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**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. Year by year, we gradually try to improve ourselves for better awareness, taking of active role with the comments, advice and insights of other companies, share these knowledge and also train the managers and supervisors to be able to help employees understand the importance of these ten principles. We are trying to integrate these principles more and more into our corporate culture at our best possible means. In Myanmar, we feel very proud as many companies are participating to support this United Nations Global and take the lead in advocating for Human Rights, Labour, Environment, and Anti-Corruption.

In this annual Communication on Progress, we describe how we try to maintain and gradually improve from the preliminary implementations of 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 thank everyone for awareness, implementation and support being connected with our daily operations.

Sincerely yours,


DR. WIN SI THU
MANAGING DIRECTOR
MEDI MYANMAR GROUP LTD

UN Global Compact COP Report 2014

From: September 2013 To: August 2014

The Ten Principles of the United Nations Global Compact

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption:

PRINCIPLE 1 PRINCIPLE 2

PRINCIPLE 3 PRINCIPLE 4 PRINCIPLE 5 PRINCIPLE 6

PRINCIPLE 7 PRINCIPLE 8 PRINCIPLE 9

PRINCIPLE 10

Human Rights

Businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses.

Labour

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.

Environment

Businesses should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

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

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 establish business relationship 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 help the community where it is feasible, to improve the lives of people in Myanmar socially and economically, especially in the areas of health and education where we feel we are strong.
- 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 sporadic religious conflicts between the Buddhists and Muslims. We are working hard to ensure this does not take place within our workplace as well as anything related to our organization.
- There is a shortage of skilled and qualified workforce within our country and we focus on capacity building of our employees by investing on learning, training and exposure to receive valuable skills in their related interested areas regardless of educational background.
- There is insufficient system for comprehensive healthcare provided by the authority for the employees within our country. As such, we support by providing the necessary healthcare for our employees.

Implementation

- We have an open door policy with our employees. We offer them support throughout the entire organization at all levels starting from top management and all the way down to bottom level.
- We will share this COP with our staffs, business partners and affiliates to ensure they are aware of our company's values that lead to the development of our organization. We will not only share but make sure they also understand clearly the important points for them to accept and follow effectively.
- We will take any advice from our employees, business partners and affiliates for how we can improve our policies and be more open minded to solutions regarding Human rights.
- We are constantly assessing and monitoring our policies to see how they can be improved.
- The owners and top management of the company hold full responsibility for the protection of human rights within our company.
- Together with HR, our top 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 immediately as high priority by HR and top management.
- We welcome all employees to practice any religion freely.
- Our office annually holds annual charity activities nationwide, office wide as per Myanmar culture on Warso monk occasion, kahtein tree offering to monastery, Myanmar New Years offerings for monks, etc.
- We are continuously supporting education supplies to two monk supervised schools in Meikhtila, one nun supervised school in South Dagon, contributing school supplies and multivitamins to not well off schools in 4 territories within Yangon region.
- Our organization donates to support construction of building for primary level nun supervised school education to be completed by end of 2014 in Ywar tha gyi area in Yangon.
- Our organization donates to contribute for the disabled rehabilitation center.

Measurement of outcomes

- HR needs to report any incidents to top management as soon as they are aware of any situation that is against our policy.
- 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 and monitoring of situations that arose throughout the year and how they were handled. We analyze and identify where things could be improved and where additions can be made for the better implementation of the company policy.
- We will assess our charity contributions yearly and identify where our philanthropic efforts can be improved more effectively and contribute further to areas in which it can be expanded.

Labour Principles

Assessment, Policy and Goals

- Under no circumstances, we do not employ practice of torture, child labour, forced and compulsory labour within our organization or within the practice of any of our business partners or suppliers.
- Written policies are implemented that clearly state employee rights and responsibilities for the compensation and benefits. Annually it is being updated in accordance with the Country's regulation.
- Employees are fairly compensated for their overtime work accordingly with the country's labour laws.
- We have a strict policy that requires our business partners and suppliers to adhere to our labor policies when hiring local staffs and working with our employees.
- We have a goal to reduce our employee complaints and create a harmonious working environment without discrimination of any means.
- We do not discriminate amongst employees on gender, race, religion and all employees are treated equally offered the same resources, benefits and compensation.

Implementation

- Labour policies are recorded and updated by the HR department. These are reported directly to top management to be dealt with in a timely manner with proper care.
- If company policies on labour rights are amended, a company memo is issued to keep all employees informed and updated.
- Non-discrimination policies and practices, including disability awareness are trained to the employees.
- Understanding of the different types of discrimination and how it can affect the workforce will be trained to Managers and supervisory staff, to develop a non discriminated work environment.
- As a pharmaceutical company, the health and safety of our employees is of high priority. We ensure that our staff is provided with the medical care and support where our resources allow i.e. Medical leave, Health check ups, investigation, medications, treatment and etc.
- As country is opened up and organizations including our company are moving towards improving to International standard, we support our employees for capacity building development to improve their language fluency, knowledge and skills. We provide them opportunities by supporting them to attend classes in English, Marketing , Human resources management, Business management, Accounting and etc.
- We practice employee motivation through rewarding system with incentive gifts, local and overseas trips, promotions and bonuses.
- 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 staffs, business partners and business affiliates.
- All policies act within accordance of the country's labour laws.
- HR, top management, and owners of the company take full responsibility of the protection of labour rights within our organization.. We also encourage each employee to take care of one another, protect and educate each other to understand and stay align 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 top management. HR has the responsibility to communicate and share this information internally to our employees.

Measurement of outcomes

- We will assess and monitor 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 business partners, business affiliates and suppliers. 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 regular reviewing system by senior management on company's labour policy to ensure our organization is acting within accordance of the law. We are continually assessing and reviewing past violations of this policy and monitoring to take action and improve where necessary.

Environmental Principles

Assessment, Policy and Goals

- We do not participate in any activity that will greatly affect the environmental footprint of our company.
- We have placed a policy internally to reduce and omit any activity that will greatly affect the environment, and promote each other to take part in being responsible for the environment.
- We are taking the precautionary approach to protect the environment.
- We encourage all our employees to use car pooling system throughout our supply chain processes.
- We do not take part in business locally operated by us that include environmental risks. (I.e. Carbon emissions of factories etc.)
- The resources within our company are re-used and eliminated where possible in relation to environmental risk and protection.
- Assessment is made by operation teams to ensure that employees are aware of being responsible for the environment.
- We organize quarterly activity concerned with the environmental issue by sharing knowledge and own experiences on awareness about safe environment among the employees.
- We try to decrease our environmental footprint by 10 to 15% yearly.

Implementation

- We educate our employees about environmental protection at a basic level (i.e. Paperless communication, data storage, encouraging the use of garbage cans as opposed to littering, saving water usage, car pooling, installing air cooling fans in some areas, encourage to use natural light source wherever possible, save electricity on air conditioning and lighting usage).
- We educate and encourage our employees to read about going green and ways to help reduce their environmental footprint.
- We discuss with 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 understand their policy and regulation in reducing their environmental footprint.
- We closely follow environmental policies within our country. For example, use of recycle and paper bags 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 company through the monthly electricity bill, water bill, gasoline bills, purchase of papers, checking the office premises cleanliness and usage of resources.
- We review our supply chain activities monthly and assess where resources can be lowered as to reduce our environmental footprint.
- We train the managers and supervisors for awareness of the environment and as a precaution approach to regularly and continuously share this with all the employees and encourage to follow to protect the environment.
- We try to organize knowledge sharing activities among the employees for sharing their knowledge to each other.
- We request annual reports on environmental policies from our business partners and affiliates and encourage for reducing their environmental footprint year by year.

- **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 one of the concerns. 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 employees 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 are reviewed monthly and annually to follow the anti-corruption policy.
- We assess and evaluate how the incidents reported were handled and record the severity of the situation.
- If incidents reported must be compared with the previous records to monitor and success of our company's anti-corruption policy and education.
- Internal audits within each department will be conducted yearly, top management and owners, to ensure there is consistency within the anti-corruption commitment.
