



PYEI SONE HEIN COMPANY LIMITED

No.(29), Shwe Padauk Yeikmon, Bayintnaung Main Road, Kamayut Tsp,
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PYEI SONE HEIN COMPANY LIMITED

United Nations Global Compact (UNGC)

Communication on Progress

2016



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The United Nations Global Compact Annual COP (Communication on Progress), 2015 – 2016

Participant: PYEI SONE HEIN COMPANY LIMITED

Date of joining to the Global Compact: 2013/03/22

COP Time period: March, 2015 to March, 2016

Statement of continued support by the Chief Executive Officer (CEO)

March 14, 2017

To our stakeholders:

Pyei Sone Hein Company Limited (PSH) had joined the UN Global Compact in March 22, 2013 when we realized the fact that the UNGC is leading in developing and impending corporate policies and practices to meet the ten universally accepted principles.

I am pleased to confirm that Pyei Sone Hein Company Limited reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

Because of our efforts, during 2016 our company has been accredited with updating Quality Management System (ISO 9001:2015) and, Environmental Management System (ISO 14001:2015) furthermore, we have been practicing.

All activities we have undertaken so far towards incorporating the afore-mentioned principles into our company's mainstream business operations and strategies. And also in this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Zaw Min Thant
Managing Director
Pyei Sone Hein Company Limited



Human Rights Principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses

PSH believe that we have a responsibility to respect human rights and can play a positive role in the communities where we operate. To this end, our conduct in our operations is consistent with the spirit of the United Nations Universal Declaration of Human Rights; the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, where applicable to business; and other applicable international principles, including the Voluntary Principles on Security and Human Rights.

Assessment, Policies and Goals include:

1. To require our employees, business partners and our clients to understand, respect and support to the principles of United Nations Universal Declaration of Human Rights.
2. We follow “Protect, Respect and Remedy” framework and we treat all of our employees with respect and dignity and promote diversity in the workplace. Our company policies and procedures adhere to all applicable domestic laws and are consistent with ILO core labor principles concerning freedom of association and collective bargaining, nondiscrimination, forced labor, and underage workers in the workplace.

Implementation

1. Updated employee hand book according to update Government's rules and regulations. Clear stated Human resource policy and other policies in employee hand book.
2. Place suggestion box in employee work place and effectiveness of suggestion system and resolution on Human Rights abuses will be reviewed and updated within organization.
3. Identifies new requirements for training and operations assessments specific to operating environments where human rights issues may be more prevalent.
4. Human resources and other policies and procedures relating to Human Rights will be reviewed and updated regularly.
5. We encourage our suppliers to treat their employees and to interact with communities in a manner that respects human rights and is consistent with the spirit and intent of this policy.
6. Conduct Human resource development and capacity build up training In 2015 – 2016 which includes below training agenda:-

- i) Professional Sales & Marketing Training
- ii) Project Management Training
- iii) Qualified Manager Training
- iv) Qualified Supervisor Training
- v) Technician Improvement Training
- vi) ISO 9001:2015 Quality Management System & Internal Audit Training
- vii) Leadership & Management Training
- viii) Product Discussion & Knowledge Sharing In-house Training
- ix) Human Resource Management Training
- x) Total System Management Training
- xi) Industrial Relation Management Training
- xii) Human Rights Awareness Training
- xiii) Occupational Safety training

Human Rights Principles



Figure: Human resource development and capacity build up training



Figure: Human resource development and capacity build up training

7. Staff Social Welfare Program arranged as follow:

- i) Holiday & Vacation
- ii) Annual Staff Party
- iii) Sport & Team Building
- iv) Donation (CSR) program

Human Rights Principles



Figure: 2015-2016 staff annual dinner



Figure: 2015-2016 staff annual dinner

Human Rights Principles

Sport & Team Building Activities



Fig: Staff Sport Days

Donation (CSR) program

Our Company & Employee contributed rice, drinking water, clothes, cooking oil, beans, sardines and instant noodles worth about 8 million kyats donated to flood victims during severe flooding in Myanmar in July 2015. This severe flooding in Myanmar continued into September, affecting 12 of the country's 14 states, resulting in about 103 deaths and affecting up to 1,000,000 people. Myanmar's Ministry of Agriculture reported that more than 1.29 million acres of farm land have been inundated and 687,200 acres damaged. Moreover, 15,239 houses were destroyed, according to OCHA figures.



Our company members went to the affected regions by company's arrangement and encourage to the people by direct contact. It is such a delight to take part in this donation if we could take away a little bit of their pain for a little while.

Human Rights Principles



Fig : (CSR) Program PSH Volunteer Task Force aid to the communities affected by the widespread floods in Bago Region.



Fig : PSH's Donation (CSR) Program

Human Rights Principles

Our Company Donation (CSR Program)



Figure: Company & Employee donations



Figure: PSH's Donation (CSR) Program



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Human Rights Principles

Measurement of outcomes

During 2015- 2016, there is no significant case of human rights violations within our organization and we keep ourselves that we are not complicit in any of human rights abuses.

For upcoming years, we will measure the progresses by internal audits of Human Rights performance and sets clear accountability for line management to implement and review the policy to providing management with the necessary resources, support and review.



Labour Principles

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

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation

Assessment, Policy and Goals

We PSH believe that we have a responsibility to comply UN Global Compact's 4 principles of Labour and rights at work. Our management policy stated building the capacity and happiness of the employees and deliver quality product and service to customers. PSH's employees are entitled to all applicable rights under Myanmar Government's law and ILO core labor principles concerning freedom of association and collective bargaining, nondiscrimination, forced labor, and underage workers in the workplace.

In particular, we commit to safeguard the following rights:

- We recognize the dignity of all persons and respect their freedom and privacy
- All employees shall be entitled to just and favorable remuneration
- Fair working hours and holiday entitlement
- We allow our employees freedom of association and the right to engage in collective bargaining
- We will not discriminate on the grounds of gender, marital status, age, religion, physical ability, sexual orientation, political beliefs or social class in the workplace or when considering promotions
- All employees should be allowed to perform their role without being bullied, harassed or threatened
- We will not force anyone to work for PSH and will refuse to deal with business partners that engage in forced or compulsory labour practices

Labour Principles

Implementation

We offer various benefits to all employees,

- i) Occupational Safety and Health Management
- ii) Salary increments
- iii) Overtime, Incentive, Other Allowances & Bonus
- iv) Regular Ferry Service
- v) Loans without interest
- vi) Provision for Health Care
- vii) Provide External training that requisition by employees

We are taking the suggestion from clients & employees who gave the advice to suggestion box and email complaint system are implemented. Those complain will be reviewed by top management and will be discussed promptly.

We evaluate the performance of each employees in monthly and they are entitled to get performance bonus base on their performance score.

During 2015-2016, Company provide internal and external training to our employee and build up their individual skill as well as team work.



Figure: On Job Training

Labour Principles



Figure: Management Improvement Training

According our people development program, during 2016, PSH Company join with Government Vocation Schools for hiring fresh graduated students. Those graduated student undergo company qualified employee program training and become skill employee.



Figure: Presentation at Vocational School for Job Opportunity at PSH Company



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Labour Principles

Measurement of outcomes

So far as of 2015-2016, there was no known cases of discrimination in respect of hiring and employment practices whether based upon race, religion, age, nationality, social or ethnic origin, sexual orientation, gender, political opinion, and there is no abuse of child Labour in PSH Company Limited.

Our company visited to Government vocational schools and make interview, selected and hiring from graduated students.

It treats all its employees with dignity and respect, and not use corporal punishment or threats of violence or other physical or mental abuse. Management always reviews and promotes human resources development and staff welfare policies.

For upcoming years, we will keep our progresses by:

- Reviewing our policy, goals and implementation relating to Labour principles and Human Resource development.
- Internal audits of Human Resource and performance and incidents of Labour abuses within the company and
- Consultation with stakeholders.

Environment Principles

Principle 7: Businesses should 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

Assessment, Policy and Goals

Our company is fully committed to defend Natural resources and physical environment of our organization and to conduct our business according to the Environmental Policy, shall make simple, clear and realistic policy which will be supportive and guided for the organizational objectives and targets.

PSH comply with applicable environmental legislation, regulations and requirements.

Implementation

During 2015 – 2016, PSH carried out following

- **We are awarded ISO 14001:2015 Environmental Management System.**
- **We provided ISO 14001:2015 Environmental Management System Awareness Training to our employee.**
- **Implement digital reporting system from Mobile Network instead of paper reporting.**
- Monitoring and prevention environmental impact of waste & pollution as follows:
- Paper waste, Energy waste, Water & Air pollution
- Alarms system for elevator
- Caution for incidental case
- Cultivating the green tree with vase in working place
- Keeping the extinguish fire in working place
- Precaution approach to our people for Safety Environment and working place.
- External Audited inspection for Environmental protection.
- IT department implement email, cloud sever internal file backup and sharing system for reducing usage of paper.

Under PSH Energy business unit, we setup Renewable Energy and Energy solutions for sustainable development, reduce CO2. PSH worked with Zephyr Cooperation, Japan for the wind turbine and distribute in Myanmar for electricity of off-grid rural area development and back-up power system for telecommunication stations.



Figure: PSH Renewable Energy Solutions



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Environment Principles

Measurement of outcomes

So far as of 2015-2016, there was no known cases of legal cases or fines related to environmental principles. Paper usage significantly reduce since company started introduce paper less reporting system and files saving and sharing in cloud server.

PSH will continue to deploy efficient use of energy, renewable energy and prevent waste material and protect the natural resources.





Anti-Corruption Principles

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

PSH takes a zero tolerance approach to corruption or bribery committed to acting professionally, fairly and with integrity in all its business dealings by our management or employees, regardless of their position in our organization, or business partners.

Implementation

Anti-Corruption Awareness Training

Eliminating bribery and corruption from organizations and supply chains requires more than just legal compliance. Our anti-corruption awareness training course gives the necessary orientation to find solutions to specific corruption problems, and to relate anti-corruption to the broader challenge of corporate sustainability.

We implement below rule within organization to prevent corruption cases in business dealing:-

- No give and take any form of bribery among employees.
- No give any form of bribery to management levels.
- No illegal payment form of bribery from customers, suppliers, and business partners.

And we practicing below activities in our organization for Anti-Corruption

- We communicated to our people to avoid the corruption by legal law.
- We also encourage to our client to prevent the corruption.
- We taking the advice from consultant to detect the corruption.
- We hired Internal Audit to check regular in all transaction and also audited by External Audit team to detect the corruption.
- Customer Service Department always monitoring any corruption or bribery case within customer and PSH's employees.

Measurement of outcomes

Procedural integration to prevent the risk of corruption in our company's operational processes, particularly during commercial transactions involving third parties.

Our internal and external audit committee regularly reviews company transactions for signs of any irregular payments.

Independent customer service department always communicate with our customer and checking for any corruption or bribery from our employee.

Participant in Government Audit for Government related projects.

So far as of 2015-2016, there was no known cases of any corruption or bribery detected by our internal and external audit committee regularly reviews.