



PEACE MYANMAR GROUP CO., LTD.

UN Global Compact Communication on Progress



8th March 2017

Peace Myanmar Group Company Ltd.

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Statement of Commitment

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

Dear Mr. Secretary-General,

I am delighted to acknowledge that Peace Myanmar Group Company Limited reaffirms its support of the Ten Principles of the United Nations Global Compact, in the areas of Human Rights, Labor, Environment and Anticorruption.

With this communication, we express our intent to advance those principles within our sphere of influence. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. Peace Myanmar Group Co., Ltd. will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the Global Compact, and annually thereafter according to the Global Compact COP policy.

Sincerely yours,

Mr. Tun Linn

Managing Director

Peace Myanmar Group Co., Ltd.

HUMAN RIGHTS PRINCIPLES

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.

We strongly respect and follow the Universal Declaration of Human Rights. The protection of Human Rights is embedded in our numerous operating processes and control mechanisms across all of our departments and all levels of the organization. From senior management to entry level operations, we ensure that our business practices are not complicit in any human right abuses.

In our company, employees are provided with the necessary knowledge and skills to perform their jobs by new employee induction training, on the job training, in house training and external training. Employees shall be continually educated, trained and developed to ensure competency. We support professional growth of our employees by encouraging individuals' creativity, innovation and development, which enables each individual to build his/her skill sets.

We are also very proud of our CSR efforts. Since 2014, we have been engaged in 9 blood drives. We give all our employees a chance to give back to the community by donating much needed blood supplies at the blood bank. To date, our employees (950) and friends of the company (410) have donated **(1360)** blood bags. While this hugely benefits the community, these blood drives also create bonding and workplace happiness for our employees. They get their blood checked (for example, an employee discovered he had Hepatitis C and the company has contributed significantly for his medical expenses to get treatment) and they enjoy a day of free. For the health of employees, vaccinations of anti B hepatitis virus have been given and medical checkups conducted.

A Committee has been formed for Safety and Prevention of Accidents and ear plugs are given to be worn to prevent damage to the ears due to noise; masks also have to be worn to prevent damage to the lungs due to dust and ashes and other safety equipment have been provided. The private clinic with a nurse is placed at the company and we can give urgent treatment to employees if the accidents are happened. Our management also made for safety of employees by organizing Fire safety committee and safety trainings are also given to employees.

Donations have been made by going to places suffering from draught in the summer, providing drinking water and providing of money, water and other essentials to victims of floods and storms as per the needs from time to time. Donation of purified drinking water 1-Liter (14,400) bottles was made to volunteers, social groups who help in repairing the pagodas and temples in Bagan which was struck by earthquake in 29 August, 2016.

The Warso robe and Kathina robe are offered to monastery by the efforts of all the employees annually.

Blood Donation of PMG Family to National Blood Bank



Donation of Drinking Water



Donation to Flood Victims in Ayeyarwaddy Region



Donation of Drinking water bottles to volunteers who helped in repairing pagodas in Bagan



LABOR 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 labor;

Principle 5: the effective abolition of child labor; and

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

PMG Company upholds the freedom of association and the effective recognition of the right to collective bargaining. We created a Workers Manual with standards from the Ministry of Labors for the responsibility of employers and employees. We also emphasize on company policy to uphold the freedom of association and collective bargaining. We practice 44 hours' work week and 2 times overtime allowances for extra hours in our company's Workers Manual clearly. We have no form of forced labor. We do not practice child labor; our employment policy is personnel above 18 years old. We create favorable workplace with the fresh air, cleaning dining room.

Our general HR benefits are as follows: monthly salaries & overtime allowances, travel and meal allowances, transportation provision, Social Security Insurances at Social Security Board for the employees, yearly leave entitlements; 6 days of casual leave, 10 days of earned leave, 14 weeks of maternity leave, 15 days of paternity leave, 30 days of fully paid medical leave are clearly expressed in Workers Manual of our company. Apart from these leaves, our company also allow to employees to get 7 days of Leave for Funerals and Bereavement which is not mentioned in labor law.

There is opportunity for each individual regardless of race, color, gender, religion, national or ethnic origin, disability, marital status, veteran status, or any other occupationally irrelevant condition. In our employment program, we strongly emphasize non-discrimination on workers and among workers. Moreover, all workers have right to believe and practice their religions.

ENVIRONMENT PRINCIPLES

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

Principle 8: undertake initiatives to promote greater environment responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Although the State had officially fixed the programs for Conservation of Natural environment, the Company with its own awareness has been carrying out the cleansing of waste water project beginning from May 2005 to 2016 in stages and is now carrying out the 5th project with amendments.

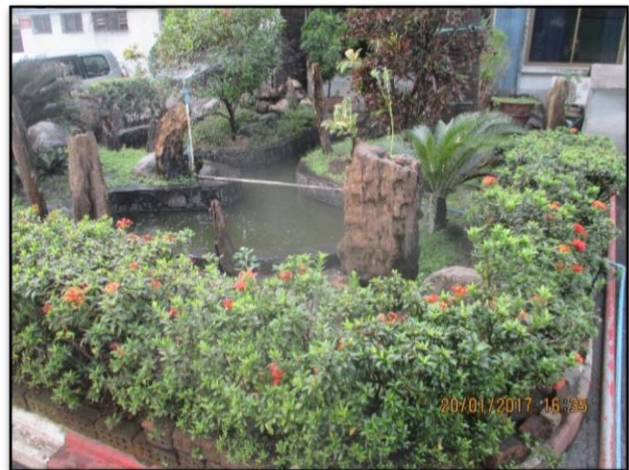
The wastes from the factory are disposed systematically. For example – broken rice and paste are sold off as animal feed, boiler ashes are given to agricultural farms free of charge, in order that the waste products do not affect the natural environment, the waste paste are sold to fish breeding ponds as fish feed which is beneficial to the factory and at the same time providing fish feed for the fish. In addition to that to lessen the emission of smoke from the Chimney of the factory, FBC boiler has been used, four stages; Air Zone, Fire Tube out, Air preheater, Cyclone separator has been made to reduce the dust and particles from the 100 feet chimney. And the final stage, a machine for suction of the same has been installed in the base of the chimney. As the boiler ashes are not involved from the Dust Collector chimney, Carbon Dioxide, Acid Rain will not be happened, and also the environment is also protected from air pollution.

Other waste water are sent to the sedimentation ponds and the clear water is allowed to be cool in the underground tank in stages and at the last stage the filtration of the clear water is done exclusively and then disposed into the river by concrete pipes. To reduce the water resources and not to lose fertility and topsoil, water is used systematically and the used water is recycled and waste to the drain by concrete pipe.

To reduce the electricity, we used the Spark Proof Lights and energy saving LED Light in our company. A fish pond with a small garden and other flowering plants and shady trees has placed in the compound to ensure greenery and relieve the people from mental fatigue.

Then, we also reduce the paper using by using the two sides of paper in copying and our departments are connected with local network and we distributes the customer order form, meeting minutes, work instruction with the e-mail or office outlook instead of using paper.

Mini-Garden with green plants and lake filled with recycle water



ENVIRONMENT PRINCIPLES



**Concrete Drain
(4' × 4') to waste
water**

**Underground Water
tank for fire-safety**



Fire-safety Training



ANTI-CORRUPTION PRINCIPLE

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

Provide continued education for all level of employees up to about corruption, as well as what to do if one should encounter it. Commitment is made in compliance with all relevant laws, including anti-corruption laws within the company and among the stakeholders.

We instruct our employees to not engage in corrupt practices. We feature articles on corruption and bribery to let the people know the destructive consequences on society, and we promote transparency as a way to help in anti-corruption. We also investigate reports on corruptions.

Income Tax and Commercial Tax Certification of PMG Co., Ltd.



ISO 9001: 2008 Certification of PMG Co., Ltd.

