

SMART TECHNICAL SERVICES

COMMUNICATION ON PROGRESS

APRIL 2017





SMART TECHNICAL SERVICES CO., LTD.

Date: 20th April, 2017

Dear our stakeholders,

I am pleased to share the second Annual Communication on Progress (COP) report of SMART Technical Services reaffirms its support of the Ten Principles of the United Nations Global Compact in the area of Human Rights, Labors, Environment and Anti-Corruption.

In this Annual Communication on Progress, we describe our actions to continually improve the integration of the global Compact and its principle into our business strategy, culture and daily operations. SMART support ad committed to gain successful achievement of the 17 United Nations Sustainable Development Goals covering sustainable development, climate change and disaster reliefs, civil society, good corporate governance and peace-building.

We also commit to share this information with our stakeholders using our primary channels of communication. We will continue to prove our commitments by sharing within our stakeholders by advancing our Communication on Progress Report and I am really proud to contribute this admirable principles and standards within organization and across country to see the effective consequences and transformation in near future.

Sincerely yours

Kyaw Kyaw Hlaing

CEO





SMART TECHNICAL SERVICES CO., LTD.

INTRODUCTION

Since 1994, SMART Technical Services has been a one stop services provider for customers from oil & gas, marine & offshore, engineering and other industries. Due to SMART's high professionalism and dedication towards its local and international clients, the company has gained itself recognition as a market leader in Myanmar. SMART is a member of contractors (IADC), The American Chamber of Commerce in Myanmar (AMCHAM) and Myanmar Oil and Gas Service Society (MOGSS). Its quality management system complied with the ISO 9001:2015, ISO 14001:2004 and HACCP. SMART is continually accredited for its good practices in its Ethical Code of Conduct, Corporate Social responsibilities, HSE and Environmental Activities.

HUMAN RIGHTS

PRINCIPLES

- Businesses should support and respect the protection of internationally proclaimed human rights; and
- Make sure that they are not complicit in human rights abuses.

ASSESSMENTS, POLICY AND GOALS

"We treat all our employees with respect, dignity and promote diversity in the workplace. Also, we protect personnel, assets and provide a secure environment in which business operations may be successfully conducted. We set clear accountability and it plays a positive role in the communities where we work."

IMPLEMENTATION

We provide equal employment opportunities and equal employment related decisions for hiring, evaluation, promotion, training, development, discipline, compensation and termination. We treat all job applications and employees without illegal bias. As we support the principle of the Universal Declaration of Human Right and Myanmar National Human Rights Commission, we respect Human Rights and it plays a positive role in the communities where we work. We set clear accountability for line manager to communicate this policy to their respective subordinates, supplier and contractor and implement the policy, support and review.





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We protect and respect community where we work and appreciate diversity in the work place by respecting local custom and culture, local assets and property in our every operation environment. We encourage of boosting the moral of the employee have a strong compliance team to conduct Human Right knowledge training and deliever awareness program to all employees aiming to understand the value of diversity and never discriminate.

Also we evaluate and select supplier and contractor based on SMART's Human Rights, Code of Conduct (Supplier) , Quality and Food Safety Management System. Compliance Team regularly conduct monitoring and analyzing supplier/vendor's performance. We ensure that our supplier and contractor comply the laws and regulations in the workplace and conduct their business ethically and responsibly.

SMART already established the following policies on public figure.

Human Right Policy (<http://smart-technical.com/about-us/compliance/>)

Code of Ethic (<http://smart-technical.com/about-us/compliance/>)

Grievnace Mechanism Policy (<http://smart-technical.com/about-us/compliance/>)

MEASUREMENT OUTCOMES

Annually and quaterly, we regular measure our stakeholders concern with SMART's Human Right Policy and Grievance Mechanism Procedure in our operaiton area and conduting workplace Human Right prevention acivities. And also continuous checking and assessing of supplier/ vendor performance including Human Rights criteria and their Food Qulaity Management and Food Safety Standards.

To support our community based on Corporate Social Responsibilities matter, we boost Ray of Hope Foundation since 2012 and ongoing running the project by co-operate with ASEAN CSR Network, namely "To reduce proverty by incresing knowledge capacity". These project mainly scope is "Business and Human Rights" and focus on general knowledge on profitable business , harmless living , Human Rights. And also the project will help to protect the local work survival of locals for business , safety , health and prevention of natural disasters.





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LABOUR

PRINCIPLES

- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- The elimination of all forms of forced and compulsory labour;
- the effective abolition of child labour; and
- The elimination of discrimination in respect of employment and occupation.

ASSESSMENTS, POLICY AND GOALS

“We committed to upholding the protection of labor under the human rights in all workers where it is possible through our sphere of influence. We ensure that we are not complicit in any violations on laborers or suppliers and partners to this same high standard. We support and respects the principles proclaimed in the Universal Declaration of Human Rights, the international Labor Organization’s Principles and Myanmar Labor Laws believe businesses should ensure that they are not complicit in human rights abuses.”

IMPLEMENTATION

We focus the freedom of choice of employment and the fullest opportunity for each worker depending their qualification and skill and we give the right to equal treatment and employment without discrimination. We prohibit the employing of child labor and forcing labor where we operate. Compensation paid to workers shall comply with all applicable wage laws including those relating to minimum wages, overtime hours and legally mandated benefits under Myanmar Labour Law. Also Public holidays shall be complying as announced in annual notification by the Union Government, without deduction.

We support our employee to be in a safe environment, protected from hazards of the job. we are complying SMART Health, Environment, Safety and Social Responsibility Policy and SMART Stop Work Policy. We allow the employee to create freedom of association and effective recognition of the right to collective bargaining.

Labour Policy (<http://smart-technical.com/about-us/compliance/>)





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MEASUREMENT OUTCOMES

Within the whole year, there have no employee complaints. Regularly management collect and review the employee issues and cases internally by Anomaly Report and Corrective and Preventive Action Report individually for weekly basic to know the employee difficulties, needs and wants that management should offer for. SMART Ethical Committee annually reviews employee performance, dignity and ethics by Peer Review Form to reward fairly.

SMART always create a safe and fun working environment by contributing equality and fairness in our daily routine working process.

ENVIRONMENT

PRINCIPLES

- Businesses should support a precautionary approach to environmental challenges;
- Undertake initiatives to promote greater environmental responsibility; and
- Encourage the development and diffusion of environmentally friendly technologies.

ASSESSMENTS, POLICT AND GOALS

“Environment impacts plays a really sensitive for our day to day operation process. So that we value and take care of Environmental Management System to reduce eliminate the impacts resulting from the aspects of oil and gas related services and products. We protect the inter-relationship between aspects of living things, their process , products and their impacts of physical surrounding by practicing a good Waste Disposal Management System.”

IMPLEMENTATION

Management Team is responsible to review the EMS internal audit reports and access the extent of compliance or non-compliance to the organization’s adopted EMS standard and also review the effectiveness of corrective action. Top management will provide human resources and specialized skills and financial resources for implementation and control of SMART’ EMS. We ensure that Environmental Manament System requirements are established effectively implement and maintained in addition to HSE team duties.





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Monthly HSE training is conducting to get awareness of the importance of the EMS Policy, Objective and targets by the staff. HESS Team provide the establishment of training requirement and as well as investigating the possible sources for the training where in-house training is not adequate , out-source training will be conducted.

MEASUREMENT OUTCOMES

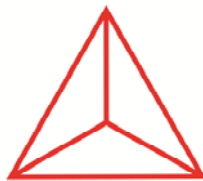
HESS Team from SMART Technical annually conduct internal audit program and environmental activities includes growing plants, house hold water and drinking water donation , Education Program at Primary Level School , Complimentary video distribution program ,titled by Natural Environmental & Plastic Bags , Waste and Your responsibility.

We gain effective outcomes based on the follosing criterias that we established as enviromental objectives :

1. Reduction of office electricity consumption
2. Reduction of office water usage consumption
3. Reduction of paper usage
4. Reuse the draft paper
5. Recycle of office paper waste
6. Use the solar power (Renewable energy)
7. To reduce elevator usage
8. To reduce noise pollution by generator
9. Plastic free office environment
10. Live green policy

The annual enviromental audit to review SMART'EMS objective and issued Audited Report for SMART.





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ANTI CORRUPTION

PRINCIPLES

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

ASSESSMENTS, POLICY AND GOALS

“We are committed to create an ethical culture and promote the highest integrity where we operate. We are responsible to ensure our employees and third party contractors fully understand our Anti- Bribery and Corruption Policy and share our commitment to comply as well. We believe we can work and achieve greater success together by doing our business right all the time. SMART takes zero-tolerance approach to bribery and corruption. It is our commitment for all our employees and business partners to pledge all work activities with high integrity and transparency. It is our entire stakeholder’s responsibility to battle corruption and conduct business responsibly.”

IMPLEMENTATION

We set guideline and encourage our Anti Bribery and Corruption Policy and commitment to ensure our employee and third parties representative fully understand this scope and application of this Anti- Bribery and Corruption Policy. We make the business together and achieve the great success by doing the right things at all time. We continuously uphold all laws relevant to countering bribery and corruption. We practice and support the principles of Myanmar Anti-Corruption Law 2013, Foreign Corrupt Practices Acts (FCPA) 1977 and guideline of TRACE International. We are the member of TRACE (Anti-Bribery Compliance Solution) since 2013.

This policy creates an ethical culture and promotes compliance and integrity where we operate. We take a zero –tolerance approach to bribery and corruption and create more sustainable platform for future growth.

Anti Bribery and Corruption Policy (<http://smart-technical.com/about-us/compliance/>)





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MEASUREMENT OUTCOMES

We analyse and release annual report of Anti Bribery and Corruption Risk Assessment based on the performance of SMART employees (all individuals working at all levels and grades including senior managers, officers, directors, and employees whether permanent, fixed-term or temporary, trainees, seconded staffs) but importantly also to its agents including vendors, suppliers, sub-contractors, advisers, consultants, joint ventures, partners and representatives which dealing with SMART. And also compliance team conduct the Anti-Bribery and Corruption Training including case studies, group discussion regularly. Employee or third parties are invited to comment in this policy for improvement. Any comment, suggestion or questionnaires regarding this policy must be addressed to compliance leader. Compliance Team must obtain Ethical Committee approval for revision of this Anti- Bribery and Corruption Policy.

SMART was participating as a member of TRACE Anti-Bribery Compliance Solutions since 2013. The TRACE Organization annual review SMART's Anti-Bribery Performance and issued Due Diligence Report for SMART. Our due diligence report are available TRACE corporate website www.TRACEinternational.org. Compliance Team from SMART Technical issued Compliance Risk Assessment which assesses the internal based research from all department by individual answering 13 questions related with SMART's ABC Policy Information (Anti-Bribery & Corruption Policy).



SMART Ethical Committee

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