



DAGON INTERNATIONAL LTD

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CORPORATE GOVERNANCE POLICIES, PRINCIPLES & GUIDELINES

Human Resource Policy

Purpose

HR policies ensure that everyone in DAGON INTERNATIONAL LTD is treated fairly and consistently and that their contributions to the success of DAGON INTERNATIONAL LTD are appropriately recognized and rewarded. All employees shall be fully aware of what DAGON INTERNATIONAL LTD expects of them and what they, in return, should expect from DAGON INTERNATIONAL LTD. HR Policies summarize DAGON INTERNATIONAL LTD's responsibility to individuals and their responsibility to DAGON INTERNATIONAL LTD.

The Policies

Detailed HR policies and procedures are contained in the respective HR handbook and directives, which are in Myanmar Language issued from time to time in consultation with HR Consultants and Staff Government.

Summary of Key Elements of Policies

1. Recruitment and Selection

It is DAGON INTERNATIONAL LTD's policy to recruit on merit, regardless of sex, ethnicity, political membership, sexual orientation, race, disability, age or religion. Wherever possible, existing employees will have an opportunity to apply for vacancy/promotion opportunities. All newly appointed employees should be integrated into their new role through a supervised induction or orientation program and therefore be given appropriate support and guidance until they are fully competent to do the job.

2. Development and Training

DAGON INTERNATIONAL LTD recognizes that its staff and people are the key to future success. Through performance management processes, DAGON INTERNATIONAL LTD aims to ensure that all employees know what is expected of them and that they possess the necessary skills, knowledge, values and experience to achieve the highest level of performance of which they are capable. Whenever possible, DAGON INTERNATIONAL LTD undertakes to provide development opportunities, such as study for qualifications, secondments, project work and undertaking other challenging roles.



3. Reward and Motivation

It is DAGON INTERNATIONAL LTD's policy to reward with fair and competitive salary and benefit packages and an opportunity to share in the success of the business. All elements of reward are designed to support the achievement of desired behaviour, values and standards as well as high performance and continuous improvement/ development. Within each of the subsidiary companies, reward procedures and mechanisms shall be accessible and transparent, and applied consistently. DAGON INTERNATIONAL LTD also recognizes that pay/ benefits are only one element of reward, and that personal development, recognition and celebration of achievement are also equally significant.

4. Equality, Equity, Diversity and Dignity at Work

DAGON INTERNATIONAL LTD's employment policies are based on the principles of equality, equity and diversity, this being in the belief that the elimination of unfair discrimination in the workplace contributes to productivity and performance as it allows people's talents to be most effectively utilized. The managing director, executive directors and heads of departments are accountable for ensuring that these principles are followed and for establishing appropriate action plans for their business. DAGON INTERNATIONAL LTD is committed to the dignity at work and fair treatment of all colleagues. Managing director is accountable for ensuring that procedures are in place for resolving any grievance or harassment issue which colleagues may have in connection with their employment.

5. Conduct and Capability

It is DAGON INTERNATIONAL LTD's policy to ensure that there is a strong management framework and key principles to support people at work. The purpose of the policy is to allow managers to deal effectively with colleagues when their conduct, performance or attendance falls below acceptable standards. The managing director is accountable for ensuring that guidance and rules under which people can operate effectively, and through which the DAGON INTERNATIONAL LTD can ensure compliance with the relevant Myanmar employment and labour law, is in place.

6. Job Security

DAGON INTERNATIONAL LTD is strongly committed to the long-term sustainability of its business and also the long-term security of its employees. Where individuals are affected by changes to their role or their personal/health circumstances, all reasonable steps are taken to enable them to stay with the organization. This may be through discussing possible solution to enable them to continue in their role, adjusting working hours/patterns, or helping find a new role within or outside the Group.

7. Well-being and Safety

DAGON INTERNATIONAL LTD values its reputation as an "Employer of Choice" for all sectors of the working community. It also recognizes that as a responsible employer, the need to have in place policies which support a reasonable work-life balance. The Health and Safety Policy sets out DAGON INTERNATIONAL LTD's approach to managing Occupational Health and Safety of all its employees. In addition, at DAGON INTERNATIONAL LTD, there are numerous policies, systems and guidelines to support well-being and a healthy work-life balance, including many family friendly arrangements. These can be found in the HR handbook.



8. Communications, Information and Consultation

DAGON INTERNATIONAL LTD aims to have an open and honest culture, and to ensure that all employees are regularly updated with what is happening in all areas of the group, and that consultation takes place as appropriate. Two way and face-to-face communication is essential, giving everyone the opportunity to ask questions and have a voice in decision making. DAGON INTERNATIONAL LTD encourages a 'no blame' culture, so that all can have their say without fear of reprisal or discrimination. DAGON INTERNATIONAL LTD takes responsibility for putting in place channels of communication (direct and indirect) and feedback, as well as making sure that communication is timely and inclusive.

9. General

DAGON INTERNATIONAL LTD has the firm and steadfast commitment to respecting human rights which is in line with our Operational Procedures and our Business Conduct and Ethics. Reflecting this commitment, DAGON INTERNATIONAL LTD has laid down a new corporate Human Rights Policy in 2016 that is as mentioned below.

We believe in respecting human rights and declare that it is our primary duty to protect and ensure fulfilment of human rights.

We have a responsibility to play a positive role in the communities where we operate. To this end, our conduct in business operations is to be consistent with rules, laws and regulations of Republic of the Union of Myanmar; United Nations Universal Declaration of Human Rights; the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, where applicable to business; and other applicable international principles, including the principles of UN Global Compact.

In many areas and regions of Myanmar and in communities where we operate, social issues are part of a broader set of complex socioeconomic and poverty concerns. This is why the management of human rights issues in DAGON INTERNATIONAL LTD is based on the totality of our efforts and not on a single activity. Our corporate policies, management processes, community based agribusiness programs and participation in various initiatives are complementary and are intended to reinforce our commitment to respecting human rights.

DAGON INTERNATIONAL LTD's Human Rights Policy will foster greater awareness of human rights issues and will enhance our capabilities to identify and manage human rights issues in the areas relevant to our business.

All employees of DAGON INTERNATIONAL LTD are required to comply with this policy, whose key elements are as follows.

Employees

We treat all of our employees with respect and dignity and promote diversity in the workplace. Our company policies and procedures adhere to all applicable laws and are consistent with Myanmar labour law and principles concerning freedom of expression and Human Rights Policy 20 non-discrimination, forced labour, and underage workers in the workplace.

Safety



We protect our staff members and assets and provide a safe and secure environment in which business operations can successfully be conducted. Our guidelines and management processes on safety and security in our areas of operations are consistent with international standards on Human Rights.

Community

We respect human rights in the following ways:

- Through our contributions and commitment to rural development, poverty reduction and socioeconomic improvement in the communities where we operate.
- By fostering interactive and open communication with communities and knowledgeable stakeholders.
- Through our corporate governance policies, procedures and guidelines, which are consistent with relevant international best practices.

Health & Safety Policy

DAGON INTERNATIONAL LTD and its subsidiary companies are committed to achieving high quality and high standards throughout the business. The management of the health and safety is an integral part of this. The main intention of Health and Safety Policy is to avoid injuries, occupational illness and accidental damage to the property as well as to the individuals by means of cautionary measures, preparedness and prevention. The contribution of each and every employee shall be valued as an essential part of improved health and safety performance.

Towards this end, DAGON INTERNATIONAL LTD shall:

- (I) Take all reasonably practicable steps to provide and maintain for all employees a safe and healthy working environment.
- (II) Ensure of its products, services and activities do not put at risk the health and safety of its customers and the general public.

Priority equal to other statutory duties shall be given to the discharge of health and safety responsibilities.

DAGON INTERNATIONAL LTD shall encourage all employees to work safely and shall provide such information, instruction, training and supervision as is reasonably necessary to enable them to do so.

DAGON INTERNATIONAL LTD shall provide occupational health, safety and welfare services as appropriate for discharging these obligations.

Companies within DAGON INTERNATIONAL LTD shall adopt these principles and comply with the appropriate local legal requirements. Executive Directors at each appropriate organizational level will provide written or oral statements on health and safety, as and when required, detailing the relevant organizational arrangements in their business areas.

It is the responsibility of the Group Managing Director to ensure that this policy is implemented and monitored.



Environment Policy

DAGON INTERNATIONAL LTD's vision is "Taking Responsibility for Conserving and Sustaining the Environment & Mother Earth" and our plan to deliver this vision is always implemented whenever and wherever we do business. To achieve our plan, it is essential that we work with the natural environment. This requirement informs all of the stages of our operations as we provide clean and sustainable actions and conserve our environment. We drive for continual improvement of our approach; to enable us to enhance our environmental and quality performance, maintain a clear focus on meeting the needs of our customers and the environment and to work effectively in partnership with our key stakeholders. This is at the heart of our approach.

In line with DAGON INTERNATIONAL LTD's environment vision and our strategic Business Objectives, we aim to:

- Maintain compliance with applicable legal and relevant rules, regulations, laws and obligations of Myanmar
- Foster constructive relationships with our stakeholder groups and regulators, and take an active and positive role in the community where we work.
- Ensure we reliably deliver clean, safe products and services to our customers, remove the industrial waste and return cleanly to the environment without causing harm.
- Ensure that all our employees and those who work on our behalf have received appropriate environmental and quality training and have developed an awareness of issues included in this policy.
- Continue to reduce and prevent pollution through innovative technology, effective management control systems, and through targeted efficient investment, shared throughout the Group.
- Proactively conserve and enhance biodiversity, through efficient and effective practices.
- Manage our land resources in a socially and environmentally responsible manner, balancing the needs of our shareholders, customers, partners and stakeholders with our duty as promoter of the natural environment.
- Maintain and enhance services for our customers, especially farmers, in the face of extreme weather and the changing climate, to an acceptable level.
- Play our part in mitigating future climate change by managing the greenhouse gas emissions produced in our operations and embedded in our supply chain, and also by managing the emission of pollutants
- Help to ensure energy security for Myanmar and our business by being efficient and by optimizing the use.
- Work with colleagues and our supply chain (goods and services) to drive improvements in the sustainable use of resources.



- We will aim to do all of the above where practicable and at an affordable cost to our shareholders and to our customers.

The policy applies to all companies in which DAGON INTERNATIONAL LTD has a substantial controlling interest. These companies will adapt this policy, and we will encourage them to translate it into appropriate objectives and targets. We will communicate this policy to all employees, those working on our behalf, interested parties as appropriate, and it will be made available to the public. We welcome comments and suggestions for improvements and will review this policy periodically in light of new knowledge, changing legislation, and the views of the public and advisory panels.