

United Nations Global Compact (UNGC)

Communication on Progress Report 2020

Statement of Continued Support

Our Company, Myanmar Thilawa SEZ Holdings Public Co., Ltd. is so proud of being a member of United Nations Global Compact and stands as a responsible business in the community. During the 5 years membership of UNGC, we recognized the Principles of UNGC and its guidelines and followed them without any fail in order to be more responsible and sustainable business both for our stakeholders and the Nation.

As MTSH is a Public Company Limited and Major Shareholding 55% is owned by the Public. Additionally, it recorded as a 2nd Listed Company on Yangon Stock Exchange on 2016. In consequence, Company's internal guidelines such as Code of Conduct and Corporate Governance are important to be effective and transparency. In addition to already-existed MTSH's own disciplines, we integrated the UNGC Principles properly in our daily business activities.

Now, MTSH has submitted COP report for the 5th time and we make sure that every stage of our business operations has been well integrated with ten principles of UNGC on the subject of Human Rights, Labor Rights, Environmental Rights and Anti-Corruption.

We, MTSH, would like to make commitments to reaffirm our continued support in accordance with the ten principles and guidelines of UNGC and we also promise to share this information with our stakeholders using our primary channels of communication.

Yours Sincerely



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.

MTSH constantly support and respect the protection of International proclaimed human rights. We have updated our policies in line with the UN Guiding Principles on Business and Human Rights, set the goals and implemented our commitments based on the International Bill of Human Rights including Universal Declaration of Human Rights.

We utterly agree to take the responsibilities of applying the fundamental human rights in our business activities and thus, we adopt the UN Guiding Principles Reporting Framework to fulfill our goals and disclose the information transparently about our operations, activities.

We create our working environment to be safe from any kind of human right mistreatments such as discrimination and harassment based on gender, religion, color and ethnicity. All staff is worth having fairness in their working level and they feel secure in the workplace. Each staff is well educated and trained to obey the internal policies and show mutual respect for each other in daily communication. For those practices, MTSH has its own employee hand book and applied polices and SOP with the aim of building a better community for our human beings/ staff. Accordingly, MTSH has no tolerance for any inappropriate manners that will be hazardous conditions for our working community. Next, we can surely affirm that there is no forced labor and child labor in our main business and related activities. Just in case of somebody feel that human right abuses are occurring and they are being discriminated in the workplace, there is an easy access for everyone to high level of management for seeking the justice according to Whistle Blowing Policy. The Senior Management conducts the suitable investigation and they determine to punish human right abuses without any bias. MTSH commit to promoting working

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environment free from discrimination or unfair treatment and all employees are worth having the equal opportunities in respect of their performance and capabilities.

Besides, MTSH pay attention to Corporate Social Responsibility programs that contribute a lot of benefits to our stakeholders and community since we set up the long-term and sustainable goals for community welfare and development. Mostly, our CSR programs are aimed to the area and people that are being affected by Thilawa Special Economic Zone Development Project, but we also make an effort to stretch our hand to fulfill our community needs and requirements apart from the Thilawa region.

In 2019 and 2020, MTSH conducted responsible business actions such as donation the foodstuffs to the Monastery and the Disabled Children Care Center, and organized Ka-Htein Donation for the fifth time at the village of Thilawa Region as one of the religious events. On 01 February 2020, MTSH and our subsidiary company (Thilawa Property Development Limited, TPD) made a donation of foodstuffs, school supplies at the village of Myeik District, Tanintaryi Division and it is recorded as one of the significant CSR programs since our Chairman, Members of BOD, CEO and all staff joined together in the program.



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In the beginning of 2020, the outbreaks of Covid-19 virus led to the world-wide pandemic and our country, Myanmar, started to find out the first positive case in March, 2020. First of all, the protection wares are essential to protect the virus from spreading out and especially, PPE, gloves, masks and hand sanitizer are necessary to provide our frontline hero (medical officers and staffs) for their safety. Therefore, MTSH realized that urgent needs for the Nation and donated the required protection gears to the Yangon Region Government Office and the Hospitals in the Thilawa Region. In addition, MTSH provided the basic needs (Rice and other groceries) to all of our employees with the purpose of having enough foodstuffs during the epidemic period.



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MTSH is a public listed company and has the largest shareholders among the other listed company in Myanmar. All the time, MTSH consider the benefits we can bring to more than (17,000) shareholders. During the Covid-19 period, our Board of Director made a strong decision to pay out the Dividend, (200) Kyats per share so as to help our shareholders as much as we can in this difficult time. Also, the Chief Executive Officer of MTSH participated in the Live Talk Program organized by YSX which intended to present publicly what kind of impacts will be on the business sector and how to overcome the difficulties because of Covid-19 epidemic. As MTSH, CEO presented and shared our Business Continuity Plan and to be sure that our business will be developed as usual without any big damage and challenges.

MTSH was rewarded the two prizes of “Best Return on Equity” and “Best Share Price” by Yangon Stock Exchange in 2020. It clearly stated that MTSH always attempt to participate in the community development by raising our share value.



To go over the main points mentioned above, MTSH has always operated in accordance with Human Rights policies in every business activities and on the other hand, it aims to bring long-term benefits to our society and help as much as we can to achieve the Myanmar Sustainable Development Plan and Goals.

Measurement of Outcomes

It is a great honor to announce that MTSH has no grievance and unfair cases in relation to Human Rights breaches and mistreatments. We do not allow those kind of abuses happened within our organization by supporting the Human Right Principles of UNGC. One of our missions is to be a responsible and sustainable business and then avoiding all the negative impacts that will affect our good image and reputation. Hence, MTSH hereby reaffirms our commitment to respect and support the protection of the international proclaimed human rights and do not involve in any form of human right 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 is a public company and also one of the Listed Companies in Myanmar, Code of Conduct, Corporate Governance and internal policies should be effective and transparent. We recognize that the success of the Company is primarily based on their employees and thus HR policies and procedures are always updated in line with Myanmar Labor Law and other applied rules and regulations. Moreover, MTSH is committed to respecting labor rights in all of its activities and support for International Labor Organization's ("ILO") eight fundamental core conventions and ensure that all forms of forced labors and child labor are utterly forbidden in the organization.

In MTSH, all employees have their Employment Contracts that are registered in the Labor Office and they are protected from any compulsory labor and they also have the right to collective bargaining. To prevent the child labor in the workplace, we make inquiries about their profile and background history carefully before we offer the job to them. We are also guided by conventions such as the UNICEF Convention on the Rights of the Child. Our Employee Hand Book is well organized and each staff is educated to perform well in the workplace. Moreover, MTSH interview and offer the suitable job for the people who come from different background and knowledge without any kind of discrimination regarding their race and gender and so on, but mainly depend on their qualification and abilities.

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It is certain that MTSH provide all the same opportunities according to their working level and create the workplace to be healthy and friendly. Our Management team always takes the responsibilities for the job security of each employee and pay attention to provide the equal chance to promote their career life. They have zero-tolerance for discrimination of gender, age, religion, ethnic origin, or nationality in every stage of the workplace. To support such kind of commitments, MTSH and TPD have well-organized structure of each position, related job description and SOP.

We value all the effort of each employee and as a reward for them; increment, promotion and bonus have been rewarded through their performance/KPI without any bias. According to the internal working procedure, all employees obtain the reasonable working hours, overtime package, travel allowance, ferry service and other necessary office stuffs (such as Laptop, Mobile Phone and Phone bill allowance). Furthermore, Lunch is provided for all staff at office in order to save time and energy of preparing lunch box in the morning. Our organization emphasizes on how important gender equality is and we endeavor to close the gender gap and boost the empowerment of women by giving the equal pay, equal benefits and equal job opportunity. As a social welfare benefits, all staff are the members of Social Security Board and they are entitled for sickness, maternity, parental and work-related injury allowance.

Senior Management realizes and invests in the human capital in an attempt to transform it into the financial capital, the manufacturing capital, the intellectual capital and the social and relationship capital in the long-term. Training is one of the major factors to raise the employees' motivation and capacity. In January 2020, MTSH arranged the Staff Retreat Program & Trip to Myeik Island and all employees from the Head Office and Subsidiary Company participated joyfully. In the trip, BOD members, Senior Management and all staff had a great time and it made us closer and built the mutual understanding within the organization. The "Capacity Building Training" also provided the staff to promote the abilities, personal values, communication skill and professional development that aims for both individual development

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and organizational development. Apart from the external trainings, MTSH has an organized plan for in-house training and knowledge-sharing program within the department and cross-functional team. We trained our staff to be more skillful and qualified and so let them get a chance to have the required trainings on the subject of their professional career.



During the Covid-19 pandemic period, MTSH really care for the safety of staff's health as a top priority. We prepared the Business Continuity Plan and nearly all our staff takes work from home plan. At this time, online trainings are arranged to encourage the staff not to be too panic and to get used to of remote working system and procedure. In the period of the economic hardship affected by Covid-19, some companies reduce their workforce and some of the employees have been made redundant. However, MTSH and TPD have no cases of reducing staff and then advance one-month pay is also provided for all staff as financial support. As per the above-mentioned points, we can hereby mention that MTSH take fully responsible for the

safety of its employees from every aspect and follow the instructions of the labor rights not to fail any single point.

MTSH go forward to meet our goals of creating more and more pleasant, active and productive working environment for all staff in keeping with the rules and regulations of the Labor rights. If there are any labors abuses within the organization, all reports are accepted by the Senior Management and they will make the reasonable decision and action not to happen over and over again.

Measurement of Outcomes

We, MTSH, always put emphasis on the matters of workforce and we would like to declare that MTSH will not let the labor abuses and complaints happen among the employees and within our organization. Each employee is well educated in order to understand the rules and regulations of Labor Rights and our organization always pay attention to be on the right track of our journey to a responsible and sustainable business. MTSH will continue to commit to build up productive and friendly workplace on the strength of the unity of Management and Employees.

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.

At the present time, Environmental challenges have become the global issue and every human beings has own responsibility to preserve our environment to be healthy again. As a responsible member of the society, MTSH is committed to support the precautionary principle through its risk management and minimize the environmental impacts of our business activities. Our sustainable framework and related policies govern our approach toward greater environmental responsibilities. Moreover, we encourage and apply the environmentally friendly technology in our operations as much as we can do.

The nature of our business activities contains the development of Real Estate and Special Economic Zone and so, the environmental impacts will be from energy consumptions such electricity and water and waste management. Before the project started, Environmental Impact assessments were conducted and act in accordance with the SEZ Law and its related regulations without fail. In the Thilawa SEZ, the consumption of underground water is forbidden and the water sources come from only nearby reservoir. In keeping with international standard and environmental friendly technology, sewage treatment plant, water treatment plant and waste water disposal management are systematically built up and now operate effectively in TESZ. The quality of air and other impacts of operations have been monitored cautiously to protect our environment. In addition, online weather monitoring system also created in TSEZ as a precautionary approach to the environmental challenges. Our subsidiary company, Thilawa

Property Development Limited (TPD) also committed to abide by environmental rules and regulation in their daily operations. Since it is the developer of Residential & Commercial Area in Thilawa SEZ, we have a master plan to implement a green garden city in the near future. Towards a greener environment, 3,643 big trees, 13,543 small trees, 930 hard wood and 9,598 shrubs and herbs have been planted in TESZ.

In MTSH, our staff is trained to appreciate the value of the natural capital and then comply with the environmental rules and regulations when they operate their daily tasks. We believe that little steps are also important to mitigate the damage of the environment. For that reason, we use only energy saving and environmental friendly office materials and have a good practice of turn off the lights and air conditioner once leaving the meeting rooms and office rooms. We gradually focus on to create the paperless workplace and we can see the good result on using Microsoft Teams for files/documents sharing, updating information, reporting without using any hard copies and paper documents and then swift communication between Management Level and Working Team. Avoiding use of excess amount of natural resources can minimize the environmental footprints which will be left as a bad image for our next generation.

With the intention of being sustainable and green environment, 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 our related website.

Measurement of Outcomes

We feel pleased to show that how much we care about our environment by comply with UNGC's environmental principles and our National SEZ Law and regulations. As a result, there is no severe damage caused by our business operations and we are creating to be more sustainable and greener environment for all of our Nation, society and shareholders as well.

Anti-Corruption Principle

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

Since MTSH is a public and listed company, there are many rules and instructions guided and regulated by DICA (Directorate of Investment and Company Registration) and SECM (Securities and Exchange Commission of Myanmar). To construct an effective corporate organization, MTSH made an effort to have Corporate Governance, Code of Conduct, Audit Charter, and Delegation of Authority which are intended to apply well in our management and operation procedure without any conflict matters. Additionally, there are Compliance officer and External Audit to check for unusual transactions and related party transactions. Annually, the external audit report are stated and approved by the shareholders at Annual General Meeting.

MTSH has a zero-tolerance approach to corruption in all its forms. We are committed to be an accountable and responsible business which free from any illegal practices in our business operations. MTSH employees, contractors, third parties, joint-ventures, all are directed by good corporate guidelines not to split away from the framework of CG. Audit, Risk and Compliance Committee is one of the committees composed by our independent directors and BOD members. Any cases of fraud and financial misrepresentation, conflicts of interest, bribery, misuse of information and misrepresentation of the company or its assets are sensibly controlled and audited frequently. Any suspected breach is subject to an accelerated review procedure that involves experts from Legal Group. Confirmed breaches will be resulted in disciplinary action in line with our code of practice and regulations.

Both for external and internal operations, any forms of bribery, corruption, extortion or embezzlement are not acceptable and we train our employees to be aware of that and then also let partners and clients know our strong policies against corruption. MTSH keep the value of corporate structure and create good value for the Company and our shareholders and so, we

attempt to stand as the most transparent and responsible business and especially, free from any forms of corruption.

As a result of our attempt, MTSH ranked the position of 7th at the Pwint Thit Sa Report which made an assessment of the most transparent Enterprises in Myanmar.

Measurement of Outcomes

Integrated with our internal rules and applicable international regulations, MTSH is able to control our good practice devoid of corruptions and keep our commitments to comply with the principle of UNGC and integrated them in our business performances.

Hereafter, MTSH continue to comply with the UNGC principles and guidelines combined with internal standard of operating procedure. We are sure that such kind of contributions will be beneficial for all of our stakeholders, shareholders and the society. As a reflection of good practice of corporate governance and practices, we hope that MTSH will stand as the most responsible business in our community.