



PYEI SONE HEIN COMPANY LIMITED
Subsidiary of Pyei Sone Hein Group of Companies

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PYEI SONE HEIN COMPANY LIMITED

United Nations Global Compact (UNGC)

Communication on Progress

2021



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Table of Contents

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



The United Nations Global Compact Annual COP (Communication on Progress), 2020 – 2021

Participant: PYEI SONE HEIN COMPANY LIMITED

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

COP Time period: Dec, 2020 to Dec, 2021

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

Nov 29, 2021

To our stakeholders:

Pyei Sone Hein Company Limited (PSH) had joined the UN Global Compact in March 22, 2013. In 2020, Pyei Sone Hein Company Limited (PSH) has incorporated with United Nations Global Compact (UNGC) for 8th years journey where PSH is endlessly adopting the Ten principles of United Nations Global Compact to be responsible and sustainable organization for the benefit of community and organization. We are consistently operating the business to be a role model of responsible organization among the industry by embedding the ten principles of UNGC.

I am pleased to confirm that PSH has always committed to continuous supporting the Ten Principles of the United Nations Global Compact. Pyei Sone Hein Company Limited always fulfil our Corporate Social Responsibilities (CSR) by implementing and supporting the principles in the areas of Human Rights, Labour standards, Environment and Anti-Corruption which are advocated by UNGC.

During the spread of the COVID-19 pandemic in 2020 -2021, it has impacted a large number of people all around the world as well as in Myanmar. PSH put every effort to assist the response to virus. We care on protecting our employee, customers and supporting communities as much as we can do. We donate and contribute face mask, Oxygen concentrators, Oxygen Cylinders to our staff's family, COVID-19 response organization and community.

In this annual COP, we describe our actions of continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with you on a regular basis.

The summary of Pyei Sone Hein Company Limited (PSH)'s improvement in Ten principles are described in the following report of this annual Communication on Progress. Furthermore, we would like to thank all our stakeholders for their continued support and cooperation in all the undertakings. PSH is steadfast in our commitment to provide be socially and environmentally responsible in all areas where we operate for continued sustainable growth and stability for all.

Sincerely yours,

Zaw Min Thant
Managing Director
Pyei Sone Hein Company Limited



UN GLOBAL COMPACT 10 PRINCIPLES

Human Rights Principles

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

Labour Principles

- Principle 3:** *Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;*
- Principle 4:** *The elimination of all forms of forced and compulsory labour;*
- Principle 5:** *The effective abolition of child labour; and*
- Principle 6:** *The elimination of discrimination in respect of employment and occupation*

Environment Principles

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

Anti-Corruption Principles

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



Human Rights Principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

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

Pyei Sone Hein Company is committed not to engage in any business activities that lead directly or indirectly to human rights abuses. Our commitment to zero tolerance for human rights violations is expressly provided, adhered to and lived. We ensure all our employees benefit freedom of their rights and responsibilities arranged by QMS of ISO 9001:2015.

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

PSH believe that we have a responsibility to respect human rights and can play a positive role in the communities where we operate. To this end, our conduct in our operations is consistent with the spirit of the United Nations Universal Declaration of Human Rights; the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, where applicable to business; and other applicable international principles, including the Voluntary Principles on Security and Human Rights.

Assessment, Policies and Goals include:

1. PSH value and respect the equal rights of human beings and set the highest priority and ensure wellbeing of individuals.
2. Our HR policy strives to assure there is zero tolerance for any form of abuse or harassment within the company.
3. Our Occupational Health and Safety and Environment policy ensure to provide a safe and healthy workplace at all time.
4. PSH seeks to maintain workplace with harmony, diversity, high employee morale and productivity by handling grievances and counseling support if needed.
5. Building the capacity of staff and confidence for the clients by delivering quality
6. To require our employees, business partners and our clients to understand, respect and support to the principles of United Nations Universal Declaration of Human Rights.
7. We follow "Protect, Respect and Remedy" framework and we treat all of our employees with respect and dignity and promote diversity in the workplace. Our company policies and procedures adhere to all applicable domestic laws and are consistent with ILO core labor principles concerning freedom of association and collective bargaining, nondiscrimination, forced labor, and underage workers in the workplace.

Implementation

1. Updated employee hand book according to update Government's rules and regulations. Clear stated Human resource policy and other policies in employee hand book.
2. Place suggestion box in employee work place and effectiveness of suggestion system and resolution on Human Rights abuses will be reviewed and updated within organization.
3. Identifies new requirements for training and operations assessments specific to operating environments where human rights issues may be more prevalent.
4. Human resources and other policies and procedures relating to Human Rights will be reviewed and updated regularly.
5. We encourage our suppliers to treat their employees and to interact with communities in a manner that respects human rights and is consistent with the spirit and intent of this policy.

Human Rights Principles

6. Conduct Human resource development and capacity build up training In 2019 – 2020 which includes below training agenda:-
 - i) Professional Sales & Marketing Training
 - ii) Technician Improvement Training
 - iii) ISO 9001:2015 Quality Management System & Internal Audit Training
 - iv) ISO 14001:2015 Environmental Management System Training
 - v) Product Discussion & Knowledge Sharing In-house Training
 - vi) Human Resource Management Training
 - vii) Human Rights Awareness Training
 - viii) Occupational Safety training
 - ix) New Products Training
7. Company implemented COVID-19 response policy and procedures in placed in daily working procedure.



Fig: Implemented hands wash areas



Fig: Implemented Social Distancing



Human Rights Principles

8. Company management team arranges Covid-19 vaccination for all employee and their family in Government vaccination programme.



Fig: Covid-19 Vaccination

9. Staff Social Welfare Program arranged as follow:

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



Human Rights Principles

Team Building Activities

2020 Annual staff meeting and party has conducted by online video conferencing according Covid-19 regulation by Government. All management team and employee involved by using online conference application.



Fig: PSH Annual Staff Party & Team Building Activities



Fig: PSH Annual Staff Party & Team Building Activities



Human Rights Principles

(CSR) program

PSH contributed Food, Oxygen concentrators and Oxygen cylinders for Covid-19 cases of employee, their families members and covid-19 community care facilities.



Fig : PSH's contributed and donate Foods, Oxygen concentrators and Oxygen cylinders



Human Rights Principles



Fig : PSH's contributed and donate Food during Covid-19 pandemic

Measurement of outcomes

During 2019-2020, there is no significant case of human rights violations was reported by our stakeholders nor found by our management team within our organization and we keep ourselves that we are not complicit in any of human rights abuses.

PSH hired part-time university students and internships student for their building experience to set foundation for future career and to explore a career path. We implemented Covid-19 response policy and procedure internally and it is part of Management plan of Occupational Health and Safety.

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

For upcoming years, we will measure the progresses by internal audits of Human Rights performance and sets clear accountability for line management to implement and review the policy to providing management with the necessary resources, support and review.



Labour Principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation

Assessment, Policy and Goals

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

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

Our management policy stated building the capacity and happiness of the employees and deliver quality product and service to customers. PSH's employees are entitled to all applicable rights under Myanmar Government's law and ILO core labor principles concerning freedom of association and collective bargaining, nondiscrimination, forced labor, and underage workers in the workplace.

In particular, we commit to safeguard the following rights:

- We recognize the dignity of all persons and respect their freedom and privacy
- All employees shall be entitled to just and favorable remuneration
- Fair working hours and holiday entitlement
- We allow our employees freedom of association and the right to engage in collective bargaining
- We will not discriminate on the grounds of gender, marital status, age, religion, physical ability, sexual orientation, political beliefs or social class in the workplace or when considering promotions
- All employees should be allowed to perform their role without being bullied, harassed or threatened
- We will not force anyone to work for PSH and will refuse to deal with business partners that engage in forced or compulsory labour practices



Labour Principles

Implementation

We offer various benefits to all employees,

- i) Occupational Safety and Health Management
- ii) Salary increments and Beneficial
- iii) Overtime, Incentive, Other Allowances & Bonus
- iv) Regular Ferry Service
- v) Loans without interest
- vi) Provision for Health Care
- vii) Provide External training that requisition by employees
- viii) Covid-19 vaccination for employees and their families.

We are taking the suggestion from clients & employees who gave the advice to suggestion box and email complaint system are implemented. Those complain will be reviewed by top management and will be discussed promptly.

We evaluate the performance of each employees in monthly and they are entitled to get performance bonus base on their performance score.

During 2019-2020, Company provides internal and external training to our employee and builds up their individual skill as well as team work. Also build up skill with new innovative global technologies.



Labour Principles

Measurement of outcomes

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

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

So far as of 2019-2020, there were no known cases of discrimination in respect of hiring and employment practices whether based upon race, religion, age, nationality, social or ethnic origin, sexual orientation, gender, political opinion, and there is no abuse of child Labour in PSH Company Limited.

For upcoming years, we will keep our progresses by:

- Reviewing our policy, goals and implementation relating to Labour principles and Human Resource development.
- Internal audits of Human Resource and performance and incidents of Labour abuses within the company and
- Consultation with stakeholders.



Environment Principles

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

Principle 8: undertake initiatives to promote greater environmental responsibility; and

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

Assessment, Policy and Goals

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

Our company is fully committed to defend Natural resources and physical environment of our organization and to conduct our business according to the Environmental Policy shall make simple, clear and realistic policy which will be supportive and guided for the organizational objectives and targets.

PSH comply with applicable environmental legislation, regulations and requirements.

Implementation

During 2019 – 2020, PSH carried out following

- Follow Up external Audit for ISO 14001:2015 Environmental Management System.
- We provided ISO 14001:2015 Environmental Management System Awareness Training to our employee.
- Implement digital reporting system from Mobile Network instead of paper reporting.
- Implement digital HR Management system which is going to paper less HR management and reduce using paper.
- Implement reduce of usage electrical program such as no elevator day.
- All company product packaging has been implemented to recycle type.

Continue Monitoring and prevention environmental impact of waste & pollution as follows:

- Paper waste, Energy waste, Water & Air pollution
- Alarms system for elevator
- Caution for incidental case
- Cultivating the green tree with vase in working place
- Keeping the extinguish fire in working place
- Precaution approach to our people for Safety Environment and working place.
- External Audited inspection for Environmental protection.
- IT department implement email, cloud sever internal file backup and sharing system for reducing usage of paper.



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Environment Principles

Measurement of outcomes

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

PSH Implemented all packaging system with recycle material.

So far as of 2019-2020, there was no known cases of legal cases or fines related to environmental principles. Paper usage significantly reduce since company started introduce paper less reporting system and files saving and sharing in cloud server.

PSH will continue to deploy efficient use of energy, renewable energy and prevent waste material and protect the natural resources.



Anti-Corruption Principles

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

PSH is always conducting to be a transparency and ethical organization by committing integrity in doing business. PSH takes a zero tolerance approach to corruption or bribery committed to acting professionally, fairly and with integrity in all its business dealings by our management or employees, regardless of their position in our organization, or business partners.

Implementation

Anti-Corruption Awareness Training

PSH has added Pyidaungsu Hluttaw Law No. 23/2013 (“the 2018 Amendments”) - Anti-Corruption Law to company Compliance Obligation Register.

PSH has been checked by the Internal Audit Team, ISO Audit Team and External Audit Team by quarterly and annually in order to avoid any forms of corruption and fraud case at any touch point. There is no corruption has been reported in 2019-2020.

Eliminating bribery and corruption from organizations and supply chains requires more than just legal compliance. Our anti-corruption awareness training course gives the necessary orientation to find solutions to specific corruption problems, and to relate anti-corruption to the broader challenge of corporate sustainability.

We implement below rule within organization to prevent corruption cases in business dealing:-

- ✓ No give and take any form of bribery among employees.
- ✓ No give any form of bribery to management levels.
- ✓ No illegal payment form of bribery from customers, suppliers, and business partners.
- ✓ And we practicing below activities in our organization for Anti-Corruption
- ✓ We communicated to our people to avoid the corruption by legal law.
- ✓ We also encourage to our client to prevent the corruption.
- ✓ We taking the advice from consultant to detect the corruption.
- ✓ We hired Internal Audit to check regular in all transaction and also audited by External Audit team to detect the corruption.
- ✓ Customer Service Department always monitoring any corruption or bribery case within customer and PSH's employees.

Measurement of outcomes

Management team always monitors the policies to be up to date whenever necessary. Suggestion boxes are in place of PSH office. PSH has been inspected by the internal audit team to all departments, ISO audit team annually so as to eliminate any fraud and corruption case at any touch point. There is no corruption has been reported within 2019-2020

Participant in Government Audit for Government related projects.

So far as of 2019-2020, there was no known cases of any corruption or bribery detected by our internal and external audit committee regularly reviews.