

United Nations Global Compact (UNGC)

Communication on Progress Report 2022

Statement of Continued Support

Our company, Myanmar Thilawa SEZ Holdings Public Co., Ltd. is incorporated as a public company limited under the Myanmar Companies Act. We are dedicated to being a responsible and sustainable business for our stakeholders. As such, MTSH is proud to announce that we are one of the members of United Nations Global Compact and stands as a responsible business in the community.

MTSH is a public company with Major Shareholding, owned by the Public and a listed company on Yangon Stock Exchange. MTSH aims to be part of social and economic growth of the Republic of the Union of Myanmar, and to be a regional leader in attracting foreign investments. MTSH is always transparent and puts effort into being effective in Code of Conduct and Corporate Governance. MTSH has properly integrated not only existing company rules & regulations, but also the Principles of UNGC in our daily business activities.

As this is the 7th Submission of COP report for MTSH, MTSH will make sure that every stage of our business operations has been well-performed, and is aligned with Ten Principles of UNGC on Human Rights, Labor Rights, and Environmental Rights and Anti-Corruption.

MTSH is committed to the promise of our continued support in accordance with the ten principles and guidelines of UNGC and shares this information with our stakeholders using our channels of communication.

Yours respectfully,


A handwritten signature in black ink, appearing to read 'Myint Zaw', is written over a horizontal line.

Myint Zaw

Managing Director

Myanmar Thilawa SEZ Holdings Public Co., Ltd.

Human Rights Principles

Principle 1 – Businesses should support and respect the protection of international proclaimed human rights.

Principle 2 – Make sure Businesses are not complicit in human right abuses.

One of MTSH values is to support beyond normal CSR with a responsibility to prevent human rights violations whilst ensuring corrective avenues are available for infringements. Our company, MTSH, sets goals according to SDGs and implements the commitments in our businesses based on the International Bill of Human Rights, including Universal Declaration of Human Rights. We believe in the principles concerning the fundamental rights that must be followed by nations, companies, organizations and individuals.

Since MTSH has participated in the United Nations Global Compact, we have complied with the ten principles in the four main areas of Human Rights, Labor Rights, Environmental Rights, and Anti-Corruption, as guided by the UNGC, and those principles are integrated firmly into our business strategy, culture, and daily operations.

MTSH provides a safe working environment with no discrimination and harassment based on gender, religion, color, ethnicity, and any kind of human rights mistreatments. Our company ensures on fairness in working community and security in the workplace for all the people in our organization. We help each staff to be well educated and trained to adhere to the internal policies and show mutual respect for each other in daily communication. We have adopted and applied our own employee handbook, applied policies and SOP with the aim of building a better community for the people inside and outside the organization, and regularly updated the handbook accordingly to the necessities of our employees.

MTSH will no tolerance for any manners that could be hazardous conditions for our working community and society. We can surely affirm that there is no forced labor or child labor in our businesses. In the situation where there is a suspicion of Human Rights abuses occurring in the workplace, we make sure that anyone can have access to high level of management for the purpose of seeking justice without any restraint in accordance with the Whistleblowing Policy. For each and every case, the Management will conduct the suitable investigation and punish Human Rights Abuses without any bias. One of MTSH's commitments is to promote a discrimination free working environment and to give all employees equal opportunities in accordance with their performance and capabilities.

MTSH pays close attention to Corporate Social Responsibility programs that contribute benefits to our stakeholders and community. We also set up long-term sustainable goals for Community Welfare and Development. Most of our CSR programs are for the people who are being affected by Thilawa Special Economic Zone Development Project as well as other projects, but we also make an effort to stretch our hands to fulfill our community needs and requirements beyond the scope of our projects' areas.

In 2018 and 2019, MTSH participated in the Thilawa Special Economic Zone Back to School Program. In 2019 and 2020, we donated foodstuffs to the Monastery and the Disabled Children Care Center. MTSH also conducted the Kathina Robe Offering Ceremony as one of the religious events, blood donation program and provided the students with school stationeries, uniform and the other necessary items.

On 1st February 2020, MTSH and our subsidiary company (Thilawa Property Development Limited, TPD) made a donation of foodstuffs and school supplies at the village of Myeik District, Tanintaryi Division. On 11th August 2020, MTSH donated necessary school supplies for the 6th time in Thilawa Special Economic Zone Back to

School Program. The employees of MTSH and TPD made another Kathina Robe Offering Ceremony on 12th November 2021.



MTSH did not miss the opportunity to provide for the wellness of the community and have donated the necessary medical appliances to the Yangon Region Government Office and the Hospitals in the Thilawa Region with a mind of supporting the frontline heroes amidst the COVID-19 outbreak. MTSH provided the basic needs to all of our employees with hope to support the daily food requirements during the pandemic.



MTSH provided (100 MMK) dividend per share according to the resolution made at the Board of Directors' meeting held on 20th December 2021 to be of assistance to the shareholders amidst the situations Myanmar is currently facing.

As a public company, MTSH is committed to building good Corporate Governance on the foundations of accountability, fairness and transparency. To be a sustainable and responsible business is the aim of MTSH and we have made great effort to promote the long-term benefits for shareholders and gained public trust by shaping up well in our management and performance of Our Company. We actively participate in Investor Relations activities such as seminars and discussions aimed to provide information about our activities and operations, take the initiative of reaching out to our investors, be accessible to inquiries, and to be able to help provide knowledge to the public. In December 2021, our Managing Director, U Myint Zaw participated in “Insight talk with YSX Listed Companies”, a discussion organized by Yangon Stock Exchange and share Future prospects of the company and current projects for local and foreign investors.

In summary, MTSH considers the benefits we can bring to our shareholders, employees and to our society. MTSH has made numerous efforts to comply with Human Rights policies and always attempts to bring welfares and benefits to our society. Our Company was rewarded the two prizes of “Best Return on Equity” and “Best Share Price” by Yangon Stock Exchange in 2020 as proof of our continuous attempt to participate in the community development by raising share value.

MTSH has always operated in accordance with Human Rights policies in every business activities and will continue to do so, and aims to bring long-term benefits to help as much as we can to our society.

Measurement of Outcomes

We always pay attention to our employees’ and shareholders’ opinions to evaluate our performance thoroughly with regards to Human Rights policies. MTSH is proud to announce that Our Company has no cases of Human Rights breaches not only within the organization but also in the community. One of our missions is to be a responsible and sustainable business, to which we comply by avoiding all the negative impacts that

could affect our image and reputation. Hence, MTSH hereby reaffirms our commitment to respect and support the protection of the internationally Proclaimed Human Rights and do not involve in any form of Human Rights Abuses.

Labor 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 labor.

Principle 5 – The effective abolition of child labor.

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

Since MTSH was incorporated as a public company limited under the Myanmar Companies Act, we have been dedicated to be a responsible and sustainable business. MTSH is committed to the Labor Rights and support for International Labor Organization's ("ILO") eight fundamental core conventions and ensure that all forms of forced labors and child labor are strictly forbidden in the organization.

Our Employee Handbook protects all employees against any form of discrimination and unfairness and provides equal opportunities according to their competency. All Employment Contracts of MTSH are registered in the Labor Office and employees are protected from any compulsory labor and have the rights to collective bargaining. MTSH inquire about the profile and background history carefully before offering jobs in order to prevent child labor in the workplace, as any form of child labor is strictly prohibited in every operation of the business. MTSH also complies with the conventions such as the UNICEF Convention on the Rights of the Child. Without any kind of discrimination

on race, gender, and on other aspect, MTSH offer the suitable jobs for the people who come from different backgrounds based on the qualification and abilities.

As stated by the Employee Handbook, staffs of MTSH are entitled to casual leave, earned leave, sick leave, medical leave, maternity leave and paternity leave with pay. All our employees are entitled to overtime pay and meal arrangements for overtime working hours. Our Company also provides ferry services for all staff to commute between work and home with ease. If any of our employees has to travel with duty, MTSH makes sure they are provided with necessary travel allowance. As a social welfare, all staffs are encouraged to be members of Social Security Board so that they can enjoy the rights and benefits.

MTSH promises to provide the equal opportunities based on merit, and to create a working environment of friendliness and healthiness, as effective human resource benefits not only the company but also the community. We have adopted sustainable Human Resource Development and Management Policies, all of which are crucial for our company's future success and growth. Staff Annual performance appraisal, salary review, annual remuneration increment and bonus payments are conducted without any form of bias. MTSH have zero tolerance for discrimination of gender, age, religion, ethnic origin, nationality, or any other aspect in the workplace.

Management realizes and invests in human capital in an attempt to transform it into financial capital, manufacturing capital, intellectual capital, and social and relationship capital in the long-term. Training is one of the major factors to raise the employees' motivation and capacity. The development programs are connected with building effective teams, effective internal communication, time and stress management, problem solving steps and critical thinking tools. MTSH provided trainings for the staff to promote the abilities, personal values, communication skill and professional development that aims for both individual and organizational developments. Moreover,

MTSH has organized in-house training and knowledge-sharing program within the cross-functional departments.

During the COVID-19 pandemic, MTSH applied the Business Continuity Plan and allowed employees to work from home. Online trainings are arranged to dispel any panic and to encourage our staff to adopt the remote working system and procedures. In the period of the economic hardship caused by the Pandemic, MTSH and TPD chose to provide the staffs with one-month advance pay as financial support. MTSH recognizes that the safety of the employees' is the utmost importance for the organization. MTSH takes full responsibility for the safety of our employees and follow the instructions of the Labor Rights. Moreover, it is MTSH motive to identify workplace health and safety risks and put together comprehensive risk mitigation measures.

The employees are encouraged to report any mistreatment freely. The Human Resource Department constantly monitors and reviews the performance of the employees and resolves the problems effectively so that the employees can be part of a more effective and productive workforce.

Measurement of Outcomes

As the company's achievement and success comes mainly from well-organized management and the effective workforce of employees, our company places great emphasis on human resources and completely complies with the principles of labor rights so as to maintain and enhance the competencies of employees. The Management and the Human Resource Department monitors the welfare and the performance of employee attentively, and takes appropriate action if necessary. MTSH is proud that there is no reported case concerning labor rights abuses within our organization. Furthermore, there is a harmonious relation between the management and employees and among the employees in the company.

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 technology.

As our company is one of the public listed companies in the country, we take it as our responsibility to care for the community and planet. Our Company is committed to improving both the commercial and environmental aspects of our business. One of MTSH principles is to support the precautionary principle through its risk management and to minimize the environmental impacts. As such, Our Company encourages and applies environmentally friendly technology in our operations and projects.

MTSH has been recognized by both Government and non-Government organizations for our work in industrial development. MTSH always consider the impacts of energy consumptions and pollution. The consumption of underground water is forbidden in Thilawa SEZ. Sewage Treatment Plant, Water Treatment Plant and Waste Water Disposal Management are systematically built up and already operating effectively in Thilawa SEZ in accordance with international standard and environmental friendly technology. In addition, the quality of air and other impacts of operations have been monitored regularly and online weather monitoring system is used to protect the environment.

In 2020, MTSH has broadened our wings into construction and housing development sector. In March 2020, MTSH has appointed as the Preferred Bidder for Gyogone Housing Redevelopment Project, a heavily potential project that attracted the attention of other companies and public. MTSH promotes projects that utilize the natural

resources to their fullest. Master plans we introduced promote great ventilation and lots of access to natural light.

MTSH believe that small efforts are important to control and reduce the damage of the environment. In MTSH, our staffs are trained to appreciate the value of the natural capital and then comply with the environmental rules and regulations. MTSH use only energy saving and environmental friendly office materials and have a good practice of turning off the lights and air conditioner once leaving the meeting rooms and office rooms. MTSH also applied the rule to turn off electricity once a day for about thirty minutes at lunch time to save energy wasting. Our focus is on having paperless working environment. Current plan is to use cloud sharing for all the documents. Once the plan is finalized, we will be able to reduce the use of paper in our organization. We intend to set an example for the future generation.

MTSH, its associate and subsidiary companies are always aware of the environmental challenges and take immediate actions for any impacts caused by operation activities. Our environmental impact assessment and environment monitoring report are publicly disclosed and available on the related website.

Measurement of Outcomes

MTSH always shows great interest in developing and preserving the environment. We comply with the UNGC's environmental principles and our National Law and regulations to maintain and improve the environment. Our Gyogone Housing Redevelopment Project has been recognized as winner of two Best Housing Development awards under Developer Awards and Best of Myanmar Awards categories at the annual event of Property Guru Awards in November 2020. Property Guru is a non-Government organization which analyzes and promotes the development of real estate industry in 14 countries. Subsidiary of MTSH, TPD was also awarded as winner for its Thilawa Garden City project was highly recommended in Best Township Development category.

MTSH is proud to announce that there is no severe damage caused by our business operations and we are creating to be more sustainable and greener environment for the society.

Anti-Corruption Principle

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

As a publicly listed company, MTSH follows the rules and instructions guided and regulated by DICA (Directorate of Investment and Company Registration) and SECM (Securities and Exchange Commission of Myanmar). MTSH makes an effort to have Corporate Governance, Code of Conduct, Audit Charter, and Delegation of Authority with intention to apply in management and operation procedures without any conflict. Remuneration, Nomination, and Audit, Risk and Compliance Committees are formed to have fair and righteous decision and process within the organization. There is External Audit to check for unusual transactions and related party transactions. The external audit report are presented and got approval of shareholders at Annual General Meetings annually.

MTSH committed to be an accountable and responsible business and has zero-tolerance approach to corruption in all its forms. MTSH make sure all business operations are free from any illegal practices. Employees, contractors, third parties, joint-ventures of MTSG including all associates are directed by good corporate guidelines to not go outside of the framework of Corporate Governance. Audit, Risk and Compliance Committee, one of the committees composed by our independent directors and BOD members, audits frequently and controls cases of bribery, misuse of information, fraud and financial misrepresentation, conflicts of interest of the company. Any confirmed breaches will be resulted in disciplinary action in line with our code of practice and regulations. MTSH intends to stand as the most transparent and

responsible business that is free from any form of corruption. As a result of our efforts, MTSH was once again included among top ten most transparent companies in Myanmar, specifically at 8th place, according to Pwint Thit Sa Report 2020.

Measurement of Outcomes

Our Company ensures that risks are being assessed properly by reviewing the cases on a monthly basis. Thus far, there is no case against corruption in the company as we continue to follow the anti-corruption policy and guidance from UNGC. Myanmar Thilawa SEZ Holdings Public Limited is proud to be a member of UNGC and we will continue to integrate the 10 Principles of UNGC in our business operations.