



Myanmar
POLESTAR
DMC & MICE Management



WE SUPPORT

United Nations Global Compact

Communication On Progress

March 2018

MYANMAR POLESTAR
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WE SUPPORT

Message from our Managing Director

I am pleased to confirm that Myanmar Polestar Travels and Tours will provide its continued support to the United Nations Global Compact.

Our company is committed to integrate UN Global Compact's Ten principles in the areas of human rights, labour, environment and anti-corruption into our business operations.

In this annual Communication on Progress, we will outline our new sustained actions towards promoting the fundamentals of the Global Compact framework. We believe that responsible tourism, is paramount to a successful business in the tourism industry. Informing our stakeholders about our actions is an integral part of our commitment.

Sincerely,

Aung Lin Htin

Managing Director



ABOUT MYANMAR POLESTAR

Myanmar Polestar was originally set up as a family business in 2001. Over the years, our staff has grown to over thirty knowledgeable and passionate individuals, operating out of our Yangon office. From the outset, we specialized in serving Japanese customers, offering a wide spectrum of products and services. Building on our extensive experience from the Japanese market and by adapting our products to the taste of travelers from Europe and North America, we are now devoting our full attention to our clients from these markets.

As a medium-sized inbound tour operator, we arrange services in Myanmar and package them into products that are subsequently marketed abroad by our partners or sold directly to our clients. Our products range from individual services such as flights, hotels, sightseeing tours, transfers, and cruises to fully-fledged packages including a guide, meals, accommodation and transportation.

We also provide Destination Management Services to the MICE market, providing a range of Events, Incentive trips, Meetings and conferences in and around Myanmar.

In 2011, after five decades of military rule, the government of the Republic of the Union of Myanmar embarked on a process towards

democratic governance, initiating political, economic and social reforms. As a result of these developments and the easing of travel restrictions, the country has seen an unprecedented growth in international tourist arrivals. Surpassing the 2 million mark in 2013, the numbers of arrival are projected to reach 3 million by the end of 2014 and 7 million by 2020.

The recent opening-up brought about excellent business opportunities - at the same time, we are aware that our country is facing considerable challenges in dealing with the unforeseen influx of visitors. We at Myanmar Polestar equally feel that it is our duty to contribute to a responsible and sustainable development of the tourism industry in Myanmar, aiming to create a better place for those who work in the industry, for those who are affected by the industry and the travelers themselves. Supporting the **UNITED NATION'S GLOBAL COMPACT** is one of the tools that enable us to reach this goal by clearly formulating our policy, how to translate it into action and how to eventually measure the outcome.

THE TEN PRINCIPLES

Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights
Principle 2	Make sure that they are not complicit in human rights abuses.
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
Principle 6	The elimination of discrimination in respect of employment and occupation.
Principle 7	Businesses should support a precautionary approach to environmental challenges
Principle 8	Undertake initiatives to promote greater environmental responsibility
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.

HUMAN RIGHTS PRINCIPLES

Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights
Principle 2	Make sure that they are not complicit in human rights abuses.

Assessment, policy and goals

The tourism industry is responsible for numerous violations of human rights taking place all over the globe. The situation in Myanmar has been particularly alarming: government-run tourism companies in Myanmar have long been accused of being complicit in human rights abuses in the past, such as forced labor. This also led to a boycott of the tourism industry that was in effect for at least 10 years but was lifted once the government started its democratic reforms in 2011. While this is not to say that the issue is resolved as there are still severe violations of human rights taking place (e.g. land-grabbing and involuntary resettlement), at the same time a positive trend is recognizable in terms of awareness and policies both in the private and public sector. At the national level, this manifests itself through the development of the Responsible Tourism Policy in 2012, followed by the

Tourism Masterplan in 2013, a document guiding the sustainable development of the tourism sector until 2020.

Despite the challenges and potential harmful effects of tourism on human rights, we also recognize the potential of the tourism industry to promote and enhance human rights. As a private sector company, we also consider it our duty to contribute our share. First of all, we hereby declare our support to all articles affirmed in the Universal Declaration of Human Rights. Furthermore, Myanmar Polestar fully endorses the UN Guiding Principles on Business and Human Rights (UNGPs) as well as the IFC Performance Standards and Environmental, Health and Safety (EHS) Guidelines.

As children constitute the most vulnerable members of our society, their rights are in need of particular protection from harmful effects caused in relation to tourism and traveling. Myanmar Polestar therefore

became the first tourism company in Myanmar to join The Code (of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism) in 2013 and since then has been recognized as a Top Member. The Code is a global, industry-driven initiative that aims to fight against and eliminate all forms of sexual exploitation of children in relation to the tourism industry. In 2015, we also sought to improve our staff's knowledge on the negative affects of orphanage tourism. As witnessed in Cambodia, while tourists think they are benefitting the children in these orphanages, more often than not, they are adding to the problem.

In 2011 a study that was carried out in Myanmar found that 73% of children in orphanages still had 1 or 2 parents still alive. Tourists who give money to these orphanages, rather than family help schemes, are adding to this widespread problem. With orphanage tourism on the rise in Myanmar, we have been teaching our staff the side effects of this and why we should not promote, or send any of our tourists to these destinations.

In September 2016 our staff participated in a workshop on 'Developing a Company Human Rights

Policy'. Attended by a variety of businesses and industries in Myanmar held by MCRB (Myanmar Center for Responsible Business). This training was to help develop and improve our approach in respecting human rights, and communicating what we do to stakeholders.

Implementation

In order to prevent any involvement in or with harmful practices, we monitor and then select our suppliers accordingly. As we bundle single services into packages that are ultimately sold to the end-consumer, we can make a difference by choosing suppliers – to our best knowledge - that are not involved in any practices that do not respect human rights. We also aim to inform and educate our clients about this and give reasons why or why not we are offering a particular supplier or service.

In addition, being signatory to The Code, we provide in-house training to our own staff and our tour guides on the issue of sexual exploitation, and ways to recognize and report any harmful activities.

Furthermore, we are obliged to embed The Codes principles in our supplier contracts, most notably concerning the hotels we are working with. In 2017 we created new clauses in our contracts, with all our suppliers, to monitor and report any activity taking place on their premises and in their area of responsibility. We use this as a platform to educate our suppliers and it is therefore our responsibility to make sure that the respective contractual clauses are indeed understood, agreed to and returned to us signed. We have also sent staff members to attend training sessions throughout the year, such as in June 2017 on Human Resources and Management, held by CBI from the Netherlands who support the sustainable and economic development in developing countries. Finally, we recognize an increasing number of industry-driven initiatives, NGOs and civil society groups that devote their attention to issues of human rights and to the greatest extent possible we aim to lend them our support and share our experiences.

Measurement of outcomes

Myanmar is still in a transitory state undergoing major changes in its social, political and economic landscape. Addressing and claiming legitimate rights is still often challenging and not always given. We hope that by participating, monitoring and discussing to initiatives focusing on human rights this will eventually contribute to establishing industry-wide standards in the long run.

In addition, by providing the supplier agreement, we contribute to raising awareness, increase our suppliers' knowledge of the issue and we encourage them to monitor and report suspicious behavior by their staff or guests. Nonetheless, it is our duty to make sure that the agreement is signed and returned in agreement of the clause. Only if it is included, we can audit and select all our partners and suppliers against the backdrop of their compliance with The Code's principles. Therefore, by the end of this reporting period, we aim for a 100% contractual embedding of The Code's principles.

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
Principle 6	The elimination of discrimination in respect of employment and occupation.

Assessment, policy and goals

The tourism industry is continuously growing in importance on a global scale. This is not only reflected by increasing numbers of tourists travelling but also due to the economic significance of the global industry. The travel and tourism industry is growing faster than industries such as manufacturing and retail, leading to the fact that every 11th job in the world lies within this sector. It can thus be stated that the sector is highly significant with regard to employment generation – at the same time the tourism industry is to be held accountable in many instances for poor working conditions and even the violation of human rights through e.g. forced labor. However, in many areas of the

world employment in the tourism industry is the best or only way to make a livelihood, particularly in developing countries the economic impact is of major significance.

In Myanmar, according to the World Travel and Tourism Council, Myanmar's travel and tourism industry sustained 735,000 jobs (2.8% of total employment) in 2012 - inclusive of direct, indirect, and induced employment. While the amount of jobs created by the industry is highly positive, the conditions under which many people currently work certainly leave room for improvement.

Implementation

At Myanmar Polestar we support and adhere to the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. In line with the principles, we assure that:

1. No employee is subject to any form of discrimination based on gender, race or physical abilities, or religion.
2. Employees are only hired with a minimum age of 18 years.
3. Any form of physical or verbal harassment is strictly forbidden.
4. All employees are free to be part of any association or nongovernmental foundation.
5. Every employee has the right to negotiate his/her salary.
6. There is no form of forced and compulsory labor.
7. Every employee receives a working contract of two years.
8. All our office staff members are employed year-round, merely the tour guides are freelance and are employed as needed.

In addition, our engagement with The Code against the Sexual Exploitation of Children in Tourism we also contribute to eliminating forced labor and child labor as the sexual exploitation of children often takes place in the context of forced labour in prostitution.

Measurement of outcomes

We aim to measure the outcome of our rules and mechanisms in place by counting and evaluating any cases of labor-related issues that may arise. In addition, we will evaluate the work-force against the backdrop of well-balanced demographics, especially paying attention to this when hiring new personnel. Finally, we aim to monitor staff turn-over and work place satisfaction and take the necessary actions if we observe any areas that need improvement.

ENVIRONMENTAL PRINCIPLES

Principle 7	Businesses should support a precautionary approach to environmental challenges
Principle 8	Undertake initiatives to promote greater environmental responsibility
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.

Assessment, policy and goals

The tourism industry's impact on the environment is multi-layered. Tourism heavily depends on natural resources and assets as they often serve as the very reason why people want to travel to a particular destination in the first place. At the same time, however, tourism often runs the risk of harming or even destroying these very resources. On a global scale, tourism may contribute to global warming, exacerbate the depletion of natural resources and contribute to the loss of biodiversity. At the regional and local level, tourism may be one factor posing a threat to a region's natural and cultural resources, such as water supply and heritage sites and create additional pollution through traffic emissions, littering, increased sewage production and noise.

In Myanmar, some areas are already affected by environmental degradation and the pressure on natural and cultural assets is constantly increasing due to the large and unforeseen influx of visitors. If actions are not taken soon then some irreparable damage may be inflicted on some of the destinations already affected.

It is therefore of utmost importance that all stakeholders are aware of these challenges and aim to act in the least harmful way possible. This relates to both the supply and demand side, i.e. tourism companies as well as travelers. As tour operator our strategy is two-fold: on the one hand we aim to reduce the environmental footprint of our daily operations at our office. On the other hand we aim to monitor and reduce potential harmful impacts on the environment of our travel packages.

Implementation

Regarding our office premises, we aim to reduce the amount of resources used for our daily operations. This of course relates to the amount of paper utilized, printing in general and printing in color as well as the reduction of plastic. We always turn off the lights and air-conditioning in rooms that are not used.

In addition, we are working towards Travelife certification and in March 2017 we were awarded Partner level, the second stage within the three stage certification. Travelife is an International framework for travel businesses to help improve their social, economic and environmental impacts.

Besides creating awareness among our employees, we also aim to educate our clients about the value of our natural resources and how to reduce potentially harmful impacts when traveling. For instance, we encourage our clients to use alternative means of transportation instead of flying domestically, as the bus and train network is improving. In addition, we educate our clients by encouraging them to engage in sustainable practices such as tree-planting in the country's arid plains. Finally, in terms of supply chain

management, we aim to only cooperate with suppliers that act responsibly in the given framework conditions currently prevalent in Myanmar.

Measurement of outcomes

We will continue to monitor the amount of resources used by our office with the aim to reduce our footprint in the long run and ways to have a positive impact. We will also continue to closely monitor the environmental impacts inflicted on the different destinations. As more tools for environmental impact assessment become available, we will choose the suppliers with the best record in environmental management. In the long term, we want to be at the forefront of applying responsible environmental practices of Myanmar's tour-operators, through adherence to environmental legislation and the active encouragement of conservation and responsible usage of natural resources.

Principle 10

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

Assessment, policy and goals

Corruption and the lack of transparency are long-entrenched problems in Myanmar in both the public and private sphere of business. Initial steps towards reducing and holding perpetrators accountable have been taken by the Union Government. Realistically, however, it will take some time for mechanisms to be in place that actually make a difference.

Implementation

Myanmar Polestar does not support and fights against any forms of corruption including bribery, political influence, external pressure or extortion. Any company activity is to abide by the law of the Union of the Republic of Myanmar and we aim to act according to ethical principles in every situation.

Measurement of outcomes

We are planning to develop a company's anti-corruption manual that clearly states our actions against any forms of corruption including bribery, political influence, external pressure or extortion. Employees will be trained and audited for knowing and applying it. In addition, the workforce shall be informed that whoever suspects or reports suspected dishonest activity has the right to remain anonymous should he/she so require. Finally, it will be made clear that any employee who is found participating in corruption practices will be subjected to legal action.