

United National Global Compact: Communication on Progress

7 October 2017 to 7 October 2018

Zeya & Associates Company Limited

Energy, Healthcare, Industry and Electronic

Table of Contents

Message from Our CEO	1
United Nations Global Compact Human Rights Principles.....	2
United Nations Global Compact Labor Standards Principles.....	6
United Nations Global Compact Environmental Principles.....	10
United Nations Global Compact Anticorruption Principle.....	17



Date: 3 October 2018

Ref: 0076/ UNGC/ 2018

H.E. António Guterres
Secretary-General
United Nations
New York, NY 10017

Dear Mr. Secretary-General

We, Zeya & Associates Co., Ltd. (RGK + ZNA Group) support the ten principles of the UN Global Compact on human rights, labor, environment, and anti-corruption. With this communication, we express our intent to implement those principles. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goal of the United Nations, particularly the Millennium Development goals, Zeya & Associates Co., Ltd. (RGK + ZNA Group) will make a clear statement of this commitment to our stakeholders and the general public.

This is the fourth Communication on Progress as we have joined since 7 October 2014.

We will keep continuing our best to blend the Global Compact and its principles into our business strategy, culture and daily operations. We are pleased to share this information with our stakeholders using our channels of communication.

Sincerely yours

Zeya Thura Mon
Chairman/ CEO

United Nations Global Compact Human Rights Principles

“At Zeya, we believe that discrimination and equal opportunities are great important things to the management of our employees in real life. Our obligation to non-discrimination in human right policies applies to all aspects of employment, including advertisements, recruitment and selection programmes, access to training, promotion, disciplinary procedures, redundancy and dismissal.”

We also commit to provide a safe and healthy working environment for all employees and our visitors.

Principle 1

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

Principle 2

make sure that they are not complicit in human rights abuses

Assessment, Policy and Goals

We strongly respect and support the **human rights** with applicable international and national practices. We do act with due diligence to avoid infringing the rights of others. We persist to enforce our Standard human right policies that safeguard non-discrimination or equal opportunities to the management of our employees based on equal access to benefits and fair treatment.

We support **Social Rights** which are the rights a person should expect from living in a society, such as the right to healthcare and education, food, water, housing. We have awareness that Human Rights starts from birth and cannot be taken away.

We strongly believe that discrimination and equal opportunities are great important things to the management of our employees in real life. Our obligation to non-discrimination in human right policies applies to all aspects of employment, including advertisements, recruitment and selection programs, access to training, promotion, disciplinary procedures, redundancy and dismissal.

We also pursue The Social Security Law which was enacted in 2012 in Myanmar. According to Social Security Law, 2012, we enforce to enjoy more security in social life and health care for our employees who are major productive force of the Company and State.

We commit to provide a safe and healthy working environment for all employees and our visitors.

We have a practice on assisting Cultural Rights, which encompass many activities such as right to eat, wear clothes, marry, celebrate events and so on.

Implementation

The main business stream of Zeya is Engineering, though, 25% of our workforce is women and the pay level and structure of workforce is depend on their respective skills and merits regardless of gender, giving equal opportunities to the women workforce for promotion, transfer and training and also increasing the opportunities for women to participate in management level to implement “Gender Equality as a Human Right”.

To develop skills requirements of our people, we provide educational assistance and financial supports to the every employees in our company, their families members and the families those who are in difficulties.

We make sure that all staff understand that safety is everybody’s responsibility. We provides all employees with Health & Safety workplace training programs to cover both general and function specific Health and Safety knowledge. We also takes care not only health and safety of our employees but also clients, contractors and visitors to our offices and events.

We work with governments, law firms and NGOs to institute policies to help better protect individual’s right to privacy. We closely perform with Health Care organizations, Charity Organizations, Border Areas Development Association and local societies.

We keep on assisting Border Areas Development Association (BDA) which is performing Myanmar Access to Rural Credit (MARC). BDA has been supporting to victims of flood. In Myanmar, Bago Region, Mon State & Kayin State were affected by flood in 2018.

We has signed Memorandum Of Understanding (MOU) with AYA Bank for AYA HOME LOAN SCHEME in which all staff from our organization could purchase home with special rate since 2 April 2018.

We had trips to Upper Myanmar for Health-Care and Volunteer works from end of December 2017 to 31 March 2018. We contributed about US\$ 13,500 for above mentioned activities. There were donations to Clinics and Social activities between October 2017 and September 2018 and the total amount is about US\$ 6,600. We also contributed to cultural activities and total amount is about US\$ 10,000.

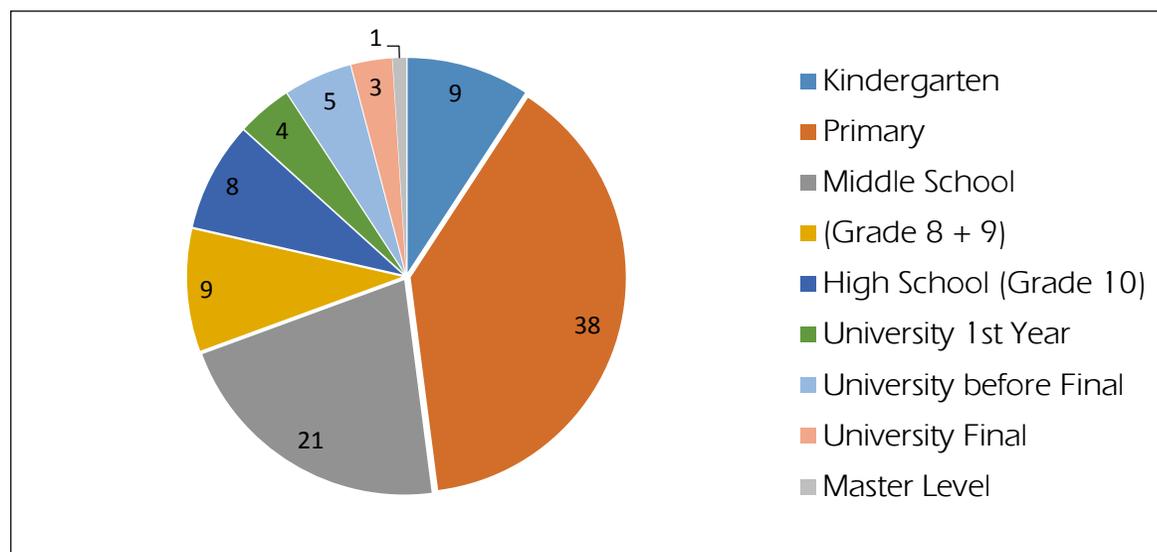
We also keep on cooperating with UNGC Network Myanmar as well to incorporate the 10 principles of the United Nations Global Compact (UNGC), including human rights.

Measurement of outcomes

We accomplish periodic review of results by management team and the results show there is no case of human right violations, complaints and breaches during this report period. The areas reviewed were Working Condition and Hours, Employment Status, Employee Benefits Programs, Training Development, Performance. And the period is October 2017 to end of September 2018.

We have the awareness of right to education, thus our Education Supports for 2017 ~ 2018 Academic year are as follows:

Number of Students in Education Support (98) (Kindergarten to University Master)



We contributed about US\$ 18,189 (cash) and US\$ 2,169 (material) to above students for academic year 2017 – 2018 (Total amount is about US\$ 20,358).

Three Management Committee members successfully finished an MBA Program in January 2018 at Assumption University, as the Company sponsored the school fees. We support three students who are attending Institute of Medicines and the amount is about US\$ 7,000. (October 2017 ~ August 2018).

Our management team encourages the career improvement of our employees. Therefore, (1) staff is allowed to attend LLB (Online), 3 staff for Diploma in Business Law, 2 staff for Master of Banking and Finance (MBF) and 2 staff for Master of Business Administration (MBA) during the academic year 2018/19.

United Nations Global Compact Labor Standards Principles

“The long-term sustainability of our company is heavily dependent on our people and our people is a key source of competitive advantage and ultimately, profitability. We do need to ensure that our workforce has the right mix of people, with appropriate skills and experiences, allowing the business to compete effectively and innovatively. We view our people as a business asset, rather than just a cost.”

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; and

Principle 6

the elimination of discrimination in respect of employment and occupation.

Assessment, Policy and Goals

Zeya supports freedom of association and, where applicable, recognize the right to collective bargaining. We disclosure of standard operating procedures and job descriptions through our employee handbook, create an open and a favorable work environment. We have an obligation to respect, protect and fulfill economic, social and cultural rights. Staff members want to work for an organization that encourages and respects individuals, and this is one of our core values across the Zeya network. We have a strict policy regarding with not employing child labor. Our organization prohibits sub-contractors not to employ child labor. Our Company's Human Capital Manual clearly reveals that it covers policies concerning employee rights and responsibilities, compensations and benefits.

Implementation

We understand that by putting effective anti-discrimination and anti-harassment procedures in place in business, we can improve productivity and increase efficiency.

We uphold a dignity at work policy which aims to foster an atmosphere of mutual respect in which staff can feel accepted, able to work with dignity and to their full potential and embrace the benefits which diversity can bring.

We do not recruit any person who is under the age of 18.

We also send staff abroad to attend trainings regarding with technical, management and secretarial skills. We support the staff who are learning Post Graduate Diplomas, such as Diploma in Business Law, Diploma in International Law.

We perform financial support for homes for employees as well as health care. According to rules and regulations, we allow staff to take maternity leave, paternity leave and so on. Employees can go to the hospitals (Victoria, Asia Royal, SSC, Aung Yadanar Hospital and so on) for their health care and they can re-claim the expenses according to the principles. We do not execute any discrimination on the basis of racial or ethnic origin in relation. We do not assign any child labor (or) forced labor in our organization. We pursue employ equal opportunity standards, besides offering a healthy lifestyle workplace and appropriate requirement.

25% of our workforce is women and we give the same opportunities to our women workforce in respect of employment and occupation including advertisements, recruitment and selection programmes, access to training, promotion, disciplinary procedures, redundancy and dismissal.

Measurement of outcomes

We performed a 40% random check in all working sites including sub-contractor sites and there was no child labor and force labor. We found out that all employees are above 18 years old.

According to the feedback from the staff, they satisfy the health care system.

We view our people as a business asset, rather than just a cost. The below is the total training investment in our people up to the reported period of September 2018.

Training Type	US\$
Management Training	290,846
Professional Training	208,303
ISO Awareness & Audit	4,806
Language Skill	6,055
Personal Grooming	3,012
Yoga	3,374
Dancing	6,779

United Nations Global Compact Environmental Principles

“Our commitment is using our resources responsibly to support the long-term sustainability of our company and of the environment in which we and our clients live and operate. In the same way that humans and animals leave physical footprints that show where they have been, so Zeya tries to leave good evidence of our operations in the environment.”

Principle 7

Businesses should support a precautionary approach to environmental challenges;

Principle 8

undertake initiatives to promote greater environmental responsibility; and

Principle 9

encourage the development and diffusion of environmentally friendly technologies.

Assessment, Policy and Goals

We aim to be a paperless organization. Besides, we are trying to increase percentage of recyclable waste and encourage generating power (energy) from waste. We avoid using coal plant power generation which shall impact the environment. Besides, we support in environmental conservation by growing and maintaining trees. We reduce the usage of resources and practice the waste management system. We educate the cost and benefits of clean technology, besides utilize clean technology for Bus Rapid Transit - Lite (BRT – lite) in Yangon Region.

Implementation

We educate our employees about the environmental awareness frequently.

We are involved in Electric Power Generation and we have fossil-fuel power plants, located in Hlaw Gar, Yangon, however we do not use coal for power generation. Environmental and Social Impact analysis was thorough performed.

Furthermore, we educate not only employees but also natives about benefits of growing trees. We have grown trees in the area of 230 acres in Upper Myanmar, along the express way between Nay Pyi Taw (Capital) and Mandalay (238 miles). We also have been growing trees in Mingalardon township, where the power generation plant located.

In order to reduce electric power consumption, we installed special glasses in air-conditioned rooms. We do switch-off the unnecessary lights and electrical appliances.

We use low emission cars and travelling together instead of using individuals.

We try not to print out papers and reuse one-sided papers.

We encourage using electronic communication in order to obtain proficiency and conservation of environment. We maintain no leakage water system and save the water. In addition to this, we have installed reclaimed water system so that it will not harm environment.

We have preventive maintenance programs for all machines and we do regular maintenance, thus, it helps to reduce air pollution.

As we are one of the founders of Yangon Bus Public Co., Ltd., we encourage using CNG for Buses.

We plan to establish a “Waste to Energy Power Generation Plant” which is located in Yangon and it will run on Municipal Waste. That will help protecting air pollution, water pollution, besides we can obtain energy.

Measurement of outcomes

In accordance with Organization's policy, Environmental and Social Impact Assessments are conducted.

RGK + Z&A Group conducted Environmental GAP Analysis in our 50 MW Gas Engine Power Plant in Hlawga, Myanmar in June 2014. This analysis was done by AF-Consult Switzerland Ltd. This analysis was conducted according to IFC (International Finance Corporation) guidelines for IFC's Performance Standards on Social & Environmental Sustainability and IFC's Environmental Health and Safety Guidelines for Thermal Power Plants.

Our 50 MW Gas Engine Power Plant complies 5 numbers of Performance Standards (PS) on Social & Environmental Sustainability.

Complied Performance Standards	Description
Performance Standard 1	Social and Environmental Assessment and Management Systems
Performance Standard 2	Labor and Working Conditions
Performance Standard 3	Pollution Prevention and Abatement
Performance Standard 4	Community Health, Safety and Security
Performance Standard 5	Biodiversity Conservation and Sustainable Natural Resource Management

We have been growing trees since 2013 between Nay Pyi Taw and Mandalay Expressway. The area is 230 Acres, which is located in Tat Kone Township (Nay Pyi Taw Region) They type of trees are Ironwood trees, Gum-Kino trees, Eucalyptus trees and Mahogany trees.

Total number of trees at the end of September 2018 is **64,764**.

Trees Planted	Number
Eucalypt	3,120
Ironwood Tree	16,328
Gum-kino Tree	15,166
Mahogany	2,880
Plant Fibre (White Jute)	30
Hard Wood	16,140
Teak	100
Additional Trees (Ironwood Tree)	11,000
Total (at the end of September 2018)	64,764

Between October first week 2017 and end of September 2018, more trees were planted. The fruit trees were grown, thus we can provide food for the people.

The list is as follows:

Tree Planted	Number
Papaya	90
Grapes	300
Pitaya (Dragon fruit)	2,000
Mango (Sein Ta Lone)	100
Total (Oct. 2017 – Sept.2018)	2,490

Thus, total number of trees and plants grown is **67,254** up to end of September 2018.



Planting Trees near Myanmar Central Power compound (2017), Mingalardon Township

No cases of impacts on environment and no complaints are reported during the report period.

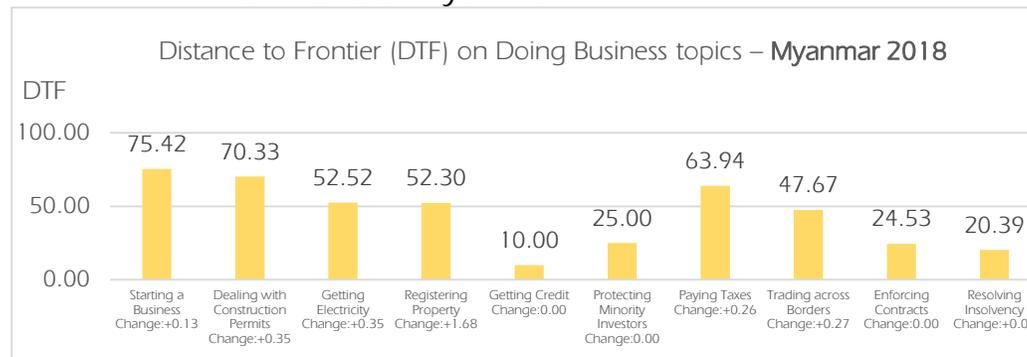
Participation in Improving Doing Business Environment of Myanmar



RGK + Z&A Group participate in all of the 10 indicators task forces for improving Doing Business Environment of Myanmar.

RGK+Z&A Group is doing the following activities

- 1) Preparing and presenting Master Work Plan
- 2) Preparing and presenting Contributor Lists Report
- 3) Preparing and presenting Six Countries Comparison Report
- 4) Studying and presenting 10 indicators Survey Questionnaires
- 5) Supporting to obtain Model answers for 10 indicators Survey Questionnaires
- 6) Supporting to Secretarial Task Force of Doing Business
- 7) Regular attending Doing Business meetings and making presentations to improve Doing Business Environment of Myanmar.



United Nations Global Compact Anticorruption Principle

“We are committed to achieving a high standard of ethical behavior in everything that we do. Restrictions on accepting gifts prevent outside interests from giving things of value to employees. These restrictions prevent outside interests from exercising, an improper influence over decision-making.”

Principle 10

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

Assessment, Policy and Goals

We are committed to achieving a high standard of ethical behavior in everything that we do. Restrictions on accepting gifts prevent outside interests from giving things of value to employees. These restrictions prevent outside interests from exercising, an improper influence over decision-making.

Implementation

We provide Human Capital Manual which supports anticorruption commitment. Furthermore, we preserve internal accounting and audition procedures related to anticorruption. We promote anticorruption environment within the organization's personnel. There is a restriction of accepting gifts in our organization. On the other hand, an employee may accept the promotional materials or souvenir or small gifts (not valuable). We effort with consultants, partners to promote Anti-Corruption Best Practices.

We are the provider of foreign companies such as GUASCOR POWER, Rolls-Royces Power Systems Company and so on. Thus, we are complying with the Foreign Corrupt Practices Act and Other Laws Restricting Bribes through those foreign companies. According to requirements, our company staff also attending training regarding with the Foreign Corrupt Practices Act and Other Law Restricting Bribes. Furthermore, our company will strive to obtain the certification to conduct that kind of training for our employees.

We will continue to promote and practice our principle and our high standards of ethics.

Measurement of outcomes

Monthly review accomplished by management team. We keep on monitoring for the breach of policies and no case was arisen. Our Company has both internal and external audit functions, thereby ensuring that records, processes, and financial statements are closely examined at regular intervals.

The other management members will strive to obtain the Certificates on FCPA Compliance as well.

In our company, Mr Aung Thu Htoon/ Director of Power Systems, Mr Ravichandran Sabrinathan/ Director of Supply Chain, Mr Aung Kyaw Phyo/ EE, Mr Maung Maung Soe/ EE and Mr Tay Zar Lin/ EE have got their FCPA Compliance Certification from DRESSER-RAND on 7 August 2014.

We have also received **ISO 9001-2015** since 12 April 2017 which proves a quality Management System is implemented.

No disciplinary action taken on any of our employees as a result of any acts of bribery, corruption or extortion.