ruby Hall. Its other significant accomplishments are the Shwegyin Hydropower plant, the Myanmar Economic Bank Project, the Ayeyarwaddy River Crossing Tower Project, and the Pakkoku Bridge on Asia Highway.

Golden Tri Star Tolls

We are one of the first and major player in road projects, managing the Yangon-Mandaly Highway union road project and the Segaing-Monya/Shwe Bo Road Project. For those two projects, we implement and operate computerized weight bridge systems and Maxtoll software systems. Five toll plazas are operated across the country. Our aim is to provide customer satisfaction and we focus on providing safe, convenient and smooth public transportation. These two highway projects are formed on the basis of B.O.T agreement between the Ministry and Shwe Taung Co., Ltd. The toll fees are collected according to the prescribed rate of ministry of public work.



Cineplex

Junction Cineplex from Myanmar and CJ CGV from Korea originated the new joint venture company, Myanmar Cineplex (JCGV). JCGV, a cinema corporation features the latest facilitated theatre, including 6 screens, 1143 seats in 3 public eye locations both in Yangon and Nay Pyi Taw. In future, JCGV plans to develop new, latest and well-designed cinemas across Myanmar. It is also continuously renovating and enhancing its technology and service to keep abreast with more sophisticated and advancing Myanmar's lifestyle.



Padamyar FM

Since its first airtime on 88.9FM in 2009, Padamyar FM has been increasingly popular and continues to get higher ratings among FM audiences. With over 15 million listeners, its impression spreads across 12 major locations in Myanmar.



ShweTaung Energy

Shwe Taung Energy operates 15 gasoline and diesel distribution centers across Yangon, Bago, Mandalay and Sagaing division. These distribution centers are equipped with up-to-date gas pumps, computer controlled point-of-sale terminals, digital inventory control system and environmentally safe gas storage tanks.



Grand Guardian Insurance

Founded in 2013, Grand Guardian is a Public company established with the purpose of delivering better insurance products, introduce value-added services and raise the professionalism of the insurance industry in Myanmar. We provide financial protection against property or financial losses of the people. We also give financial support to a family that faces untimely death of its breadwinner.

ABOUT SHWE TAUNG GROUP



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Contact at

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<http://www.shwetaunggroup.com>

info@shwetaunggroup.com

Hot Line - (951) 211430, 212704

Fax - (951) 226979, 212217

Green River Construction & Engineering

GRCE, an ISO 9001-2008 certified company has accomplished more than 200 projects including landmark buildings around the country. The company has been always foremost in construction sector and applied new technologies for the safety and better Engineering Society. Its core mission is to create a modern living lifestyle in Myanmar.

FOCUS ON

Meet our customer's expectations

ISO 9001:2008 has been received for our subsidiary companies in this year.

About ISO 9001:2008

ISO 9001:2008 certifies that the quality policy is a formal statement from management, closely linked to the business and marketing plan and to customer needs. It also certifies that this policy is understood and followed at all levels & by all employees, and regularly audited and evaluated for conformance and effectiveness.

Commitment

Shwe Taung has committed to : take action to make sure no one uses a bad product; determine what to do with a bad product, deal with the root cause of problems; and to keep records to use as a tool to improve the system.

Activities & Services concerned:

Shwe Taung Property Management Co.,Ltd (Head office), Junction Centre 8 Mile, Junction Centre Mawtin, Junction Square, Junction Centre Nay Pyi Taw, Junction Centre Zawana (Leasing and Property Management Service). Green River Construction and Engineering Co., Ltd. (Provision of Qualified and Professional Construction Services)

ABOUT SHWE TAUNG GROUP

SHWE TAUNG GROUP'S MISSIONS



SHWE TAUNG GROUP'S VALUES

<h3>EXCITEMENT</h3> <p>We are united in sharing the joy of our successes. We look at the future enthusiastically and we know we will achieve always more and more. The sky is the limit.</p>	<h3>HONESTY</h3> <p>We promote a corruption-free system. We want to be honest, innovating and value-adding competitors in the market. We firmly reject any attempt of bribery. Nobody can take advantage of our Group.</p>	<h3>LOYALTY</h3> <p>We show our loyalty to Shwe Taung throughout the years, during the good times as well as the less good ones.</p>	<h3>TRUSTWORTHINESS</h3> <p>We always put a full-hearted effort to keep our word at all times. The trustworthy reputation of Shwe Taung is our greatest capital.</p>
<h3>CARING</h3> <p>We are inspired by a sense of generosity and caring. We care for people in need, for our communities, for the environment. We care for our Country and we want to make every Myanmar citizen to be proud of us.</p>	<h3>COMMITMENT</h3> <p>We are committed, hard working and dedicated people. Together we contribute to something positive, significant and bigger than any of us could ever imagine.</p>	<h3>CUSTOMER FOCUS</h3> <p>Whatever we do, we keep the customer satisfaction clear in our mind. We feel a responsibility to provide our customers with services that are well above Myanmar standards.</p>	<h3>DISCIPLINE</h3> <p>We take pride in setting and enforcing rules that are fair and apply to everyone. We do not tolerate slack and negligence. We want to be seen as role models in our families and our community.</p>

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ABOUT SHWE TAUNG GROUP

A REAL CHALLENGE

The idea of sustainability and responsible business is still quite new for Myanmar, and even though companies have followed philanthropic activities for quite a long time, the concepts, materials and assessment tools still need to be developed to reach the highest international standards.

As members of the UN Global Compact, we are committed to gradually apply all these existing assessing material to our activities, and adapt them to the Myanmar context. This commitment will be progressive, and involve awareness raising among our staff and stakeholders. We aim to work together with international organisations and networks in order to benefit from existing guide lines. These participations give us a strong support to determine our targets and objectives, and learn from other's experiences. Our strategy is also the result of an internal process fully linked to our global corporate strategy

SUSTAINABILITY, A STRATEGY IN ITSELF

Uncoordinated CSR and philanthropic activities disconnected from the group's strategy have been proven to be not effective. They have to be in line with the group's business. For designing our sustainability strategy, we have had to think about **who we were as a corporate citizen**. We had to consider **what we wanted to bring** to Myanmar's society, and draft a strategy that has both **a meaningful social impact for the area in which we operate and a role in strengthening the firm's long term competitiveness**. We know that a sustainability strategy is an opportunity for building up a significant change for the country as well as a competitive advantage. Our business partners and customers will be more likely to value a company that deeply cares about people, about the community, about the environment. Our business partners will be more likely to work with a company that cares about not only the short term but also the long term benefits.

Our strategy relies on the triple bottom line : **Profit, People, Planet**.

For example, thanks to the implementation of eco-friendly systems, we can not only participate to the sustainability of our planet, but also see a significant decrease of our energy bills.

Commitment to responsibility and sustainability can constitute a real winning/winning outcome.

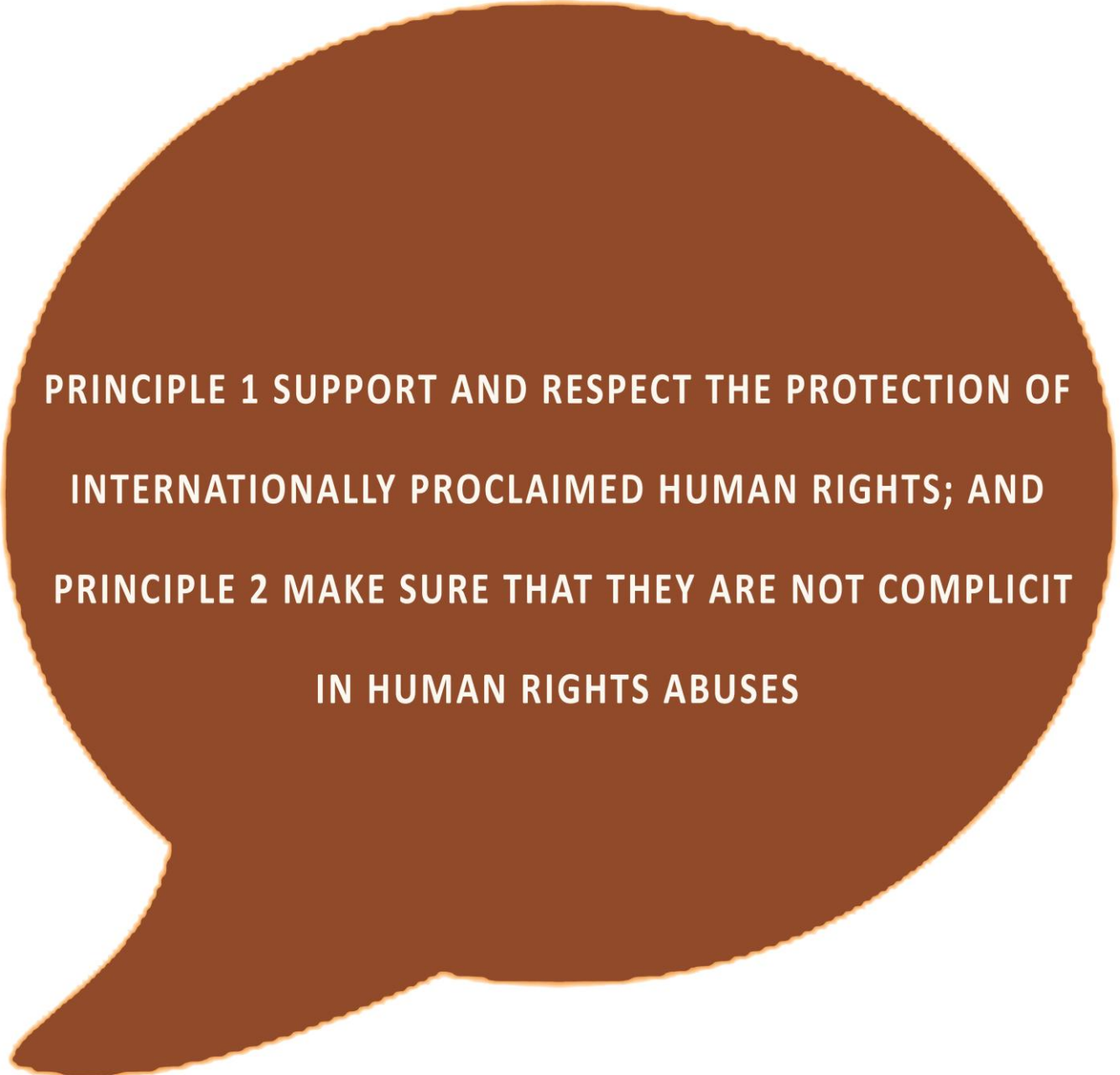
Act for Social change

Be an employer of choice

Design environmentally responsible projects

Promote transparency

HUMAN RIGHTS



**PRINCIPLE 1 SUPPORT AND RESPECT THE PROTECTION OF
INTERNATIONALLY PROCLAIMED HUMAN RIGHTS; AND
PRINCIPLE 2 MAKE SURE THAT THEY ARE NOT COMPLICIT
IN HUMAN RIGHTS ABUSES**

HUMANRIGHTS // ASSESSMENT, POLICY AND GOALS

We fully support the Universal Declaration of Human Rights to which every human being is entitled.

The 30 Articles mentioned in the Universal Declaration of Human Rights are recognized within the company as the common standard of achievement for all peoples and all nations.

We acknowledge that the common understanding and compliance to these rights and freedoms are of the greatest importance.

As our aim is to inspire lives through responsible investment and sustainable development, we give a particular attention to embedding Human Rights principles into our company's philosophy and day to day operations.

A guiding principle of our company is that everyone accords to others the rights that individuals claim for themselves and accept the moral and humanitarian values that this embraces. Each person has to be considered as an individual whose happiness and prosperity is a concern of all.

Because our goal is to be a good corporate citizen - caring about the community at large - we will always operate so that our corporate actions comply and encourage the respect of Human Rights.

We make sure that all our policies and practices are complying with the fundamental principles described in the Declaration. This includes equal chance, right to life, liberty, security of the person, as well as the freedom of thought, conscious, religion and expression.

We are committed to address Human Rights risk, discover incidents of Human Rights abuse within the company and to act upon the Human Rights related issues.

We are expecting all our stakeholders, external and internal publics to respect and comply with these core principles. We are aiming to spread this vision and become an example for other institutions in Myanmar and beyond.

ACT FOR SOCIAL CHANGE

Participation to the international
White Cane Day



HUMANRIGHTS // IMPLEMENTATION



HUMAN RIGHTS. Just like last year, zero case of human right breach has been reported in 2014/2015. We believe the whistle blowing policy in place as well as the particular attention given by management teams have allowed us to prevent Human Rights-related incident. 100% of our suppliers and contractors are morally hold to respect our Human Rights principles and most of them are contractually hold to do so.

HR 4



WIN-WIN Believing that our success should benefit the development of Myanmar, we have decided to dedicate 1% of our benefits (earn our main projects) to CSR activities



ACCESSIBILITY. We promote the application of universally-accessible design in our shopping malls, offering higher level of service and better mobility for all, including people using wheelchairs. Since the end of March 2014, we have made our washrooms barrier-free (flat and level floor), installed parking spaces and toilets for people with disabilities.



EXCHANGE. Convinced of the importance of sharing information and practices, we have attended and participated to a large number of forums on CSR, including UNGC local network events (this year has been marked by the visit of Ban Ki Moon) and workshops organised by the Myanmar Center for Responsible Business on human rights policies conceptualization and implementation.



TRAINING. 524 hours of training have been given to 185 of our male employees and 235 of our women employees during the past year. This represents about 10% of our employees. We will spread these programs to more employees in the years to come. In total, 505 of our staff are security personnel. Amongst them, 80 have been trained to the organization's human rights policies or specific procedures and their application to security.

HR 2
HR 7



Library donation, Monastery for Orphans, Nay Pyi Taw

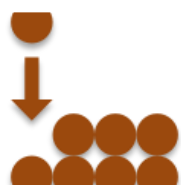
Human Rights in Myanmar

It is only recently that the concept of Human Rights has reached the country's agenda. We are persuaded that businesses have an important role to play in supporting governmental and institutions efforts in improving people's lives, providing communities with the basic medical, food, housing and educational comforts that each individual is entitled to.

HUMANRIGHTS // IMPLEMENTATION



Since 1995 up to March 2015, USD 20.886 million have been dedicated to CSR activities allowing the construction of 3 hospitals and 81 schools across the country. USD2.409 million were invested last year in the fields of Education, Health, Community welfare, Infrastructure and Natural Disaster Relief.



Donations are not limited to money. For example, HTC donated left over ready mixed concrete to build an assemble hall and toilets for the 400 students attending the Education Primary School, in Yangon. (See also YTU project)



After receiving a substantive training in march 2015, we have been rewarded by UNAIDS and the Myanmar Coalition on Aids for knowing Zero new HIV infection, Zero discrimination and Zero AIDS-related death. We strongly support UNAIDS and the adopted National Strategic master Plan.



Amongst the 115 operations we have conducted in the past year across Myanmar, 12% of them have been subject to human rights reviews or human rights impact assessments.

HR 9



Shwe Taung Group promotes education and is highly attached to the future of the employees' children. STG has organized an Award ceremony for employees children who have successfully passed high school.



The first Padamyar FM audio book features more than 100 hours of aired radio programs dedicated to blind student. As a contribution to the Community Give Back Program, the audio books donation becomes the annual activity of Padamyar FM.



On several occasions, we have organized the "Give a Gift of Life" campaign. About 210 of our staff participated by giving their blood to the National Blood Center three times this year. In case of emergency, employees of the "Blood Donation Group" can be contacted and constituting 42 blood bags for emergency needs.



Shwe Taung organizes various charity events during the year, promoting life enhancement. For example, we invited 582 orphanage kids and physically handicap students during a week to enjoy movie shows, snacks, games, goodies and entertainment from some famous Myanmar singers.

HUMANRIGHTS // IMPLEMENTATION

- ✓ We have a specific Human Rights code within the overall corporate code
- ✓ We monitor risk assessment to make sure possibilities of breach to human rights are minimized
- ✓ We carry out impact assessment of its policies
- ✓ We have drafted operational guidance notes
- ✓ We have set up a complaint mechanism
- ✓ We train our employee and raise their awareness on human rights related issues
- ✓ We sensibelize out supply chain
- ✓ We monitor and evaluate our performance
- ✓ We communicate on our policies and practices

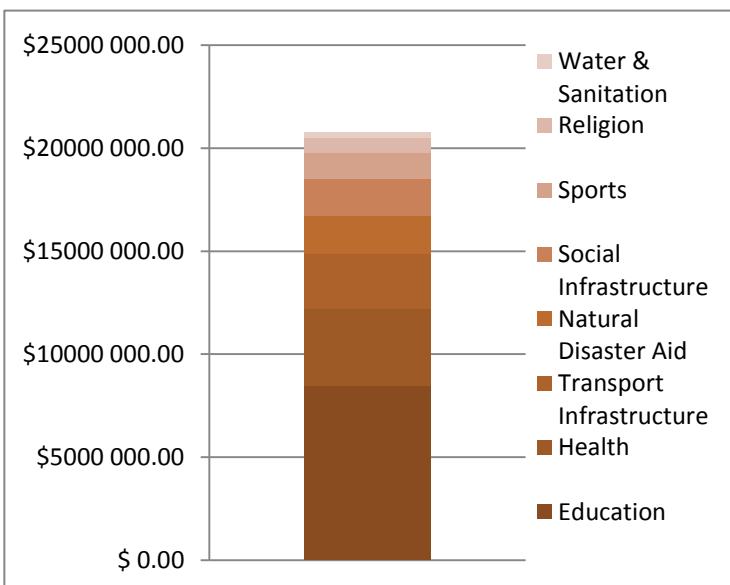


Participation to Yoma marathon, Yangon

Make a responsible use of Media

Padyamar FM is very active in the field of human right protection. The team is always enthusiastic at the idea of giving for groups and communities in need such as people, who were visually impairment, on White Can Day or ethnic refugees fleeing fighting in Kachin State.

Conscious of the power of radio, Padyamar FM broadcasts weekly programs regarding environmental, social and technological issues.



Education 8,476,827.07	Health 3,758,337.17	Water 278,484.34
Society 2,589,158.67	Sport 1,307,026.97	Road & Bridges 2,665,301.63
	Natural Disaster 1,811,238.33	

FOCUS ON

YTU

Yangon Technological University (YTU) is the premier engineering university established in 1924.

YTU is the country's oldest and largest engineering university, and one of the most selective universities in Myanmar.

The university offers bachelor, master and doctorate degree programs in engineering disciplines to nearly 8000 students.

YTU has been one of Asia's great success stories nearly a century and is looking forward to reinforce its leadership position in Engineering Technology and Research.

The Human Resource Department Centre is located at Yangon Technological University, Insein Township, Yangon. This building will be used as the Centre of Excellence, providing leadership, best practices research, support and/or training for a focus area on engineering technology, business concept or a broad area of study development to bring together faculty members from different disciplines in shared facilities.

It is 5 storied RC Structure Building with Mezzanine Floor which have total usage floor area of 39,787 square feet (3696sqm). There are 5 offices, 1 Meeting Room, 15 Lecture Rooms and 1 Function Hall.

The Centre is well furnished and is composed of 2 Elevators, Fire Protection and Fire Fighting System, Lighting and Water Supply System, Plumbing and Sanitation System, Air Conditioning System, Lightening Protection System.

Its some green features include:

- Incorporated passive design measure to maximise the use of natural ventilation, cooling and lighting
- On-site Waste Water Treatment Plant
- Energy Efficient Lifts with AC VVF drive, Sleep mode and room-less machines
- It is located near to bus stop to maximize opportunities for public transport access
- Water Efficient Fittings such as basin taps, flushing cistern, sink/bip taps and mixers, urinal and urinal flush valve
- Greenery around the building
- It has been designed to minimise the local environment impact and promote the development on biodiversity, water and soil quality, soil erosion and visual amenity.
- The official opening ceremony was held on May 24th 2015 .
- The overall project cost is USD1.5 million



Activities Highlights

Better life for the people and communities.



LABOUR RIGHTS

PRINCIPLE 3 UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING; PRINCIPLE 4 AND THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR.

PRINCIPLE 5 THE EFFECTIVE ABOLITION OF CHILD LABOUR; AND PRINCIPLE 6 THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION.

LABOUR RIGHTS // ASSESSMENT, POLICY AND GOALS

We understand and support the principles of the ILO Declaration and its Articles on the Fundamental Principles and Rights at Work covering the areas of freedom of association and common bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour and the elimination of discrimination in respect of employment and occupation.

We work in full compliance with the labour laws and regulations in the area that we operate in. Desirous to be an employer of choice, we aim to have a pro-active behavior in terms of the respect of labour rights and the improvement of working conditions.


This leads us to adopt and operate a human resource strategy that goes beyond the national regulations.

We do not forbid the creation and the commitment to any trade union, and recognize the right to collective bargaining as long as it is done in accordance with the law.

The principles of non-discrimination, no forced labour, no child labour (under 18 years old) are highly respected by ShweTaung Group.

We expect our business partners, suppliers and contractors to respect the same principles. We will make sure that each employee does not suffer from any kind of discrimination, feels integrated and happy within the company.

As a responsible employer, we are committed to do our utmost to participate to our employees and their families' life enhancement.



BE AN EMPLOYER
OF CHOICE

LABOUR RIGHTS // IMPLEMENTATION

COMPLY WITH UNIVERSAL PRINCIPLES



We do not employ staff aged under 18 years old and we strictly condemn forced labour.

We make sure that our subcontractors and business partners respect these principles. The principles of "no child labour" and "no forced labour" are mentioned in most of the contracts with our stakeholders. Any breach to these rules by our (sub)contractors lead to the direct rupture of the contract.

HR 5 & 6

EQUAL OPPORTUNITY EMPLOYER



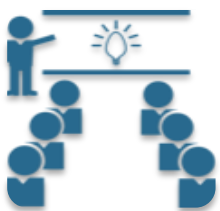
We are an equal opportunity employer. The recruitment of our co-workers is based on merit, skills, experience and ability, regardless of age, race, gender, physical condition, religion or family status. A policy of non-discrimination prevails throughout all aspects of the employment relationship including recruitment, selection, placement, transfer, promotion, layoff, termination, training, working conditions, benefits and compensation. We follow an "equal salaries for equal job" policy as well as an "equal opportunity of involvement within the company" policy.

WORK LIFE BALANCE PROGRAMS



We believe the place of work should also be a place for personal development. We organize series of team bonding activities such as annual trips aiming to create a positive work environment in which everyone can evolve harmoniously. We also encourage the formation of sport teams, birthdays celebrations, as well as the expression of group initiatives. Caring about family cohesiveness, our initiatives also include our staff's relatives.

TRAINING



Orientation training is provided to all new employees in order to raise their awareness on their rights, as well as on the terms and conditions of employment. Training to all employees in different disciplines is provided in order to allow staff to develop and strengthen their skills. Our aim is to provide our associates with fair and dignified employment that enhances each associate's ability in the long term to contribute to the company's growth as well as elevate their job prospects with Shwe Taung Group and beyond.

COLLECTIVE BARGAIN



There is no law regarding collective bargaining in Myanmar presently. At Shwe Taung Group, collective bargain is highly encouraged.

HR 4





Health At remote sites, medical check-up is insured by an infirmary provided with adequate medicines. Qualified doctors are hired so that in emergency cases employees can be cured free of charge.



Comfort All our employees are provided with food or food allowance for the meals during working hours. They are also given the necessary clothes and equipments (uniform, raincoats, security hats, sun hats etc).



Safety We offer a safe working environment by providing our staff with necessary equipment and practical training.



Leave Medical, maternity, annual , earned and casual leaves are drawn up and included in the employees' welfare plan.



Overtime Overtime allowance is paid above the legal minimum amount in accordance with the company's internal instruction and regulations.



Bonus Annual bonus are paid to employees upon development of their working capacity. The amount depends on the performance of the individual employees and the company's ongoing fiscal year profit earning.



Prevention We also pilot programs of prevention against Malaria, Hepatitis B&C and HIV (vaccination, blood tests, distribution of mosquito nests and medicines) on remote sites.



Transportation Transportation fees are taken care of by the company for the staff to commute from their house to the workplace on time.

Focus on: Engaging with contractors

If ShweTaung Group doesn't work with people under 18 and does not force employment, we are conscious that some of our operations, because of their nature or their localization, brings a risk amongst our contractors.

For this very reason, we have decided to give extra care to make sure our employees don't hire people below 18 years old. If we find out contractors bringing young people to construction sites and plants, we given warning to the contractors and quickly requested to quit from present developments or plants. We are gradually adding this principle in all our contracts.

We also want to develop programs in the future encouraging education for our employees children to insure that they can get education in good conditions instead of coming in support to their parent's work.

We are also monitoring our developments and operations to make sure forced labour and compulsory labour are not being permitted.

Some concrete measures are expected to be enforced next year.

FOCUS ON

Health policy

In all of our work place, we have put into place medical equipments to answer the short or long term needs of our employees, in Yangon and in remotd sites

Every day health

We believe that this is our responsibility to make sure our employees can work in safe and healthy conditions. Free medical check ups are proposed in all our sites, and we are very attached to raise awareness on public health issues to insure our employees and their families wellness. We have also offered the installation of Myanmar's Red Cross first aid mobile apps for all our employees having smartphones.

Deal with emergencies

Some of our staff's activities are considered more dangerous than others. We have put a certain number of precautionary programs to deal with potential risks. For example, Shwe Taung Cement, which site is very remotd, has equipped its clinic with an oxygen concentrator.



Doctor at STC's clinic

LABOUR RIGHTS // MEASUREMENT OF THE OUTCOMES



ONE OF MYANMAR'S LARGEST EMPLOYER

We count **more than 6 000 co-workers** across the country. Our employees are from more than 10 different ethnic origin. We keep on expanding our teams and we participate to job fairs in Myanmar and overseas.



SUPPORT YOUNG PROFESSIONALS

We offer various trainings for students who wish to have a first consistent professional experience. We also partner with engineering schools to organize educational tours for students on our main developments.



ENGAGE OUR STAKEHOLDERS

All job advertisement and contracts with our stakeholders mention our non-discrimination policy and our commitment to "no child labour and no forced labour". It is also stated that the breach to the respect of these principles will lead to termination of the contract.

GIVE AN ACCESS TO KNOWLEDGE



We operate company libraries which provide open access to all employees to allow them to keep abreast with up-to-date technology and information. The library features different literatures such as magazines, newspapers, publications on engineering, management, economics, marketing, banking, computer, technology, finance & accounting, languages, and general knowledge.



INSURANCE

We are one of the first companies in Myanmar to provide life insurance to our employees. 3 120 insurance programs are currently in place. Employees from one of Ready Made Concrete-Mixing Plant, which has highly risk of snake bite, are provide "Snake Bite Insurance".



A CLEARLY WRITTEN POLICY

Our **Employee Handbook** describes the rights and clearly state the principles that have to be respected at Shwe Taung. Our corporate values are all mentioned, including the principles of ethic, mutual respect, team spirit, non-favoritism, etc...



MEN/ WOMEN EQUALITY OF CHANCES

At STG, we make sure that men and women have the same chances of hiring, of evolution, and are paid an equal salary for an equal job.



TRAINING

Internal and external training programs have been given and encouraged. Earned leave were given to participate to trainings. Two of our staff have also taken long-term leave for receiving 1 to 3 years education programs. They are guaranteed to have a job with us when they get back.

LA3
LA4

FOCUS ON: PARENTAL LEAVE

This year, 75 people were entitled to parental leave (10 male and 10 female). 67 of them took this parental leave (2 men and 65 women). Amongst them, 100% of men and 85% of women returned from their parental leave.

37% of parents are still employed 12 months after their return to work (2 male, 35 female).

FOCUS ON: EMPLOYMENT CONDITIONS

The employee handbook details the conditions of employment at ShweTaung Group.

It includes the minimum notice given to all employees (2 weeks)

LABOUR RIGHTS // MEASUREMENT OF THE OUTCOMES



We authorize collective bargaining



We have drafted operational guidance notes



We have a no child labour policy and systematically check our employees' age with valid documentation



We carry out a non-discrimination policy and encourage equal opportunity



We assess the risks related to the non respect of labour rights



We monitor and evaluate our performance in respecting labour rights



We measure our impacts and the one of our supply chain



We make sure to offer safe working conditions to our staff



We communicate on our policies and practices



We engage into multi-stakeholder dialogue



We give regular performance and reviews to all employees



Singapore Job Fair 2014



“Protect the financial well being of your Loved ones” is GGIP’s

FOCUS ON

Supporting our employees families:

HTC company supports the eldest

During this reporting year, 241 parents of our employees aged more than 60 have received financial help as a recognition proof from Shwe Taung Group in October (Full Moon Day). This operation has particular importance taking into account that there pension schemes are still limited in Myanmar.



Health Corners have been set up across STG’s offices

LABOUR RIGHTS // MEASUREMENT OF THE OUTCOMES

FOCUS ON

Training

We believe continuous training is key to each employee's enhancement. This is why we involve every year our staff into training sessions in different sectors.

This year and like in 2013/2014, 101 training programs were given to employees.

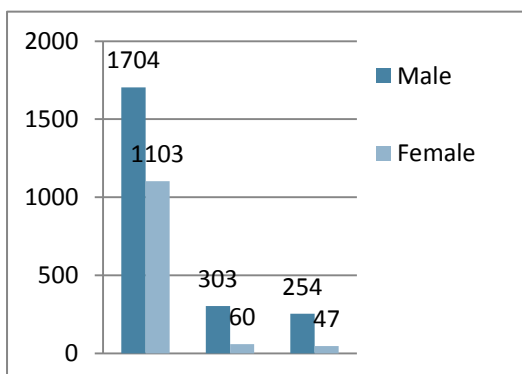
Further development of the workforce is our priority. In the reporting year, we started a worldwide talent programme: 15 promising up-and-coming managers/engineers are being trained for higher management tasks. In four modules over 6 months, participants will obtain management and conflict-solving competencies or business administration skills. At the same time, they will train their strategic and entrepreneurial thinking.

LA 9 & 10

LA 4

We also initiate a complementary programme (Basic Engineering 7th Batch) for this year. This is to provide our young engineers with engineering practical knowledge and guide them an appropriate career path and duration is 6months. Advance Engineering is 4th Batch who already trained for Basic Course and this also 6 months duration.

Type	Trainings
Engineering	<ul style="list-style-type: none"> * Basic AT Engineering Technology Development Course * Advanced AT Engineering Technology Development Course * Working At Height Safety Training * Economics Incentives and Rewards for Occupational Safety and Healthy Seminar
Customer Service	<ul style="list-style-type: none"> * Shwe Taung Behaviour & Customer Service Training * Personal Grooming & Customer Service Training
Personal Development and Language	<ul style="list-style-type: none"> * English Language 4 Skills Course * Shwe Taung Group's Orientation Training
Health	<ul style="list-style-type: none"> * First Aid Training * Awareness on Cervical Cancer * Awareness on HIV
Computing and IT	<ul style="list-style-type: none"> * Advanced-Computer Office Application Course
Management	<ul style="list-style-type: none"> * Business Management & Executive Development Course
CSR	<ul style="list-style-type: none"> * Environmental Awareness Training * CSR & UN Global Compact Awareness Training



LA 2

Life insurance	Female: 1103 Male: 1704
Group Life Insurance	Female: 60 Male: 303
Snake Bite Insurance	Female: 47 Male: 254

Total number of employees by employment contract and gender											
Permanent		Flat		Project based		Daily permanent		Daily Temporary		Total	
Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
2035	1262	112	7	179	17	611	128	729	316	3671	1734

Female	Sector	Male
5.4%	Corporate / Administrative	2.4%
3.5%	Real Estate	0.6%
27%	Asset Management	17.8%
33.3%	Construction	36.8%
20.5%	Construction Materials	31.1%
3.1%	Energy and Infrastructure	3%
1.6%	Trading	5.1%
5.6%	Insurance	2.2%

GRI G4 HIGHLIGHTS

Men/women equality

ShweTaung Group's teams are composed of 3671 men and 1734 women.

There is no salary variation based on gender and the ratio of the basic salary and remuneration of women to men for each employee category is equal.

EC-5
EC-6
LA-1
G4-10

GRI G4 HIGHLIGHTS

There is no instruction or law for the minimum wages amount at this moment. The entry level wage provided by the company follows the local minimum wages. ShweTaung Group is committed to follow any future national law that would go towards that objective.

Wages are calculated per market value depending on the operation's location. Significant area of location correspond to areas where ShweTaung Group run operations, plants or have a branch office.

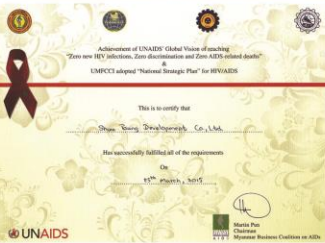
100% of our staff is from Myanmar. ShweTaung Group hires its staff locally. For example, 30% of the staff working in Eskala Hotel (NgweSaung Beach) come from surrounding communities. During rainy season, when the hotel is closed, these employees are relocated to Junction Hotel (Nay Pyi Taw) to insure full year employment. In such cases, a relocation including family allowance such as accommodation rental is being provided based on the employee's level.

Local hiring is done thanks to public job advertising, spontaneous applications consideration and interns hiring.

Management positions (General Manager, Assistant Director and Director for Administrative Group, Superintendent Engineer, Deputy Chief Engineer and Chief Engineer for Technical Group) are all held by people from local communities. During the reporting period, turnover rates were of 19.4% for men and 16.6% for women.

Activities Highlights

Supporting our people to advance and providing a healthy and safe working environment.



ENVIRONMENT

PRINCIPLE 7 SUPPORT A PRECAUTIONARY APPROACH
TO ENVIRONMENTAL CHALLENGES; PRINCIPLE 8
UNDERTAKE INITIATIVES TO PROMOTE GREATER
ENVIRONMENTAL RESPONSIBILITY; AND

PRINCIPLE 9 ENCOURAGE THE DEVELOPMENT
AND DIFFUSION OF ENVIRONMENTALLY
FRIENDLY TECHNOLOGIES;

ENVIRONMENT// ASSESSMENT, POLICY AND GOALS

We recognize the importance of the respect of the environment and feel concerned about the environmental issues.

We understand the complexity of the climate change challenges and the fact that government actions alone cannot provide the urgent solutions required. For this reason, we are committed to participate to the necessary global effort.

We are committed to identify opportunities in managing our activities to deliver long term benefits to our stakeholders while responding to climate change risks. We wholly support and comply with or exceed the requirements of current local environmental legislation and code of practice.

We understand that the respect of the environment can have immediate impact by daily improving people's quality of life and can therefore be included to our customer care principles.

We are committed to sustainably reduce our environmental impact and continually improving our environmental performance as an integral and fundamental part of our business strategy and operating methods.

We recognize the importance of settling policies on a long term, sustainable basis. We are committed to participate to the development of green technologies and renewable resources.

We understand that our engagement can also serve our interests, as energy and climate risks can directly impact our own operations, whether because of rising resources prices, operation costs, and legislative changes.

Our commitment also makes particular sense in an area like Myanmar where the access to natural resources and energies are still limited. We think this constitutes a great opportunity to develop green technologies and environmental-friendly practices.

One of our main objectives is to raise awareness amongst our staff, our stakeholder and our overall public on the topics of green growth, green economy and environmental friendly practices.

We are aiming to align with the international standards (such as ISO 14001:2008, ISO5001:2011, ISO20121:2012, Resource Efficiency & Cleaner Production) for environmental management and to refer notably to the UN Global Compact assessment principles and the Global Reporting Initiative to set up our environmental policy.

DESIGN ENVIRONMENTALLY RESPONSIBLE PROJECTS





Whenever we renew bulbs, we systematicall choose LED lights instead of conventional lights



In Shopping malls, we have installed hand dryers instead of tissues



We prefer digital communication to paper communication



We turn off all electronic devices when no one is using them



We have an efficient air conditioning usage policy at our offices.



When paper is needed, we use eco label certified paper products (such as FSC, SFI, PEFC).



We keep updated on the new green technologies available.



We gradually implement systematic plans such as the Green Office Plan and the Energy Management System Plan

FOCUS ON

Raise Awareness

Shwe Taung Group understands the importance that the wider community has to play as the end-users of these projects. We encourage the Group's stakeholders and publics to play a role in protecting the environment. To do so, we propose different activities aiming to raise awareness amongst them and encourage good practices.

OUR STAFF

Receive lectures and trainings on environmental issues

For example, this year, a practical energy conservation and energy auditing course was given by the Asean-Japan Energy Partnership, allowing our teams to compare our practices with the international standards. We also organize large-scale tree plantation campaigns and beach cleaning campaigns involving all our staff. We for example follow a "one tree cut, ten trees planted" policy

OUR CUSTOMERS

The cinema unit, Junction Cinexplex, has partnered with NGOs to show a video clip destined to communicate on environmental issues. The video clip is broadcast on the cinema lobby's screens. We also display education poster around the walkaways of our shopping malls, like on the occasion of the "Earth Hour" project organized by WWF. On March 28th, lights were turned off for an hour an the official clip was broadcast in all Junction Shopping Malls.

OUR STAKEHOLDERS

We participate to different forums and talks on tackling environmental issues in Myanmar. When negotiating with our business partners, we always make sure to find the most environmentally responsible solutions.



ENVIRONMENT// IMPLEMENTATION



Our recycling plant for residual concrete has gained much ground in recent years. The basic function separates left over ultra-fine particles from mixer trucks for being re-used.



The discharged waters from all major developments are treated before discharge to public drain. We gradually put into place systems of waste water treatment and Water Recycling & Rain water harvesting.



We aim for international Green building certificates for all major developments, assessing our buildings' environmental performances.



For our all major developments, we conduct an Environment Impact Assessment (EIA), identifying environmental threats or opportunities related to the site and its surroundings.



We make sure to use and produce the most environmentally-responsible materials and products possible.



Tree planting campaign,
PyiNyaung

Our Environmental Policy

We believe that businesses are fully responsible for achieving good environmental practices and operating in a sustainable manner. We are therefore committed to reducing our environmental impact and continually improving our environmental performance as an integral and fundamental part of our business strategy and operating methods. It is our priority to encourage our customers, suppliers and all stakeholders to do the same. Not only is this sound responsible sense for all; it is also a matter of delivering on our duty of care towards future generations. Our policy is to :

- Wholly support and comply with or exceed the requirements of current environmental legislation and codes of practice.
- Minimise our waste and the reuse or recycle as much of it as possible.
- Minimise energy, water and raw material usages in our daily operation in order to conserve supplies, and minimise our consumption of natural resources, especially where they are non-renewable impacts from our operations on the environment and local community.
- Apply the principles of continuous improvement in respect of air, odour, noise and light pollution from our premises and reduce any impacts from our operations on the environment and local community.
- As far as possible purchase products and services that do the least damage to the environment and encourage others to do the same.
- As far as possible purchase products and services that do the least damage to the environment and encourage others to do the same.
- Assess the environmental impact of any new processes or products we intend to introduce in advance.
- Work with business partners, interest groups and other government agencies in a concerted effort to operate in an environmentally responsible manner

These commitments are fully supported by Board of Directors with a detail Environmental Management System with ongoing objectives and targets, which provides the framework of delivery of this Environmental Policy.

FOCUS ON

Junction Center Maw Tin's renovation work

Open in 2010, Junction Center Maw Tin is one of the most popular shopping centres in Yangon downtown with more than 2.8 million visitors every year. It includes two cinemas, over 100 shops and a playground.

A Green building renovation program has been operated this year to improve significantly Junction Maw Tin's environmental and social features.

Junction Center Mawtin shopping center has been renovated and key energy efficiency features have been added including:

Air-Conditioning System

- Existing chiller plant have been replaced with high performance chlorine-free chiller systems which are optimised and operated at an efficiency of less than 0.78 kW/RT.
- Environmental-friendly refrigerants with Ozone Depleting Potential (ODP) of Zero are used for chillers.
- New Chillers have been replaced with sustainable and environmental-friendly products certified by the Singapore Green Building Council (SGBC) with 4 tickets as highest rating product.
- New retrofits include the use of Variable Speed Drives (VSDs) for chilled water pumps.
- All Air Handling Units (AHUs) and Fan Coil Units (FCUs) have been replaced
- The total Air-conditioning System replacement is leading to 15% to 20% energy savings.

Chiller Plant Automation and Building Management System

- Chiller Plant Automation system have been installed along with highly accurate permanent instrumentation equipment for measurement and verification of the water cooled chiller plant system efficiency.
- BMS controls and monitors the building's mechanical and electrical equipment such as air-conditioning, ventilation, lighting, power systems, fire systems, and security systems, offering a centralised control and visibility, energy conservation and an improved reliability.

Lighting Systems

- Energy efficient lighting systems such as T5, LEDs, CFLs and ceramic discharge metal halides (CDMs) are widely used within the building premises.

Universal Design

- More functional and more user-friendly handicapped toilets. Walkways are designed for wheel chair users and pedestrians with strollers or rolling luggage
- A Wheel Chairs rental service has been set up for visitors in need.

Sustainable Operation & Management

- The building management's environmental policy was displayed at various parts of the building to raise awareness among occupants.



FOCUS ON

Junction City, a green project

Junction City, Shwe Taung's newest mix development currently under construction is an environmentally conscious and socially responsible project. The project embeds a strong endorsement of sustainable design approaches to reduce environment impact and energy conservation.

With a strong focus on energy conservation, recycling and environmentally friendly systems, the sustainable green features that Shwe Taung Group has planned for this project will set unprecedented standards for environmentally and socially responsible construction and developments in Myanmar. This project, carried out according to an Environmental Impact Assessment aims to achieve the internationally recognized "Green Mark" certification from the Building & Construction Authority of Singapore.

Some of the intelligent green features include the following: Solar hot water and photovoltaic panels to for natural heating; high thermal efficiency materials and passive design for building envelope; chillers and exchangers; LED lighting; Occupancy motion and daylight sensors; Water conservation sanitary appliances; and Intelligent building management systems.

Junction City also focuses on appropriate building materials selection and sustainable construction methods. Once completed, other systems such as water treatment to ensure zero pollution to water resources, non-chemical water treatment to swimming pool and cooling towers, rain water harvesting, and waste water recycling will all work synergistically to reduce reliance on ground water extraction and reduce wastage.



ENVIRONMENT// MEASUREMENT OF THE OUTCOMES

At the end of the year 2014, Shwe Taung has been awarded for the completion of Hledan Bridge by the Myanmar Civil Society recognizing its positive impact on the city.

Since the beginning of its activities, Shwe Taung has organized multiple tree planting campaigns

We participate to forums and talks on green issues, with the objective of uniting our efforts to other companies and the Government for a green development of Myanmar (see focus)

All our major developments have been designed according to EIA and are being audited for green building certifications (see focus)

We launch programs involving communities around our sites to work hand in hand with the rest of the population (see focus on Inle Lake program)

Since 2013, HTC refunds 5% to customers who choose to use ready-mixed concrete all religious and civil society organization



Improvement of Industrial Energy Efficiency (IEE)

- Organized by: the Global Environment Facility and UNIDO
- Objective: To promote sustained Green House Gas emissions reduction in the Myanmar industry by improving policy and regulatory frameworks; institutional capacity building for industrial energy efficiency, implementation of energy management system based on ISO 50001; and optimization of energy systems in industry.



Myanmar Dialogue on Green Growth

- Organized by: Green Lotus
- Objective: This project consists in creating a national dialogue on sustainable development and green growth in Myanmar through 3 working groups. The aim is to create interactions between different strong forces of the civil society, the private sector, political parties and institutions to unite actions and create win-win opportunities serving environmental, social and financial needs.



Resource Efficient & Cleaner Production for Green & Low Carbon Industry in Myanmar

- Organized by: UNIDO
- Objective: The training specifically aims to provide practical introduction to Resource Efficiency and Cleaner Production (RECP) and Green Industry & low carbon industrial development with applications in particular from South East Asia.

ENVIRONMENT// MEASUREMENT OF THE OUTCOMES



We work on the systematic auditing of risk assessment for all our activities. Each risk is being dealt with by providing the necessary training, equipment, security procedures and processes necessary to prevent danger.



All our products are respecting the standards settled by the World Health Organization and local legislations



As emergency preparedness procedure, fire safety trainings have been put into place in all our sites. Fire Drill are operating in all our Shopping Malls, Office Tower and Complex, Construction Sites, Cement plant and ready-mixed concrete batching plants.



We sponsor public debates and platforms related to promoting safety policies in Myanmar, such as the "We always care for better safety" event organized by the Global Enchanting Education Center in November 2014.



Training project in Inle Lake

EN11
EN13

FOCUS ON

Community Based Feasible Technology Dissemination & Support & Inle Lake Environs

HTCT has committed to support Seredipity Travel in a project dedicated to develop and promote proper technologies to close livelihood and education loops for being part of the environmental conservations in 6 village around the Inle Lake, a region in which HTCT operates.

Observation:

There is lack of knowledge on usage of agro chemicals and plant protection chemicals, direct discharge of waste water, improper disposal of solid garbage, abundance of water hyacinth and lack of awareness on environmental conservation which has caused damaging fragile environs of Lake Inle.

Objective:

To provide an appropriate technical support for the improvement of health of community by lessening water contamination and change from agro chemical inputs usage in farming, widening public awareness for safer environment. It mainly focuses on providing trainings on Environmental pollution (waste, waste management), ecological water treatment systems, sanitation, hygiene, kitchen waste management, Integrated Nutrient & Pest Management, compost making, mushroom cultivation using water hyacinth, handicraft.

Material:

This project will also lead to the installation of library miniature. Necessary materials support such as provisions of farm tools, quality seeds and small seed fund as follow up support will have been provided. Two HTCT staff have joined the program for 3 months each course.

ENVIRONMENT// MEASUREMENT OF THE OUTCOMES

-  We have system management procedures
-  We regularly assess and update our technologies
-  We systematically calculate the life-cycle/costing ratio
-  We participate to enhance biodiversity and natural resources
-  We carry out risk and impact assessments
-  We gradually set up performance target indicators and tools
-  We work towards cleaner and safer production
-  We promote responsible consumption
-  We act following the 3R strategy: reduce, re-use, recycle
-  Over 1000 of our employees have received a training on environmental issues
-  We raise awareness among our supply chain and stakeholders
-  We monitor, evaluate and report our performance
-  We engage into multi-stakeholder dialogue

Raise awareness on Environmental Impact

ShweTaung Group has sponsored an event organized by TV5 Network, one of Myanmar's main TV channel.

The Inclusive Green Economy Public Seminar invited PrAungThunThet (President's Economic Advisor and also a member of the President's National Economic and UN Resident Coordinator's Office) to make an hour presentation on this topic broadcast in live on national television.

PR 1
PR 2

Health and Safety assessment : a human rights and environmental challenge

We making sure what we create is responsible and sustainable. For that reason, 62% of our significant product and services have been assessed in order to improve their health and safety impacts .

Zero incident of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services within the reporting period.

Activities Highlights

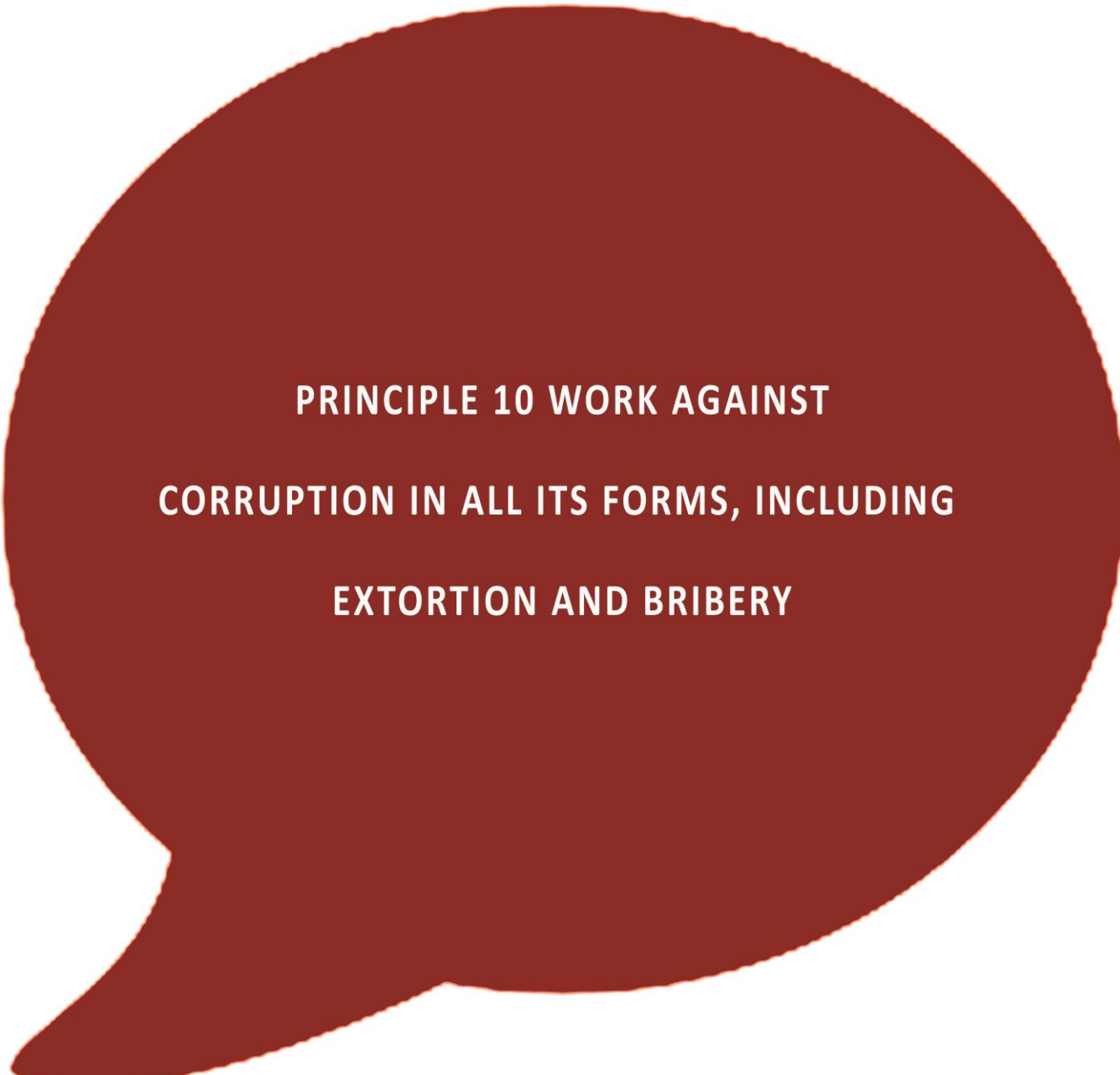
Towards a sustainable future.



ကတ္တရာပေပါနွံအဟောင်းများအား Office Site ခြံစည်းရိုးအဖြစ် ပြန်လည်အသုံးပြုခြင်း



ANTI-CORRUPTION



**PRINCIPLE 10 WORK AGAINST
CORRUPTION IN ALL ITS FORMS, INCLUDING
EXTORTION AND BRIBERY**

ANTI-CORRUPTION // ASSESSMENT, POLICY AND GOALS

We believe that business excellence is underpinned by an unwavering focus on strong corporate governance and prudent financial management.

Transparency and accountability are core features of our approach and we remain focused on the highest standards of governance and ethics in all our business practices and dealings.

We believe high standards of corporate governance and transparency ensure sustainability and success for our activities as well as the safeguard of our shareholders' interests.

By inscribing corporate responsibility into our agenda, we want to send the strong signal that we recognize the private sector shares responsibility to address and counter corruption.

We observe a high standard of corporate conduct in line with local policies, as well as applicable regional laws, regulations and standards. We aim to respect the ISO 26000 standards to guide us in our efforts to operate in a socially responsible manner that society increasingly demands.

We publicly state our commitment to work in all its forms against corruption. In order to do so, we aim to implement an effective system to identify and eliminate hazards of corruption, bribery and extortion.

All outcomes will be periodically measured and reviewed.

We aim to contribute positively to public policy making process by raising awareness amongst our teams and our stakeholders. We want to insure relations of trust with our stakeholders, and make sure that they will be complying with the same principles of ethic, transparency and accountability.



PROMOTE TRANSPARENCY

ANTI-CORRUPTION // MEASUREMENT OF THE OUTCOMES



The values our ethic and integrity are central in our company's strategy. We believe that high standards of corporate governance will insure health and stability of our markets, creating value for our stakeholders.

G4-56



We provide necessary training, advice, information as may be necessary to personnel at all levels. We encourage reporting and whistleblowing policies.

SO3



We have a zero tolerance policy in terms of corruption and we care to ensure that no financial or other inducements to gain or retain work are offered or accepted by or on behalf of Shwe Taung.



The "zero tolerance policy" is mentioned in our Employee Handbook. The Employee Handbook states that it is clearly forbidden to accept or give any kickback or bribe from and to anyone.

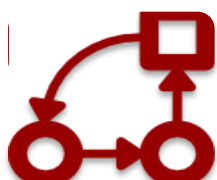


The sanctions to any breach of this zero tolerance policy are described in the Employee Handbook, and can lead to termination or dismissal.

SO4



Employees are encouraged to report any form of corruption to the management team. A continuous control from senior management is set up to ensure that no form of corruption is observed. If even with these precautions a present is accepted, it has to be given to the administration team that will organize a lucky draw with the complete team.



We make appropriate financial and staff resources available to progressing sustainable procurement throughout the company. We integrate ethical considerations into our design and business decisions and make sure to practice fair competition.



We have transparent reporting procedures and try to continuously improve our practices. We attach a very high importance to contracts and make sure we always honour contractual commitments made

ANTI-CORRUPTION // MEASUREMENT OF THE OUTCOMES



Thanks to an effective internal and external reporting procedure, 2 cases of bribery and 1 case of extortion have been reported last year

SO 5



We have participated to workshops organized by local and international institutions on transparency and reporting, such as the Myanmar Centre for Responsible Business Competition.

G4 58
SO 4

Assess

- 4% of our operations have received corruption assessment this year. Our aim is to improve this figure in the years to come to reach 100% of our operations.



100% of our employees received the handbook mentioning our zero tolerance policy towards corruption and trainings have been insured.

Report internally

- Whistleblowing and escalation through line management.



Shwe Taung Development has been awarded 4th best Tax Payer Award in 2015. HTCT has been ranked 14th best tax payer in Myanmar.

Report externally

- Hotlines and complaint forms to Head Office



Shwe Taung's website has been ranked 4th most transparent website by the Myanmar Center for Responsible Business in August 2014 is participating again for this upcoming year.



Sustainability was the core theme of this year's management retreat gathering every Shwe Taung's managers in Nay Pyi Taw. A series of presentations, debates and workshops were reorganized around this topic. The 3 days have led to the drafting of a road map, a strategy to promote sustainable business and practices at all levels of our operations.

ANTI-CORRUPTION // MEASUREMENT OF THE OUTCOMES

- ✓ We have inscribed anti-corruption into our overall corporate code
- ✓ We carry out a zero tolerance policy on corruption
- ✓ We monitor systems management procedures
- ✓ We have appointed specialized units for regular internal audit
- ✓ We carry out risk and impact assessments
- ✓ We communicate on our policy publicly
- ✓ We put into place an anonymous reporting procedure
- ✓ We have formalized clear sanctions in case of breache to this principle
- ✓ We record instances of corruption
- ✓ We train all our employees (including management teams) and raise their awareness
- ✓ We raise awareness amongst our supply chain and stakeholders
- ✓ We engage into multi-stakeholder dialogue

FOCUS ON

Participation to public tenders

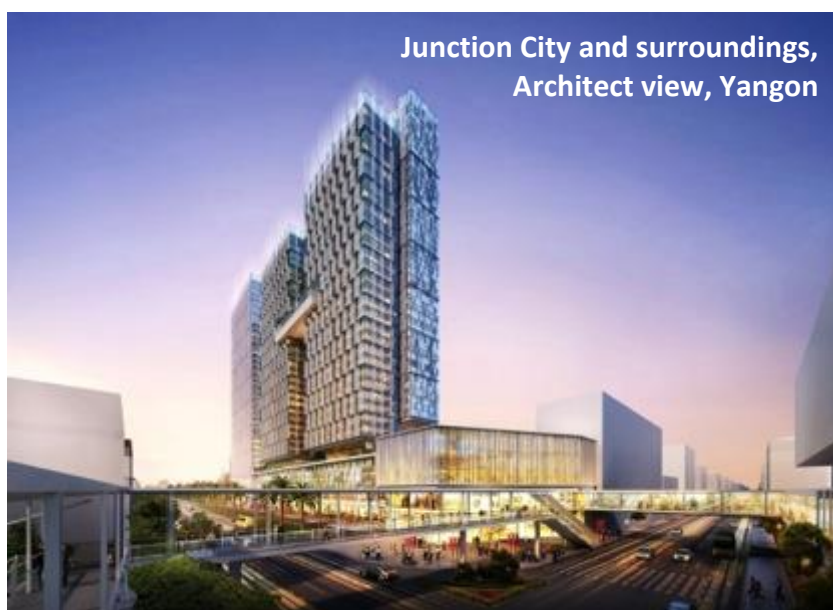
Shwe Taung Group is attached to public tenders for its project. Developed by Shwe Taung Group in collaboration with the Yangon City Development Committee (YCDC), **Junction City** is a brand new landmark development at the heart of Yangon City downtown.

Shwe Taung Group secured the land via a government public tender exercise that opened in March 2012. The tender attracted strong interests, with 27 companies bidding for the site. After three rounds of intensive selection process by the tender committee and government officials, STG was selected as the winning bidder for the site in September 2012.

The company will design and construct Junction City; and completed built up areas will be shared between STG and YCDC.

The Hledan Flyover Bridge Project binding agreement has been signed between Shwe Taung Group and YCDC under its joint venture system of Public, Private Partnering Policy.

SO 4



ANTI-CORRUPTION // MEASUREMENT OF THE OUTCOMES

G4-38
G4-39
LA 12

GRI G4 HIGHLIGHTS

The decision board is chaired by Aik Htun, Chairman.

The board is constituted of 8 directors including Chief Executive Officers, 2 Deputy CEOs, 2 Deputy Managing Directors and 2 Directors. All of them still play an executive role in the company. Amongst this team, two members are women.

Women therefore account for 25% of the Board. 7 of them are between 30 and 50 yearsold, when 4 of them are above 50

The highest senior executives are remunerated according to their performance. Performance assessments measured in terms of financial turn over and projects efficiency are conducted every year by the audit team.

We are currently developing risk magement systems insuring risk identification & assessment, risk response and risk monitoring & reporting.

GRI G4 Content Index

Strategy and Analysis

G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	Chairman's Statement	3
G4-2	Provide a description of key impacts, risks, and opportunities	About the report	4

Organizational Profile

G4-3	Report the name of the organization.	Sustainability Context	7
G4-4	Report the primary brands, products, and services.	About Shwe Taung Group	11-16
G4-5	Report the location of the organization's headquarters	Sustainability Context	7
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Sustainability Context	7
G4-7	Report the nature of ownership and legal form.	Sustainability Context, About Shwe Taung Group	7 11-16
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	About Shwe Taung Group	11-16
G4-9	Report the scale of the organization	Sustainability Context	7
G4-10	Report the total number of employees by employment contract and gender.	Labour Rights	31
G4-12	Describe the organization's supply chain	About Shwe Taung Group	7
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure,	About Shwe Taung Group	11-16

GRI G4 Content Index

ownership, or its supply chain, including:
 Changes in the location of, or changes in, operations, including facility openings, closings, and expansions
 Changes in the share capital structure and other capital formation, maintenance, and alteration operations
 Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination

G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	Across the different Sections	
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Sustainability Context	7
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: holds a position on the governance body / Participates in projects or committees / Provides substantive funding beyond routine membership duties / Views membership as strategic	Across the different Sections	

Identified Material Aspects and Boundaries

G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	Corporate Structure	9
G4-18	Explain the process for defining the report content and the Aspect Boundaries. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	About the Report	4

GRI G4 Content Index

G4-19	List all the material Aspects identified in the process for defining report content.	Shwe Taung Group and Sustainability	5
Stakeholder Engagement			
G4-24	Provide a list of stakeholder groups engaged by the organization.	Stakeholders Inclusiveness	6
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	Stakeholders Inclusiveness	6
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Stakeholders Inclusiveness	6
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Stakeholders Inclusiveness	6
Report Profile			
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	STG and sustainability	5
G4-29	Date of most recent previous report (if any).	STG and sustainability	5
G4-30	Reporting cycle (such as annual, biennial).	STG and sustainability	5
G4-31	Provide the contact point for questions regarding the report or its contents.	STG and sustainability	5
G4-32	Report the 'in accordance' option the organization has chosen. Report the GRI Content Index for the chosen option (see tables below). Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the	STG and sustainability	5

GRI G4 Content Index

	use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.		
G4-33	<p>Report the organization's policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. Report the relationship between the organization and the assurance providers. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.</p>	STG and sustainability	5
GOVERNANCE			
G4-34	<p>Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.</p>	Corporate Sustainability Team	10
G4-35	<p>Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.</p>	Corporate Sustainability Team	10
G4-36	<p>Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.</p>	Corporate Sustainability Team	10
G4-37	<p>Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.</p>	Corporate Sustainability Team	10
G4-38	<p>Report the composition of the highest governance body and its committees by: Executive or non-executive</p>	Anti-Corruption	48

GRI G4 Content Index

Independence
 Tenure on the governance body
 Number of each individual's other significant positions and commitments, and the nature of the commitments
 Gender
 Membership of under-represented social groups
 Competences relating to economic, environmental and social impacts
 Stakeholder representation

G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	Anti-corruption	48
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G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including: Whether and how diversity is considered Whether and how independence is considered Whether and how expertise and experience relating to economic, environmental and social topics are considered Whether and how stakeholders (including shareholders) are involved	Anti-corruption	48
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G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: Cross-board membership Cross-shareholding with suppliers and others take holders Existence of controlling shareholder Related party disclosures	Corporate Structure	9
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G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic,	Corporate Structure	9
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GRI G4 Content Index

	environmental and social impacts		
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	Corporate Structure	9
G4-44	Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such valuation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.	Corporate Structure	9
G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	Corporate Structure	9
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	Corporate Structure	9
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Corporate Structure	9
G4-48	Report the highest committee or	Corporate Structure	9

GRI G4 Content Index

position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.

G4-49	Report the process for communicating critical concerns to the highest governance body.	Corporate Structure	9
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	About Shwe Taung Group	15
		Anti-Corruption	44
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advicelines.	About Shwe Taung Group	14
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistle blowing mechanisms or hotlines.	Anti-Corruption	46

For other specific Sustainability indicators, please refer to GRI specific standard disclosure (HR, LA, SO, EN and PR)



Shwe Taung Group

*Inspiring Lives with
Responsible Investment &
Sustainable Development*



COMMUNICATION ON
PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.