

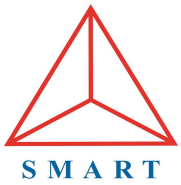
S M A R T

SMART Technical Services Co., Ltd

Communication on Progress

2020



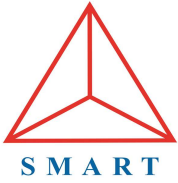


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Statement of CEO

Dear Stakeholders,

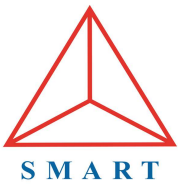
SMART is committed to the UN Global Compact and upholding its ten principles covering Human Rights, Labor, the Environment and Anti- corruption. We signed up to the UNGC in April, 2016 and have been continuously implementing these principles in our stratings and operative work. It is imperative that these principles become embedded in the way we conduct our business and thus our corporate culture.

As the UN Global Compact is a voluntary initiative, it is a call to companies to align strategies and operations with universal principles on Human Rights, Labor, Environment and Anti-corruption, and take actions that advance societal goals.

In this annual Communication on Progress, we describe our actions to continual improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Kyaw Kyaw Hlaing
CEO
SMART Technical Services Co., Ltd



INTRODUCTION

Our SMART Technical Services has been one stop services provider for customers from the oil & gas, marine & offshore, engineering and other industries. Our vision is **“The Leading Services Company with excellent operation technique and international best standards”**. To become the international best standards company we always try not only using professional technique to our business regional but also adhere Local and international Law & regulations. When SMART become a signatory of the UNGC since April 2016, we strives to implement UNGC’s all 10 principles in every aspects of our business process.

One of our Mission statements is **“To create safe, healthy, environment friendly and fun work space for our customer, vendor and for us”**. This statement is showing our origination respects every relevance person(s) (or) third party(s) with our organization. Therefore SMART realizes Human Rights, Labor, Environment and Anti-corruption areas. SMART always continue to do sustainable Vision and Missions. And also SMART value **“Highly trained and motivated employees”**, **“Dedicated to achieve excellence”** and **“Providing Solution”**. These statements are showing SMART’s treasurable is their employee and SMART always encourage and improve employees’ ability.

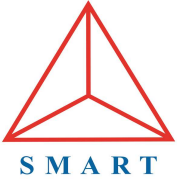
SMART respect 4P (People, Planet, Principle and Partner).

People: To protect the health and safety of our people working in SMART. By giving the opportunity for all employees to respect human rights.

Planet: To care for our working environment and the community we are working for. To reduce recycle, reuse and do proper waste management in all our work activities.

Principle: To perform day to day operations by following all our company rules and guidelines including company’s ethical code of conduct, company policies and ISO statements. Good governance must be practiced from top to bottom management.

Partner: To take care for the wellbeing of our stakeholders including partners , clients and suppliers. All partners must achieve manual wins, economic goals and shared value.



HUMAN RIGHTS

Principle1: Businesses should support and respect the protection of internationally proclaimed human right

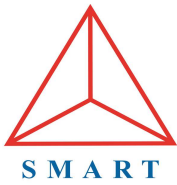
Principle2: Make sure that they are not complicit human rights abuses

ASSESSMENT, POLICY and GOALS

SMART is committed to conduct truthfully, lawfully and with integrity to human right. Health, Environment, Safety and Social Responsibility are our first priority. SMART's Code of Ethics mentions how to treating our employees, partners and vendors with professionalism, mutual respect, honesty and sensitivity and to encourage and practice team work. At our human rights policy, in Our Commitments mention "We have a responsibility to respect human right and can also play a positive role in the communication where we work. We treat all our employee with respect, dignity and promote diversity in work place". Equal Opportunity, No Harassment and No Discriminate in work place are SMART values and all of SMART employee respects and do action this facts ether between employee or our clients and suppliers. In SMART's Code of Conduct for Supplier policy includes respectful Human Right between employees and suppliers is one of category.

IMPLEMENTATION

As SMART's Code of Ethic policy is one of the policy and rules and regulations of our employees. This policy is promote to human right, all employee must understand and realize all do and don't facts of this policy. SMART always do the activity as new employee orientation training program introduction the Code of Ethic policy, Human Right Policy, Labor policy, Anti- bribery and Corruption, Grievance Mechanism for Workplace and Communities policy when new employee join to SMART. In July 2019, conduct by Document & Compliance team did internally awareness training as the title "Toward the respectful work place" at Head Office and same title gave training to SMART site crew November 2019 and February 2020.



And also during the year SMART gave awareness training to Suppliers who work together with SMART Code of conduct for Supplier and disturbed the Code of Conduct for Supplier policy document and collect agreement sign. And also request to feedback that SMART employee violated the human rights when business operation with their.

MEASUREMENT OUTCOME

We measure our Human right compliance by morning and following

Training Program, Training Plan and Training Attendance record of the whole year and employees participate and employees' awareness about human right.

-In this reporting year SMART gave 8th trainings for employees concern with Human Right.

No	Date	Title	Trainer Name
1	18.9.2019	Employee Orientation (Head Office new employee)	Document & Compliance Team and HR team
2	25.9.2019	Ethic & Decision Making (project site employee)	Khwar Pyar Thin (Document & Compliance Manager)
3	03.10.2019	Code of Ethic Policy Training (Project site new employees)	Khwar Pyar Thin (Document & Compliance Manager)
4	03.10.2019	Code of Ethic Policy Training and Employee Relationship (Head Office employees)	Khwar Pyar Thin (Document & Compliance Manager) & Wai Lin Aung (Project Coordinator)
5	27.11.2019	Toward the respectful workplace (project site employees)	Khwar Pyar Thin (Document & Compliance Manager)
6	27.11.2019	Toward the respectful workplace (project site employees)	Khwar Pyar Thin (Document & Compliance Manager)

7	5.2.2020	Employee Orientation (Head Office new employee)	Document & Compliance team and HR team
8	18.2.2020 & 19.2.2020	Toward the respectful workplace and Code of Ethic Policy Training (project site employees)	Khwar Pyar Thin (Document& Compliance Manager)

About the training results employees have more awareness the company's policies, and company's value and they also mutual respect each other and they have building good relationship either client or suppliers(vendors).

(2) Continuing due diligence of suppliers or vendor regarding their Healthy, Safety and Environment Control and Ethical Control on Vendor Registration Form.

- SMART evaluates Suppliers (Vendors) on their fill up vendor registration forms and then corporate to do business. We did 39 new vendor registrations in 2019 and 7 new vendor registrations in 2020, June . In 2019, we held one time orientation training for supplier code of conduct and in 2020; the training is planned for November.

LABOR

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 labor

Principle 5: The effective abolition of child labor

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

ASSESSMENT, POLICY and GOALS

SMART is looking forward to have rapidly in human resources who work with professional skill in every aspect of operation process. To sustain qualitative, skillful manpower, SMART always conducts training within internal and sending external or oversea training annually. SMART is dedicated to empowering SMART human resources to become a highly skilled and competitive workforce. SMART is committed to uphold the protection of labor under the human rights in all workers where it is possible through our sphere of influence. SMART ensure that we are not complicit in any violations on labors or suppliers and partners to this same high standard. We support and respect the principles proclaimed in the Universal Declaration of Human Right, the International Labor Organization's Principles and Myanmar Labor Laws believe businesses should ensure that they are not complicit in human rights abuses.



We focus the freedom of choice of employment and fullest opportunity for each worker depending their qualification and skill. All SMART employees have the right to equal treatment and employment without discrimination. SMART already mentioned in SMART Labor policy that the categories such as Humane Treatment and Nondiscrimination, No Underage Worker (We prohibit the employing of child labor and forcing labor where we operate) and SMART has a procedure of Remediation Plan for Child Labor. Minimum Wages, Hours and Benefits, Leave and Holidays, Dealing with Management, Freedom of Association and Collective Bargaining, Workplace Health and Safety and Policy Implementation, Measurement Outcomes, Violation of Labor Policy those categories are mention SMART labor policy. SMART gives equal opportunity for all SMART employees.

The company has a medical fit to work policy for all its employees. New employees can only be recruited if they have passed the medical test and are fit to work. Employee medical test are renewed annually for further employment. All employees when required must wear proper uniform and correct personal protective equipment for work. All operating vehicles in our work environment are ensured with safety belts and all passengers must wear a safety belt for protection, while riding the vehicle. There is a stop work policy in which we stop work when we believe is unsafe and immediate report must be made to the line management. It's everyone's responsibility to report any accident, injury, unsafe acts and conditions. HESS audit lead by the HESS Manager is conducted quarterly every year and is reported to line management for safety improvement and corrective action. And also SMART cares our employees Safety. Our Health, Environment, Safety and Social Responsibilities Guidelines are following:

- All accidents can be prevented
- All occupational illness can be prevented
- Preventing accidents and condition of employment
- Safety and protecting environment is line management responsibility.
- Line management has a responsibility to train all employees for safety.
- No economic policy shall over rule the health and safety at work.
- All employees have authority to stop work if the Environmental area and condition is unsafe to wok.



IMPLEMENTATION

As SMART Code of Ethic 's Equal Opportunity section mention We are our Company's most valuable resources and are essential to its success. All of our employees are expected to treat each other professionally, based on mutual respect, trust and individual value". SMART does yearly medical checkup and personal accident insurance for their employee. SMART Human Resource Department and Compliance team always give the training such as Employee rules and regulations, Employee benefited (such as Working Hour, Leaves, Medical benefit , Tax etc comply with Local Law and International Law). Gender Equality and Respect for diversity in a work place etc.

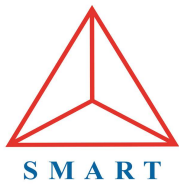
And also SMART HESS tem always training to employees as Office Emergency Evacuation Procedure. Safe Handling, Lifting and Moving Procedure and Personal Protective Equipment (PPE) Procedure etc. For safety, SMART employees should do this action:

- Protect the safety and well –being of everyone around us.
- Stop work when we believe is unsafe which may harm safety & health or the environment.
- Undertake work only if we are sure that we are medically fit and competent for the work.
- Make sure to know the emergency procedures when we work.
- Make sure that our co-workers act consistently with our HESS standard.
- Report any accident, injury, unsafe acts and conditions.

Protecting people and environment is a key value of SMART. SMART are committed to working in a way that places the highest priority not only on SMART employees own safety but also on the safety of our co-workers and our community. To develop the employees training and coaching representative from each Departments Heads and Senior Officers are compulsory trainers. And also the employee who wants to involve about the training programs as a trainer .The internal training program is aiming that to improve employees' Presentation Skill, Emotional Quotient Level and Respectful in workplace. Compliance section is the main section for delivering training dealing with the majority title of the whole organization. In 2019-2020 arrangement 34 titles completely gave to SMART Technical Services staff (Head Office).

All employees must have related Job Description and yearly Objective and do KPI upon their Job Description. Every end of the year SMART Management Team always checks their performances and evaluates promoting (without illegal bias).

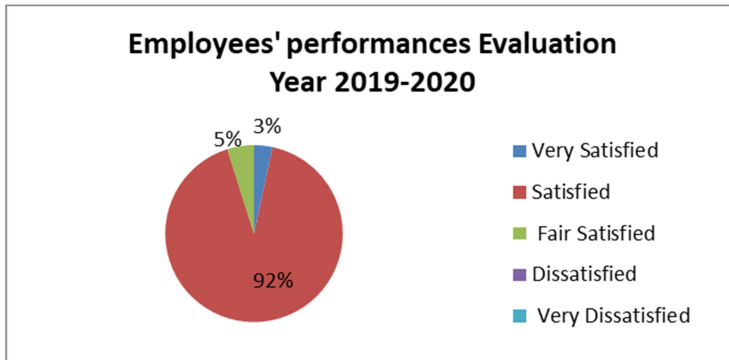
Creating the fun work space SMART do for employees as new employee welcome parties, farewell parties, Staff parties and trips and also SMART celebrate Senior Pin Awards ceremony every year, this ceremony is honorable award for the employee who work in SMART over 5years.(In this year, SMART cannot celebrate Senior Pin Awards ceremony due to Covid -19 periods)



MEASUREMENT OUTCOME

We measure the outcome by analyzing and monitoring under related report.

- Survey Employees' Performances from Customers in Year 2019-2020



According to this results SMART employees get Very Satisfied rating 3%, Satisfied rating 92% and Fairly satisfied rating 5% from customers satisfied. This results is good.

-SMART demographics of management and employees by diversity factors are following

Title	2019	2020
Total Employees	55	57
Recruitment	7	5
Resign Employee	5	2
Turnover Rate	9.26%	3.57%
Promotion	2	-
Equality	Male/ Female	Male/ Female
	29/26	30/27
Average Age of Employees	30	30
Training	18	16
Disability	2	2



Project Base Regions		
Title	2019	2020
Total Employees	273	277
Recruitment	60	16
Resign Employee	7	5
Turnover Rate	2.6	1.8
Promotion	6	2
Equality	Male/ Female	Male/ Female
	Male - 251 Female - 22	Male - 253 Female - 24
Average Age of Employees	Male (Over 18 to 60) Female (20 to 45)	Male (Over 18 to 60) Female (20 to 45)
Training	33	12
Disability	-	-

-SMART describe Violation of Labor principal is mention in SMART Labor policy as SMART labor policy shall be controlled and watched under SMART Ethical Committee. It is the responsibility of everyone to ensure that standards of conduct are implemented and maintained, and any employee or other person who wishes to report a violation of policy should report such violation to the SMART Ethical Committee. Violation result will be confirmed under the decision of SMART Ethical Committee. In certain circumstances, the final decision will be confirmed by regional Labor Offices or the Court.

-About the Labor Social Compliance ,SMART Senior Management Review in October 2019 as the areas of Health, Environment, Safety & Social Responsibilities work place and Equal Opportunity (Humane Treatment, Nondiscrimination) and Employees Awareness Trainings and Minimum Wages and Employees Salary and Employees benefits (Leave, Overtimes,other allowance, SSB(Social Security Board), Insurance, Uniform issue and Medical Checkup)and Employee Contracts.



ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environment challenges:

Principle 8 : Undertake initiatives to promote greater environmental responsibility:

Principle 9 : Encourage the development and diffusion of environmentally friendly technologies:

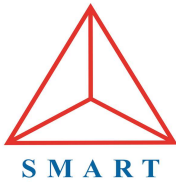
ASSESSMENT, POLICY and GOALS

As the ISO 14001:2015 certificate occupies company, SMART commit to developing a positive Health, Environment, Safety & Social Responsibilities culture throughout the organization. Protecting the environment and environment responsibility is the core value of SMART. In our Health, Environment, Safety & Social Responsibilities Policy statement, We are committed that:

- Developing a positive Health, Environment, Safety & Social Responsibilities culture throughout the organization.
- Constantly seeking the requirement of social responsibilities and fulfilling in accordance with the company goals.
- Developing organizational structures appropriate to meeting those objectives in each section of our business.
- The systematic identification and control of risks to Health, Environment & Safety.
- Providing the information, instruction, supervision and consultation with staffs and clients as necessary to implement and maintain high standards of Health, Environment & Safety.

We continually work in partnership with our clients and suppliers to provide and maintain safe and safety working practices. We also work to promote positive policies regarding Health & Environment Concerns at work. Each employee is responsible for ensuring strict adherence to the company's policies.

SMART supplier shall develop, implement and maintain environmentally responsible business practice. Suppliers are responsible for managing, measuring and minimizing the environmental impact of their facilities. Specific focus areas include air emissions, waste reduction, recovery and management; water use and disposal by practicing Reduce, Reuse and Recycle. And also for the social responsibility business, supplier shall take responsible of what impacts to their society.



SMART release waste management procedure to protect our environment. One of our company providing services is Catering Services. We need to control food waste and need to do waste management. The waste management procedure is concern not only catering service but also all services of employees. All employees must understand this waste management procedure.

IMPLEMENTATION

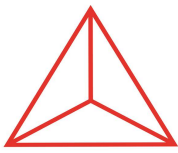
Conduct by SMART HESS team give awareness Environment trainings, Safety Orientation and Quarterly Safety Trainings such as Waste Management, Live Green Policy. Do the activities of reduce the paper in office and habit to reduce the plastic to all employee including Head office employee and operation site employees. In this year SMART emphasize concern with social distancing in work place environmental and give awareness training, wall poster and monitoring to employees about Covid -19. SMART comply the rule and regulation of Ministry of Health and Sport Myanmar.

SMART publishes Safety Awareness videos a campaign of education short safety movies, which was filmed for training public schools local communities and corporate organization, the movies include public awareness about good safety work practices in an operational working environment as well as personal habits of safety practice.

SMART assists the student for Youth Internship Program an annual campaign where 20 outstanding students from Local Universities in Yangon are awarded a 3-months training program at SMART. SMART also has a Scholarship program to support university students studying in related Petroleum & Engineering Fields.

SMART Continual measurement, monitoring and corrective action will be taken

1. Reduction of office electricity consumption
2. Reduction of office water usage consumption
3. Reduction of paper usage
4. Reuse the draft paper
5. Recycle of office paper waste
6. Use the solar power (renewable energy)
7. To reduce elevator usage
8. To reduce noise pollution by generator



SMART

- 9. Plastic free office environment
- 10. Live Green Policy
- 11. Waste Disposal management

The goal of environmental sustainability is to conserve natural resources and to develop alternate sources of power while reducing power while reducing pollution and harm to the environment.

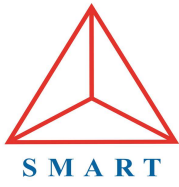
MEASUREMENT OUTCOME

We measure the outcome by analyzing and monitoring

- In this reporting year SMART gave 5th trainings for employees concern with Safety and Environment Safety training

No	Date	Title	Trainer Name
1	08.08.2019	Psychology of Safety	Eain Si Hein (HESS Manager)
2	14.9.2019	Global Warming Awareness	Saw Pyi Soe Moe (Catering Operation Manager)
3	22.10.2019	Chemical Safety	Eain Si Hein (HESS Manager)
4	09.01.2020	Important of Plastic Recycling	Ngwe Ngwe Wint Naing (Cost Controller)
5	29.1.2020	Coronavirous Knowledge Sharing	Dr,Daw Win Win Myint

- The SMART safety movies scripts are directed and played actors by SMART employees. The movie include public awareness about good safety work practices in an operational working environment as well as personal habits of safety practice. Now we publishing 7 videos in our website, Youtube Channel and Fackbook page. The short awareness video as “Save Ayeyawady Dolphins” get 24k viewers. Ayeyawady Dolphins need to save and protect species of our country.



-Youth Internship Program is an annual campaign where, 20 outstanding students from local Universities in Yangon are awarded a 3 months training program at SMART. After their completion of internship training, SMART assists the students to find a job placement in the work industry. Now SMART recruitment 3 employees from internship training student.

ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery:

ASSESSMENT, POLICY and GOALS

SMART is emphasizing that the clean business and good business. To create the good business, organization shall clean Bribery and Corruption cases. SMART released Anti-bribery and Corruption policy since 2013 and also SMART is an active participant of TRACE international. All SMART employees must comply SMART Anti-bribery policy. This policy which creates an ethical culture promotes compliance and integrity where we operate. We take a zero-tolerance approach to bribery and corruption and create more sustainable platform for future growth. We have responsible to communicate our company commitment to ensure our employee and third parties representative fully understand this scope and application of Anti-Bribery and Corruption Policy. In SMART Anti-bribery and Corruption are description that which action take bribery and corruption cases.

All SMART's Employee cannot offer, pay, make, seek or accept a personal payment, gift, entertainment, meal and travel more than nominal value (defined as USD 25 or any lower limit specified by the location) that might directly or indirectly influence the employees' business judgments or advantage. Beyond above defined limit, which means more than 25 USD or local equivalent, we need to obtain approval from the line management. We only encourage corporate gift with SMART Logo of no more than USD 25 value. This statement is also mention at SMART Code of Ethic policy. The categories mention at SMART Code of Ethic policy as Conflicts of Interest, Inside Trading and work with Government Official are control to employee not infraction for Bribery and corruption case. SMART control the bribery cases not only employees but also supplier or third parties who work with SMART. As a mutation at SMART Code of Conduct for Supplier, SMART personnel are prohibited from



receiving the travel tickets, frequent meals or expensive gifts, gifts of cash or cash equivalents, such as gifts card and others specials gift are never allowed.

IMPLEMENTATION

Compliance team has responsibility to give the training about Anti-Bribery and Corruption and also to mortaring and assess employee knowledge the policy, rule and regulation and their action to their operation if need more effective awareness training make again. And hole internally workshop about Anti-Bribery and Corruption including case studies, group discussion. 23rd November,2019 Conduct by compliance team make consultant of “ Code of conduct for supplier” procedure to our suppliers (vendors) to protect Conflict of Interest between SMART employees and Suppliers (vendors).In this year due to the Covid-19, we have a plan to send “ Code of conduct for supplier” procedure for our each supplier.

Cost Controller, Financial Controller and Audit team check and interrogate the documents as Cash Advance, Rechargeable and Expense Account record from employees. Employees must show accuracy financial documents to Company finance team.

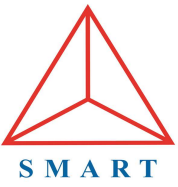
MEASUREMENT OUTCOME

We measure the outcome by analyzing and monitoring

SMART compliance team issued Compliance Risk Assessment which assess the internal based research from all department by individually.

Finance team must be awareness anti-bribery and corruption cases and know the way how to control and investigate if the case occurs. During this year, no cases concern with bribery and corruption.

In 2019, Conduct by compliance team make consultant of “ Code of Conduct for Supplier”, 25 supplier companies are participated and they commitments they respect the rule and regulation of “ Code of Conduct for Supplier” procedure.



CONTACT DETAILS

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