



McCORRY & CO. LIMITED

CEO's Statement of Continued Support for the UN Global Compact and Its Ten Principles

I am pleased to confirm that McCorry & Co. Ltd reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, 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 into our business strategy, culture and daily operations.

We also commit to share and communicate this information to our stakeholders and the general public using our primary channels of communication.

Sincerely yours,

Jonas Israel

CEO, McCorry & Co. Ltd

MCCORRY'S UNGC COMMUNICATION ON PROGRESS (COP)

HUMAN RIGHTS

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

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

McCorry is a company that honors human rights where we promote diversity and equal opportunity and practice nondiscrimination and we have a company policy of maintaining a harassment free workplace. As such the company does not condone disrespectful behavior, intimidation and harassment.

Our policy does not tolerate sexual harassment, verbal or physical conduct of sexual nature. In the history of the company (since its start in 1996) we have not come across any such behavior. We would take immediate action if we became aware of any harassments or misconducts.

We are committed in maintaining a safe, clean and healthy work environment for our employees. We are committed to continuously challenge our employees in order to promote their individual growth as persons. We support and sponsor local charity activities and encourage our staff to join in on these activities.

McCorry provides transparency in our practices and at the same time protects personal information of our employees and clients, where personal information used solely for business purposes. We encourage growth and development of our employees through bi-annual appraisal which helps both the management and employees to express any issues relating to work which also promotes improvement for employees. Each year, we support human rights through financial contribution, where the employees raise funds and items to be donated for the under privileged kids in rural areas. We contribute a decent amount of money for charity runs, also encouraging our employees to be part of it.

LABOR

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 labor

Principle 5: The effective abolition of child labor

Principle 6: The elimination of discrimination in respect to employment and occupation

McCorry does not discriminate against employees who voluntarily establish and join organization of their own choice. McCorry's maintains a good remuneration and work environment for all our employees. We adhere to all business and company legislation. Our employees are employed on their own free will. In specific cases the company will work with the employee if flexible working hours is the best approach. The employees are free to terminate their employment at any time in accordance to the employment contract they have signed.

In November 2016, McCorry has established the Forced Labor and Child Labor policy to ensure that all employees are treated with respect and dignity, are working under their own free will, and are being properly compensated for their effort. McCorry is committed to uphold the protection of human rights for all workers and are committed to ensure that we are not complicit in any human rights violations and hold our business partners to the same standard policy.

All of our business partners have to sign off on the Statement of Understanding on the policy that they have read, understood and agreed with McCorry's policy. McCorry supports and practices the labor principles proclaimed by the United Nation and believes our business partners should ensure that they are not complicit in human rights abuses.

In accordance to promote diversity, we do not discriminate on the basis of race, color, religion, gender, national origin and disability and age. Throughout our history, the company has employed people from the various races and religion represented in Malaysia.

McCorry is committed in providing opportunities for our employees to develop their professional skills, to better their qualification and experience via training and physical exposure. Room for improvement is given to strengthen the productivity of individuals and our organization.

ENVIRONMENT

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

Principle 8: Undertake initiatives to promote greater environmental responsibility

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

McCorry is committed to follow a sustainable business practice into the company's operations according to our existing Environmental policy. We recognize our responsibility to our employees, customers and suppliers to operate in environmentally conscious and responsible manner. McCorry supports various certification and principle such as Forest Stewardship Council (FSC), Global Wood Tracking Program and WWF's Global Forestry Trade Network. We ensure that all our suppliers are environmentally conscious and responsible. If a supplier fails to adhere to this policy, we will not continue our cooperation with them. We conduct regular performance audits and training for our employees and suppliers to ensure that environmental commitments have been met.

Since 2015, McCorry has measured its carbon footprint with the goal to continuously reduce or minimize its impact on the environment and increase cost efficiencies. In 2015 the company replaced all its lighting fixtures with LED lighting to reduce our carbon footprint. We are also in the beginning stage of looking into installing solar panels to further reduce our carbon footprint. In support of FSC products, we are only using FSC certified papers in the office. All employees in the office practice the 3R (Reduce, Reuse and Recycle) as encouraged by company management to support waste reduction. The company is seeking to get carbon neutral certified for its operation in Kota Kinabalu. We are currently looking into buying carbon credits from local projects (reforestation and conservation projects, electrification with solar panels in remote villages that now rely on generator electricity, etc.)

ANTI-CORRUPTION

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

Integrity is an important corporate value that is practiced by McCorry. It is an integral part of our way of conducting our business. Throughout the history, we have encountered 2 cases of employees involved in corrupt practices and immediate action was taking against them.

We are committed to working against corruption in all forms, including bribery and extortion. McCorry is transparent in all of its business and ensures that our employees adhere to this code of ethics in any form of dealings or communications. Information about handling and process of dealing with anti-corruption matters are addressed in the employee handbook and employees are fully aware of actions that will be taken against them for any ethic violation concerning this issue. We have also established a corporate anti-corruption policy in 2015 and have revised it in 2016. All of our business partners have to sign off on a corporate conduct policy that clearly outlines an agreement on how McCorry does its business. We revisit this issue with our business partners on a regular basis.