



SMART SOLUTIONS
RELIABILITY
EVERYWHERE

COP Report 2016

SUMMARY

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CEO STATEMENT

We aim to be the leading engineering company in Myanmar, we aim to deliver the best to our clients and thus contribute to build our country. This ambition is driving our mission which is extremely clear: empowering Myanmar. What does it mean concretely?

At Zenith Power, we believe that our responsibility is to contribute to Myanmar development and not only to its infrastructures and assets but also to its people. To achieve this, we have to be able to do two things:

- designing, building and delivering projects that will shape a better working country;
- having the best people working with us: therefore, we place great value on building strong teams, attracting the right talents and developing employees' career within the company.

As every business operating in a frontier market and economy, we have to deal with many challenges. As a Myanmar company, we have to demonstrate to our partners that we can deliver and meet their expectations. As a responsible citizen and business owner, I want to be proud not only of our business but of the way we are doing business. That is why it is important for us to support the Global Compact, that is why it is key for us to walk our talk.

You will read now our very first COP report. We decided to structure our reporting accordingly to the UNGC principles. For us, it is just a starting point and the beginning of our journey. We know that this first report is far from the best international practices and we will do our best to meet them as quickly as possible. Therefore, if you have any comments, any remarks, we will be happy to hear more from you: share with us your view about our reporting so that we will be able to provide a better one next year.

Yours sincerely,

Thit Lwin Oo, Zenith Power CEO and Founder

SUSTAINABILITY AT ZENITH POWER

What sustainability means for us?

At Zenith Power, we consider that our main responsibility is to sustain our business. In that sense, we are rather aligned with the CSR definition promoted recently by the EuroCham Myanmar in their 2017 White Book¹.

We will not be able to be a sustainable company if we cannot create and share results with all our stakeholders. We are currently working to design our sustainability approach as we consider that it should be totally embedded in our business activities.

How did we prioritize our sustainability issues?

To prioritize our sustainability, we benchmarked the practices of our Myanmar and international peers while reviewing the last trends in engineering sector to have an overview of the current market practices. Then, for each topic, we assessed how critical they were for Zenith Power sustainability. As a result, we identified a list of 9 topics that are considered as important both outside and inside of our company and covering actually every single step of our activities: from the design to the delivery of the project and involving all our key stakeholders.

Why did you decide to comply with the UNGC?

Supporting the UNGC and the Sustainable Development Goals is a mean for us to demonstrate our leadership and that we can walk our talk. As more international companies are venturing in Myanmar to explore business opportunities, it is for us a way too to explain how we are doing business and why our business is a driver for building a more sustainable economy in Myanmar.

The real challenge for us is starting now. We are a small company and if we want to comply with the best international standards, then, we know that we have a lot of work to do to structure properly our business. This challenge is for us exciting!

What are the next steps for you regarding sustainability?

We see two areas of work. For the first one, we will have to build an efficient management system and to improve our reporting to have more data to make better decision. It will help us to allocate smartly our resources and this will be extremely relevant to transform the way we are doing our business. For our next COP report, we aim to provide more data and we will set up different objectives to drive the change internally.

Secondly, we want to promote our approach and to demonstrate to our clients and partners that we are part of the solution to build a more sustainable and inclusive economy in Myanmar. We want to innovate and to develop our revenues related to smart solutions like renewable energy, energy efficiency management, green building, ... Hence, we will definitely engage with more stakeholders in order to explore with them how we can collaborate and explore new business opportunities.

⁴ Cf. <http://eurocham-myanmar.org/publications>

Our 9 priorities

Topic	Comments	Stakeholders
Company transformation	Zenith Power is a family owned company operating in Myanmar. As we are dealing with more international partners and as the market is changing quickly, we have to transform the way we are managing our business to be able to seize the different market opportunities and to demonstrate that we can meet international requirements.	ALL
Talent management	As a people company, we rely on the skills of our engineers to design, build and deliver the solutions expected by our clients. Recruiting the best talents, developing them and providing them opportunities is critical.	Employees
Working conditions	In Myanmar, retaining the right people may be extremely challenging. The quality of our working environment is essential to demonstrate to our staff that we care about their wellbeing.	Employees
Health and safety	On construction sites, hazards are numerous and a weak HSE management can have some very serious consequences. Therefore, we pay great attention to safety and we will work hard to avoid any accidents for our employees.	Employees
Supply management	To deliver our solutions on time, we need to work closely with our suppliers and we are keen to consider them as our partners and to build long-term relationships with them.	Suppliers
Customer relationship management	As every company, our ultimate goals is to generate revenues and profits. Therefore, being able to meet and exceed customers' expectations is for us extremely important. Nevertheless, we are operating in a sector where, sometimes, managing the relationships with our clients can be hard especially when they do not respect the payments' terms and conditions.	Customers
Business ethics	We want to be a responsible and fair business player, we do not tolerate corruption and unethical behavior within our company. We do comply with Myanmar laws and we will act promptly as soon as we will identify any loopholes in our management system.	Customers Employees Suppliers
Smart solutions	Myanmar is a frontier market where the needs are enormous especially in the energy, constructions and infrastructures sectors. Providing the right solutions is essential to shape an economy that will be sustainable, that will cope with climate change while providing universal access to electricity and to affordable housing in Myanmar.	Customers Public authorities
Shared value	We have to generate profits to be able to invest in our company and in our people. But, for us, the most important thing is to be able to share the value we created with our key stakeholders: with our employees, we are keen to raise their wages when they are assuming more responsibilities within our company, with our local communities we are pleased to give back through our philanthropic activities and with the Myanmar authorities, we are proud to pay our taxes to contribute to the country development.	ALL

LABOUR

1. UNGC Principles

#	Principles
3	Uphold the freedom of association and the effective recognition of the right to collective bargaining
4	Eliminate all forms of forced and compulsory labour
5	Abolish child labour
6	Eliminate discrimination in respect of employment and occupation

2. The quality of our people will drive our future success

We are an engineering company: we rely mainly on the skills of our employees to design, build and deliver the solutions that will meet our clients' expectations. In Myanmar, the lack of skills is real and impacting businesses. Recruiting the right people, offering them challenging opportunities to build their careers and appealing working conditions are essential to sustain our business. Therefore, we aim to be the most responsible employer among our industry in Myanmar.

To translate our ambition into commitment, Zenith Power endorses the eight fundamental conventions from the ILO². The results of our review to prioritize our sustainability issues are very clear as 3 priorities are connected to the value of our human capital. We have a specific responsibility with all the daily workers who are involved in our projects.

Zenith Power has a team of 4 people to manage its human resources. This team is reporting to a vice president, responsible for managing all the support functions, which reports to Zenith Power CEO. Currently, the HR team is designing all its standards and procedures to structure its work more efficiently.

Today, we have 3 priorities to value our human capital:

- Managing our talents,
- Upgrading our working conditions,
- Aiming 0 accidents.

Our employee handbook

For the very first time, before the end of 2017, an employee handbook will be released and shared within the company. This document is extremely important as it explain clearly to all the employees: their rights, their duties and the current HR rules. This document will be available in English and in Burmese to secure a proper understanding of its contents.

Zenith Power HR profile

- 197 daily workers are working for us
- 108 employees are working for us
 - 73% men
 - 27% women.
- Average salary: 460 000 MMK
- Average % raise: 21%
- Since January 2017
 - Number of recruitments: 34
 - Number of leaves: 34
 - Number of accidents: 2
 - Number of training hours: 560
 - Number of people trained: 36

² Cf. <http://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm> .

Developing our talents

In order to better manage its talents, the company has decided to invest and is currently working with an external consultant to design the processes and tools that will be then used by the HR team.

Each year, the performance of each employee is assessed by its supervisor or manager. This is a moment to discuss about the performance of the year and the expectations of the employees. At the end of the process and depending on the employee's performance, he or she will get a raise, a bonus and eventually a promotion and/or a new position within the company. During this interview between the manager and the employee, they will discuss about the skills' needs and eventually validate the next steps to develop them. Since the beginning of the years, 36 people have been trained.

Enhancing our working conditions

We are convinced that providing a great working environment is essential to retain our talent. Therefore, we pay great attention to build a strong corporate culture and we are investing a lot to build our team. For example, once a year, we are gathering all our staff to share with them about Zenith Power strategy, to gather their views and to involve our staff when we have to change and update the way we are working together. In August 2017, the top management decided to share more information with Zenith Power staff. A monthly committee is now held to inform the employees about the current results of the company and about the next steps to let them understand how and why their work is important not only for themselves but for the company as a whole.

For us, a good communication between the different functions and employees is a key factor of success and wellbeing. To ease the dialogue and the information sharing within our team, we are using some applications that are widely use in our country so that our people can exchange directly and more easily. Last but not the least, Zenith Power management recently started to share more information with all the permanent employees: each month, a meeting is set up to discuss about the company's results and about the ongoing projects.

Aiming no accident in our workplace

Our employees may be involved in two main types of activities: office jobs, especially done from our Yangon headquarter, and on-site jobs. We consider that the HSE risks are mainly located on our construction sites where our daily workers and our permanent staff have to work. As every job is different, the HSE management should be done at site level to be relevant. Zenith Power provides to all its employees (daily workers and permanent staff) a set of personal protective equipment (PPE) to prevent any accident: safety shoes, helmet, uniforms, reflected vests, safety belts and special PPE for specific works, e.g. Hot Works (Welding works).

When, unfortunately one of our employees has an accident while working for us, then Zenith Power will cover the medical expenses even for its daily workers. From January 2016 to July 2017, 1 minor accident happened.

To continuously improve our HSE culture, Zenith Power is investing to train its people. Since the beginning of the years, 50% of the trainings provided to our employees have been related to HSE topics.

ENVIRONMENT

UNGC Principles

#	Principles
7	Support a precautionary approach to environmental challenges
8	Undertake initiatives to promote greater environmental responsibility
9	Encourage the development and diffusion of environmentally friendly technologies

Our environmental footprint

As an engineering company, our environmental responsibility is related to our ability to:

- reduce our own environmental footprint because it is a way for us not only to contribute to a better environment but it is also a way for us to optimize the profitability of our company as the energy costs may be higher in a near future,
- provide to our clients eco-efficient and eco-friendly solutions that will contribute to lower for example their energy consumption or to optimize the share of renewable power they are using for example.

Our own environmental footprint is the results of:

- the fuel consumption of our vehicles' fleet and of our generators to assure the power supply during the power outages. From January 2016 to July 2017, our fuel spending was MMK 14,7m,
- the power we need to perform our operations. Last year, we spent MMK 5,5m from January 2016 to July for our power and water consumption.

We consider that our core environmental responsibility is to provide eco-efficient solutions to our clients when it is relevant for them. For instance, we are working currently for one of our client to optimize their energy consumption.

Optimizing energy efficiency

Zenith Power is hired as Design Engineering service provider for 21-storied serviced office building for Mechanical, Electrical and Plumbing systems by Mottama Holdings Ltd. With our expertise in the field, we managed to design the building with energy efficient and eco-friendly approach, which eliminates operations costs significantly and provides more sustainability of the building.

Installing renewable energy

Zenith Power part of the team player for Government's National Electrification Project which is funded by World Bank. We are doing site surveys at the areas where no access to electricity ever. We then design, supply and install solar home systems and solar systems for public such as street lights, hospitals, schools, monasteries, churches, ... which is benefiting positive socio-eco impacts at those areas. We will be continuing this work to support Government's goal of lighting up the whole country by 2030.

BUSINESS ETHICS

UNGC Principles

#	Principales
10	Work against corruption in all its forms including extortion and bribery

Being a responsible company

According to most recent World Bank Enterprise survey conducted in 2016 in Myanmar³, almost 30% of firms in the country experience at least one bribe payment request in a year. The businesses related to the construction sector are the most exposed: almost 50% of the interviewed companies said they were expected to pay bribes to get a construction permit versus 33% of them for an electrical connection.

Those unfair practices have several ripple effects:

- first it handicaps the players who are committed to act and behave fairly,
- second it penalizes the people who will finally buy, use or consume those goods and services produced unethically as their quality will be poorer,
- finally, it will harm the country development, its infrastructures and its future growth.

Therefore, in our company, we are deeply convinced that our business will be sustainable if our business ethic is strong and plain. That is why we adopt a very strict and simple approach: we do not accept nor tolerate any form of corruption in our company. This is clearly stated in our Employee Handbook, chapter 6.1.3:

- our employees shall not receive any payments nor gifts as a result of any business transaction with our partners (suppliers, clients, public servants, ...),
- should our people have any concern, doubt or question on this topic, they may reach their direct report or, ultimately, the CEO.

We will now reinforce our work to:

- better assess our potential risk,
- raise awareness within our company to the people who may have to manage any potential challenging situation,
- train our people on this very specific topic.

Help us to break the corruption chain

Should you want to report any potential unethical behavior, please contact us at zp.ethic@gmail.com

Your question will be automatically forwarded to the CEO.

³ Cf. <http://www.enterprisesurveys.org/data/exploreeconomies/2016/myanmar>

REPORTING

Scope of reporting

In this report, we cover Zenith Power Company Ltd.

As it is our first COP reporting and as Zenith Power joined the UNGC in 2016, the reporting period starts the 1st January 2016 and ends the 31st July 2017.

For our next COP report, we will align the reporting period with our financial reporting.

Reporting standards

We are using two main standards to structure our non-financial reporting: the UNGC and the SDGs. Considering our business, the country where we operate, and our industry, we considered that the following SDGs were the most relevant for us:



Point of contact

Should you have any comments or feedbacks regarding our first COP report, please contact us at zp.sustainability@gmail.com.

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