

# FAME

**COMMUNICATION ON PROGRESS OF**  
FAME PHARMACEUTICALS INDUSTRY CO.,LTD.



February 2014 - 2015

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FAME Pharmaceuticals is established since 1994 and 100% Myanmar citizen investment. FAME Pharmaceuticals Industry Co., Ltd is for marketing and distribution of our products and also marketing for oversea and contract manufacturing in aboard.

Company image is the name of the company which is very easy to remember. The name itself has a vey delightful meaning: F is for famous, A for ability, M for and E for energetic. This name becomes very popular among the people. FAME Pharmaceuticals is the industry, which uses herbal medicinal plants grown naturally or artificially cultivated in Myanmar to alternative medicine. Products of FAME Pharmaceuticals meet with international standard but very cheap in prices comparable to those of imported herbal products.

All the products of FAME were registered and regulated by Department of Traditional Medicine under the Ministry of Health of Union of Myanmar. The safety and efficacy of our products are also done by co-operation with Department of Medical Research under the Ministry of Health of Union of Myanmar. We have International Co-operations with the following;

- ❶ International Health Association, USA
- ❷ Herb Research Foundation, USA
- ❸ American Botanical Council, USA
- ❹ British Herbal Medical Association, UK
- ❺ IGV Institute, Germany for research & development, technical transfer and business co-operation.

In addition, FAME Pharmaceuticals was internationally honored for its quality management and products by receiving;

- ❶ The 29th International Trophy for Quality, 2001, Frankfurt, Germany.
- ❷ The 30th International Trophy for Quality, Golden Trophy for Quality, 2002, Paris, France.
- ❸ The 4th Century International Quality Era award 2002, Geneva, Switzerland.
- ❹ The Golden Asia Award for Excellence, 2002, Hong Kong, China.
- ❺ Myanmar Industrial Exhibition, First Prize (gold metal), March 2003, Mandalay, Myanmar.
- ❻ Golden Trophy for Technology and Quality, March 2004, Geneva, Switzerland.

- ASEAN Energy Award by ASEAN Ministry at Energy and Mineral resources in 25th September 2013.
  - President Excellence Performance Award by the President of Myanmar in 2014.
- FAME Pharmaceuticals Industry managing director is Dr. Khin Maung Lwin and he has graduated M.B.,B.S at 1984 and also received Ph.D. (Alternative Medicine,UK). He is a member of International Herbal Association (USA) and Herb Research Foundation (USA) \. Dr.Khin Maung Lwin is also a professor in Alternative Medicine of the TRINITY COLLEGE. There are more than 350 employees in our FAME Pharmaceuticals. Our employees include medical doctors, pharmacists, chemists, engineers, accountant, and the rest are other graduates.

The factory has been built and managed according to GMP guideline laid down by WHO and certified by the Ministry of Health of the Union of Myanmar on 1 January 2003. It was also certified as ISO 9001:2000 Quality Management System by BVC of UK on 10 October 2002.We have achieved ISO9001:2008 certificate on 16 November 2011, Environmental Management System ISO 14001:2004 and Occupational Health and Safety Assessment Series OHSAS 18001:2007 on 27 December 2006.We have also upgraded three systems as Integrated Management system.

Most of the raw materials we used were well grown in Fame Organic Pharm, 55 Acres wide ,in Pyin Oo Lwin . These Plants are cultivated according to strict regulation at organic farming practice ,consulted by Groline Organic Farming Consultancy Service ,based in Sweden .

The Farm was certified organic by Myanmar Organic Group on 31th March 2010 and ACT (Thailand)on 25th July 2010 ,complied with the standard laid down by IFOAM based in Germany .

We have been upgrading our systems to meet with system requirements and go beyond to it .

We certified USFDA certification on 2<sup>nd</sup> July ,2013.

We certified USDA (United State Department of Agriculture) and ACO (Australia Certified Organic) for Fame Organic Pharm on 14th February, 2014.

We have become the Participant of the UN Global Compact since 27<sup>th</sup> February, 2014.

The period covered by Communication on Progress (COP) of FAME Pharmaceuticals is from February 2014 to February 2015.

Statement of continued support

H.E. Ban Ki Moon  
Secretary- General  
United Nations  
New York, NY 10017  
USA

Dear Mr. Secretary-General,

I am honored and pleased to confirm that FAME Pharmaceuticals Co., Ltd reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles in to our business structure, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.



Sincerely yours,

Dr. Khin Maung Lwin  
Managing Director  
FAME Pharmaceuticals Industry Co.,Ltd.

## FAME PHARMACEUTICALS MESSAGE FROM THE MANAGING DIRECTOR

We have been practicing CSR for more than ten years by acting responsibly, operating sustainably, and contributing to the communities for their development. Our CSR activities provide positive impact for our employees, communities, the environment of our planet, and also our business. Besides implementing our current CSR activities, we do support the UN Global Compact and its 10 principles covering on four main issues; Human Rights, Labour, the environment and anti-corruption. We are eager to keep building stronger relationships with our customers and stakeholders, government and business leaders, and our employees through our CSR activities. For coming years and future, we strongly commit to support UN Global Compact and its 10 principles and also to implement our CSR activities in more and more sustainable ways which are benefits for our society and also for our country, Myanmar.

Dr. Khin Maung Lwin, Managing Director of FAME Pharmaceuticals





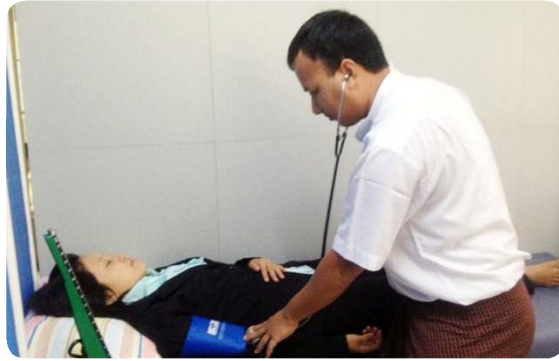
## HUMAN RIGHTS

Principle 1: Business should support and respect the protection of internationally proclaimed human rights

Principle 2: Make sure that they are not complicit in human right abuses

### Assessment, Policy and Goals

Every Business activity of FAME Pharmaceuticals emphasizes to support the Universal Declaration of Human Rights. We support and respect internationally recognized human rights in our company policy, business activities and business relationships. The values we support concern for the customers, employees, partners and stakeholders, manufacturing high quality products and services, and the responsibility to the communities where we develop our activity.



### Implementation

- ❶ FAME Pharmaceuticals has developed and implement internal procedures dedicated for both top level management and all employees regarding to quality standards, work safety norms, integrity and responsibility towards the community and environment. All of these procedures are periodically updated by Quality Management Department. We provide trainings for all employees on these procedures and then assessed.
- ❷ We distribute CSR journal 3 times per year to improve internal communication between all employees. Employees have right to participate in the CSR Journal. Moreover, The CSR Journals are distributed not only to employees but also to our business partner and stakeholders in order to know the CSR activities we have been implementing.
- ❸ We develop and use internal communications system such as intranet mailing systems to consistently inform the employees (monthly) and whenever necessary through internal communications on the company's activity.
- ❹ We provide equal opportunities for all employees and offer a safe and healthy workplace by following standards of OHSAS 18001:2008. All employees have been trained and checked on the measures of labour protection and the way in which they are applied such as Health and safety trainings by Occupational Health and Safety (OHSAS) Officer and checked by the Safety Officer.
- ❺ Fire drills have been organized regarding the way of the employees' evacuation in case of fire at the work place. All employees participated.
- ❻ We have encouraged the right to professional trainings. In 2014, there was total of 57 trainings (27 Internal trainings and 24 External trainings) were provided for employees of FAME Pharmaceuticals.
- ❼ We create a comfortable, pleasant and attractive working environment by providing facilities like library with up-to-date Pharmacopoeias, canteen, uniform, purified drinking water, rest rooms, lunch break etc.
- ❽ All employees of FAME Pharmaceuticals are subject to a general medical check up every year.

### Measurement of outcomes

According to the periodic review by Top level management and the results, there is no case of complaints from employees concerned with human rights issue, no human rights violation and breaches during the period covered by this report.



## LABOUR PRINCIPLES

Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4: the elimination of all forms of forced and compulsory labour

Principle 5: the effective abolition of child labour

Principle 6: the elimination of discrimination in respect of employment and occupation

### Assessment, Policy and Goals

FAME Pharmaceuticals Co., Ltd makes ensure that we uphold the freedom of association and also recognize the right to collective bargaining. Our company does not engage in forced and compulsory labour and child labour. We work to ensure diversity and no discrimination in all of our company activities.

We have distributed employees' contract, rules and regulations books to all employees of FAME Pharmaceuticals Co., Ltd. Rules and regulations are reviewed once a year by top level management. Both employees' contract and rules and regulations book clearly state that it cover policies concerning with employees rights and responsibilities, compensations and benefits. We ensure of providing diverse, healthy and safe working environment with no discrimination.



### Implementation

- As FAME Pharmaceuticals upholds the Freedom of Association, our company has SA 8000:2008 Team. SA 8000 Team is established with each member from all departments of FAME Pharmaceuticals. Each member is elected by votes in their department and selected as a one of the representative of SA Executive committees.
- All employees are entitled monthly salaries, overtime allowances for extra hours, travel allowances, transportation provision, Social Security Insurances at Social Security Board for the employees, yearly leave entitlement; casual leave, earned leave, maternity leave, paternity leave, fully paid extended medical leave and blood donors leave.
- As our company strongly supports the abolition of child labour, we do not hire any persons who are age of under 18 year-old. Our business contractor also does not hire persons who are age of under 18 year-old.
- FAME Pharmaceuticals Human Resource Policies and regulations abide by local labour law and ILO regulations. FAME Pharmaceuticals excludes all forms of forced and compulsory labour and also every employee has the right to terminate anytime the legal labour relations
- FAME Pharmaceuticals excludes all forms of forced and compulsory labour. Any form of verbal and physical harassment is strictly forbidden.
- All of our policies provide equal opportunities without discriminating in race, gender and religion.
- Our company provides annual New Year staff party and recreation trip for employees and also award for outstanding employees.

### Measurement of outcomes

There is no discrimination- related incident has been reported, no complaints regarding with HR rules and regulations, no violations to labour laws and standards during the reporting period. Furthermore, no child labour and no forced labour.

## ENVIRONMENTAL PRINCIPLES

Principle 7: Business should support a precautionary approach to environment challenges

Principle 8: Undertake initiatives to promote greater environmental responsibility and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

### Assessment, Policy and Goals

FAME implemented Environmental Management System (ISO14001:2004) since 2006. FAME Pharmaceutical implemented to identify the root cause of environmental damage and unsustainability and do innovation for corrective and preventive action. Our Environmental policy is to protect environment by minimizing the pollution and continual improvement.

FAME's Environmental management system is based on three R mottos. "Reduce, Reuse and Recycle"





## ENVIRONMENTAL POLICY

1. FAME Pharmaceuticals implement Environmental Management System to improve its Environmental Management and, ultimately, to reduce the environmental impacts of its operation, activities and products.

2. Environmental management organizations will clearly define responsibilities and authorities. This shall be established to ensure conformance with legislation and regulation of the nations and with other related requirements to which the organization subscribes related to its environmental aspects.

3. The environmental impact caused by our production activities, products and services shall be precisely analyzed and assessed.

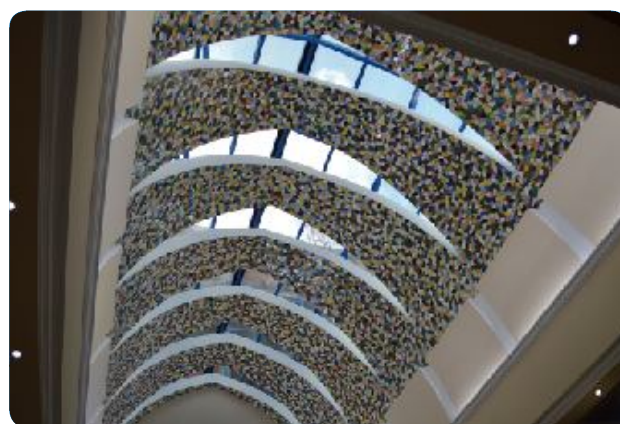
The objectives, targets and measure for improving the environmental shall be established, implemented and reviewed considering technical and economical possibility.

4. Activities for suppression of waste, energy saving and material conservation should be promoted.

5. All persons working for this Environmental management system should be given full understanding of this environmental policy through environmental education and internal information.

All the persons concerned oneself should be interested in an environmental problem and be able to act.

FAME founded the Environmental Management Committee to implement this Environmental Management Policy.



### Biodiversity

FAME believes that protection of biodiversity is one of our responsibilities to reduce deforestation, soil erosion and to protect the climate.

### Implementation and outcomes

FAME is the entrepreneur of Organic farming technique in Myanmar.

FAME organic pharming project, 22 hectares wide, was established since 2010 and we use organic technique certified by United State Department of Agriculture in co operation with International Federation on Organic Agriculture Movement. Organic farming can protect the biodiversity including flora and fauna.

For example we've been protecting the endangered medicinal plant species one of which is called Cissus Discolor and Cissus Repens (Myanmar Name- Ta Bin Taing Mya Nann) at FAME organic pharming project.

By practicing organic farming technique, we can not only reduce carbon dioxide emission by producing Oxygen by photosynthesis of plants but also reduce environmental pollution caused by pesticides and herbicides.

The herbal raw materials from Organic Pharming project are used to produce medicines at factory so that the quality of raw materials is prompt as organic which can create profit to our customers by providing quality finished products. Organic farming is one of the most effective ways to protect the biodiversity including flora and fauna. It can also protect land and water from pollution. The organic product is totally free from harmful pesticides and herbicides thus it reduces the risk of cancer and has benefits the health of both environment and community.





FAME tries to give awareness about organic farming technique in Myanmar farmer society as we believe it is the best way to protect biodiversity by reducing environmental impact and by improving the health of environment.

The organic farm is founded and its technique is more advanced by co-operation with Israel consultant, International Federation of Organic Agricultural Movement, Myanmar Organic Agricultural Group, Agriculture certification of Thailand and United State Department of Agriculture.

### Management System on Air Pollution

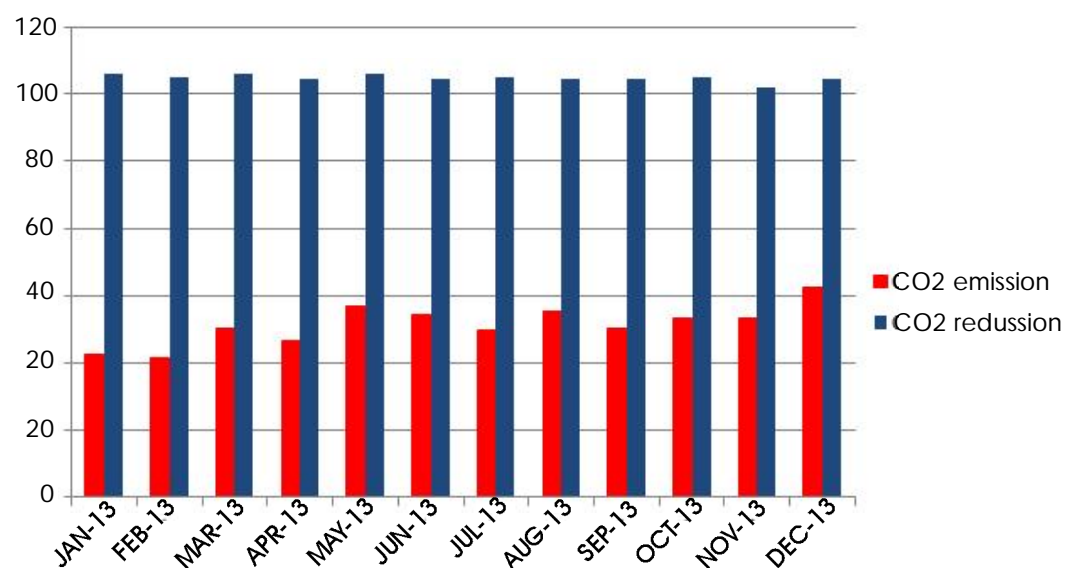
Based on the data on fuel consumption, electricity consumption, and respiration by employees working at the FAME Pharmaceuticals, FAME's carbon dioxide emission data can be calculated.

And the carbon dioxide is reduced by the photosynthesis of plants at FAME organic Pharming project and factory compound, FAME's carbon dioxide reduction data can also be calculated.

The chart below has shown the comparison of monthly carbon dioxide emission and reduction data of FAME Pharmaceuticals.

It is clear that FAME can reduce the carbon dioxide emission effectively more than our expectation.

Data on Carbon dioxide Emission and Reduction(2014)



### Energy Management System

The priority objective is not only to obtain high quality products but also to become the classic factory in Myanmar. We used the energy with the most efficient way to prevent environmental damage and to reduce the energy usage systematically. Energy management system is a part of Environmental Management System to make innovations for energy conservation and energy management.

We founded the Energy management committee since 2002.

### Implementation and outcomes

As the world encountered fossil fuel depletion, global warming and climate change due to increased carbon dioxide emission to the atmosphere.

By those incidences, FAME got awareness on the vital role of energy especially on 'Energy Efficiency and conservation'. To reduce those environmental impacts and prolong use of fossil fuel, FAME started seeking for application of alternative renewable energy such as solar energy.

We created the solar thermal drying rooms with the following main objectives.

1. To reduce electrical power consumption on lighting by creating and enhancing the natural light.
2. To provide energy saving practice among the community.
3. To reduce the failure of electrical appliances (ie. Lamp, fixtures etc)
4. To reduce production cost by saving money.



Solar thermal drying rooms are specific unit improvement of FAME and it dramatically eliminated the EEI to be Zero for that process. It saved energy by 16,800 kWh per year.

It also reduced carbon dioxide by 121.63 tons per year.

Drying process took part as 24% of Energy matrix in the old method.

The specific unit improvement achieved 30% of the total energy conservation measures of FAME.

Drying process and distillation processes are two of the manufacturing processes. They are not only the major processes but also the most energy consuming ones.

The specific unique improvement was on Drying process and it was implemented by utilizing Solar Thermal Energy in drying process instead of electrical power.

Solar Thermal Drying rooms consist of

1. Natural sun drying room I and II
2. Natural air drying room.

The factory and building are designed using natural solar light especially at the library, lobby and production area. By doing this, FAME can significantly reduce the charges cost for electricity.

### Proper waste disposal system

It is intended to prevent land pollution not only within FAME's compound but also to the community. We held "Reduce, Reuse and Recycle" motto for proper waste disposal system.

All the wastes from the factory are categorized according to their use.

#### Implementation and outcomes

Reducing the paper usage by reusing paper in documentation process

Using the recyclable paper

Reselling disposed materials to the local recycler by creating value between FAME and community.

All the disposed materials from whole factory are resale and the income of which is reinvest in the CSR fund.

Most of the working processes are done by e- documentation system and also by using the software system, intranet system for easiest communication within organization.

All the employees are being trained at the departmental training to reduce the use of paper in order to save our earth. FAME believes that participation of all employees is the main force to achieve the goal of saving the environment.

### Waste water management system

FAME implemented waste water management system to reduce the environmental impact to the surroundings caused by FAME's activities. Although waste water from factory side doesn't contain potent chemicals, FAME tries to recycle the waste water within the factory compound.

### Implementation and outcomes

#### Use of recycled water

Waste water from whole factory is treated at the waste water treatment tank.

After being treated, the treated waste water is stored at the storage tank.

All the treated water is reused for landscaping and gardening purposes instead of disposing to the outside. By this mean we can create the attractive landscapes in our factory compound for our employees, customers and surrounding communities.

Air con outlet water from total 172 aircon is also stored in the tanks and it is reused for the hand washing purposes.

FAME tries to reduce water consumption by the above means as much as we can.

All the employees are being trained to save the earth by reducing the use of water at weekly education programs.





## ANTI-CORRUPTION & ANTI-BRIBERY PRINCIPLE

Principle 10: Business should work against corruption in all its forms, including extortion and bribery

### Assessment, Policy and Goals

FAME Pharmaceuticals has a well-established reputation in conducting all of our business in honest and ethical manners. We also take zero tolerance approach to corruption and bribery by any of our employees, third-party representatives. Furthermore, we are committed to conducting our business in all applicable laws, rules and regulations and the highest ethical standard.

All employees are strongly prohibited from engaging in bribery and are required to maintain proper business contacts and relationships with consumers, suppliers, stakeholders, INGOs, NGOs and government.





### Implementation

- ❑ Anti-corruption and Anti-Bribery policy have been entered into force and it is applicable to everyone working (whether permanent, fixed-term or temporary) at FAME Pharmaceuticals including seniors executives, officers and to members of the Board of Directors.
- ❑ The policy is distributed to all departments of FAME Pharmaceuticals to know about the policy and to apply.
- ❑ This policy is explained to every new employee at the new employees training.

### Measurement of outcomes

According to the periodic review by Top level management and the results, there is no case of corruption and bribery, no violation of the policy therefore no disciplinary actions on our employees.

