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September 1, 2016.

**MANAGING DIRECTOR OF MEDI MYANMAR GROUP LTD.
STATEMENT OF CONTINUED SUPPORT**

It is our commitment to approach towards sustainability, keeping in mind to align with the United Nations Global Compact guidelines and principles. Throughout the years we have observed the change and the shift of more expectations on businesses towards corporate social responsibility and have seen more businesses being responsible in their businesses. We are a family owned private business, moreover being a medical doctor with the philosophy of Buddhism in mind, we practice our business being ethical and socially responsible. With the dynamic shift, we have moved forward to take more broader views and actions on corporate responsibilities in the way we do our business while promoting the global compact towards a sustainable future.

In 2015, while priorities are concerned in the area where we are moving to a change in the management and operations system with goals for success and sustainability, this also includes for our management together with senior management levels continuing to improve ourselves from awareness to taking active role throughout our stakeholders: employees, customers, consumers and business partners. We have been systematically integrating these principles into our corporate culture in the areas of sales and marketing, operations, financials, human resources and updated our core values. GIC (UK) has awarded Medi Myanmar Group Ltd. ISO 9001:2008 certificate under certification no. 722776 dated March 5, 2015, and this is also one


big task for our company where we had to set up an executive team with senior managers and assign to take continuous responsibility to meet up with the standard guidelines of both ISO, UNGC and implement CSR activities. We will review the areas for improvement, put in place a sustainability management system and make adjustments on our core processes to align with the UN Global Compact.

The process of organizational change to embrace corporate sustainability by implementing the ten principles into day- to-day operations and organizational culture is a difficult task but with strong leadership and management system, I believe businesses should invest to adopt the Global Compact's ten principles and understanding these principles are linked to value creation for long term sustainability.

We at Medi Myanmar Group Ltd., also know there is more to do and the need to continue our efforts to understand and tackle the challenges and opportunities ahead. We will consult and also take expert advices, follow a continuous progress approach and improve our performance step by step. We will continuously strive to be responsible corporate citizen and improve our contribution to a sustainable future.

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. It contains an overview of how we integrated in our company policies, organizational culture, and structure. We thank everyone involved in our daily operations for their support and implementation of these principles.

Sincerely Yours,



DR. WIN SI THU
MANAGING DIRECTOR
MEDI MYANMAR GROUP LTD

From: September 2015 To: September 2016

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

Human Rights

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

Principle 2: make sure that they are not complicit in human rights abuses.

We at Medi Myanmar Group Ltd. support and respect human rights by providing safe and healthy working facility and environment and also by ensuring non-discrimination in day to day and employment practices.

We are a trading company and we believe that employees are our key assets and deserve our particular attention. Opportunities for personal development, safe and a healthy working environment are our values. Medi Myanmar Group Ltd. has 9 branch offices within the Country, and at all offices we provide good space and facility for our employees to work in. Human resources regulations and policies set up by the HO is implemented with same standards at all branch offices on working hours, overtime wages, support on health, education and personal development benefits with no discrimination.

Assessment, Policy and Goals

- It is our policy to maintain a model workplace which is free from harassment and other forms of discrimination based on race, color, religion, sex, national origin, age, disability, and sexual orientation. We have zero tolerance for harassment, abuses or any other form of unlawful discrimination.
- Our employment policy considers with equality with no discrimination on gender, race or religion.
- In our company, career opportunities are visible for all employees. Assessment of professional competencies and performance of our employees are done which we apply the KPI's. Assessment exams are done for potential employees and offer them promotion of their positions and raise. We give priority for our employees for career development within the company.
- All business partners and suppliers will adhere to our principles on Human Rights.
- Consumer satisfaction is one of our key values. We respect our customers and consumers providing good service.
- We allow our employees and business partners to freely express their cultural values and their activities without discrimination or judgment.
- We are committed to improve the lives of people in Myanmar socially and economically, with priority in the areas of health and education. Philanthropic efforts are integrated into our core values and business activities.
- Our country currently faces sporadic religious conflicts between the Buddhists and Muslims. We are continuously observing and keep awareness to ensure that this type of conflict does not take place within the workplace of our organization.

Implementation

- We have an open door policy with our employees. Support is present throughout the entire organization at all levels, from top management, senior management to the bottom level.
- Policies on human rights is shared amongst all employees and monitored by assigned team and middle management level to follow and act accordingly.
- We welcome any advice and feedback from our employees, business partners, and affiliates on how we can improve our policies and be more progressive on solutions regarding Human rights.
- Continuous, regular assessment and monitoring of our policies are done and improve in the areas where needed. Top management and HR cooperate with each other to resolve issues involving people of all levels where necessary.
- We provide jobs and hands on training to undergraduates in support to continue their education and provide education leaves on pay roles to take the exams until they graduate. We also provide jobs to those from underprivileged backgrounds and provide hands on training and skill trainings to develop in their interest and capable roles.
- We hold full responsibility for awareness and protection of Human Rights throughout the stakeholders and supply chain of our company.
- Any discrimination act including sexual harassments are taken into account where any incident reported shall be dealt immediately with high priority by HR and top management.
- All employees are allowed to practice their religion freely.
- We believe that education can change people's lives, we support on capacity building of our employees by investing in language skills, training, personal development of our employees in order for them to acquire valuable skills in their areas of interests in relation to business regardless of their educational background.

- We support our employees for basic healthcare needs from minor to major illness, maternity care, and surgical procedure cases since there is an insufficient healthcare system for comprehensive healthcare provided by the authority for the employees within our country.
- We focus on transparency and flexible dealings with our customers delivering products in good condition,
- Our offices throughout the country hold annual charity activities by following Myanmar tradition and culture. Examples of such events are the Warso occasion, Thadingyut offerings, Kahtein tree offering to monasteries, Myanmar New Years offerings to monks and people.
- We have a dedicated budget to continuously support education by annually donating school supplies to schools in South Dagon township, Yangon, Meikhtila, Mandalay and other areas in need.
- We have dedicated to University of Medicine (1) Alumni for two consecutive years supporting on the outstanding students award for 4 categories with Gold medal awards. This supports for motivation on delivering outstanding medical students who can one day contribute to the medical community.
- Our Company supports community for disaster victims by dispensing medicine, food and household supplies personally providing to the disaster areas
- Our Company strongly support in Breast Cancer Awareness Campaign. Already 4 years continuously we have been organizing Breast cancer Awareness Campaign in collaboration with Cancer Foundation in Myanmar where women from different sectors; industrial female workers from garment factories, teachers, female staffs from banks, trading offices, airlines, students, nurses and also general public are gathered in one venue and knowledge are shared, education local language leaflets are distributed, self breast examination methods are educated and breast examination by doctors are also provided. Every year we try to educate as much as we can reach from all our employees nationwide to community level.

- We participate in the local project for sight together with Global L'occitane Foundation and provide prevention and treatment of blindness amongst the Myanmar rural people who have vision and eye problems by providing health education, distribution of eyes glasses and medicine, surgical treatment and help them for full recovery. (In 2015, we helped more than 40 Myanmar people for their cataract operation till full recovery and provided eye care check up and distributed eye glasses to more than 1500 people in the district areas.)
- Top management is a member of Visākhā Foundation, which is an official registered foundation supporting young adults on vocational training, providing decent jobs and reducing poverty from underprivileged in poor social-economic background including orphans. In collaboration with the foundation we are fully supporting on education and vocational training support. Together with the foundation we are involved in taking responsibility for nearly 200 young adults with vocational training for development of their skills and provided decent jobs with decent income able to support to continue their education to get a degree and support their families.

Measurement of outcomes

- HR will 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, educational distribution and etc).
- Regular and continuous assessment and monitoring are done. We analyze and identify the areas for improvement and where additions can be made for better implementation of company policies supporting to responsibility on human rights.
- We will assess our charitable contributions yearly and implement philanthropic efforts with broader view and reach to need areas where it will benefit the community and contributing towards the goals of UNGC and SDG.

Labour

Principle 3: Businesses 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; and

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

Assessment, Policy and Goals

- Medi Myanmar Group Ltd. follows the Country's labour laws for wages, compensation of overtime work, leave benefits, health and other benefits.
- We do not practice torture, child labour, forced and compulsory labour within our organization or within the practices of any of our business partners and/or suppliers.
- Our human resources department has written policies which clearly states employee rights and responsibilities for compensation and benefits. These rights and responsibilities are regularly and annually updated in accordance with national regulations.
- Our policy requires our business partners and suppliers to adhere to our labor policies when hiring staff and working with our employees.
- We have a goal to reduce our employee complaints and turnover rate, creating a safe and harmonious working environment without discrimination.
- Medi Myanmar Group Ltd. being a member of UNGC takes active role to follow the principles of labour rights.

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 system.
- Company policies on labour rights if required to be amended, a company memo is issued to keep all employees informed and updated.
- When new employees are recruited, policies and regulations are shared to employees in order for them to understand and be aware of our policies and practices,
- Senior and Middle management levels are trained to understand different types of discrimination and how it can affect the workforce in order to promote a non-discriminatory work environment.
- Being in the health industry the health and safety of our employees are given high priority. We ensure that our staff is provided with adequate medical care and support where our resources allow (i.e. Medical leave, maternal leave, Health checkups, medical examinations, medications, operation procedures, treatment and etc.).
- Our organization supports healthcare for our employees by paying operation/surgical fees, cardiac procedures, pregnant employees with labour expenses, death expenses with support for their immediate families and also provide the medicine supplies for emergency and chronic health problems.
- Myanmar has opened up to the world and organizations including our company are striving towards to be at an International level. We support our employees in capacity building and personal development by improving their English language fluency, knowledge on their related responsibilities and skills development. We provide opportunities by supporting them to attend courses in English, Marketing, strategic management, Human resource management, Business management, Accounting and MBA degrees. We have permitted 3 MBA students in our company to work with flexible hours during their course until they graduated last month.

- We encourage employee motivation through a reward system with incentive and bonus programs, appreciations with local and overseas trips, and promotions within the company.
- All of our offices close accordingly with all religious and national holidays.
- Labour policies are shared amongst staff, business partners, and business affiliates when recruitment and upon request at all times. All policies act within accordance of the country's labour laws.
- Top and senior management of the company takes full responsibility of the protection of labour rights within our organization. We also encourage employees to support each other as a family, protect and educate each other to understand and stay aligned with company labour policies and become good performers and responsible persons in the company.
- We have an open door policy with 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).
- Company top management set the Key Performance indicators system for our employees' performance to monitor them fair and equal without discrimination.
- We do not tolerate violations of the Global Compact Labour principles within our organization or by our business partners, business affiliates, and suppliers. We will assess the situation and within reason, if required to terminate all ties related to this violation. If the situation can be dealt with in a reasonable manner we will monitor progress and reassess regularly.

- We have a systematic reviewing system by senior management on the company's labour policy to ensure that our organization is acting within accordance of the law. We are continually assessing and reviewing on previous records if any and handlings of these policies to evaluate how we can improve our company policies.

Environment

Principle 7: Businesses should support a precautionary approach to environmental 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

- Medi Myanmar Group undertakes precautionary approach to protect the environmental challenges and also taking more steps to promote greater environmental responsibility.
- All employees are educated and guided to understand the company's support on environmental responsibility and to follow accordingly.
- We continue to decrease our environmental footprint by 10 to 15% yearly. We will move forward strategically to improve in the areas where we can decrease our environmental footprint further in the following years.

Implementation

- We are promoting "not to litter" and "throw waste into the bins" practice within the company. All wastes to be disposed in proper bins and educating regularly for no littering. No beetle nut chewing in the office premises and no smoking inside the office buildings and all warehouses.

- We have set up Friday as clean up day when all employees throw away litters, removing clusters around their areas and clean up their spaces.
- We encourage all our employees to use a car-pooling system throughout our supply chain processes.
- Replacing fluorescent lamps to LED lamps for saving energy. Will continue to implement throughout all the offices and warehouses to maximize energy saving.
- We closely follow environmental policies within our country. High-density polyethylene (HDPE) is no longer in compliance with the environmental policy of Myanmar as such we have changed to alternative materials such as recycled bags and paper bags.
- We do not take part in local business activities that expose risk to the environment (i.e. carbon emissions of factories, etc.).
- We transformed most of the paper reports from all departments into digital reporting system.
- Replaced travelling for meetings from district offices to head office from monthly to quarterly and replaced with weekly teleconference meetings.
- Assessment is made by the assigned team for following UNGC guidelines to ensure that employees are aware of being responsible for the environment.
- Quarterly activities are organized concerned with environmental issues by sharing knowledge on environmental awareness within the employees.
- Less usage of Air conditioning is also encouraged depending on the weather, alternatively to open windows . To close air – condition during lunch breaks and at passage ways if no traffic. To use more on eco mode than high power mode.
- We also educate all employees not to waste water sources and use with care.

- We educate and encourage our employees to share ideas about going green and ways to help reduce their environmental footprint.
- We educate our employees nationwide 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, encouraging to use natural light source wherever possible, saving electricity on air conditioning and lighting usage).
- We discuss with our business partners to let us reuse existing resources, for example; when planning for roadshows, instead of producing new furniture to remodel it with stickers or vinyls to cover existing furniture in an effort to reduce the use of unnecessary resources.
- We encourage and request from our business partners and business affiliates to share their annual report of their environmental policies and activities to understand their methods in reducing their environmental footprint and also to follow good methods which we have not done yet.

Measurement of outcomes

- Monitoring the environmental footprint of company is done through the monthly electricity bill, water bill, gasoline bills, purchase of papers, checking the office premises, warehouses cleanliness and usage of resources.
- Assessment and review on supply chain activities are done monthly and see if resources can be lowered to reduce our environmental footprint.
- Regular educating the managers, supervisors and employees are done to be responsible to protect the environment and support on company's policy. Middle management level have to share to their teams to be responsible by organizing knowledge-sharing activities among the employees to understand and improve methods to reduce waste and protect the environment.

- Follow up on annual reports of environmental policies from our business partners and affiliates and encourage them to gradually reduce their environmental footprint annually.

Anti-Corruption

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

Assessment, Policy and Goals

- We clearly state our employees and business partners our company values to avoid for any form of extortion or bribery. We highlight our expectations on our ethics and values related with anti-corruption. New employees and business partners are guided through our company values to achieve our expectations. Existing employees are also refreshed and updated on our values.
- We do not tolerate any activities where people 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 main concerns. We will alert at all times of these risks and make clear to all stakeholders to respect these values.

Implementation

- We integrate the anti-corruption policy into the strategies that lie within the management responsibilities.
- We educate our employees on what is considered malpractice in terms of bribery and extortion so they are aware of it when it is being practiced. Any incidences must be informed to HR and senior management upon finding out about situation where extortion or bribery may have occurred within company activities.
- The company anti-corruption policy are circulated amongst all stakeholders: employees, customers, business partners and its affiliates, to ensure that the entire company's activities are acting in accordance of these rules.
- We audit each department within our company monthly and quarterly to ensure that there is no malpractice in accordance with the anti-corruption policy. The respective

department heads must review to align with company's expectations.

- The reports are collected from department heads from all offices for any presence of extortion and bribery. Any incidences to be reviewed and discussed with management and take necessary decision and action.

Measurement of outcomes

- All incidents reported are reviewed monthly, quarterly and annually to follow the anti-corruption policy. Corrective and improvement actions are taken into account.
- We assess and evaluate the incidents reported and record the severity of the situation.
- Reported incidents must be compared with previous records to monitor for improvement and the success of our company's anti-corruption policy and education.
- Internal audits within each department will be conducted yearly by top management and owners, to ensure that they all adhere to the anti-corruption policies.

In conclusion, we are also aware and in support to the SDG goals of UN and contribute to support in the areas which we are reachable: No poverty, zero hunger, good health and well being, quality education, gender equality, decent work and economic growth, reduced inequalities and partnership for the goals.

Medi Myanmar Group Ltd is proud to be a member of UNGC and we fully support the 10 principles of UNGC guidelines. We are committed to an ethical and socially responsible company management.
