



SHWE TAUNG

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Mr Marzuki Darusman
Chairperson
Independent International Fact-Finding Mission
on Myanmar
UNITED NATIONS
Palais des Nations
CH-1211 Geneva 10, Switzerland

4 February 2020

Dear Mr Darusman,

**RE: Independent International Fact-Finding Mission on Myanmar
5 August 2019, report on the economic interests of the Myanmar military**

We refer to the report A/HRC/42/CRP.3 titled "The economic interests of the Myanmar military - the Independent International Fact-Finding Mission on Myanmar" dated 5 August 2019 ("Report"). In Section III, sub-section D, paragraph 76 of the Report, Shwe Taung is listed as among the "largest crony companies in Myanmar".

We would like to provide more information about Shwe Taung Group which will explain our history and how we established ourselves as a capable private sector player, based on professional conduct and good governance. We would also like to stress that we are a private sector enterprise, and we do not have direct or indirect links, joint ventures with or shareholders from any previous government or its related persons/entities.

We began as a trading company and entered into the construction business in the 1990s. In the almost three decades since, we have grown into one of the most competitive engineering and construction companies in Myanmar, with over 600 engineers and more than 1,000 employees today in our engineering and construction business alone. We have also expanded into real estate, infrastructure, and other businesses. As a group, we have more than 7,000 employees.

As an engineering and construction company, we have clients in both the private and public sectors. Our work with these clients is awarded on a contractual basis. Contracts with both private and public sector entities have been and are awarded based on merit and capabilities. We have qualified staff from within our own company who work on the ground executing the contracts, which contribute to national development. We are not in extractive industries such as jade and timber.

We have been selected as a contractor, sub-contractor, and joint venture partner by several international companies including those from Europe, Japan, Korea, and Singapore based solely on our capabilities. As part of that process, we have been subjected to extensive financial, operational, legal and compliance due diligence by those companies.

As a firm indication of our standing, in 2016, we become one of the first companies in Myanmar to win an international tender for a government road construction project funded by the Asian Development Bank, ADB. We have also recently won a road tender by the Ministry of Construction, financed by the World Bank.

We strongly support transparent procurement processes and have successfully competed against international companies in open tenders for government construction projects funded by multilateral institutions such as ADB, the World Bank, as well as the Japan International Cooperation Agency, JICA.



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We were among the first companies in Myanmar to become a member of the UN Global Compact in 2013, cementing our commitment to the UN's Millennium Development Goals at the time, and later, the UN's Sustainable Development Goals. Within all our operations, we strictly adhere to human rights, labour rights, environmental rights and anti-corruption principles. We were also the first Myanmar company to be awarded group-wide Economic Dividends for Gender Equality (EDGE) Certification, the premier global standard and methodology for evaluating corporate commitment to gender equality.

For our cement project in Mandalay, we were the first company in Southeast Asia to implement a biodiversity programme, which has been recognised by the international community. We completed extensive environmental and social impact assessments, and land processes with utmost care and compliance with the performance standards of the International Finance Corporation, IFC, including Performance Standard 7 regarding indigenous peoples. We have an active grievance mechanism in place which allows any party to reach out to us. In August 2017, IFC committed funding to help us expand our cement manufacturing business, after completing extensive due diligence on our company. We have been working with IFC on environmental and social standards. We are the first cement company in Myanmar to receive approval from the Ministry of Natural Resources and Environmental Conservation for our environmental and social impact assessment report.

Furthermore, as a group, we are committed to good corporate governance and are completely above board in all our dealings. We have a comprehensive corporate governance manual and our employees are asked to abide by our extensive code of conduct. We are also seeking to raise the overall level of corporate governance in the country, through influencing our stakeholders, including our customers and suppliers. Our suppliers are required to comply with our code of conduct.

In recognition of our efforts and standing in the community, we are consistently in the top ranked companies in the Pwint Thit Sa report issued by the Myanmar Centre for Responsible Businesses. We were ranked number three in last year's report.

We have sought to maintain high standards in all aspects of our work and that has been recognised by the willingness of multilateral institutions and international companies to work with us. We believe if the Mission or any future missions have the chance to speak with the diplomatic and business communities in Myanmar they would gain an understanding of the good standing of our company, in line with the points we raised in this letter.

Myanmar is a country with enormous development needs and we are a capable private sector player committed to sustainable development. We also firmly believe that good corporate governance and transparency are the only path for the private sector to contribute to the country's long term development. As a fully private-owned business group, we live by those values and are committed to playing our part in Myanmar's future sustainable development.

Yours Sincerely,

Aye Mon Thu
 Head, Communications and Sustainability Development Department
 Shwe Taung Group