



SHWETAUNG

**COMMUNICATION
ON PROGRESS**

January-December 2016

Contents

01	CHAIRMAN'S STATEMENT	16	HUMAN RIGHTS
			Assessment, Policy and Goals Implementation Measurement of the Outcomes
02	ABOUT THE REPORT		
03	SHWE TAUNG GROUP AND SUSTAINABILITY	25	LABOUR
			Assessment, Policy and Goals Implementation Measurement of the Outcomes
04	OUR MATERIALITY STRATEGY & STAKEHOLDER INCLUSIVENESS		
06	SUSTAINABILITY CONTEXT	35	ENVIRONMENT
			Assessment, Policy and Goals Implementation Measurement of the Outcomes
07	SUSTAINABLE PROGRESS		
08	ORGANIZATIONAL STRUCTURE	42	ANTI-CORRUPTION
			Assessment, Policy and Goals Implementation Measurement of the Outcomes
09	CORPORATE SUSTAINABILITY TEAM		
10	OVERVIEW OF SHWE TAUNG	46	GRI G4 CONTENT INDEX

Chairman's Statement



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

Dear Stakeholders,

Shwe Taung has been a member of the United Nations Global Compact (UNGC) since 2013, consistently reinforcing our commitment to respecting universal principles on human rights, labour, environment and anti-corruption. This is our fourth annual Communications on Progress (COP) report, and the second to be aligned to the calendar year.

In line with our corporate mission “Inspiring Lives. Sustaining Progress.” sustainability practices remain the focal point of our long-term business strategy. In 2016, we continued our journey towards adopting a more sustainable business model and finetuning our tools to measure our sustainability practices in accordance with the UNGC principles. This report demonstrates our achievements across our business units in strengthening human rights, improving labour rights, adopting more environmentally friendly practices and decreasing corruption.

Shwe Taung strongly believes in being a catalyst for positive change in Myanmar. We acknowledge the ten guiding UNGC principles promoting sustainable business practices to support social and economic development. We maintain our full commitment to work towards holistically integrating these principles within our business model to bring about sustainable development in Myanmar. In addition to submitting this report to UNGC, we will also be sharing it with our stakeholders as part of our commitment towards responsible public reporting. We hope to also promote the importance of sustainable business practices within our community.

As Myanmar enters a new chapter, Shwe Taung is well positioned to play our part in strengthening our economy and creating new opportunities for our people. We strongly believe that economic development has to take place in a sustainable manner, and we remain firm in our commitment to sustainable business practices. Together, we can make a difference to how businesses are conducted in Myanmar.

Sincerely,

Aik Htun

About The Report

Shwe Taung's activities are guided by our corporate vision "Inspiring Lives. Sustaining Progress." We are working towards making a positive change by enhancing human capital, protecting the environment, and participating to Myanmar's development. Our aim is to achieve sustainable outcomes across all our businesses through responsible investment and development. Sustainability has always been at the core of our strategy. We incorporate the UNGC principles to ensure the sustainable development of our country, while continually creating value for our stakeholders.

Building off our previous COP reports, this year's report contains more details on our sustainability practices as we continue our pursuit of developing shared value projects with the goal of promoting community engagement. We endeavour to report our sustainability practices in line with internationally recognized standards and have followed the core Global Reporting Initiatives (GRI) G4 guidelines to communicate our progress on the UNGC principles. We will continue to improve our sustainability practices and enhance our framework for sustainability reporting each year.

Data Collection

The data collection for this report was overseen by our Corporate Sustainability Team of five 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 2016.



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.

Our 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 in 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*

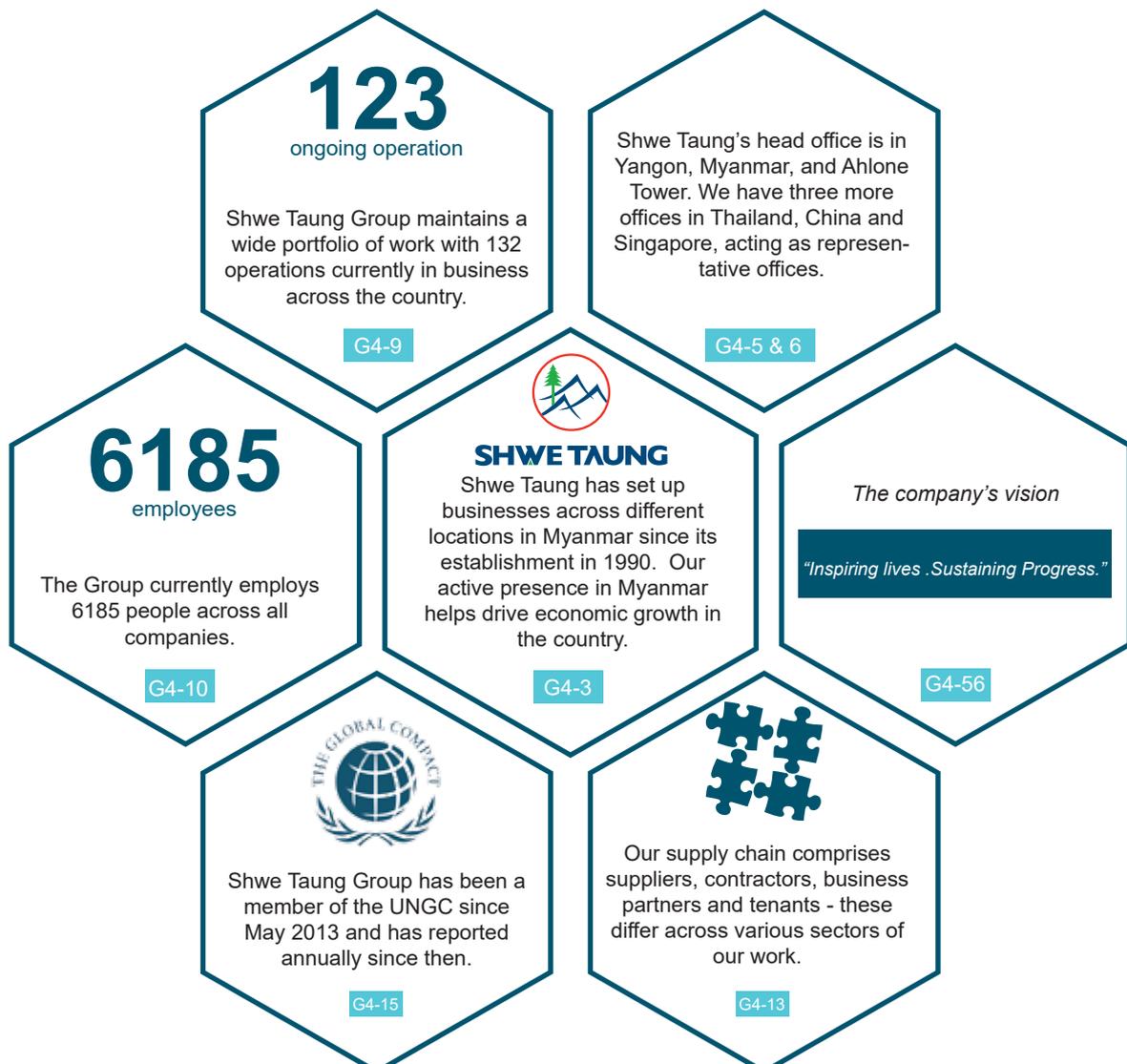
Sustainability Context

As Myanmar enters a new chapter in its economic growth, there is an increasing need for the business community in the country to adopt sustainable business policies and practices. Economic development cannot take place at the expense of environmental and social development. We all have the responsibility to ensure that the development process is sustainable and equitable for all stakeholders in Myanmar.

As a local company with over two decades of operating experience in Myanmar, Shwe Taung is well positioned to play our part in promoting sustainable development in the country. Through our commitment to the UNGC principles, we aim to be the catalyst for the transition of Myanmar's corporate culture to one that is attuned to corporate responsibility and sustainable development.

Shwe Taung has begun to adopt the Shared Value approach to corporate sustainability. This approach involves investing in businesses that also meet community needs, which is a more sustainable way of empowering communities through social and economic development.

We are currently developing a more comprehensive set of tools to measure the outcomes of our sustainability progress and practices. As part of this process, we have updated our Code of Conduct, to capture the principles of the UNGC in a more comprehensive manner. We are in the process of updating our Handbook of Ethical Practices, which would be used to communicate our ethical principles to our stakeholders.



SUSTAINABILITY PROGRESS

Shwe Taung currently has a total of 123 ongoing operations across Myanmar and is working towards increasing the number of social and environmental impact assessments (SEIA) undertaken across all of 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.

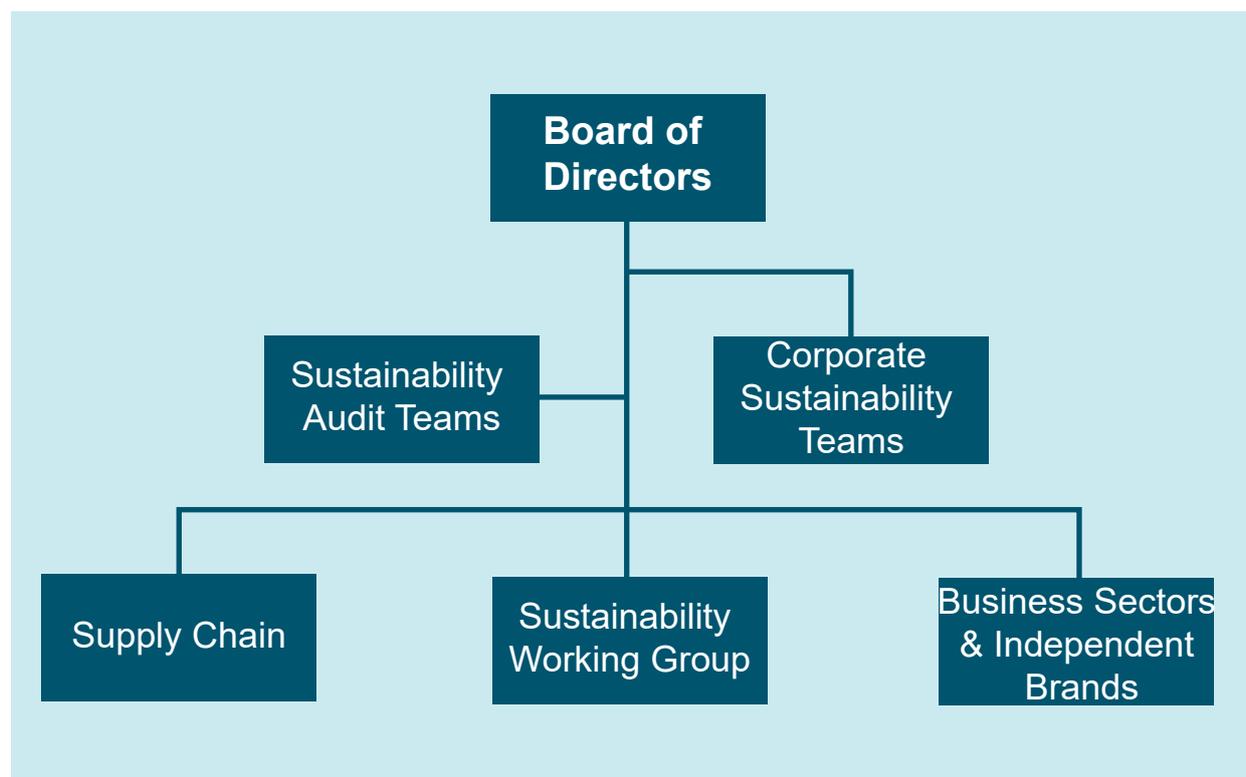
We distribute accountability across our business units and multiple levels of management. Business units and sub-committee groups are given the autonomy to operate independently but they report to the same Board of Directors (BoD). We also have an independent Corporate Sustainability team, comprising five 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, set up in September 2014, 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

Auditors 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 Sectors & Independent Brands and Sustainability Working Groups

- 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 sq ft 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 bridge, 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, road, 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 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 the leading 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 renowned brand to 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 latest diagnostics equipment and well-trained technicians to provide customers with the best maintenance services.

We operate 15 gasolin and diesel distribution centres across Yangon, Bago, Mandalay and Sagaing under the brand name "ST Oil". 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 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

Ahlong Tower, 1st Floor, River View Garden Housing,
Strand Road, Ahlong 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 is committed to being a good corporate citizen and contributing to the society of Myanmar within which we operate. We fully support the United Nations' Universal Declaration of Human Rights, to which every human being is entitled. As a company, we utilise the 30 articles from within the Universal Declaration of Human Rights as a common standard of achievement across all facets of our work. We acknowledge that understanding and compliance to these rights are of the utmost importance.

All our policies and practices comply with the fundamental principles described in the Universal Declaration of Human Rights. This includes equal chance, right to life, liberty, security of person, as well as the freedom of thought, consciousness, religion, opinion and expression.

We strive to achieve an international standard in policy implementation and will continue to develop our policies and practices for greater advancement in this area. We expect all our stakeholders to respect and comply with these core principles and hope to set a good example for other companies in Myanmar.



IMPLEMENTATION

Sustainable Developments

In line with Shwe Taung's vision "Inspiring Lives. Sustaining Progress." we have dedicated 1% of our total profits to sustainable developments and activities.



Training

At present, 34% percent of our employees have been individually trained in the company's human rights policies, which equates to 959 trained personnel within Shwe Taung Group (655 male and 304 female).

G4-HR2
G4-HR7



Inclusivity

We promote the application of universally accessible design in our shopping malls, offering high levels of service and better mobility for all, including for people with disabilities. Since March 2014, we installed wheelchair accessible, barrier-free washrooms and constructed parking spaces for people with disabilities.



Reporting

In 2016 there were no reports of human rights abuses. This is largely due to the effectiveness of our whistleblowing policy and grievance mechanism implemented, in addition to the human rights abuse prevention training all management teams across each operation received. All of our suppliers and contractors are expected to maintain the same principles in relation to human rights fully protection.

G4-HR12



Shared Information

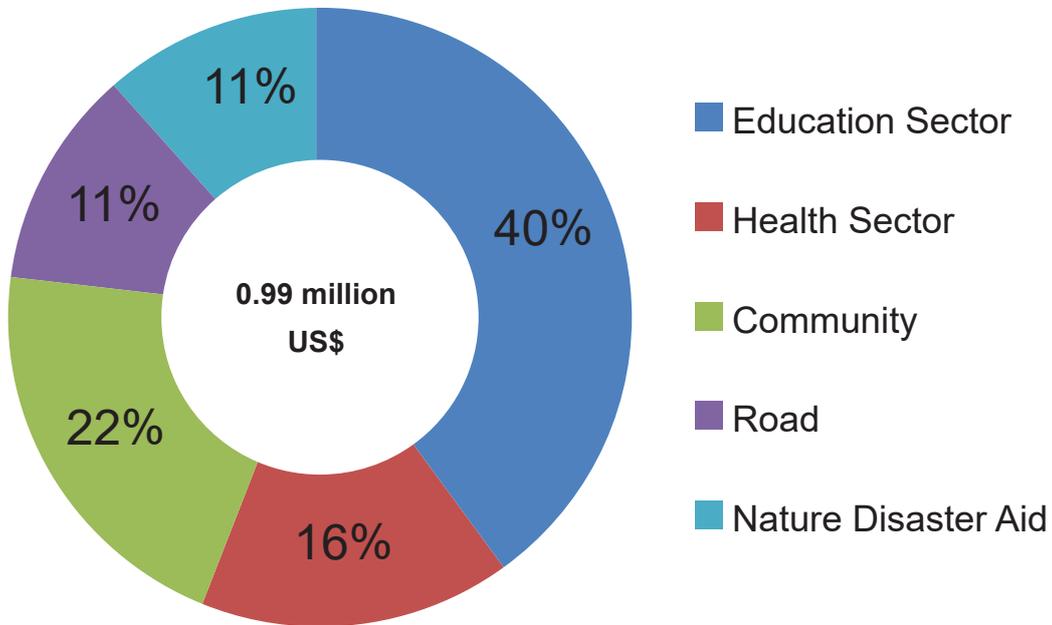
Shwe Taung's Group Chief Executive Officer Mr. Aung Zaw Naing attended the round table discussion for the future of UN Global Compact Network Myanmar meeting chaired by United Nation Secretary General Mr Ban Ki-Moon in Nay Pyi Taw on 31 August 2016. Shwe Taung participated in the "Better Future Better Myanmar 2016 – SHAPING SUSTAINABLE FUTURE" public seminar on 24 September 2016 organised by Hub Myanmar Company Ltd. We also participated in the Asian CSR Network Group Forum held in Singapore on 20-22 July 2016.



In the last 22 years, Shwe Taung has dedicated large sums of time and money into our sustainability activities, leading to the development of three hospitals and 95 schools across the country.



Value of sustainability contribution in USD million for 2016



22.814 million US\$

Contribution to sustainable development over the last 22 years

0.99 million US\$

Increase in contribution to sustainability projects in 2016

23.80 million US\$

Total amount invested in sustainability projects until 2016



- As part of our contribution to disaster relief in Myanmar, Shwe Taung Building Materials donated 12,180 cement bags to victims affected by the fire in the northern part of Shan State, Nansam Township and Laputta in Ayeyarwaddy Division on 9 February 2016. We also contributed 50 million kyats to the Five Plus Donation Network. Shwe Taung has been supporting victims of the flood that occurred in Magwe on 15 October 2016 with donations that included clothing, food and other essential household items. Shwe Taung also helped 742 fire refugees at the Nyaung Pin Thar village, Magway through donations. We actively provided support to flood victims all over Myanmar, including from Yaykout village and Payit village in Rakhine; villages in Mandalay, and contributed to the Myanmar Red Cross Association.



Of the 123 operations Shwe Taung undertook or are ongoing, 14 percent of them has

- been subject to human rights reviews or human rights impact assessments. Shwe Taung is committed to raising this number over the years to come.

G4-HR9



- We continued our support for people living with disabilities. In October 2016, Padamyar FM assisted in the promotional efforts for the International White Cane Walking Day for the sixth consecutive year. Padamyar FM provided 1,700 T-shirts for volunteers and breakfast for all who participated in the event. Employees and family members from Padamyar FM and Shwe Taung participated in the walk. Padamyar FM, in its Community Give Back programme, is dedicated to furthering the education of the blind in Myanmar. It released an audio book featuring over 100 hours of educational radio programmes. It also supported the first Myanmar Audition Competition held during the International Children Opportunity Ceremony by the Myanmar Disabled Athletics Association, Areana. At the group level, Shwe Taung contributed to the education of disabled students in Kaya State.



- Access to fresh water is a challenge for many in Myanmar, especially in summer. Using our technical expertise, Shwe Taung in 2016 assisted in the excavation of fresh water wells to villagers in O-Ma village, Mandalay, and over 300 families who had difficulties obtaining drinking water in Kaya State, Nywarlawoh village group, Lalhtwal village. Starting from June 2016, Baluchaung No.(3) Hydroelectric station contributed fresh drinking water to neighboring students and teachers from Primary, Middle and High schools. We also donated 3000 gallon water tanks tp Thit Thaw Phyar village,situated in Tatar Oo and Myin Chan. In total, Shwe Taung has excavated 11 wells and 2 pools, including the assibilation of water pumps, water purification machines and water reservoirs, to regions facing difficulty in obtaining fresh drinking water.



- Shwe Taung Group organises the “Give the Gift of Life” campaign three times a year to encourage our employees to donate blood. This event is coordinated by our sustainability working group involving all our business sectors. We facilitate travel for employees to and from the blood donation facility and each donor is entitled to taking a paid rest day after donating. In 2016, 315 employees gave blood and have volunteered to be on the emergency donor list in the event of blood shortages. In addition, Shwe Taung Infrastructure’s Sagaing-Monywar Site employees organised their own blood donation campaign twice in 2016.



315

number of employees that gave blood three times on 2016

199

number of employees that gave blood for emergency case

Spotlight on Human Rights for Grievance process

Shwe Taung is the contractor for the Kyaik Latt - Pyar Pon Road Upgrading Project which is the IBC II part of the Ma-U-Pin – Kyaik Latt – Pyar Pon Road Upgrading Program. We invited members of the public who lived in township, quarters and villages located within 500 metres from the project to attend seminars on “Education of Road Safety, and Orientation/Training on Grievance Redress Mechanism and Social/Resettlement Monitoring Concerns” on 2016.



Those seminars were jointly conducted by our employees from Shwe Taung Infrastructure, and SMEC Holding Limited and supported by the Myanmar Construction Ministry (Ma-U-Pin, Pyar Pon and Kyaik Latt) Township and Township Developing Council. The seminars were held in Shwe Taung Infrastructure’s project department office in Kyaik Latt and at the Phyar Pone city hall. A total of 250 people attended the seminars, who focused on communicating road safety measures and discussed the grievance redress, project monitoring, and reporting mechanisms.



Spotlight on Education Support

Education has always been a key focus of our corporate philanthropy efforts. In 2016, we built and donated 4 schools including Basic Education Primary Schools, Middle Schools and High Schools. No. (26) Basic Education Primary School in Hlaing, built and donated by us in 1998, was rebuilt last year to ensure that the school could adequately serve the needs of its students. In total, we have donated (87) schools in the past 22 years.

In addition to our regular donation of essential school supplies such as books, uniforms and desks, each of Shwe Taung's business units were also actively involved in supporting the Basic Educational Schools in the areas in which they operate. In the 2016/2017 academic year, we provided bursaries to needy students studying in high schools and higher education schools, and gave out 121 awards to students who passed their matriculation examination with distinction.

We also awarded scholarships to

- Eight students furthering their education in universities/colleges
- Two students majoring in English and Mathematics
- One student studying medicine
- Eight middle and high school students from blind schools and youth training schools under the Ministry of Social Affair
- Five honour students from Thar Si Township, Pyi Nyaung High School and Ka Wae Chan Blind School





Shwe Taung regularly hosted internship and excursion programmes for young professionals and students to gain practical workplace experience.

In September 2016, teachers and 30 students from the Government Technological University (West Yangon) visited our Baluchaung Hydro Power Station. In October 2016, Baluchaung Hydro Power Station No.3 welcomed 11 teachers from B-Tech Year III (Mechanical) and II BE(Mechanical) and 37 students from Government Technological University(Loikaw) were visited the station for 5 days to conduct research. We arranged for their food and transportation and our vice plant manager and engineers explained to them facts relating to hydropower. The power station also hosted a visit from 100 members from the National Defence University, including trainee officials and tutors who came to collect facts for their theses.

Shwe Taung Construction collaborated with the Myanmar Engineer Syndicate(MES) to provide internship opportunities for 48 students from Technological University(ThanHlayn), Technological University(MhawBi), Yangon Technological University, Technological University(HlaingTharYar) in our construction sites so that they could gain fieldwork experiences during 2015-2016. We also provided internship for 4 students from National Management Degree College. One of the students has been recruited to work for Shwe Taung on a part time basis.

We accommodated a special request to provide data to a Yangon Technological University student who is studying a Ph.D. Plan(B)(Preliminary Research) for his research "Study on Major Land Use Development Projects in Myaynigone Junction with Special Reference to

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

Shwe Taung fully supports the International Labour Organisation's (ILO) Core Conventions and Principles. We comply with national labour laws and regulations and actively work towards the elimination of all forms of illegal compulsory labour and child labour in Myanmar. We strive to achieve an international standard on labour policies and will continue to develop tools to measure the outcomes of our policies and practices for greater advancement in this area.

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



IMPLEMENTATION

Universal Standards

Shwe Taung agrees with the universal standard of strictly condemning forced labour in all circumstances. Our policy of not employing anyone below the age of 18 ensures that child labour does not occur in any of our operations.

G4-HR5



Equality of Opportunity

We are an equal opportunity employer and have a policy of non-discrimination across all facets of employment from the hiring phase to on-going employment right through to termination or retirement. The Group operates in a fair manner and does not consider race, religion, gender, disability, parental status or age in any matter related to employment. We also make sure that men and women have the same chances of hiring, of career progression, and are paid an equal salary for an equal job.



Team Building

We believe in the importance of healthy work-life balance and regard the mental and physical well-being of our employees with the utmost importance. Our diverse suite of healthy work-life programmes include holding birthday parties, organizing employees trips and tournaments. To encourage a healthy lifestyle, we hold departmental football matches which also serve to build teamwork among employees. We value family inclusiveness and ensure that our recreational activities include employee's family members. In 2016 we organized an excursion to High Tech Pre Cast site for 80 employees. It was both a training programme as well as a team building event for our employees. Another similar activity involves an excursion trip by our employees from Baluchaung No(3) employees to our group's projects in Pyi Nyaung, Naypyi Taw and Yangon.



Training

We provide orientation to all new employees to ensure every employee fully understands Shwe Taung's vision of "Inspiring Lives. Sustaining Progress.". In addition to educating employees on details of the company's policies and practices, the orientation programme also gives them further skills training in the area of work they are entering. This enables them to enhance their skill sets for growth within the company and beyond



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

G4-LA2

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

G4-LA3

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

G4-HR4 & G4-11

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 Day Care Centres by Shwe Taung Group

Shwe Taung has successfully opened three day care centres in 2016 to allow female employees in various sectors of our organisation to take care of their young children during work hours.

Our objectives for opening day care centres are:

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

The locations of the three current day care centres are:

1. Shwe Taung Head Office, Strand Road, Ahlone Township, Yangon
2. High Tech Concrete Co., Ltd., Thakayta Township, Yangon
3. Balu Chaung - 3, Hydropower Office Compound, Kayah State, Loi Kaw

Eight certified nurses from the Department of Social Welfare currently look after 21 children at the three day care centres.

We will continue building facilities to enhance the working environment for our employees. We expect to open more day care centres in the future.



Spotlight on Health Policies for Employees

We believe that access to health care is a fundamental human right and have provided equitable access to healthcare for all our employees.

In remote sites where we operate, we employ doctors on site to provide medical check-ups for employees and ensure that employees are given immediate medical attention in case of any emergency. We offer a safe working environment by providing our employees with the necessary equipment and practical training. In 2016, we held several workshops and seminars about workplace safety our sites for our employees as well as HIV Awareness Seminar and First Aids Training.

Since 2015, Shwe Taung has organised medical check-up, health talks and medical services in remote sites, in collaboration with representatives from the State and Federal Department of Employment and Social Security and the Department of Rural Health. We arranged for such services and talks for employees in Ba Luu Chaung No.3 Hydroelectric Industry, Pyi Nyaung Cement Factory, Corporate Office and the Infrastructure Business Sector. Hepatitis (B) vaccination programmes were also provided in remote sites for protection against the Hepatitis(B) Virus. We took an active approach to preventing the spread of mosquitoes-related diseases by sprinkling pesticides in offices, factory compounds and employees' dormitories every month.

We also provide access to healthcare for our employees' families. 78 of our employees' children, ranging from infants to 5 year old children, received the poli vaccination on the National Vaccination Day on 21 February 2016 at the Pyi Nyaung dispensary which we built to cater to the healthcare needs of our employees.

We implemented a food safety knowledge sharing programme for employees who work in site kitchens. The pilot programme was conducted at Shwe Taung's Eskala Hotel, Ngwe Saung, during off peak season. The Executive Chef and Sous Chef from Eskala Hotel shared healthy recipes and trained the employees in safe food preparation. Our intention is to roll this programme out to other site kitchen employees in the coming years.

We conducted a seminar titled "The After Effects of El Nino" in March 2017 to educate Shwe Taung employees on the impact of adverse weather conditions and shared knowledge about how to take precautions. For the past 100 years, Myanmar has been badly affected by El Nino.

Summers in Myanmar can be extremely hot. With many of our employees working in sites, we held a series of seminars on "Managing Heat Stress in Construction Sites" in our sites to increase awareness of the dangers of heat strokes and long exposure to direct sunlight. We provide hats and long sleeve uniforms to our site workers, and constantly remind them to drink more fluids to prevent dehydration.

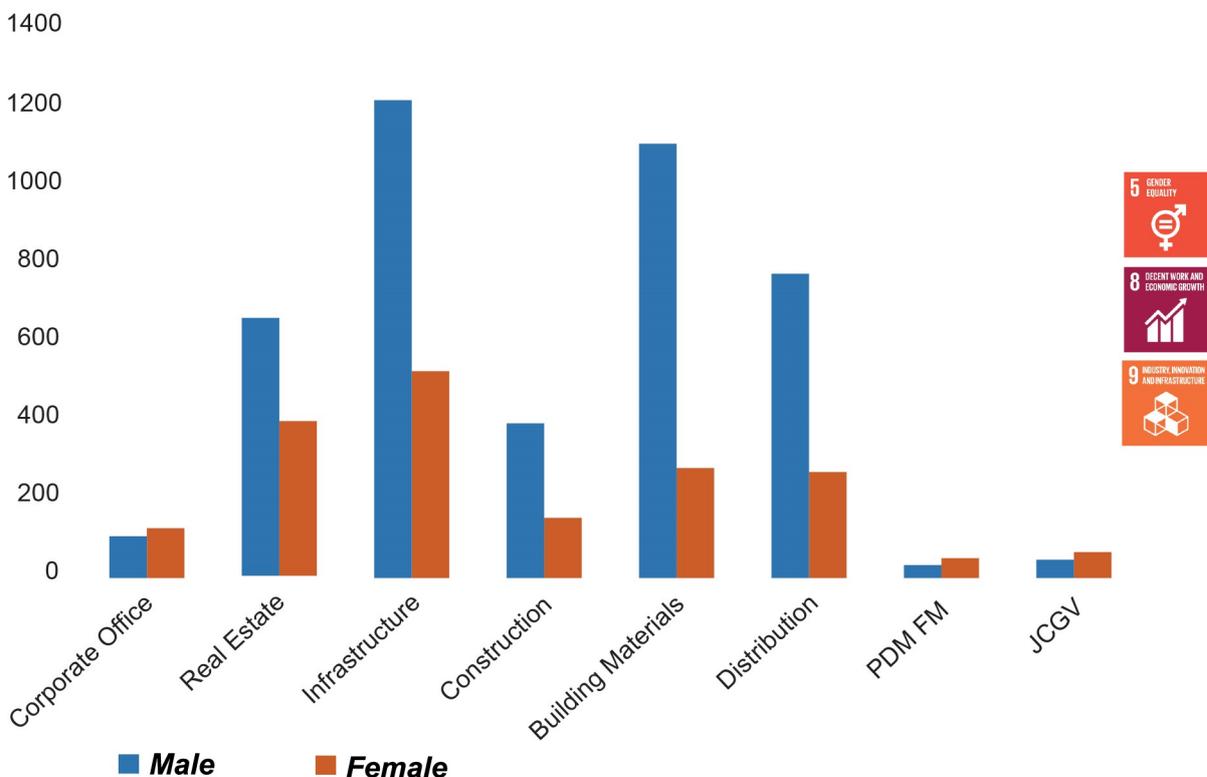


MEASUREMENT OF OUTCOMES

Number of Employees

There are Shwe Taung’s Number of Employees.

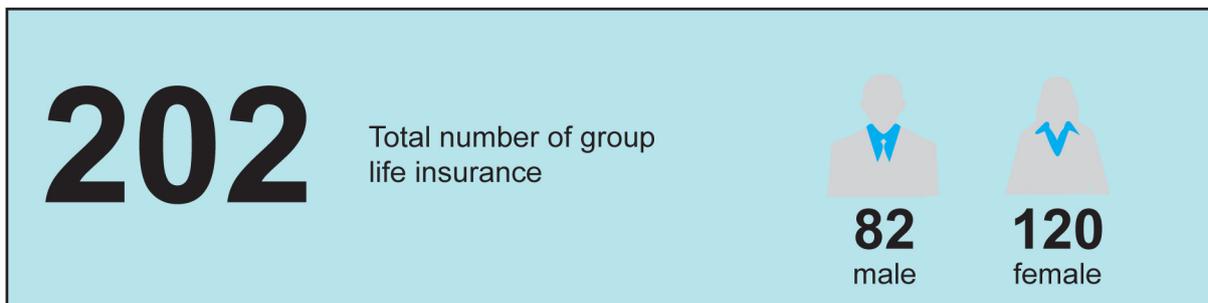
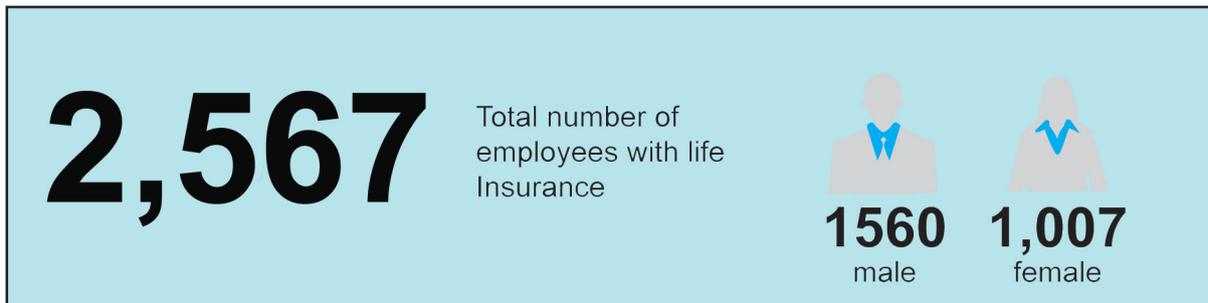
With a staff strength of 6,185 employees, Shwe Taung remains one of Myanmar’s largest employers not included the manpower from GGI, which is entered into the UNGC and be a member since 2016 November. As we grow our businesses and staff strength, we will continue to enhance the working environment for 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.



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

Insurance Policy



- Training : 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. Further development of the workforce is our priority. The Group provides employees with on-going skills development and training opportunities, and conduct both internal and external training programmes. We invest in our employees as we understand that their development is the key to our country’s success. In total, 101 training programs have been delivered by Shwe Taung for the benefit of its employees.
- Seminar and Workshop : With assistance from the Workshop and Department of Labour, Shwe Taung in 2016 held workshops and seminars about labour laws and workplace safety for our employees across our different business sectors. The workshops and seminars also provided opportunities for our employees to seek clarification on issues that they are not clear about.

Employees from BaluChaung No.(3) plant attended the seminar on labour laws by the Labour Immigration and Ministry of Population, and Workshop and Department of Labour Law Inspection, in Loikaw, Kaya State in July 2015. The seminar covered the state of implementation of the (100) day project on workplace safety and health, the essential facts on the labour laws, labour dispute laws, and performances of the Department of Labor Directorate.



Spotlight on Code of Conduct

Shwe Taung's Code of Conduct is essential for outlining our policies, regulations and expectations of our employees.

In 2016 we issued a comprehensive and updated version of our code of conduct. The first part includes policies and sets out standards that should guide employees' behaviour and relationships with our stakeholders including our customers, suppliers, partners, and government agencies. The second part provides guidelines on how to implement the policies and how to act when an employee or director finds himself or herself in a conflict of interest. The updated Code of Conduct also reflects national legislation on labour laws.

The Code of Conduct is an integral part of our Employee Handbook. Together, they define the expected behaviours of Shwe Taung employees.

Every employee is expected to read, understand and act in accordance with the guidelines. Employees are aware that we do not tolerate any violation of the Code of Conduct.



GRI G4 Highlights

G4-EC5
G4-EC6

- The Myanmar government passed a set of new laws in 2016 outlining the minimum wage in the country. As one of the country's largest employers, Shwe Taung not only complies with the new wage laws but also ensures that our wage structure across all levels are competitive and allows us to attract and retain the best talent. Some of our employees work in sites with seasonal operations. When the sites are close during the wet season (May to September), we transfer these employees to other sites with ongoing operations and ensure that all relocation and accommodation costs are covered by us.

We actively benchmark our wages to ensure we remain competitive in the private sector. We attract new talent through public advertising, internet and word of mouth. Our senior management bench comprises only Myanmar nationals. There are currently 98 management positions within the company.

98

The number of management position held by people from local communities within the company

Health & Safety Assessment : We are committed to the goal of being an accident-free workplace through effective administration, education and training.

In 2016 Shwe Taung Building Materials took part in the Asean Occupational Safety and Health Network (ASEAN-OSHNET) Excellence Award, aimed at recognising and rewarding companies with excellent occupational safety and health achievements. Though we did not receive the Excellence Award in this competition, we received an accolade for our participation and our efforts in creating a safe and healthy workplace at the Award Ceremony. We will continue to participate and compete in future competitions with the aim of increasing our knowledge in this area.

Our employees are required to attend a Fire Safety Management Training conducted by the Fire Services Department each month. The training equips employees with the knowledge of how to best protect themselves should a fire occur. For the employees who cannot attend the fire safety training, there is a follow up in-house training run by the attendees to convey their knowledge of fire safety measures.

We set up a Stop Work Authority Team to institute a standard protocol where the designated Fire Patrol Team is given the authority to instruct employees, contracted personnel or the public to stop work immediately if there is a risk of injury due to fire.

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

At Shwe Taung we recognise the need to respect the environment. 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. We are actively working towards reducing our carbon footprint across all our operations and continue to develop tools to measure the outcomes of our progress in the direction of being more carbon neutral and environmentally sustainable. We support the newly elected Myanmar government in its implementation of the 2012 Environmental Law.

We target to achieve the international standards of ISO 14001:2008, ISO 50001:2011 and ISO 20121:2012 which promotes resource efficiency and cleaner energy production. As we continue to improve our environmental management policies and systems, we will continue to refer to the UNGC principles and the GRI indices.



IMPLEMENTATION

Shwe Taung actively promotes public awareness of environmental issues and challenges. In 2016, our major Junction shopping centres, Junction Hotel Nay Pyi Taw and Eskala Hotel Ngwe Saung participated in Earth Hour and turned off electricity for an hour. We also helped to promote the event in our shopping centres to raise awareness of Earth Hour among the public and encourage energy conservation.

Junctio Square held a public seminar at highlighting the severe impact El Nino has on Myanmar for the past (100) years. The seminar also covered precaution measures the public could take to mitigate the El Nino impact. At Junction Centre, we handed out to the public pamphlets on health knowledge.

Apache Cement frequently organised seminars for its employees and their families on efficient water and electricity consumption.

Spotlight on Tree Plantating Programmes

Shwe Taung has been organising annual collective tree planting ceremonies since 2012 with the objective of highlighting environmental conservation and mitigating the impact of deforestation.

In our tree planting ceremony in August 2016, we planted a total of 1000 trees in areas near our Yangon-Mandalay High-way project sites , PyiNyaung region in Mandalay and Yangon.

In collaboration with the Phalkone Buddhist Youth Association, we provided seedlings to local villagers in Phalkone Township, Shan State, to grow opium alternative crops. We also donated a total of 15,000 alligator pear trees, 5000 coffee trees and other 5000 shady trees.

Employees from BaluChaung No.3 collaborated with technological high school students and Loikaw university students in planting trees at the “Green Environment Campaign” planting ceremony organised by the Department of Forestry and Department of Environmental Conservation in Kaya State, Demohso Township, TaNeeLal Village.



On World Environment Day, we provided seedlings to local villagers in Inle and planted mango trees in KyoutNghat village.

In accordance to the UNGC Principle (7) Business should support a precautionary approach to environmental challenges, we have been collecting seeds and developing nursery gardens in TharSi township since 2014, under the guidance of the Department of Forestry. We will develop baseline studies for the maintenance of flora and fauna species in the township, with the view of recording and conserving the township's environment for generations to come. In addition to developing nurseries, we also planted shady trees such as peacock-flower, Van der, and jasmine, again under the guidenace of the Department of Forestry. We have planted a total of 7,621 plants in the nurseries.



Promotion of Sustainable Waste Management Practices

Shwe Taung places importance to effective waste management and we are leading the movement to implementing sound recycling practices in Myanmar. We actively promote the systematic disposal of waste and encourage recycling. These measures include:

- Collective trash cleaning campaigns organised by our employees once every two to four weeks, which involves cleaning up of trash, recycling, and proper disposal of non-recyclable trash.
- Donation of trash bins to the Loikaw Environmental Conservation Charity and Resource and Environmental Conservation Ministry (Kaya State, Loikaw).
- Collaboration among employees from BaluChaung No. (3) Hydroelectric plant, the Resource and Environmental Conservation Ministry and Department of Environmental Conservation in NaungYarKanThar, and the public on collective trash cleaning campaigns.
- Collective trash cleaning campaigns to clean the environment surrounding the Basic Education Middle School in Shan Ywar Village. Also collaboration with villagers from Inle to clean up plastic in Nyang Shwe .

Employees also organise trash clean up activities during their vacation trips – Magway project employees’ trip to Ngapali; Shwe Taung Infrastructure’s trip to Ngwe Saung; HTCT’s CSR working group’s trip to Ngwe Saung; Corporate Office’s trip to Bagan-Nyaung Oo, ThaHtay project’s trip to Myauk-Oo and InnByaung Project’s trip to Dawai.



Spotlight on raising awareness as an industry leader

As one of the leading companies in Myanmar, Shwe Taung seeks to use its leadership position to promote environmental awareness in Myanmar. As an industry leader, we seek to lead by example and implement environmentally sustainable technologies and solutions in all aspects of our operations. These include utilising rainwater harvesting systems for landscape irrigation, motion sensors in staircases and washrooms, and high-efficiency water-cooled air conditioning systems. Junction City, our latest mixed-development project in downtown Yangon, utilises environmentally-friendly technologies that meet the stringent Green Mark standards by the Building and Construction Authority of Singapore.

One of our latest green initiatives is the implementation of an Energy Management System (EnMS) at Shwe Taung Cement's Pyi Nyaung site. Four employees attended a training course on energy management system, and resource efficient and cleaner production (RECP) by the United Nations Industrial Development Organisation (UNIDO) in February 2016. These four employees in turn shared their knowledge with 27 other employees after the course.

Our extensive presence across the real estate, infrastructure, construction, building materials and distribution sectors gives us a unique opportunity to reach out to different members of the public. We are able to educate the public and raise awareness of environmental conservation through touchpoints such as shopping malls, cinemas, offices and toll roads.

G4-EN11
G4-EN13

Spotlight on the conservation of Inle Lake

Shwe Taung has been supporting the conservation of Inle Lake since May 2014, in a programme titled "Powering Inle". Our achievements in 2014 and 2015 have been reported in past UN COP reports.

In 2016, we extended our support to Inle villagers in the field of organic farming. We held public educational talks on organic farming techniques and built a facility called the "Future Organic Farm" with the objective of conducting research and allowing farmers and partner organisations to visit the farm and witness the possibility of adopting organic farming techniques. The Future Organic Farm promoted technologies based on the EM Technology from Japan and IRRI of the Philippines. We raised public awareness of the four main organic farming principles of fair price, care, ecology and health. In addition to teaching farmers how to begin organic farming, we also provided capital and seedlings. The initial crop cultivated was tomatoes. Our support extended to helping the farmers sell their organic produce. We rented shops in Nyaung Shwe for farmers who have converted to organic farming so that they could sell their produce.

Through our assistance, we hope to

- Help Inle farmers be self reliant and adopt sustainability as a way of life
- Familiarise Inle farmers with organic farming techniques and disadvantages of the use of chemicals
- Educate the public on the benefits of consuming chemical-free produce
- Promote a direct relationship between farmers and consumers
- Enable small and medium-sized enterprises to earn a living from organic farming

We are pleased to report that 2 farmers from Min Chaung village, Pyar Pin Taung village and Nywar Dama Village are now adopting organic farming techniques. Two small enterprises are now selling environmentally sustainable soap and shampoo at a fair price in Mingalar markets in Nyaung Shwe. the farmers are also selling their produce in the market.

In addition to the promotion of organic farming, Shwe Taung also helped in the environmental conservation of Inle Lake. In a ceremony in Inle area, we donated plants and built silt dykes to prevent erosion at the shallow water lake and raised public awareness on the importance of conserving the lake and protecting its natural ecosystem. The second stage of the programme would be to reduce poverty and provide education opportunities. We hope to finally have a clean Inle Lake rich in biodiversity.



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

We have always been rigorous in setting and enforcing anti-bribery and anti-corruption policies, both internally (in respect to the relationships between the companies and the employees) and externally (in respect to the relationships with suppliers, customers, partners, the different levels of Government and the community in general).

We adopt a “zero-tolerance” approach on all forms of corruption, bribery and extortion. This strict “zero tolerance” policy applies to employees at all levels including senior management and board members. The policy is clearly stated in our Employee Handbook given to all employees. Employees and directors must attend a mandatory internal anti-corruption and anti-bribery training programme. Employees are encouraged to report on any behavior that seems corrupt within the business and whistleblowers may remain anonymous. Whistleblowing can be done through internal measures of contacting senior management staff at our headquarters in Yangon. In addition, there are hotlines available and complaint forms that can be filled out by both employees and the public, in accordance with our grievance mechanism policies. The sanctions to any breach of this zero tolerance policy are described in the Employee Handbook, and can lead to termination of contract.

Externally, we make sure that suppliers, contractors and sub-contractors sign a statement of acceptance of this Policy or Code of Business Conduct for Suppliers before dealing with the Group. These statements will be integral part of the contracts between the parties.

Eradication of corruption is a key element in helping Myanmar develop to its full potential. We believe we have a part to play in setting a good example for the Myanmar business community.

Shwe Taung actively participates in workshops and seminars to improve our practices in relation to anti-corruption. In March 2016, we attended a workshop titled “Making the Change in Myanmar: A Practical Workshop on How Businesses can Combat Corruption” organised by the Myanmar Centre for Responsible Business and Asian CSR Network (CAN) in Yangon.

In collaboration with professional accounting firm Ernst & Young Global Limited, we held seven seminars for our employees, customers, suppliers, contractors and tenants on tax awareness. These seminars took place at Shwe Taung’s head office in Ahlone on 28 – 30 March 2016, and 27 April 2016. A total of 700 internal and external persons attended the seminars.

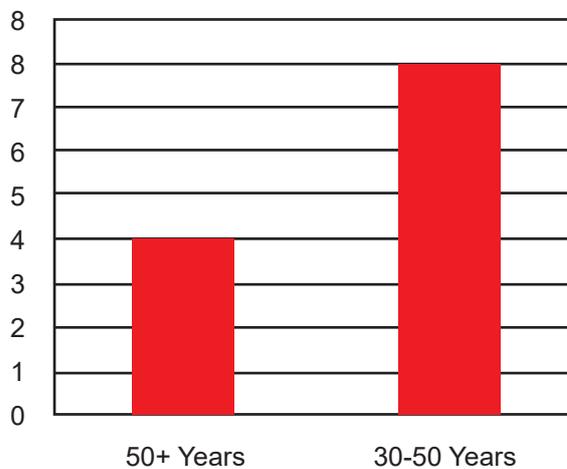
MEASUREMENT OF OUTCOMES

- Through Shwe Taung Group’s effective internal and external reporting system, Zero cases of bribery in 2016.
- Twenty two percent of our operations have received an in-depth corruption assessment this year and our aim is to improve this to 100 percent of our operations over the coming years as policy develops in this area.
- **Top 100 Myanmar Largest Tax Players for 2015**
 12th Shwe Taung Development Co.,Ltd
 63th High Tech Concrete Technologi Co.,Ltd
 88th Octagon International Services Co.,Ltd
- **Top 100 Commercial Tax Players for 2015**
 45th Shwe Taung Energy Co.,Ltd
 63th Octagon International Services Co.,Ltd

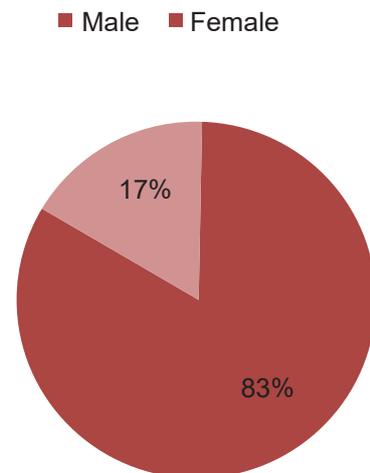
GRI G4 Highlights

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.

Age Groups of the board of directors



Gender of the Board



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	1
G4-2	Provide a description of key impacts, risks, and opportunities	About the report	2

Organisational Profile

G4-3	Report the name of the organisation	About the report	2
G4-4	Report the primary brands, products, and services	Shwe Taung Group Overview	10-14
G4-5	Report the location of the organisation's headquarters	Shwe Taung Group Overview	6
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	2&7
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Shwe Taung Group Overview	10-14
G4-9	Report the scale of the organisation	Sustainability Progress	7
G4-10	Report the total number of employees by employment contract and gender	Labour Rights (Measurement of Outcomes)	3
G4-12	Describe the organisation's supply chain	Shwe Taung Group and Sustainability	3

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	6
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	7
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	2
G4-19	List all the material aspects identified in the process for defining report content	Shwe Taung Group and Sustainability	4-5

Stakeholder Engagement

G4-24	Provide a list of stakeholder groups engaged by the organisation.	Stakeholders Inclusiveness	4-5
G4-25	Report the basis for identification and selection of stakeholders with whom to engage	Stakeholders Inclusiveness	4-5
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	4-5
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	4-5

Identified Material Aspects and Boundaries

G4-28	Reporting period (such as fiscal or calendar year) for information provided	About the Report	2
G4-29	Date of most recent previous report	About the Report	2
G4-30	Reporting cycle	About the Report	2
G4-31	Provide the contact point for questions regarding the report or its contents	About the Report	2
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	4
G4-33	Report the organisation's policy and current practice with regard to seeking external assurance for the report.	Shwe Taung Group and Sustainability	4

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	9
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	9
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	9
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	9
G4-38	Report the composition of the highest governance body and its committees by: Executive or non-executive	Organisational Structure and Anti-Corruption	9 & 45
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	44 - 45
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	44 - 45

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	44 - 45
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	44 - 45
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	44 - 45
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	44 - 45
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	44 - 45

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	44 - 45
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Anti-corruption	44 - 45
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	8
G4-49	Report the process for communicating critical concerns to the highest governance body.	Organisational Structure	8
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	15
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)



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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.

