



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

2017



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Table of Contents

Statement of Continued Support.....	Page 3
UN Global Compact 10 Principles	Page 4
Human Rights Principles.....	Page 5 to 10
Labour Principles.....	Page 11 to 13
Environment Principles.....	Page 14 to 15
Anti-corruption Principles.....	Page 16



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The United Nations Global Compact Annual COP (Communication on Progress), 2016 – 2017

Participant: PYEI SONE HEIN COMPANY LIMITED

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

COP Time period: March, 2017 to March, 2018

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

March 15, 2018

To our stakeholders:

Pyei Sone Hein Company Limited (PSH) had joined the UN Global Compact in March 22, 2013 and this year is the 5th year of our successful incorporation with United Nations Global Compact (UNGC) this year, we admit that Pyei Sone Hein Company Limited (PSH) has been making significant improvements and progress with our commitment for sustainable development of the society during the past five years.

Pyei Sone Hein Company Limited (PSH) has developed to become one of progressive organizations in Myanmar with our strong culture identity of sustainable growth.

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.

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.

Last but not least, PSH is committed to adhering to the 10 principles of the United Nations Global Compact (UNGC) and this is the fifth consecutive year which we have incorporated the UNGC principles. In closing, we would like to thank all our stakeholders for their continued support and cooperation in all the undertakings. PSH is steadfast in our commitment to provide be socially and environmentally responsible in all areas where we operate for continued sustainable growth and stability for all.

Sincerely yours,

Zaw Min Thant
Managing Director
Pyei Sone Hein Company Limited



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UN GLOBAL COMPACT 10 PRINCIPLES

Human Rights Principles

- Principle 1:** *Businesses should support and respect the protection of internationally proclaimed human rights*
- Principle 2:** *Make sure Businesses are not complicit in human right abuses*

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*

Environment 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*

Anti-Corruption Principles

- 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; and

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

Our Human Resource policies, program and practices are aligned with Universal Declaration of Human Rights (UDHR), which requires us to treat one another fairly and with respect, regardless of our race, language, nationality and colour. We have successfully enforced the Human Rights Policy within our organization.

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. PSH value and respect the equal rights of human beings and set the highest priority and ensure wellbeing of individuals.
2. Our HR policy strives to assure there is zero tolerance for any form of abuse or harassment within the company.
3. Our Occupational Health and Safety and Environment policy ensure to provide a safe and healthy workplace at all time.
4. PSH seeks to maintain workplace with harmony, diversity, high employee morale and productivity by handling grievances and counseling support if needed.
5. Building the capacity of staff and confidence for the clients by delivering quality
6. 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.
7. 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.



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Human Rights Principles

6. Conduct Human resource development and capacity build up training In 2016 – 2017 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) ISO 14001:2015 Environmental Management System Training
- viii) Leadership & Management Training
- ix) Product Discussion & Knowledge Sharing In-house Training
- x) Human Resource Management Training
- xi) Human Rights Awareness Training
- xii) Occupational Safety training



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Human Rights Principles



Figure: Internal Technical Skill Development Training and Assessment

7. Staff Social Welfare Program arranged as follow:

- i) Sport & Team Building
- ii) Donation (CSR) program
- iii) Regular Ferry Service
- iv) Loans without interest
- v) Provision for Health Care
- vi) Provide External training that requisition by employees

Human Rights Principles

CSR Program Activities



Fig: PSH Organization Donation at Monastery



Fig: Team Donation at Monastery



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Human Rights Principles



Fig : PSH's Donation (CSR) Program at Senior Citizen Care Center



Fig : PSH's Donation (CSR) Program at Senior Citizen Care Center



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Human Rights Principles

Measurement of outcomes

During 2016-2017, there is no significant case of human rights violations was reported by our stakeholders nor found by our management team within our organization and we keep ourselves that we are not complicit in any of human rights abuses.

We actively promotes the dissemination of the Human Rights and Code of Conduct and ensures its effective implementation, e.g. via training events. The relevant training documents are made available in both Myanmar and English to all managers and employees.

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.



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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 are fully committed to align with ILO declaration and its articles on effective abolition of child labour, the elimination of all forms of forced or compulsory labour, the elimination of discrimination in respect of employment and freedom of association and common bargaining.

Employee Handbook was properly developed and well distributed as the employee's rights and responsibilities and company's policies are thoroughly mentioned in it. Human Rights Policy was fully enforced to ensure the freedom of speech of the employee and stakeholders and proper communication practice.

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



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Labour Principles

Implementation

We offer various benefits to all employees,

- i) Occupational Safety and Health Management
- ii) Salary increments and Beneficial
- 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 2016-2017, Company provide internal and external training to our employee and build up their individual skill as well as team work.



Figure: Oversea On Job Training



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Labour Principles

Measurement of outcomes

PSH is always finding better way to upgrade the employees' standard by creating a conducive and advantages training and rewarding work environment. PSH is always implementing the upgrading training to promote the human capacity.

PSH is running the business with mutual respect between employee and employer. The company is always taking care not to discriminate in respect of employment and occupation. PSH accept freedom of expression of employees' opinions, needs, sharing their problems, and giving suggestions.

So far as of 2016-2017, there were 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.

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.



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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

PSH always seeks to lead by example in taking care of environment and to love nature and actively participating in the environmentally sustainable activities annually.

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 2016 – 2017, PSH carried out following

- **Follow Up external Audit for 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.**
- **Implement digital HR Management system which is going to paper less HR management and reduce using paper.**

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.



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Environment Principles

Measurement of outcomes

PSH passed external follow up audit for ISO 14001:2015 Environmental Management Systems.

So far as of 2016-2017, 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 is always conducting to be a transparency and ethical organization by committing integrity in doing business. 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

PSH has been checked by the Internal Audit Team, ISO Audit Team and External Audit Team by quarterly and annually in order to avoid any forms of corruption and fraud case at any touch point. There is no corruption has been reported in 2017.

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

PSH has been checked by the Internal Audit Team, ISO Audit Team and External Audit Team by quarterly and annually in order to avoid any forms of corruption and fraud case at any touch point. There is no corruption has been reported in 2017.

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 2016-2017, there was no known cases of any corruption or bribery detected by our internal and external audit committee regularly reviews.