SMART GROUP OF COMPANIES



LABOR POLICY

Effective Date

Compliance/1/006 : 01/04/2016 : 01/04/2016

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Objective

SMART Labor Policy Statement outlines standards to ensure that all employees are treated with respect and dignity, are working under own free will, and are being properly compensated for their effort. SMART is committed to upholding the protection of labor under the human rights in all workers where it is possible through our sphere of influence. We ensure that we are not complicit in any violations on labors or suppliers and partners to this same high standard. SMART supports and respects the principles proclaimed in the Universal Declaration of Human Rights, the **International Labor Organization's Principles** and Local Labor Laws believe businesses should ensure that they are not complicit in human rights abuses.

Scope

SMART Labor Policy Statement is intended to state the company's position to all SMMART employees and other stakeholders.

Elements

Freely Chosen Employment

We employ new recruitment under the employment contract guiding by Myanmar Labor Law. We focus the freedom of choice of employment and the fullest opportunity for each worker depending their qualification and skill. All SMART employees have the right to equal treatment and employment without discrimination. In this section, we comply the **Article 23 of Universal Declaration of Human Rights**.

Humane Treatment and Nondiscrimination

There shall be no tolerance or inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, slavery, mental or physical coercion or verbal abuse of workers, nor is there to be the threat of any such treatment.

We are committed to a work force that is free of harassment and unlawful discrimination including race, color, religion, national origin, gender (including pregnancy), age, disability, sexual orientation, gender identity, HIV status, marital status, past or recent military status or any other status protected by the laws or regulations in the locations where we operate.

No Underage Workers

Child labor is not to be used under any circumstances. We prohibit the employing of child labor and forcing labor where we operate. All employees must meet the minimum age requirement (locally regarding as 18 and above) set by Local Law.

Minimum Wages, Hours and Benefits

Compensation paid to workers shall comply with all applicable wage laws including those relating to minimum wages, overtime hours and legally mandated benefits under the Local Laws. Minimum working hours are regarded as total 8 hours to what is acceptable by Local Law.

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Leave and Holidays

Leave and holidays shall be complying under the Social Security Law and Leave and Holiday Law set by the local. Leave and Holidays included casual leave, annual leave, medical leave and maternity leave of being father and mother.

As special under SMART Policy, education leave for 1 month without payment shall be complying. Each Sunday shall be specified as the weekly day off. Public holidays shall be complying as announced in annual notification by the Union Government, without deduction.

An employee who is absent shall be sanctioned or terminated of absent for 3 days continuously without permission from employers, or from the respective manager or supervisor. Employers shall have no responsibility for any compensation in cases of such termination.

Dealing with Management, Freedom of Association and Collective Bargaining

The fundamental principle of freedom of association and the right to collective bargaining is a reflection of human dignity. It guarantees the ability of workers and employers to join and act together to defeat not only their economic interest but also civil liberties such as the right to life, security, integrity and personal and collective freedom. We support and practices the international Labor Organization's Principles where we operate. We believe that workers' rights are best protected by allowing each worker to deal directly with management on issues of importance to that worker.

Workplace Health and Safety

Workers are to be in a safe environment, protected from hazards of the job. Where necessary, workers will be provided safety equipment as appropriate to the work being performed. Procedures and systems are to be in place to manage, track and report occupational injury and illness. Emergency response procedures will be in place. In this section, we are complying SMART Health, Environment, Safety and Social Responsibility Policy and SMART Stop Work Policy.

Policy Implementation

SMART labor Policy shall be controlled and watched under SMART Ethical Committee. It is the responsibility of everyone to ensure that standards of conduct are implemented and maintained, and any employee or other person who wishes to report a violation of policy should report such violation to the **SMART Ethical Committee**.

SMART Compliance Team annually conducts Labor Policy Awareness to all employees as planned by Internal Training Plan.

Measurement Outcomes

We measure the outcome by analyzing and monitoring under related report.

1) Employee complaints, and requirements internally under Anomaly Report and



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Corrective and Preventive Action Report individually to know what the needs and want of employee

- 2) Employee performance annually review by Peer Review Form to reward fairly
- 3) Employee dignity and ethics were review by SMART Ethical Committee

We always create a safe and fun working environment by contributing equality and fairness in our daily routine working process.

Violation of Labor Policy

SMART Labor Policy shall be controlled and watched under SMART Ethical Committee. It is the responsibility of everyone to ensure that standards of conduct are implemented and maintained, and any employee or other person who wishes to report a violation of policy should report such violation to the SMART Ethical Committee.

Violation result will be confirmed under the decision of SMART Ethical Committee. In certain circumstances, the final decision will be confirmed by regional Labor Office or the Court.

The reporter should address by:

SMART Ethical Committee

City Bank Building, 5th Floor, Banyardala Road, Mingalar Taung Nyut Township, Yangon, Myanmar

+95 1 701593 or via ethicalofficer@smartmyanmargroup.com

Kyaw Kyaw Hlaing

x. K. Mang

Chairman

SMART Group of Companies