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MEDI MYANMAR GROUP LTD.

46, Pyay Road, 6½ Mile,
Hlaing Township,
Yangon 11051
Republic of the Union of Myanmar.

Tel : (95-1) 538648 , 526768 , 654701 , 654702
Fax : (95-1) 526768
E-mail : medimyanmar@gmail.com
: mediadminho@gmail.com

September 16, 2013

**Statement of continued support
by the Managing Director of Medi Myanmar Group Ltd.**

As the Managing Director of Medi Myanmar Group Ltd., I am pleased to announce that we are continuing to support the Ten Principals of the United Nations Global Compact. We will continue to also improve further, as such we welcome all comments and advice to be able to achieve in a more active role. Myanmar is a very high profile country at this time which we feel that it is especially important to lead by example. We hope that we can encourage other companies and organizations to follow our lead in advocating for Human Rights, Labour, Environment, and Anti-Corruption.

In this annual Communication on Progress, we will describe simply how we have been implementing the Ten Principals of the United Nations Global Compact, reflected in our company policies, organizational culture and company structure. We are proud to share these ideas and principals with the United Nations Global Compact and everyone affected and connected with our daily operations.

Sincerely yours,


DR. WIN SI THU
MANAGING DIRECTOR
MEDI MYANMAR GROUP LTD

UN Global Compact COP Report 2013

From: September 2012 To: August 2013

Human Rights Principles

Assessment, Policy and Goals

- No one shall be subjected to racial or religious discrimination within the workplace or outside by any member or affiliate of our organization.
- Employees will not be hired based on gender or religion. Everyone is considered equal.
- All business partners and suppliers will adhere to our principals on Human Rights or we shall not conduct business with them.
- We allow our employees and business partners to freely express their cultural values and go about their activities without discrimination or judgment unless it goes against the United Nations Human Rights Principals.
- We commit to improving the lives of the people of our country and include them in business activities regardless if they are locally educated or educated abroad, local people or foreigners.
- We commit to helping the community where it is feasible, to improve the lives of people in Myanmar socially and economically, especially through the medical field where we feel we are the strongest.
- We will continue to donate and help the community through philanthropic efforts where feasible within our means.
- We do not discriminate against the disabled if they are able and willing to perform a job that we are hiring for.
- We have a sexual harassment policy where sexual harassment is not tolerated in any way.

Assessment of Human Rights related risks and impact in industry sector and country (ies) of operation (see Risk Assessment Report at www.humanrightsbusiness.org)

- Our country currently faces the epidemic issue of religious discrimination between the Buddhists and Muslims. We are working hard to ensure this does not take place within our workplace or anything related to our organization.
- There is a shortage of educated individuals within our country and we work hard to build up our employees and teach them valuable life skills regardless of educational history.
- There is a shortage of healthcare within our country and we continue to work hard to support our employees where possible.

Implementation

- We have an open door policy with our employees. We offer them support throughout the entire organization at various levels starting from our managers, to our HR department, to our General Manager, and all the way up to Directors and Managing Director.
- We will share this COP with our staff, business partners and affiliates to ensure they are aware of our company's values that lead the development of our organization.
- We will take any advice from our employees, business partners and affiliates for how we can better our policies and be more open minded to solutions regarding Human rights.
- The owners and senior management of the company hold full responsibility for the protection of human rights within our company.
- Together with HR, senior management works to resolve issues involving people of all levels where necessary.

- We have a sexual harassment policy where any incident reported shall be dealt with immediately by HR and senior management.
- HR will follow the policies outlined in this COP.
- We are constantly assessing and monitoring our policies to see how they can be improved.
- We welcome all employees to practice any religion of their choosing.
- Our office annually participates in the following annual charity activities, according to Myanmar culture: monk warso occasion, kahtein tree offering to monastery, Christmas/New Year's Celebrations etc.
- Our employees have been collecting donations all year and will donate to the Bago Orphanage in October 2013. Every year a different area of Myanmar is selected for donation.
- Our organization donates to supports orphaned student's education.

Measurement of outcomes

- HR needs to report any incidents reported to senior management as soon as they are aware of the situation.
- We will assess our company demographics annually to see where we can improve i.e. Gender, race, and educational distribution.
- There is a yearly assessment of how situations that arose throughout the year were handled. It will be identified where things could be improved and where additions can be made to the company policy.
- We will assess our charity contributions yearly and identify where our philanthropic efforts can be improved and areas in which it can be expanded.

- **Labour Principles**

Assessment, Policy and Goals

- Under no circumstances do we tolerate child labour within our organization or within the practice of any of our business partners or suppliers.
- We do not tolerate torture and forced labour within any of our business operations or parties related to our operation.
- There are written policies that clearly state employee rights and responsibilities for the compensation and benefits.
- Employees are fairly compensated for their overtime work within the country's labour laws.
- We have a strict policy that requires our business partners and suppliers to adhere to our labor policies when working with our employees and when hiring local staff.
- We have a goal to cut our employee complaints about labour policies by half each year.
- We do not discriminate amongst employees and all employees are treated equally and offered the same resources, benefits and compensation.

Implementation

- All employee concerns regarding labour policies are recorded and reported to HR. These are reported directly to senior management so they can be dealt with in a timely manner.
- If company policies on labour rights are amended, a company memo is issued to keep all employees in the loop.
- As we are a pharmaceutical company, the health and safety of our employees is highly regarded. We ensure that our staff is supplied with the best medical care and support where our resources allow i.e. Doctor check ups, medical leave, medicine etc.
- The health and safety is ensured as long as we are knowledgeable about the situations that affect our employees. Resources are allocated accordingly in these situations.
- Our employees are supported to better their education through English classes, Marketing classes, HR classes, trainings etc.
- We practice employee motivation through local and overseas company retreats.
- Our organization supports the healthcare of our staff by paying for operation/surgical fees, cardiac procedures; pregnant staffs labour expenses, death expenses and support for their families.
- All of our offices close accordingly to all religious and national holidays.
- We will circulate labour policies amongst staff, business partners and business affiliates.
- All policies act within accordance of the country's labour laws.
- The responsibility of the protection of labour rights within our organization ultimately lies within the HR, senior management, and owners of the company. We also feel it is the job of each employee to take care of one another and protect each other within our company labour policy.
- We have an open door policy to the people of the Labour Union of Myanmar (Government Ministry) whereby we welcome them to educate our HR department and senior management. HR has the responsibility to communicate this information internally to our employees.

Measurement of outcomes

- We will assess our company statistics annually to see where we can improve (i.e. Gender, Pay scale, Job Title, Sick Leave, Health Care, Educational Training).
- We do not tolerate violations of the Global Compact Labour principals within our organization or by our outside business partners and business affiliates. We will assess the situation and within reason, terminate all ties related to this violation. If the situation can be dealt with in a reasonable manner we will monitor progress and reassess monthly.
- We practice monthly review by senior management related to our company's labour policy. We are continually assessing and reviewing past violations of this policy and monitoring to take action where necessary.
- We have are continually reviewing the country's labour laws to ensure our organization is acting within accordance of the law.

Environmental Principles

Assessment, Policy and Goals

- We do not take part in activities that will greatly affect the environmental footprint of our company. We have to assess on a local level, as resources and infrastructure are not readily available to us.
- As our core business is pharmaceutical distribution and we have recently developed a retail lifestyle business, we practice trying to crossover as much of the supply chain within our business as possible. (I.e. If we are sending a delivery to one township we will try to send lifestyle and pharmaceutical at the same time as to save on our environmental footprint.)
- We do not take part in business locally operated by us that include environmental risks. (I.e. Carbon emissions of factories etc.)
- We assess the production and manufacturing practices of our business partners and suppliers to ensure that we are not contributing to a business that will greatly affect the environmental footprint of our company.
- The resources within our company are re-used and eliminated where possible in relation to environmental risk and protection.
- We hope to decrease our environmental footprint by 15% yearly.

Implementation

- As our country is beginning to develop and open up, we are currently trying to educate our employees about environmental protection at a basic level (i.e. Reusing paper to make printouts on the unused side, reuse carton boxes, providing staff with drinking water from communal water stands as opposed to individual water bottles, encouraging the use of garbage cans as opposed to littering, car pooling for staff ferries).
- We make a point of educating our staff on ways to reduce their environmental footprint.
- Our new head office was designed to use more natural light sources.
- In some of our stores we practice energy saving. We allow our staff to close certain lights when it is daylight or when the store is not busy. We have air fans in the front of our shops to enable us to use less air conditioning.
- If we run repeating promotions, we try to encourage our staff to re-use already made signage etc.
- We try to encourage our business partners to let us use existing resources. (i.e. If we have roadshows, we would rather produce stickers or vinyl to cover existing furniture rather than build new furniture in the effort of re-using and reducing unnecessary resources.
- We can ask our business partners and business affiliates for an annual report of their environmental policies and activities to reduce their environmental footprint.
- We closely follow environmental policies within our country. For example, we had to change the type of plastic bags we use for our distribution because high-density polyethylene (HDPE) was no longer in compliance with the environmental policy of Myanmar.

Measurement of outcomes

- We monitor our environmental footprint of our retail outlets through the monthly energy bill.
- We review our supply chain activities monthly and assess where resources can be lowered as to reduce our environmental footprint.
- We annually monitor the number of environmentally conscious business partnerships we engage in. This will help to better our organization's policies and compare our policies against theirs. It will also encourage and educate our employees on how to reduce our own environmental footprint.

- **Anti-Corruption Principles**

Assessment, Policy and Goals

- We have zero toleration for any form of extortion or bribery within our organization or amongst our business partners and suppliers. Any employee or business affiliate engaging in these activities will be immediately dismissed upon investigation and proof of these activities.
- We do not tolerate any activities where persons within our organization or business affiliates are affecting our community's anti-corruption policies.
- The risk of bribery and corruption within our country is very high. We have to be alert at all times of these risks.

Implementation

- We have a specific written protocol where staff must inform HR or senior management immediately upon finding out of any situation where extortion or bribery may occur within the company activities.
- We educate our staff on what is considered malpractice in terms of bribery and extortion so they are aware when it is being practiced.
- The anti-corruption policies lie within the responsibilities of the company's owners. All malpractice of these policies will be dealt with immediately.
- We have a whistle blowing policy where we will reports are considered serious and require an investigation by senior management and the company owners. All management from various levels of the company must have input into the situation and it is up to the company owners to make the final call.
- The company anti-corruption policy must be circulated amongst employees and business partners and affiliates to ensure the entire company's activities are acting within accordance of the anti-corruption policy.
- We audit each department within our company monthly to ensure that there is no malpractice in accordance with the anti-corruption policy. The respective department heads must review all financials and company activities monthly.

Measurement of outcomes

- All incidents reported must be reviewed monthly and annually to better the anti-corruption policy.
- We must evaluate how the incidents reported were handled and record the severity of the situation.
- The number of incidents reported yearly must be compared with the previous year's numbers to monitor the success of our company's anti-corruption policy and education.
- Internal audits within each department will be conducted yearly, by the senior management and owners, to ensure there is consistency within the anti-corruption commitment.
