



SHWETAUNG

**COMMUNICATION
ON PROGRESS**

January-December 2017

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Chairman's Statement



*“Shwe Taung
believes in being a
catalyst for positive
change in Myanmar.”*

Dear Stakeholders,

It is my pleasure to share with you Shwe Taung's Communications on Progress (COP) report for 2017. At Shwe Taung, we adopt a principles-based approach to doing business. This is our fifth COP report since we joined the United Nations Global Compact (UNGC) in 2013, and it shows our commitment towards embracing the Ten Principles of the UNGC.

Sustainability is a key component of our business strategy, in line with our corporate mission of “Inspiring Lives. Sustaining Progress.” In this report, we share with the public Shwe Taung's initiatives in incorporating the UNGC principles into our business practices.

We firmly believe that the only way to achieve sustainable development in Myanmar is for each of us to play our part. As a leading corporate in Myanmar, our commitment to doing business in a way that respects human rights, labour, environment and anti-corruption will go a long way towards building a sustainable future for our country.

We will be sharing this report with our stakeholders with the hope that we can promote sustainable business practices and encourage other participants to come forward and join us in our commitment to sustainability.

Sincerely,

A handwritten signature in black ink, appearing to read 'Aik Htun'. The signature is fluid and cursive, written over a light grey rectangular background.

Aik Htun

About the Report

Guided by our corporate mission “Inspiring Lives. Sustaining Progress.”, sustainability has always been at the core of Shwe Taung’s strategy. We aim to achieve sustainable outcomes across our businesses through responsible investment and development. With the incorporation of UNGC principles into our businesses, we hope to be able to contribute to the sustainable development of our country while creating value for our stakeholders at the same time.

This year’s COP builds on our previous years’ efforts and provides details about our sustainability practices. We are still in the process of reporting in line with internationally recognised standards and endeavour to follow the core Global Reporting Initiatives (GRI) G4 guidelines in the near future. This is a learning journey for us and we hope to improve on our sustainability reporting every year.

Data Collection

The data collection for this report was overseen by our Corporate Responsibility Team of three sustainability experts who work permanently within Shwe Taung. In addition, a representative from each Business Sector provided detailed materials regarding the sustainability progress and procedures of each company within Shwe Taung. This allowed for a holistic approach to gathering the relevant documents and ensures each company has a voice within the COP report. As a reader of this report and our stakeholder, your views are important to us. Please send comments and suggestions to - info@shwetaunggroup.com

Shwe Taung Group and Sustainability

We are dedicated to operating responsibly and building lasting relationships with our stakeholders. Responsible investment and sustainable development are inherent to our culture. These commitments underpin our ability to deliver sustainable long term growth. To reflect our approach and commitment to sustainable practices, our COP report incorporates the following key processes:



Materiality

This report covers all of Shwe Taung's sustainability efforts to produce significant economic, environmental and social impacts across Myanmar, and will be used as a tool to substantively influence the assessments and decisions of our stakeholders. Reporting mechanisms will be used as a primary tool to measure outcomes of our sustainability practices. These are disclosures labelled clearly within the body of the report.



Stakeholder Inclusiveness

We have identified our stakeholders in order to produce relevant strategies to respond in a reasonable manner to their expectations and interests. We engage them throughout the year, both as part of our business practices as well as to continue to foster mutual understanding and trust.



Sustainability Context

This report targets to present Shwe Taung's business performance within the sustainability context by providing details of our corporate objectives, strategies, procedures and outcomes.



Completeness

This report encompasses a complete overview of the measured outcomes concerning our progress towards greater sustainability. We aim to present the significant economic, environmental, practicable, events, activities and social impacts we have sustainably contributed to over the past year in an objective manner. The report covers our performance from January to December 2017.



Principled Business

This report will focus on the ten principles on human rights, labour, environment, and anti-corruption and United Nation Sustainable Development Goals in relation to the work of Shwe Taung.



Strengthening Society

Taking action and collaborating with businesses, local and international institutions and civil society in order to advance global challenges.



Leadership Commitment

As a leading company among Myanmar's business community, we hope to effect long term change for greater sustainability practices. We strive to serve as a role for local companies in sustainable business practices and policies.



Reporting Progress

Transparency in business practice is key to sustainable development. Progress reporting is an essential element. We continue to grow our audits, measurement of outcomes, and external evaluations to ensure we reach our highest possible standard of sustainability reporting.



Local Action

With over 20 years' experience operating in Myanmar, we have a significant advantage to approach local sustainability solutions through appropriate contextual knowledge of local needs. All our projects focus on the communities near them so that we can measure the impact and outcomes of our presence in their area.

Materiality Strategy

The importance of materiality in sustainability reporting has been underscored by the greater emphasis placed on it by the Global Reporting Initiative in its 2013 G4 Guidelines. We have established a set of materiality assessment tools to assess our policies and continually measure our outcomes.

Stakeholder Inclusiveness

Our key stakeholders include our consumers, employees, suppliers, as well as our local and national governments. We consciously include our stakeholders in our development of sustainable business practices and educate them on the importance of sustainability. Our commitment to sustainability is made public through avenues such as the COP report, our website, contractual agreements, and our Code of Conduct.

Our success relies on long-term relationships built on trust and confidence. We aim to set a positive example to our stakeholders to ensure that sustainability as a concept is widely understood and pursued.

Business Partners

In addition to the long-term value we aim to create within our strategic partnerships, Shwe Taung has a set objective to promote responsible business practices that benefit our business partnerships and societal development.

- Contracts, CSR policies and practices, company policies

Suppliers & Contractors

We have a Code of Conduct for our suppliers to ensure that they comply with our commitment to the UNGC principles in the areas of human rights, labour, environment, and anti-corruption; with a specific focus on women, children and youth, indigenous peoples, non-governmental organisations, local authorities, workers and trade unions, business and industry, scientific and technological community.

- Contracts, mutual respect for commitment to UNGC principles

Civil Society

We believe that community development is a key aspect of sustainability. We are committed to becoming a catalyst promoting positive change that will enable communities to live better, safer and happier. Our aim is to be actively involved in projects that have positive impact on our community and society.

- CSR activities, public private ventures, involvement in community initiatives

Our Group Employees

Our people are our most important resource and we believe that the development of human capital is key to sustainability. We are committed to providing our employees with fair and dignified employment that maximises each employee's potential in the long term.

- Code of Conduct, skills development, staff surveying and further training

Clients

We are committed to providing our clients with quality goods and services at a fair market price. We share our sustainability practices with our customers and continue to advocate for them to make smart choices and invest their time and money in responsible businesses and products.

- ISO, best practice customer service, involvement in community initiatives

Institutions (local and global)

We engage both national and international institutions working to continue the development of responsible business standards at a global and local level. We maintain an open dialogue with such institutions in order to provide feedback on market standards and corporate responsibility in the context of sustainability.

- Participation in national and international dialogue and conventions

Government

Shwe Taung supports the development of Myanmar through public private ventures. We help to influence the improvement of national policy for country-wide sustainable development.

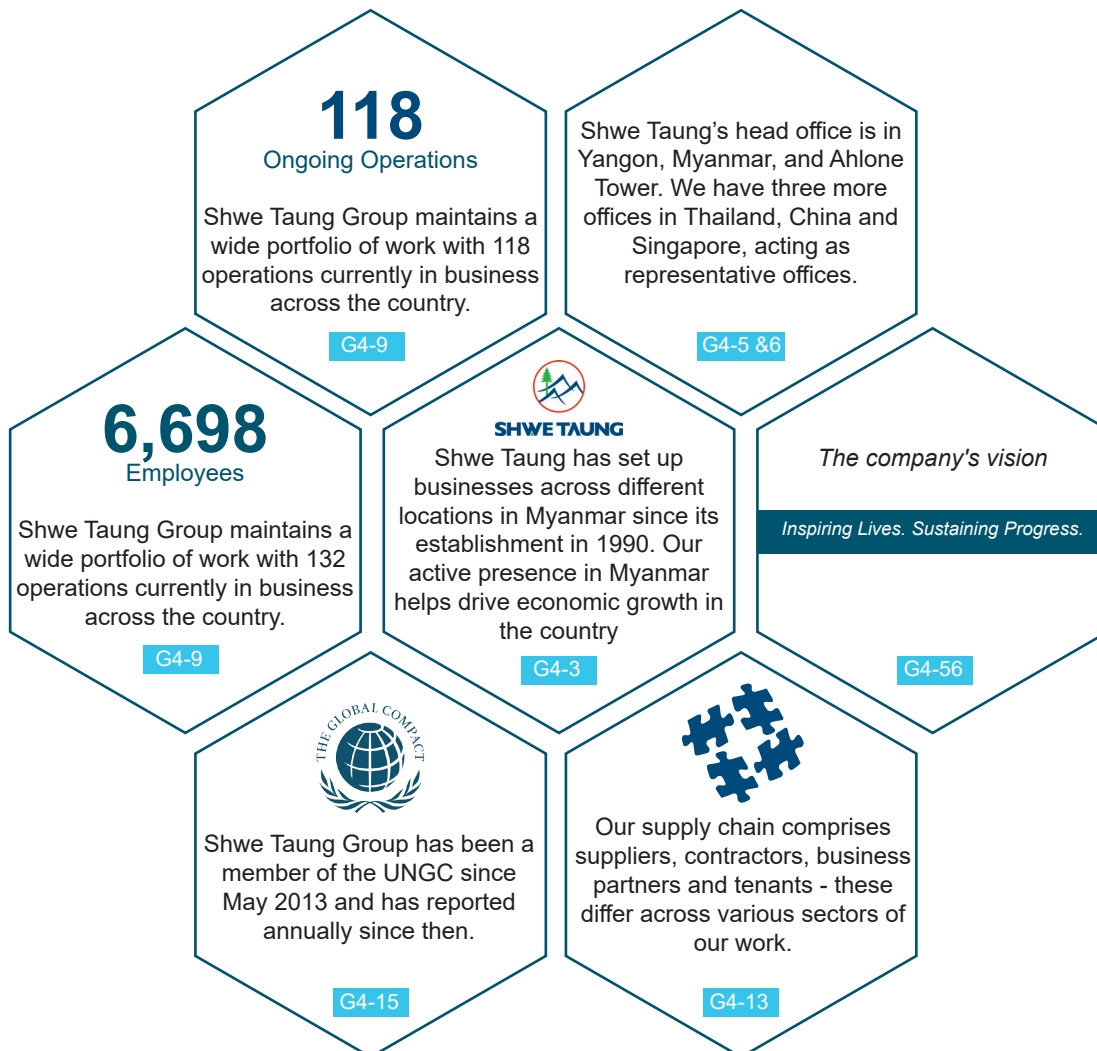
- Contracts, participation in national development and sustainability practices

Sustainability Context

Myanmar continues its path towards integration in the global economy. As an economic participant in this process, Shwe Taung aims to play a leading role in the sustainable development of our country. We hope to champion the adoption of sustainable business policies and practices at this very crucial stage to ensure that the development process benefits all stakeholders in Myanmar.

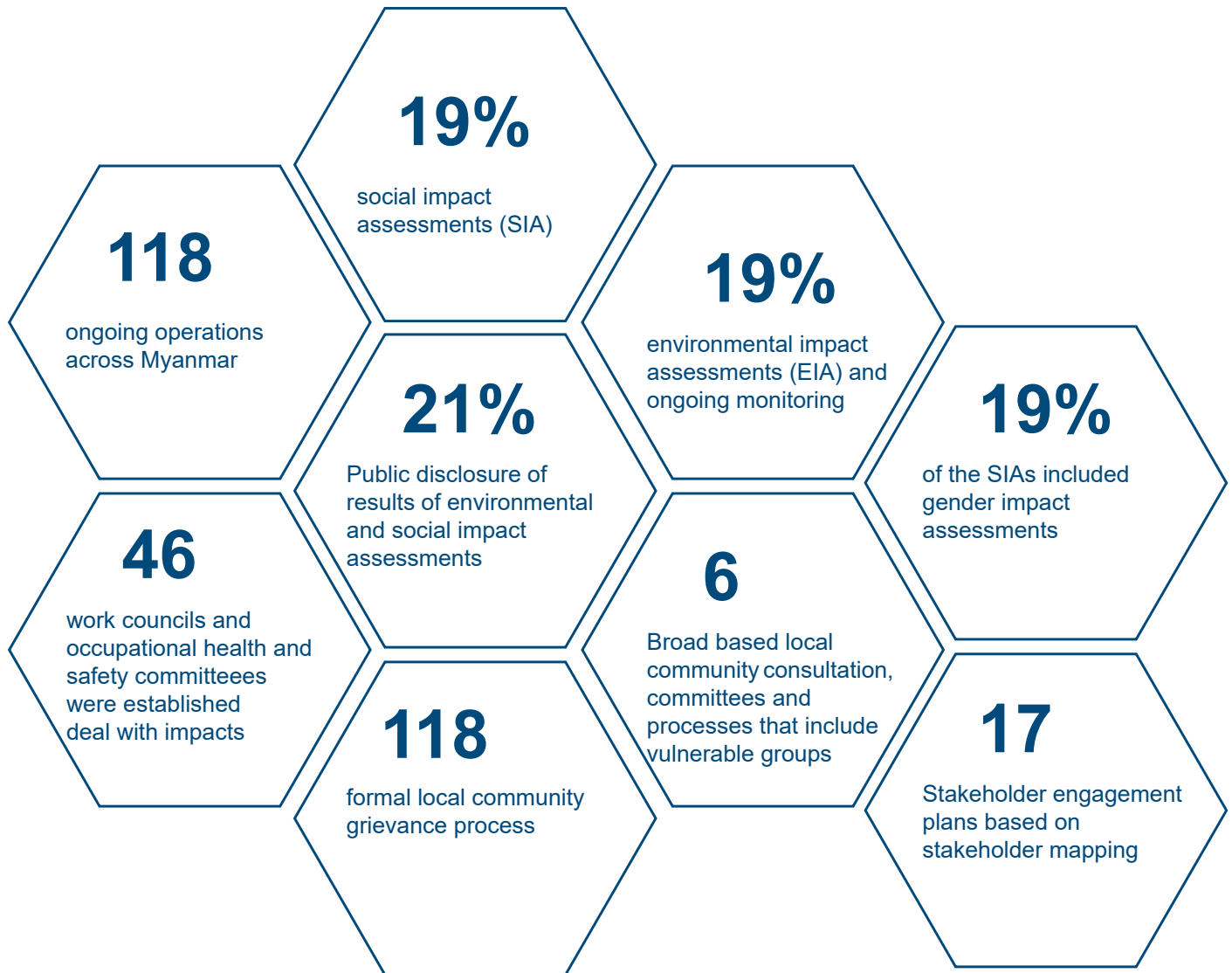
Commitment to the UNGC Principles is a clear and effective way for corporates to sign on to the sustainability agenda. Shwe Taung highly encourages other companies in Myanmar to join us in the UNGC. We continue to promote sustainable development through the Shared Value approach, investing in business opportunities that also meet the needs of communities. We believe this is a more sustainable way of empowering communities.

We are developing a more comprehensive way to measure the outcomes of our sustainability practices. We have developed a comprehensive Code of Conduct to reflect the UNGC principles. We encourage our stakeholders to abide by ethical standards and we currently make our suppliers uphold the same ethical standards as we do. We are in the process of completing our Handbook of Ethical Practices which will be a tool for us to better communicate our ethical principles to all our stakeholders.



SUSTAINABILITY PROGRESS

With a total of 118 ongoing operations across Myanmar, we continue to work towards increasing the number of social and environmental impact assessments undertaken across our operations.



ORGANIZATIONAL STRUCTURE FOR SHWE TAUNG'S SUSTAINABILITY PRACTICES

Shwe Taung's organisation structure encompasses a holistic approach that allows participation across all levels of management and consistency in approach across our business units. All employees, from senior management to front-line staff, are accountable for the success of our sustainability efforts. A pre-requisite to the success of such an approach is the clear understanding of each employee's roles and responsibilities.

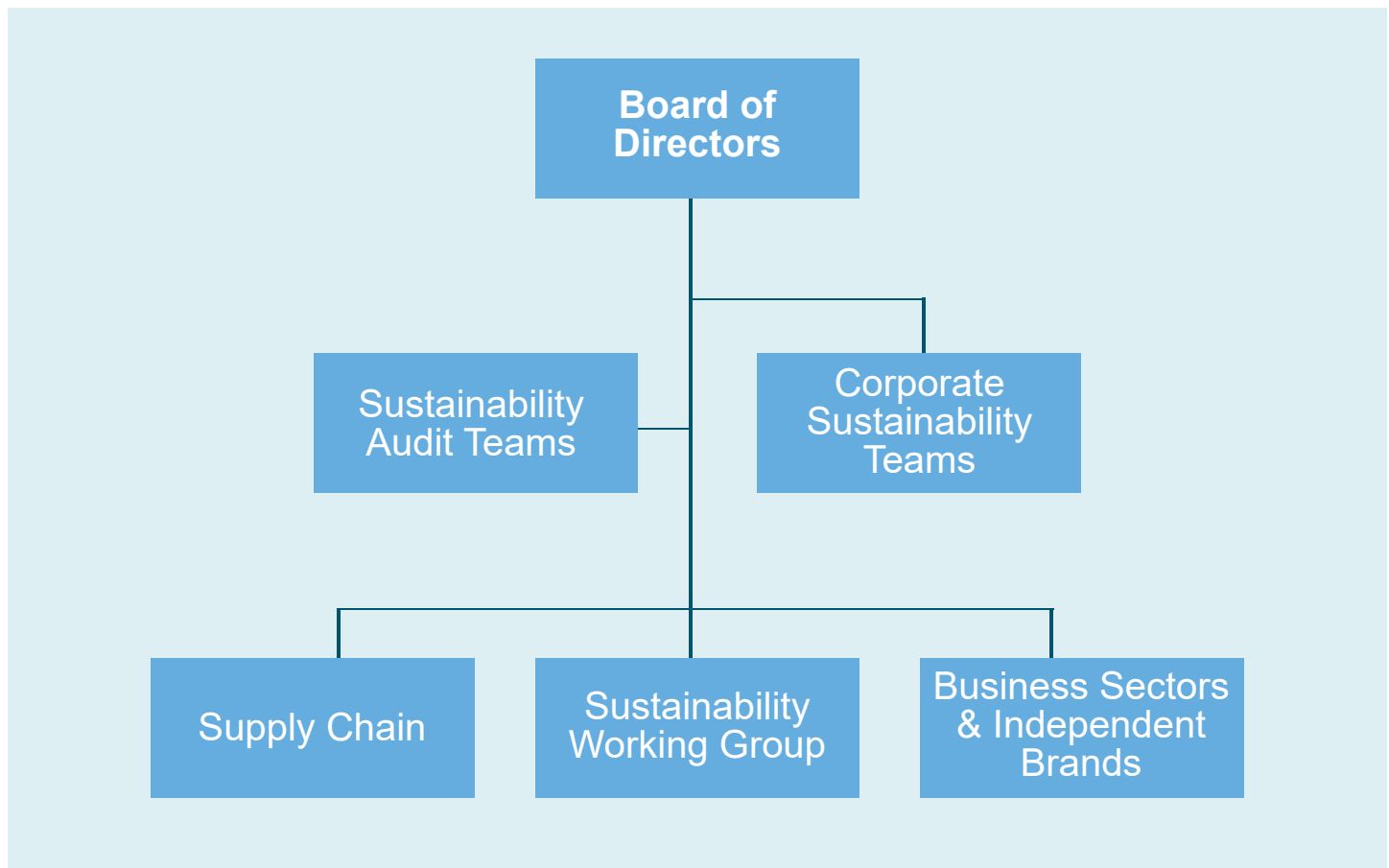
We distribute accountability across our business units and multiple levels of management. Business units and sub-committee groups are given the autonomy to operate independently but they report to the same Board of Directors (BoD). We also have an independent Corporate Sustainability Team, comprising three permanent employees who coordinate with each business unit to maintain consistency in approach and a high level of corporate sustainability practices across the group.

Each business sector determines their own sustainability practices but has to adhere to the group's overarching policy direction in relation to sustainability. A sustainability working group meets monthly for open exchange of information on each business sector's sustainability practices. The Chief Executive Officers of each business sector is responsible for keeping an open channel of communication and attending the working group meetings. Other team members collate data concerning sustainability measures in the areas of human rights, labour, environment and anti-corruption. We take the additional step of appointing auditors from each business sector to maintain consistent financial records of sustainability activities so that we could evaluate the success of the sustainability practices.

Our BoD, together with our senior management team, provide strategic advice and guidelines on how we should develop our policies to address the economic, environmental and social impact of our operations. Each business sector ultimately maintain their autonomy to implement their own sustainable initiatives. All initiatives must respect Shwe Taung's vision of "Inspiring Lives. Sustaining Progress."

G4-41, G4-42, G4-43,
G4-44, G4-45, G4-46,
G4-47, G4-48, G4-49

CORPORATE SUSTAINABILITY TEAM



Board of Directors

- Makes final decisions on the overall sustainability guidelines
- Passes judgement on policies in place and determines their validity
- Reviews the effectiveness of current policies and practices
- Approves the final sustainability report

Accountants and Corporate Sustainability Teams

- Coordinate the activities related to sustainability initiatives
- Report concerns and feedback to the BoD
- Translate the executive strategy into a workable action plan
- Collect initiatives from the subsidiary companies and stakeholders
- Undertake financial and overall assessments of outcomes from the varying CSR operations

Supply Chain, Business Sector & Independence Brand and Sustainability Working Group

- Propose new initiatives
- Provide practical feedback
- Implement sustainable policies based on experiences shared

SHWE TAUNG GROUP OVERVIEW

Shwe Taung is one of the leading corporations in Myanmar. Our core business portfolio comprises real estate, infrastructure, construction, building materials and distribution, enabling us to contribute to economic growth as Myanmar develops and modernises.

Real Estate

Shwe Taung Real Estate is one of Myanmar's largest real estate companies with a diversified property portfolio comprising world class intergrated developments, exciting shopping centres, quality residences, grade A offices, industrial parks and new township developments.

We have been delivering high quality real estate projects for over 20 years. We have developed over 800 acres of land and are managing 2 million sqft of prime investment properties. We have an intergrated real estate platform with capabilities in project development, property sale and marketing, asset and property management, hospitality and services.

Our main businesses are in shopping centres, property sales and marketing, and hospitality. Junction Centre Group is a leader in the retail segment in Myanmar, with a portfolio of six shopping centres. In property marketing and management, we provide strategic sale and marketing services for property owners, occupiers and customers. We have three hotel properties under our hospitality arm - ESKALA Hotels & Resorts - Ngwe Saung, PARKROYAL Hotel - Nay Pyi Taw and JUNCTION Hotel – Nay Pyi Taw.

An emerging business segment is in lifestyle services, where we bring leading brands in areas such as food and beverage and fashion to the Myanmar market.

Shwe Taung is consistently recognised as one of Myanmar's leading developers. In 2016, we received a total of seven awards at the Myanmar Property Awards for Junction City Shopping Centre, Junction City Tower, Pan Pacific Yangon and Crystal Residences. We were also named Best Developer in Myanmar. Euromoney named Shwe Taung Best Developer, Best Retail Developer, Best office/Business Developer in 2015, as well as Best Retail Developer in 2016.

We will continue to deliver excellence in all aspects and develop real estate project with the perfect blend of functionality, creativity and sustainability, for the people of Myanmar.



INFRASTRUCTURE

Shwe Taung Infrastructure is Myanmar's leading infrastructure company. We provide infrastructure and energy solutions that enable growth in Myanmar.

Our expertise is in energy, roads and bridges, geotechnical engineering and precast-facilities.

One of the first major players in Myanmar's energy sector, we were the sole supplier of roller compacted concrete (RCC) for the Yeywa Hydropower Project, the third largest RCC dam in the world with installed capacity of 790MW. Our portfolio of hydropower project includes Upper Paung Laung near Naypyitaw, Thahtay and Ann in Rakhine State, Upper Yeywa in Southern Shan State and Baluchaung No-3.

We have extensive experience in the construction of highways, roads, bridges and flyovers all over Myanmar. We constructed the Yangon-Mandalay Highway, the Sagaing-Monywa Highway and the Ohntaw-Shwe Bo Highway, providing intra-city connectivity. In the bridges sector, we build the Upper Yeywa Bridge and the Shwe Li(3) Bridge. Within Yangon, we constructed the Hledan Flyover and the Tamwe Flyover, enhancing connectivity for residents and visitors alike in the capital.

We have state-of-the-art geotechnical engineering capabilities that include construction of the tunnel in the Kun Hydropower project, and carried out bore piling for four of the five construction projects along the Ayeyarwaddy Bridge –Sinkhan, Pakokky, Yadanar Theinga and Nyaung Done.

In a joint venture with Tiong Seng Holdings, we operate a precast plant that supplies precast components to construction projects in Myanmar.

We have a track record of successful collaboration with international agencies on infrastructure development. We won the tender called by Japan International Cooperation Agency (JICA) and constructed three roads under the poverty reduction scheme for regional development funded by Japan's Overseas Development Assistant. In an international competitive bidding process, we won the tender for the Maubin-Kyait Latt-Pya Pon Road project funded by the Asian Development Bank (ADB) and are currently constructing the road.



CONSTRUCTION

Shwe Taung Construction is one of the largest construction companies in Myanmar with extensive experience and ability to deliver cutting edge sustainable solutions.

Since 1991, we have delivered more than 200 public and private sector projects across a wide spectrum of sector including residential, commercial, retail, industrial and infrastructure improving the quality of life for the Myanmar people. Sustainability is a key part of our strategy.

We constantly look for environmentally sustainable solutions. Development of human capital is a priority and we have comprehensive training programmes for our employees. We promote high standards of workplace health and safety.

We have a zero tolerance policy on corruption and expect the same from our subcontractors. We deliver landmark projects that help build the new Myanmar.



BUILDING MATERIALS

Shwe Taung Building Materials is a leader in building materials in Myanmar. We manufacture and supply high quality cement, concrete and related services throughout the country.

Our core activities include quarrying for cement raw materials, manufacturing and distributing cement as well as providing a wide range of high quality ready-mix concrete products and related services. Our two trade brands are Apache Cement and High Tech Concrete.

We are committed to adopting sustainable business practices. These include developing environmentally friendly product technologies that consume less energy, reduce pollution and sustain resources.

We are the first ISO (9001:2000) certified company in the ready-mixed concrete industry in Myanmar.

Shwe Taung Building Materials is committed to providing consistently high quality building materials and related services to the Myanmar market.



DISTRIBUTION

Shwe Taung Distribution distributes world-leading brands for machinery and vehicles that empower individuals to perform and companies to succeed.

In the vehicles segment, we distribute Scania premium passenger buses and coaches for transport companies and individual clients, as well as heavy trucks for the construction, mining and generator sectors. We are the official distributor of BMW in Myanmar, responsible for representing the brand our deliver the full BMW brand experience to the Myanmar market.

For heavy machinery, we provide a wide range of Liebherr's machines such as construction and mining equipment and cranes to sites all over Myanmar. We are also the authorised distributor for KONE's elevators and escalators in the country.

In addition to distribution of machinery and vehicles, we also have services centres equipped with the latest diagnostics equipment and well-trained technicians to provide customers with the best maintenance services.

We operate 15 gasoline and diesel distribution centres across Yangon, Bago, Mandalay and Sagaing under the brand name "High Way". All our distribution centres are equipped with up-to-date gas pumps, computerised point-of-sale terminals, digital inventory control systems and environmentally-safe gas storage tanks.

Shwe Taung Distribution is committed to successfully and sustainably representing leading brands in Myanmar while providing Myanmar customers access to the world's best products and services.



PADAMYAR FM

Since its first airtime on 88.9 FM in 2009, Padamyar FM has been increasingly popular and continues to receive high ratings among FM audiences. With 17 locations in Myanmar, Padamyar FM offers its audience the best mix of music, entertainment and more than 60 youth-oriented educational programs. With over 20 million listeners, Padamyar FM covers every genre from hip hop music to latest local news and headline international news. Padamyar FM also keeps its audience up-to-date with the hottest trends in showbiz and the latest interviews with famous celebrities.



CINEPLEX

JCGV is one of Myanmar's leading multiplex cinema exhibitors. JCGV brand started offering services since 2009 at the capital city of Myanmar, Naypyitaw. Its expansion to Yangon has brought success in the entertainment industry, fulfilling its goal to provide unique cinema experiences. We have 3 locations with 10 screens in Yangon, 1 location with 3 screens in Mandalay, 1 location with 1 screen in Nay Pyi Taw and 1 location with 2 screens in Mawlamyine.

It is the first cinema in Myanmar with multiplex concept, international standard facilities and Digital 3D technology. It has the most modern state-of-the-art multiplex theatre in the country and also sets new standards of comfort and convenience with international standard projection system, comfortable seating and advance computerised ticketing system. Through various innovations, impeccable customer service and the latest technology, JCGV is able to provide the ultimate movie experience to all audiences.



CORE VALUES

We have three core values that define who we are and how we do business.

INTEGRITY

Trust is the foundation of our relationship with our shareholders. We are honest and conduct business with highest standard of integrity and ethics.

RESPONSIBILITY

We do the right thing for our customers, our employees and our society. We seek to exceed expectation and be valued by our communities.

RESILIENCE

We are committed, hardworking and dedicated people. We embrace challenges and overcome them with innovation and adaptability.

Contact at

Ahlone Tower, River View Garden Housing,
Strand Road, Ahlone Township, Yangon, Myanmar.

<http://www.shwetaunggroup.com>

info@shwetaunggroup.com

Hot Line - (951) 2315861, 2314567

Fax - (951) 2316044, 2316120

HUMAN RIGHTS



Principle 1: Support and respect the protection of internationally proclaimed human rights

Principle 1: Ensure Shwe Taung Group are not complicit in human rights abuses

ASSESSMENT, POLICY AND GOALS

Shwe Taung fully supports the United Nations' Universal Declaration of Human Rights, to which every human being is entitled. We recognise that the 30 Articles mentioned in the Declaration is the common standard of achievement for all and acknowledge that the common understanding and compliance to those articles are of paramount importance.

We comply with the fundamental principles described in the Universal Declaration, including equal chance, right to life, liberty, security of person, freedom of thought, consciousness, religion, opinion and expression.

We continue in our endeavour to achieve an international standard in policy implementation. As a good corporate citizen, we hope to set an example for others in the Myanmar business community and we expect all our stakeholders to respect and comply with the core principles inscribed in the Universal Declaration.



IMPLEMENTATION

Sustainable Developments

We actively participate in projects that have positive impact for our community. We focus on communities around the sites where we operate in order to have better alignment of our core business practices with community investment. For each major project, 1% of our revenue is dedicated to our CSR reserve which focuses on sustainable activities.



Enhance Peoples' Lives

Our projects are designed to become preferred destinations for business and social experiences. We hope to create new dynamism around the areas in which we operate, leading to the emergence of vibrant zones and benefiting the communities around our projects on a long-term basis.

Inclusivity

All our major real estate developments are designed to combine quality and affordability. We give particular attention to making every building safe and enjoyable for the community at large. Our projects promote universally accessible designs. For example, all our shopping centres are wheelchair accessible with barrier free washrooms to ensure that people with disabilities are not excluded from our new and innovative projects.



Reporting

There were no reports of human rights abuses in 2017. We believe this is mainly due to the effectiveness of our whistleblowing policy and grievance mechanism, as well as company-wide training across management teams on prevention of human rights abuses. All of our suppliers and contractors are expected to maintain the same principles in relation to protection of human rights.

G4-HR12



Shared Information

Shwe Taung participated in the Women in Business and Leadership Development Conference and Gala Dinner held on 24 and 25 November in 2017 at the Rose Garden Hotel in Yangon, organised by the Australian-Myanmar Chamber of Commerce (A-MCC) in partnership with the Myanmar Women's Entrepreneurs Association (MWEA).

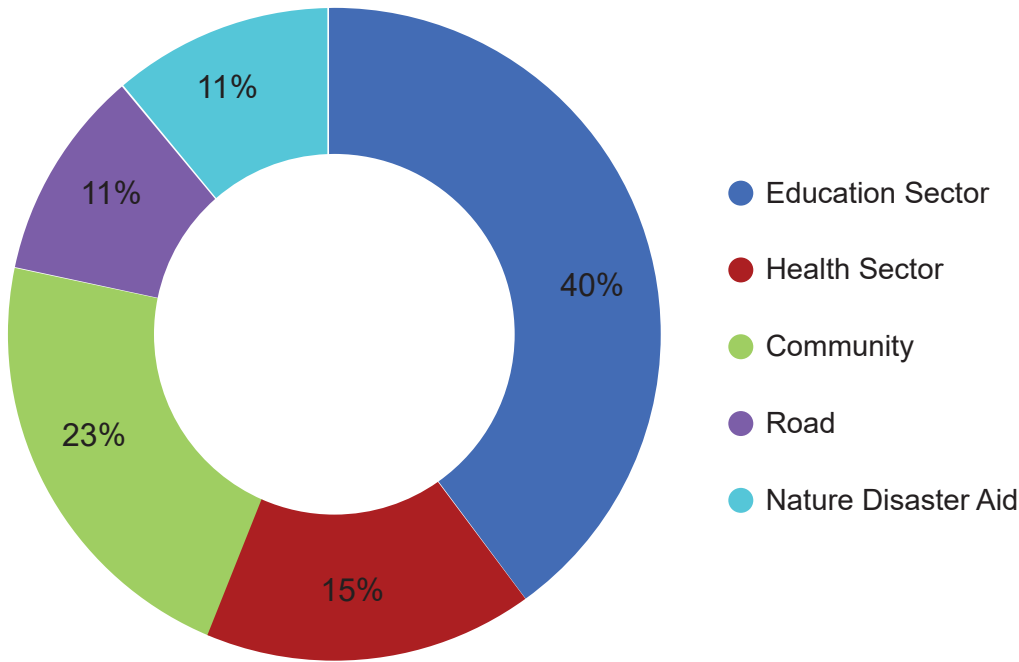
The Chief Executive Officer of Shwe Taung Building Materials Mr. Han Thein Lwin participated in the Building Business Integrity Workshop as a panelist to share our Code of Conduct and implementation plans. The workshop, held on 2 August 2017 at The Novotel Hotel in Yangon, was co-hosted by Myanmar Centre for Responsible Business (MCRB) and the United Nations Office on Drugs and Crime (UNODC).

Representatives from Shwe Taung attended the "Evaluation Possible Impact Caused by Hydro Power Projects and Project Planning Training" held at Luang Prabang, Laos, in February 2017. It was organised by International Finance Corporation (IFC) and International Center for Hydropower (ICH).



In the last 23 years, Shwe Taung has dedicated significant time and money to our sustainability activities, leading to the development of three hospitals and 100 schools across the country.

Value of sustainability contribution in USD million for 2017



23.80 million US\$

Contribution to sustainable development over the previous 23 years

1.09 million US\$

Increase in contribution to sustainability projects in 2017

24.89 million US\$

Total amount invested in sustainability projects until 2017



Spotlight on Education Support

Education is a key component of our community development efforts. In 2017, Shwe Taung continued to support this sector by building more schools, hosting internships and education visits to our sites.

We completed the following in 2017:

- Successfully built and handed over 10 school buildings to the Ministry of Education.
- Training of Trainers programme in collaboration with the Ministry of Education.
- Hosted site excursions and study trips for university students.

Shwe Taung firmly believes that a good education is key to progress for our country. With “Inspiring Lives. Sustaining Progress.” as our coporation mission, we actively support the development of human capital in Myanmar.

- **Successfully built and handed over 10 school buildings to the Ministry of Education**

Shwe Taung built and handed over 10 school buildings to the Ministry of Education in 2017. In November 2017, we laid foundation for the 100th school building donated by Shwe Taung, which is testament to our belief in the importance of improving the education sector in Myanmar.

In addition to donating the school buildings, Shwe Taung also provides basic education supplies such as stationary, learning tools, books, hostel for teachers and water purification systems for students. We hope to provide comfortable environments that will enable students to thrive in their learning journeys.



- **Training of Trainers programme in collaboration with the Ministry of Education**

Shwe Taung collaborated with the Ministry of Education for a Training of Trainers (TOT) programme in January 2017. Shwe Taung Chairman U Aik Htun invited six professors from Yale University in the United States to train Myanmar teachers on "Methodology of the teaching of English course". 150 teachers from colleges and universities all over Myanmar attended the programme to learn about more effective methods of teaching English to their students.

The TOT programme was conducted at the Human Resources Development Centre in Yangon Technological University's (YTU) Compound. The Centre was built and donated by Shwe Taung.



- **Hosting site excursions and study trips for university students**

Shwe Taung Group hosted study trips and site excursions to our sites for students wanted to know more about our operations for their term papers and theses.

Field Study at the Kyaik Latt - Phyar Pone Upgrading Road Project Site: Students and teachers from Patheingyi Technological University and Technological University (West District, Yangon) visited the Kyaik Latt - Phyar Pone Upgrading Road Project Site in 2017.

Led by the Minister for Transport and the Irrawaddy Regional Government, nearly 80 final year students, tutors and lecturers from Patheingyi Technological University's Civil Engineering Department visited our site on 24 June 2017.



On 16 September 2017, 100 third-year civil engineering students and six tutors and lecturers from Technological University (West District, Yangon) visited our project site.

One of the projects by the Asian Development Bank (ADB), the Kyaik Latt - Phyar Pone Upgrading Road Project Site is led by Myanmar's Ministry of Construction, in collaboration with SMEC from Australia. Shwe Taung won the project via a public tender. This project presents huge opportunities for Shwe Taung and for the Myanmar Engineers Group to learn about high-technology construction techniques in relation to international standards, safety and less environmental impact.

Study Trip to Apache: A total of 171 first year, third year and fifth year students from Technological University (Yamae Thin) and their tutors and lecturers visited Apache cement manufacturing factory for a day in September 2017. Our employees shared information about our projects, our experience in signing international standard contracts and our plans to implement international standards at our plant.



Supporting Clean Water

As a member of the community, Shwe Taung has been contributing to villages located near our Pyi Nyaung cement factor in the areas of health, education and social development. Access to clean drinking water is a basic human right and essential to human survival. In March 2017, Shwe Taung contributed a water purifying machine (capable of providing 1,500 gallons of clean water per day) to 320 people from Ku Pyin village.

In August 2017, Shwe Taung also donated a water purifying machine (capable of producing 3,000 gallons of clean water per day) and RO machine; a 9,000-gallon water storage brick tank; a building for the water purifying machine and related materials; and 20 liters water bottles to Pyi Nyaung village. The donations will benefit 2,603 people from the village.

Shwe Taung's Baluchaung No.3 Hydro power plant also contributed one well, one water storage tank, barbed wire fence for the well and a water storage tank to solve the problem of access to drinking water for Daw Tauk Khu village, Di Mawso township, Kayah State.

"Future Organic Farm", a project funded by Shwe Taung, donated a water pump machine and water storage tank for the school at Yaypal Out village in June 2017.

Supporting Human Capital Development in Myanmar

As part of Shwe Taung's commitment to developing human capital in Myanmar, Shwe Taung Real Estate partnered with Yangon Bake House (YBH), a prominent social enterprise in Yangon set up with the aim of empowering women in Myanmar through skills training and education. Shwe Taung Real Estate provided a complimentary food and beverage space on the fifth floor of popular mall Junction City Shopping Centre for YBH to retail its products. The café opened on 16 June 2017.

Shwe Taung identifies with YBH's dedication to women's economic empowerment and social inclusion. Through their untiring efforts, YBH has helped more than 100 disadvantaged women across Myanmar gain critical life and job skills necessary to secure a livelihood. Prior to YBH's training, those women lived under the poverty line with no employable skill in the formal economy. We are proud to support YBH's cause.

Shared Information

Shwe Taung participated the Women in Business and Leadership Development Conference and Gala Dinner held on 24 and 25 November in 2017 at the Rose Garden Hotel in Yangon. It was organised by the Australian-Myanmar Chamber of Commerce (A-MCC) in partnership with the Myanmar Women's Entrepreneurs Association (MWEA). Daw Sandar Htun, CEO of Shwe Taung Real Estate, participated as a panelist for the Gender Equality Panel Discussion in this event.

The conference brought together leading women and men from Myanmar and Australia to discuss the promotion of gender equality in Myanmar and how empowering women could support businesses. There was also a screening of On the Backs of Women, the story of three entrepreneurial Burmese women who worked their way out of poverty.

Public Engagement

As part of Shwe Taung's commitment to transparency and public engagement, Shwe Taung Cement held a public forum on 18 July 2017 to disseminate information and exchange views on the draft environmental and social impact assessment (ESIA) report for the expansion of Shwe Taung Cement's cement plant and associated facilities in Mandalay.

The public forum was attended by representatives from a wide spectrum of governmental, non-governmental organisations as well as from the Myanmar public and private sectors. Shwe Taung Cement presented an overview of the project and how it would create 200 direct jobs and 4,000 indirect objects. International consultancy ERM, the appointed ESIA consultant for the project, presented findings of the comprehensive ESIA study, including the biodiversity and social impact assessments and mitigation measures. The cement project will be constructed and operated in accordance with global industry best practice. We sought feedback from participants, who shared their views on the project.

The public forum is testament to Shwe Taung's commitment to public engagement, transparency and accountability. Two other public forums were held in Thazi township in Mandalay and in Kalewa township in Sagaing. More information on the project can be found at <http://www.apachecement/category/news/>

Activities held in collaboration with the Myanmar National Association of the Blind

Shwe Taung actively supports communities in need. One of our subsidiary companies, Padamyar FM, has been a long time supporter of the Myanmar National Association of the Blind. We continued our support in 2017 with the following activities:

- **Walking Race for the Blind**

Families of Padamyar FM participated in the Yangon Mayor's 26th Trophy Walking Race for the Blind in celebration of International White Cane Day 2017 which was held in October. Employees from Shwe Taung also participated in the race, walking hand in hand with the blind.

- **Media Partner**

Padamyar FM was the media partner of the 11th Entire Association Conference hosted by the Myanmar National Association for the Blind. Padamyar FM supported the event by airing information about the conference to encourage the blind in Myanmar to attend the event. The conference brought together all the associations for the blind in Myanmar, the government, non-government organisations, media and donors to discuss the potential of the blind as well as challenges facing the blind.

- **Christmas Picnic**

Padamyar FM organised a special Christmas picnic event for students from the blind schools in Yangon. The students were taken to places they wished to visit. Padamyar FM broadcasted the itineraries and participated in carol singing during Christmas.

- **Participation in Junction Centre Group's 18th Anniversary**

Blind and deaf children were invited to take part in Junction Centre Group's 18th anniversary celebrations. They participated in art performances and set up a handicraft shop at Junction Centres.

Shwe Taung actively supports activities for the disabled as we hope to combat discrimination against disabled people. It is only when we embrace persons with disabilities that we can progress together as a nation.

LABOUR RIGHTS



Principle 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4: Eliminate 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

We support the International Labour Organisation's (ILO) Core Conventions and Principles. Our policies and practices comply with national labour laws and regulations and we endeavour to implement an international standard on labour policies within our organisation. We continue to work towards developing a robust set of tools to better measure the outcomes of our policies and practices in this area.

Shwe Taung is an active proponent of labour rights and we seek to continually improve working conditions for our employees. We allow participation and formation of trade unions by our employees and we recognise their right to collective bargaining as long as it is done in accordance with the law. We do not employ child labour and we strictly condemn forced labour. We support the elimination of all forms of illegal compulsory labour and child labour in Myanmar.

We expect our business partners, contractors, suppliers and other stakeholders to uphold an equal standard of labour rights and principles.



IMPLEMENTATION

Universal Standards

Our people are our most important resource. We fully support the United Nations' Universal Declaration of Human Rights and expect our stakeholders to do the same. We believe that the development of human capital is key to sustainability.

G4-HR5



Equality of Opportunity

We fully support the United Nations' Universal Declaration of Human Rights. We fight against coerced labour, child labour and discrimination of any form. The recruitment of our employees is based on merit, skills, experience, education and ability. A policy of non-discrimination prevails throughout all aspects of the employment relationship from recruitment to retirement or termination, selection, placement, transfer, promotion, training, working conditions, benefits and compensation.



Fair Employee Treatment

We treat our employees fairly and provide them with equal opportunities for training and development based on their strengths and needs to help them achieve their full potential. Our employees are rewarded fairly according to their ability, performance, contribution and experience. We abide by labour laws which promote fair employment practices. Employees are guided by the Code of Conduct describing their rights and duties, and are encouraged to follow a systematic Reporting and Whistle-blowing Policy to ensure that any grievances are promptly dealt with in a fair manner.

Employee Benefits

We offer a comprehensive benefit package for our employees that includes leave entitlement, health insurance, overtime allowance, and annual performance bonus.

Safety First

We maintain a safe working environment by providing all employees with the necessary equipment and training. All machines are tested and certified safe for operation before use; and regularly checked and maintained by qualified technician teams. All employees have access to drinking water and are provided with uniforms (when required) and correct personal protective equipment when appropriate. Senior management teams conduct regular safety checks.

Employee Welfare

We aim to ensure that our employees can enjoy an acceptable standard of living. We provide all employees with food or food allowance for meals during working hours. Every employee has to register with the Social Security Scheme. At remote sites, medical check-ups are insured for employees and doctors are provided in emergency situations. We also provide transportation for employees to commute from their house to and from work.

Training

We aim to empower people. We are committed to providing our employees with fair and dignified employment that maximises each employee's potential in the long term. Orientation is provided to all new employees. We also provide an extensive range of training programmes in areas that would develop our employees' skill sets for growth within the company and beyond. Between September 2017 and February 2018, more than half of our Group's employees received specific Code of Conduct training (2-day programme), and we are working on providing training to the rest of the employees in the coming months. 100% of new employees receive orientation training within 3 months from employment.



Work Life Balance

We believe a healthy work-life balance for employees is imperative to any successful business. The mental and physical well being of our employees is of the utmost importance to us. We encourage balancing of employees' workload with sufficient recreational activities. We facilitate the formation of company sports teams and group activities and functions outside of work hours in a relaxed environment. We prioritise family inclusivity and ensure that all of our recreational groups include employees' family members.

EDGE Certification for Shwe Taung

Under the guidance of the International Finance Corporate (IFC), Shwe Taung has started the Gender Equality Initiation for workplace to assess our current practices, policies and outcomes related to gender equality within our organisation. We are a member of the Myanmar Business Coalition for Gender Equality (IBCGE).

We further deepen our commitment for gender equality by starting the process to achieve the EDGE Certificate, the global assessment methodology and business certificate standard for gender equality. EDGE, which stands for Economic Dividends for Gender Equality, is designed to help companies not only create an optimal workplace for both men and women, but also benefit from it. By measuring ourselves against a global business standard for gender equality, we hope to reinforce the gender equality mindset in our workplace and work towards a better workplace for all.

Key focus areas of implementation

We are dedicated to operating responsibly and building lasting relationships with our stakeholders. Responsible investment and sustainable development are inherent to our culture. These commitments underpin our ability to deliver sustainable long term growth. To reflect our approach and commitment to sustainable practices, our COP report incorporates the following key processes:



Health and Safety Programme

We are committed to providing a healthy and safe working environment for our employees. Our employees attend health and safety trainings and awareness seminars on a regular basis. We provide Personal Protective Equipment (PPE) to employees to ensure their safety during operations. Rules and regulations specific to different operations and projects by the Group are clearly laid out in the workplace in order to effectively communicate our safety measures and precautions to all employees.



Allowance

All our employees are provided with food or food allowance for meals during working hours. They are also given essential clothing and equipment such as uniforms, raincoats, security hats, and sun hats.



Leave

All employees are granted annual leave and days in lieu for additional working hours, as well as medical, maternity/paternity and emergency needs leave. 100% employees return after parental leave.



Overtime

Overtime is paid out above the legal minimum in accordance with the national legislation on labour laws.



Bonuses

Annual bonuses are paid to employees upon performance assessments measured in line with the company's total revenue growth for the fiscal year.



Transport

We bear the transportation fees for all staff who commute to and from work. Employees working in remote areas are transported to and from work.



Collective Bargaining

We respect our employees' rights to the freedom of association and collective bargaining. We do not forbid the creation and commitment to any trade union, and recognise the right to collective bargaining as long as it is done in accordance with the law.

Spotlight on Health Care Programme

Shwe Taung treats our employees as family and we are dedicated to providing a healthy working environment for them.

Employees at our remote project sites have access to health clinics that we set up. We support their physical and mental health, and raise awareness of the importance of good healthcare and safe working environment. We employ qualified doctors and nurses at these health clinics and provide them with essential medical equipment.

We have since extended our health care programme to employees in our head office at Ahlone Tower, Yangon, as well as our branch offices. We employed a doctor to join our Human Resource team. Our healthcare section provides workplace healthcare support such as monthly health talks and measurement of blood pressure and blood sugar levels. In partnership with the Myanmar Red Cross Association, professional trainers provided first aid training to our staff in Yangon and at our project sites. The training covered general health knowledge and first aid treatment during emergencies and accidents, and In 2017, we provided medical check up and vaccination for Hepatitis (B) at our head office, Nay Pyi Taw and Mandalay offices, and we plan to extend this programme to other employees in 2018.

We have been encouraging our employees to contribute to the government's social security scheme which provides for life and healthcare insurance coverage. We held talks to share information on the scheme and our human resources team helps to facilitate the claim process.



Internal Communication Channel

To foster internal communications, Shwe Taung introduced a new internal communications channel in 2017 called Shwe Taung Connect. We first tested the mobile application in November 2016 and formally launched it in March 2017. Compatible with both iOS and Android, Shwe Taung Connects allows us to share information with employees on a timely basis. It also has an official reporting mechanism for employees to report cases of breaches of our Code of Conduct.

Work Life Balance Programme

Shwe Taung believes in the importance of work life balance. We organise an extensive range of activities across our business operations to motivate our staff and celebrate their achievements.

Every year, we hold staff appreciation parties to honour outstanding employees. We celebrate their achievements with lucky draws and entertainment programmes. To foster team spirit and encourage a healthy lifestyle, we hold sport competitions. Joint birthday parties are held on a monthly basis at each office and project site.

To encourage family time, we provided complimentary entrance for employees and their children to Kidzon, an indoor play centre at Shwe Taung's Junction City Shopping Centre.



Gender Equality

Shwe Taung is an equal opportunity employer and we have a formal policy of non-discrimination. Men and women have access to equal opportunities in all of our operations.

In partnership with the International Finance Corporation (IFC), we are learning from international best practices and further improving our gender equality policies and practices. IFC's Gender Advisory Service has helped us review our gender equality policies, prepare gender assessment and action plans, and set up sexual harassment policies.

IFC is also providing a cost benefit analysis for Shwe Taung's existing child care facilities. Representatives from IFC's Gender Operation Office visited our day care centres at Ahlone Tower (Yangon), Pyi Nyaung site and High Tech Concrete site also Baluchaung No(3). We are working closely with IFC to improve on our policies and practices.

Training Program

We believe continuous training is key to each employee's enhancement. This is why we involve every year our staff into training sessions in different sectors. In 2017, "135" training programs were given to employees.

In 2017, we worked with the Ministry of Labour, Immigration and Population to hold a series of seminars and talks for our employees at Pyi Nyaung Cement Factory and Beluchaung No.3 Hydropower Plant to educate them on their employee rights.

Shwe Taung Day Care Centres

Shwe Taung successfully opened Apache Cement Day Care Centre at Pyi Naung site in Mandalay, our fourth day care centre.

Our objectives for opening the day care centre are:

- (1) To provide a support structure for female employees returning to work after the end of their maternity leave.
- (2) To encourage the continuation of breastfeeding by female employees and
- (3) To allow female employees working in regional sites to take care of their children.

Shwe Taung believes in providing a supporting work environment for our employees with children. Our first day care centre was opened in 2016.



MEASUREMENT OF OUTCOMES

Number of Employees

There are Shwe Taung's Number of Employees.

With a staff strength of 6,698 employees, Shwe Taung remains one of Myanmar's largest employers. As we grow our businesses and staff strength, we will continue to enhance the working environment for our employees in order to maintain sustainable expansion of our manpower. Shwe Taung is an equal opportunity employer and do not discriminate between the genders for employment, promotion, leave and skills development.

Total number of employees by employment contract and gender									
Permanent		Flat		Project based		Daily permanent		Daily Temporary	
Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
2576	1562	178	30	155	31	932	231	707	296

Shwe Taung remains a favourite employer for young graduates, both from high schools and universities. Our popularity is due to the importance we place on professional training and development for employees looking to grow with us, in addition to good working conditions and promotion of a healthy work-life balance.

Our stakeholders respect our policies of 'no child labour' and 'no forced labour', and this commitment is echoed through our contractors' responsible actions when working with Shwe Taung. We are in the process of ensuring our contractors across Myanmar are legally bound to not use forced labour on site. We would also develop tools to identify forced labour in order to eradicate the problem. HR5 & 6

Environment



Principle 7: 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

Shwe Taung is committed to conducting our businesses in an environmentally sustainable manner and places the utmost importance in environmental protection.

Our environmental policy is articulated around three main pillars:

- Design, according to the principles of sustainability
- Act, in order to reduce our environmental impact
- Champion, by raising awareness amongst our internal and external stakeholders

We are fully committed to tackling the challenges brought about by climate change and are working towards reducing our carbon footprint across all our operations. We continue to develop tools to measure the outcomes of our progress in the direction of being more environmentally sustainable.

Guided by the UNGC principles and the GRI indices, we strive to improve our environmental management policies and process. We hope to align with international standards of resource efficiency and clean energy production - ISO 14001:2008, ISO 50001:2011 and ISO 20121:2012.



IMPLEMENTATION

HRH Prince Henrik, husband of Denmark's Queen Margrethe, led a delegation visit to Junction City in the on 6 January 2017. The delegation was accompanied by donors from the World Wide Fund for Nature (WWF) and they visited Junction City to study the project's environmental conservation efforts. Shwe Taung briefed the delegation on the project's Solar PV system which was installed by Sunlabob Renewable Energy. Capable of producing electricity to 140,000 million KW hours per year, the Solar PV system was one of the many environmentally friendly features in Junction City.

The Earth Hour Campaign was first implemented across all Junction shopping centres in 2015 and we having been supporting the event every year since. As a leading real estate player in Myanmar, we have the opportunity to reach out and educate the public on environmental conservation and the harmful impact of climate change.

In collaboration with WWF Myanmar, we held the Earth Hour Campaign for the third time in 2017 at all Junction shopping centres, Eskala Hotel at Ngwe Saung and Junction Hotel at Nay Pyi Taw. In support of the campaign, we switched off all non-essential electricity for an hour. We hosted a public event at the outdoor area at Junction Square and invited popular Myanmar artists to help spread the message. We also prayed for peace and shared the campaign shirt and small LED hats with the 600-strong participants.

Representatives from Shwe Taung attended a training session on "Evaluation Possible Impact Caused by Hydro Power Projects and Project Planning Training" organised by International Finance Corporation (IFC) and International Center for Hydropower (ICH) in February 2017. It was held at Luang Prabang in Laos.

The session not only focused on impact assessment but also taught participants on how to reduce environmental impact when planning hydro power projects. The regional seminar covered projects from Laos, Nepal, Pakistan and Norway. Participants were also briefed on the rules and regulation relating to the conservation of wild life species and maintain biodiversities. Attendees from each country discussed how they planned their respective hydropower project in accordance to their governments' rules and regulations.

Spotlight on Tree Planting Programmes

Shwe Taung annually conducts tree plantation programmes across our group to promote reforestation and mitigate the effects of climate change. We celebrated the Yangon Monsoon Tree Plantation Festival in July 2017 and planted 4500 trees in collaboration with the Yangon Regional Government and Yangon City Development Committee at Hlaw Gar region.

We planted precious hardwood including Padauk, Thinwin, Tamaland and Myaukngo at areas near our Baluchaung No.3 Hydro Power Plant. In addition to the 5,197 teak trees, 300 Pying Ka Toe trees and 70 Tamaland trees planted, we have applied for a license from the Ministry of Natural Resources and Environmental Conservation to plan a further 3,500 trees at a 5.75 acre site near the hydropower plant. We will be planting more hardwood trees such as Teak, Padauk, Tamaland, and Bamboo in the coming monsoon season.



Employees from our Baluchaung hydropower plant joined the Kayah State Chief Minister and ministers, government officials, villagers, students and teachers in the Monsoon Tree Plantation Festival held at No.3 Basic Education High School. In September 2017, employees from Baluchaung also participated in the Tree Plantation Festival near hydro power plant compound, planting a total of 110 Pying Ka Toe trees and 100 Yamanay trees.

At our Pyi Nyaung site, employees planted 150 Teak and 80 Tamaland trees on 5 July 2017 on World Environmental Conservation Day.

Employees from our Thahtay Chaung hydropower project site inaugurated a tree planting programme in August 2017 with the planting of 100 Pyinkatloe trees beside the road in front of the Palaing equipment storage yard. This was the first time a tree planting programme had been initiated in the area. We plan to extend the programme with planting of 300 seedling Pyinkatloe trees received from a seedling farm in Thandwe district.

Spotlight on the conservation of Inle Lake

Development of economic and social opportunities for local communities living near Shwe Taung's projects has always been a prime focus of our sustainability efforts. To this end, Shwe Taung has been pioneering the adoption of organic farming and environmental conservation in Inle Lake region. Under our support, the Future Organic Farm was set up to with the following objectives:

- a. Educate the public and the farming community on organic farming and its benefits
- b. Encourage farmers to be self-reliant and adopt sustainability as a way of life
- c. Promote a direct relationship between organic farmers and consumers.
- d. Create a viable market place for producers to sell organic fruits and vegetables to Shwe Taung Cement factory.
- e. Promote organic farming practices by collaborating with other NGOs, INGOs and local organizations.
- f. Support local needs such as drinking water in summer season, women empowerment program, education for children nearby project area as cross cutting things. (Mainstream is organic farming and environmental conservation)



In August 2017, Shwe Taung held a knowledge-sharing seminar on organic farming at Pyi Nyaung, where our cement factory is located. A total of 80 people attended the two-day seminar, including villagers from Pyi Nyaung (South), Pyi Nyaung (North), Okkyin, Monepin, Kyauk Saung Gye and Popa Kone; teachers from B.E.H.S Pyay Nyaung (North) and B.E.P.S. (Branch) Pyi Nyaung (South); and employees from Shwe Taung. At the seminar, Shwe Taung's agriculture manager shared information on the details of organic farming concept and its future for residents of Pyi Nyaung.

As part of the seminar, participants visited three model farms – U Myint Wai in Pyi Nyaung village, Daw Than's agricultural land and Daw Khin San Myint's farm at Monepin village. Participants were able to witness for themselves how the use of organic insecticide was a simple and cost effective means of pest prevention without the harmful effects of chemical insecticide.

In September 2017, Future Organic Farm participated in a two-day training session titled "Permaculture and Organic Farming Concept and Practices Training" in Moe Byae township, Southern Shan State. Participants learned about self-reliance, sustainable agriculture and permaculture concept and were

given practical demonstrations of soil conservation technique using A Frame contour which is important in hill farms.

In December 2017, Future Organic Farm attended an event at Latpanwe village, Pwint Phyu township, Magwe Division, on the exchange of organic farming techniques among farmers. At the event, participants learnt different organic farming techniques and studied an organic onion farm. Villagers from Shwe Bo and Lape Chin held a practical demonstration on distilling chaff organic fertilizers (plant nutrition) and insecticide by using local resources such as tobacco, chicken dung, rice husk waste, lime and sulphur.



Future Organic Farm hosted visitors from all around the world, including from England, France and Singapore, and supported a volunteer group from the USA who were visiting to research organic farms in Myanmar. Locally, farmers from Phae Khon township, Shan State visited the farm. We also hosted youth from Mon State led by Poungku Mon Youth GLT, leaders from Shan State, Thilawa and Kyauk Tan, and held discussions on basic leadership training, sustainable environment and safety food.

In August and September 2017, we welcomed two students to do the thesis research for the Master Programme at Kyoto University, two farmers from Italy and one visitor from Japan to our future organic farm.



Anti-Corruption



Principle 10: Work against corruption in all its forms including extortion and bribery

ASSESSMENT, POLICY AND GOALS

It is our firm belief that strong corporate governance is essential for creating a sustainable business. At Shwe Taung we maintain a high standard of corporate governance and conduct business in a transparent and accountable manner.

Our commitment to fight corruption starts at the highest level. We publicly communicate our commitment to combating corruption and make sure that our employees at all levels are aware of this commitment. We have in place an effective system in place to identify signs of corruption.

As a leading Myanmar conglomerate, we hope our commitment to fight corruption shows our stakeholders that we all have a part to play in combating corruption in Myanmar. We only work with partners who share the same view towards ethical, transparent and account.



IMPLEMENTATION

Shwe Taung's core values are integrity, responsibility and resilience. We hold ourselves and our employees to high standards of corporate governance.

In August 2017, Shwe Taung's CEO for Building Materials Mr. Han Thein Lwin participated in the Building Business Integrity workshop as a panelist. The workshop, co-hosted by the Myanmar Centre for Responsible Business (MCRB) and the United Nations Office on Drugs and Crime (UNODC), focused on the practical aspects of how businesses could combat corruption.

Mr. Han presented an overview of Shwe Taung's anti-corruption efforts. He explained Shwe Taung's policies, values, code of conduct and implementation plan. These included the establishment of a reporting channel consisting of a hotline and apps for employees, as well as regular communication and training for all employees to know and understand the policies.

The other panelists in the workshop were from Telenor and Coca-Cola. Funded by the Swedish government, about 60 participants attended the workshop. The participants discussed and agreed that there was potential for Myanmar businesses, especially those from certain sectors, to work together on concrete ways to reduce corruption.

Shwe Taung Group has been a member of the United Nation Global Compact (UNGC) since 2013 and is an active participant in workshops and seminars to improve practices in relation to anti-corruption. Shwe Taung also adopts a "Zero tolerance" approach to all forms of corruption and fully compliant with all relevant laws.



Shwe Taung has a detailed Code of Conduct consisting of policies, instructions and guidelines. There are five parts to our Code of Conduct. They are -

1. Introduction
2. Definitions and Abbreviations
3. Policies
4. Instructions
5. Implementation and Evaluation.

We place a lot of importance on training our employees to understand the Code of Conduct so that they apply it in the course of their work. The Code of conduct is included in the orientation training for all employees. Refresher courses will be conducted on an annual basis.

In August 2017, Shwe Taung conducted our first Train-the-Trainers Session at our corporate office. Subject matter experts for 11 topics taught 45 employees the details on the Code of Conduct. In turn, these employees take the lead in training other employees in their respective business units. In total, 60% employees were trained by these trainers in 2017.

MEASUREMENT OF OUTCOMES

- We officially introduced a formal reporting channel in our Code of Conduct for complaints on breaching the Code. Employees are able to report breaches via six channels:
 1. Shwe Taung Mobile Application
 2. Report to their respective department head or human resources
 3. Report via the non-compliance form on Shwe Taung's website www.shwetaunggroup.com/commitment/
 4. Report by email to Shwe Taung's supervisory committee at coccommittee@shwetaunggroup.com or email to the members of the committee
 5. Report by directly approaching members of the committee
 6. Report by calling the members of the committee

Shwe Taung implemented this robust reporting channel as we believe that every employee has a role to play in making sure that we all comply with the Code of Conduct. We also offer the option of making an anonymous report so that employees will feel comfortable and empowered to reach out when they witness incidents of non-compliance.

Members of the public are also able to report breaches to the code of conduct using the non-compliance form found on Shwe Taung's website (www.shwetaunggroup.com/commitment/) and by emailing our committee at coccommittee@shwetaunggroup.com

- **Top 100 Myanmar Largest Tax Players for 2017**

4th Shwe Taung Development Co.,Ltd

18th Shwe Taung Cement Co.,Ltd

- **Top 100 Commercial Tax Players for 2017**

45th Shwe Taung Energy Co.,Ltd

63th Octagon International Services Co.,Ltd



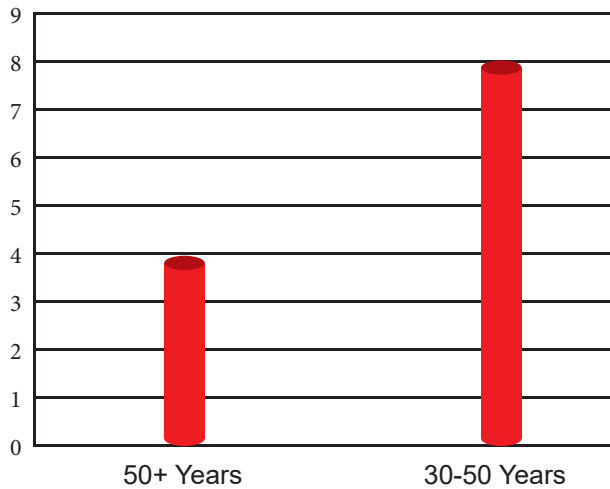
Shwe Taung is recognised again as a Top Taxpayer

Shwe Taung takes pride in being able to play our part in developing Myanmar's economy through our tax contributions. As a responsible tax citizen, Shwe Taung and our related compaines have consistently been ranked top tax payers in Myanmar.

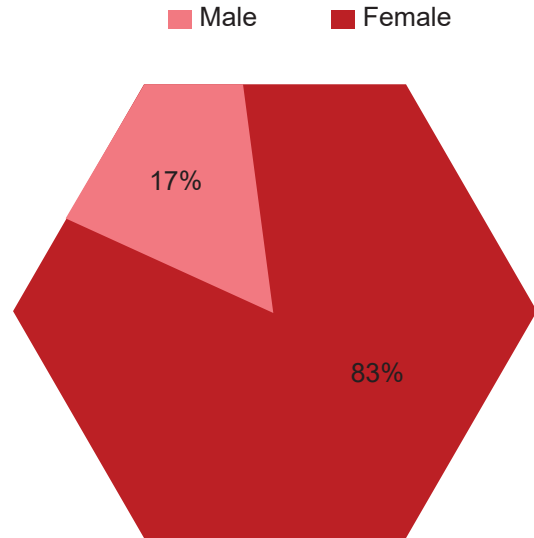
GRI G4 Highlights

Our Board of Directors is chaired by Mr Aik Htun. The board consists of twelve members, including a Group Chief Executive Member and five business sectors' Chief Executive Officers. Each member of the Board holds an executive role in Shwe Taung. To further improve the strength of our Board, we are working towards the inclusion of non-executive Board members and Independent Directors.

Age Groups of the board of directors



Gender of Board





SHWE TAUNG

Inspiring Lives. Sustaining Progress.



COMMUNICATION ON
PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals

We welcome feedback on its contents.

GRI G4 Indices

G4-1	Provide a statement from the most senior decision-maker of the organisation (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability	Chairman's Statement	3
G4-2	Provide a description of key impacts, risks, and opportunities	About the report	4

Organisational Profile

G4-3	Report the name of the organisation	About the report	4
G4-4	Report the primary brands, products, and services	Shwe Taung Group Overview	12-16
G4-5	Report the location of the organisation's headquarters	Shwe Taung Group Overview	12-16
G4-6	Report the number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report.	GRI G4 Indices	8
G4-7	Report the nature of ownership and legal form	Sustainability Progress, About the Report	4&9
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Shwe Taung Group Overview	12-16
G4-9	Report the scale of the organisation	Sustainability Progress	9
G4-10	Report the total number of employees by employment contract and gender	Labour Rights (Measurement of Outcomes)	35
G4-12	Describe the organisation's supply chain	Shwe Taung Group and Sustainability	5&6

G4-13	Report any significant changes during the reporting period regarding the Sustainability organisation's size, structure ownership, or its supply chain, including: Changes in the location of, or changes in, operations, including facility openings, closings, and expansions Changes in the share capital structure and other capital formation, maintenance, and alteration operations Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination	Sustainability Context	8
G4-14	Report whether and how the precautionary approach or principle is addressed by the organisation	All sections	
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	Sustainability Progress	9
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation: holds a position on the governance body / Participates in projects or committees / Provides substantive funding beyond routine membership duties / Views membership as strategic	See Human Rights, Labour, Environment and Anti-corruption sections	

Identified Material Aspects and Boundaries

G4-17	List all entities included in the Corporate Structure, including the organisation's consolidated financial statements or equivalent documents. Report whether any entity included in the organisation's consolidated financial statements or equivalent documents is not covered by the report		
G4-18	Explain the process for defining the report content and the Aspect Boundaries. Explain how the organisation has implemented the reporting principles	About the Report	4
G4-19	List all the material aspects identified in the process for defining report content	Shwe Taung Group and Sustainability	5&6

Stakeholder Engagement

G4-24	Provide a list of stakeholder groups engaged by the organisation.	Stakeholders Inclusiveness	6&7
G4-25	Report the basis for identification and selection of stakeholders with whom to engage	Stakeholders Inclusiveness	6&7
G4-26	Report the organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	Stakeholders Inclusiveness	6&7
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns	Stakeholders Inclusiveness	6&7

Identified Material Aspects and Boundaries

G4-28	Reporting period (such as fiscal or calendar year) for information provided	About the Report	4
G4-29	Date of most recent previous report	About the Report	4
G4-30	Reporting cycle	About the Report	4
G4-31	Provide the contact point for questions regarding the report or its contents	About the Report	4
G4-32	Report the 'in accordance' option the organisation has chosen. Report the GRI Content Index for the chosen option.	Shwe Taung Group and Sustainability	5&6
G4-33	Report the organisation's policy and current practice with regard to seeking external assurance for the report.	Shwe Taung Group and Sustainability	5&6

Governance

G4-34	Report the governance structure of the organisation, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	Organisational Structure	11
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	Organisational Structure	11
G4-36	Report whether the organisation has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	Organisational Structure	11
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body	Organisational Structure	11
G4-38	Report the composition of the highest governance body and its committees by: Executive or non-executive	Organisational Structure and Anti-Corruption	11&42
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organisation's management and the reasons for this arrangement)	Anti-corruption	42-48
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including: Whether and how diversity is considered. Whether and how independence is considered. Whether and how expertise and experience relating to economic, environmental and social topics are considered and whether and how stakeholders (including shareholders) are involved	Anti-corruption	42-48

G4-41	<p>Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum:</p> <ul style="list-style-type: none"> Cross-board membership Cross-shareholding with suppliers and other stakeholders Existence of controlling shareholder Related party disclosures 	Anti-corruption	42-48
G4-42	<p>Report the highest governance bodies and senior executives' roles in the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts</p>	Anti-corruption	42-48
G4-43	<p>Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social top</p>	Anti-corruption	42-48
G4-44	<p>Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a selfassessment. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organisational practice</p>	Anti-corruption	42-48
G4-45	<p>Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. Report whether stakeholder consultation is issued to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities</p>	Anti-corruption	42-48

G4-46	Report the highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics.	Anti-corruption	42-46
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Anti-corruption	42-46
G4-48	Report the highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material aspects are covered.	Organisational Structure	10
G4-49	Report the process for communicating critical concerns to the highest governance body.	Organisational Structure	
G4-56	Describe the organisation's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Mission and Vision	17
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organisational integrity, such as helplines or advicelines.	Anti-Corruption (Implementation)	44
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organisational integrity, such as escalation through line management, whistle blowing mechanisms or hotlines.	Anti-Corruption (Implementation)	44

For other specific sustainability indicators, please refer to GRI specific standard disclosure (HR, LA, SO, EN and PR)

