



MINGALARDON CARGO SERVICES PUBLIC CO., LTD.

2016 - 2017 COMMUNICATION ON PROGRESS

- ❖ **HUMAN RIGHT**
- ❖ **LABOUR PRINCIPLES**
- ❖ **ENVIRONMENT**
- ❖ **ANTI-CORRUPTION**



WE SUPPORT



13th June 2017
H.E Antonio Guterres
Secretary-General
United Nations
New York, NY 10017
USA

Dear Mr. Secretary-General,

To our stakeholders,

I am pleased to confirm that Mingalardon Cargo Services Public Co., Ltd. through our daily business activities and our stakeholder relationships, reaffirms our support to the Ten Principles of the United Nations Global Compact in the areas covering Human Rights, Labor Principles, Environment and Anti-corruption issues. So that we may achieve sustainable development of the society. We seek in our CSR initiatives to collaborate with all of our stakeholders, government and civil communities to create a better future for all of us.

In this first year annual Communication on Progress (COP), we describe our actions to continually improve the integration of Global Compact and its principles into our business strategies, culture and our daily operations. Additionally, we commit to share this information with our stakeholders using our primary channels of communication.

Communication on Progress (COP) Period covered From 13th June 2016 to 13th June 2017

Yours Sincerely,

A handwritten signature in blue ink, appearing to be 'Saw Tun', written over a light blue circular stamp or seal.

Saw Tun
Managing Director
Mingalardon Cargo Services Public Co., Ltd.



Human Rights

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

Principle 2 : Make sure Businesses are not complicit in human right abuses.

Assessment, Policy and Goals

Mingalardon Cargo Services practices on the following policies;

- No Workplace Discrimination
- Focus on Universal Declaration of Human Rights
- Protect on Human Rights
- No discrimination of gender, age, race and religion on employment process.

Implementation

Mingalardon Cargo Services Program “ No Workplace Discrimination” is practiced in our cargo warehousing process so that to avoid discrimination among workers. In our employment process, strongly emphasize on Non- discrimination on workers and among workers. We don’t discriminate on Religious, Ethnic, Gender and Vulnerable Group in our employment process. Moreover, all workers have right to belief and right to religion. Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to create job opportunity for newcomer and everyone, without any discrimination has the right to equal pay for equal work.

MCS Human Resources Policy and Procedure was documented to understand easily among the employee by the Management Teams and Human Resources Manager. It supposes not only company’s management and policies but also the rights and responsibilities of the employees. Employee were briefly highlighted about the importance of mutual respect and equality by reading the Human Resources Policy and Procedure. All employees’ social welfares are well taken care of by our Management and human resource department.

Mingalardon Cargo Services documented several kinds of books for knowledge and information including general concept of Universal Declaration of Human Right books for employee and generation. Moreover, management team strongly encourages and supports each individual’s creative warehousing services, innovation and development, enabling each individual’s strengths to build creative thinking and sound character for the overall to flourish, without compromising its underlying principles. Moreover, we invite and share our business partners and stakeholders to know about the Ten Principles of UNGC and to practice UNGC Ten Principles and in their business process.

Conflict Resolution among the MCS’s process is practiced effectively. Constructive manner is practiced, i.e. to submit unsatisfactory, displeasure, unfairly treated, grievance, resentment, injustice and all complaints anonymously to Management Team or HR Department. Suggestion boxes were placed at MCS, in additions suggestion phone number, emails were publicized to all our stakeholders though various communication channel.

MCS actively participates in Human Right activities, workshop and seminars such as The 2017 MYANMAR UPDATE FOURM, co-hosted by University of Yangon Department of International Relations and Australian National University Myanmar Research Centre, BUSINESS FOR PEACE (B4P) Launching Ceremony at The Union of Myanmar Federation of Chambers of Commerce and Industry by Prof. Dr. Aung Tun Thet.



Myanmar Update Forum 2017



Business for Peace (B4P) Seminar



MCS was audited by the external auditor for the certification of ISO 9001:2015 Quality Management System without Non conformity regarding with any human rights though the audit focus on MCS' Quality Management System. MCS's Quality Management System is certified by Bureau Veritas Certification and accredited by UKAS on 01st March 2017.

Measurement of outcomes

Annual review meeting was completed by Management Team with zero case of human rights contravention.

Labour Principles

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

Assessment, Policy and Goals

Mingalardon Cargo Services Strongly emphasizes on:

- Company policy to uphold the freedom of association and collective bargaining.
- No child labor
- No force labor policy
- Creates secure work-place for workers
- Provided the written company policy to all the employees
- Educates our staff that our company supports and adopts UNGC the 10 principles
- Help out in emergency response for safety
- Respect disability and responsible business
- Support Training

Implementation

We are fully committed to align with ILO declaration and its articles on effective abolition of child labour and comply with Labour Law. MCS Human Resources Policy and Procedure was distributed as the employee's rights, responsibilities and grievance policy are mentioned to understand among the employee.

We create favorable workplace (Fresh air, fresh drinking water, Transportation, Meal allowance, Energy cool drink, Rest-room with air con , dining room and toilet) for all workers and frequently detected by committee.

Human Resources Policy, Procedure and Manual refers under Myanmar Labour Law, it is stated that opportunity to each individual regardless of race, color, gender, religion, age, sexual orientation, national or ethnic origin, disability, marital status, veteran status, or any other



occupationally irrelevant condition. Maintain and improve diversity in our company. MCS company policy is distributed to the all staff to understand.

Policy of freedom of Association and activism based on individual freedom of associations and actions are practiced in MCS under The Labour Organization Law, Union of Myanmar. Personnel Recruitment employs over 18 years old only and practices no force labor, 48 hours per week and under relevant existing of Myanmar Labour laws. Moreover, MCS encourage workers to earn monthly salaries plus overtime allowances, uniform, transportation and bonus are provided depending on their skill and good effort with performance appraisal per twice a year.

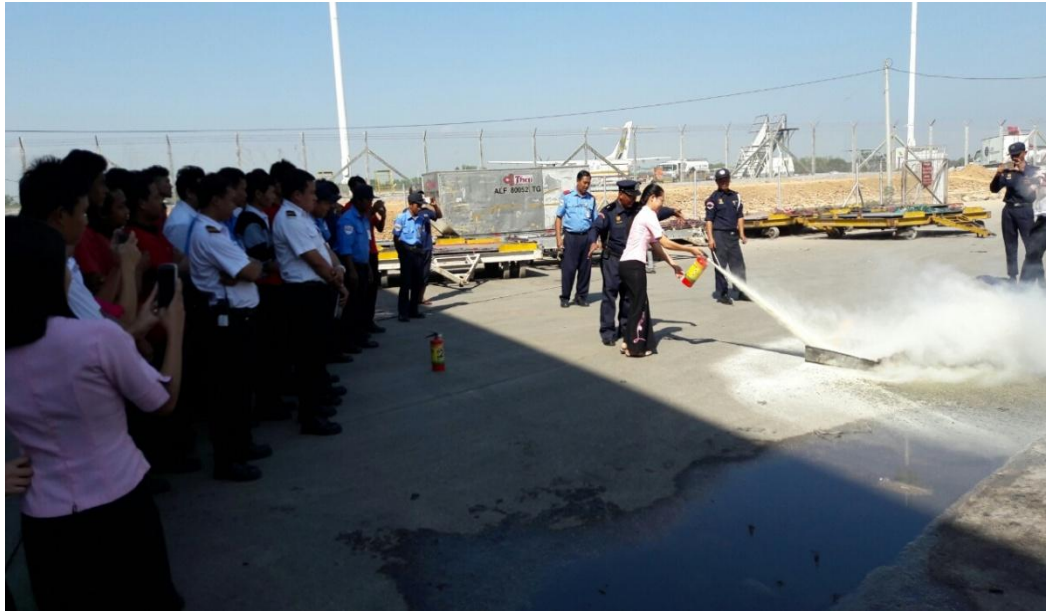
Orientation training were conducted in regular basis not only to welcome the new employee but also to make sure the employee awareness of the company's policies and Human Resources Policy and Procedure so that all employee fully aware of their rights and responsibilities.

Our new program is that Human Right abuse awareness training is conducted annually so that to generate knowledge and information to employee annually.

There are four emergency response plan in MCS such as Fire safety plan, security plan, work place safety plan and Natural Disaster Plan. Drills for all emergency plan will be simulated two times a year.



Safety and Security Training



Fire Drill



First Aid Training

Under new program, let workers to know about knowledge, information and worker rights by supporting respective books and annual seminar on warehousing, health care, workplace security and others. And provide health care to workers' family the seasonal fruits, vegetables and others.



Providing the seasonal fruits, vegetables and health care to employee's family



Management arrange a program every year that management mainly contributed and employee voluntary partially contributed and donated to charitable organizations such as Free education provided Monastery, Department of Social Welfare, etc.

MCS provide necessary training for the skill development, professional development and carrier development of all our employees. Every employee has freedom of speech and efficient communication between management and employee. Weekly meeting are being held for discussion between all employee.

Mingalardon Cargo Services is committed to practice good corporate to align with ISO 9001:2015 Quality Management System and fully comply with Myanmar labour laws and ILO regulations. MCS implemented the Human Resources Policy for all employees to obtain equal working environment and no discrimination, Equal chance of opportunity and information sharing for Men and Women in organization. Employees were conducted training such as Orientation, awareness training, Emergency drills. We ensure good communication channels between employee and management to be well organized through suggestion boxes, email, phone, viber information group.

Measurement of outcomes

Annual review meeting completed by Management Team. All feedbacks, suggestions and complaints were handled and managed by Management team. There is no child labour and forced labour reported or founded in organization according to the external audit team.

Environment Principles

Principle 7: Businesses 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.

Assessment, Policy and Goals

Awareness raising or training of employees on environmental protection;

- Always try best to inform progress and latest technology on environment
- Reduce waste materials
- Reduce consumption of fuels efficient usage of vehicles and generators
- Arrange by Yangon City Development Committee (YCDC)
- Creates green-environment and grow more trees



Implementation

Mingalardon Cargo Services follows and practices The Environmental Conservation Law laid down in The Republic of the Union of Myanmar. The Communication Letters between organization are now distributed via email, Viber Information Group, no hardcopy is provided. Especially, We use of the environment or any element or segment of the environment after making required protections from the adverse effects of wastes, discharges, emissions and deposits so as to cause public health, safety or welfare.

We apply the continuous application of multi-strategy on environmental conservation to processes, products and services to improve the use of resource efficiently, energy saving light and air-conditioning system, minimize waste, polluted water and emissions and conserve the healthy nature and human environment; to enable to manage and implement for decrease and loss of natural resources and for enabling the sustainable use beneficially. According to new program, MCS practices clean environment of inner and outer parts of the work-place. Waste and rubbish are collected in systematic way and dust bins and waste boxes are put to the suitable parts of the factory. Moreover, we plant trees and create green-environment in warehouse surrounding. Every day, we take care the plant around the environment to growth up, watering, etc.

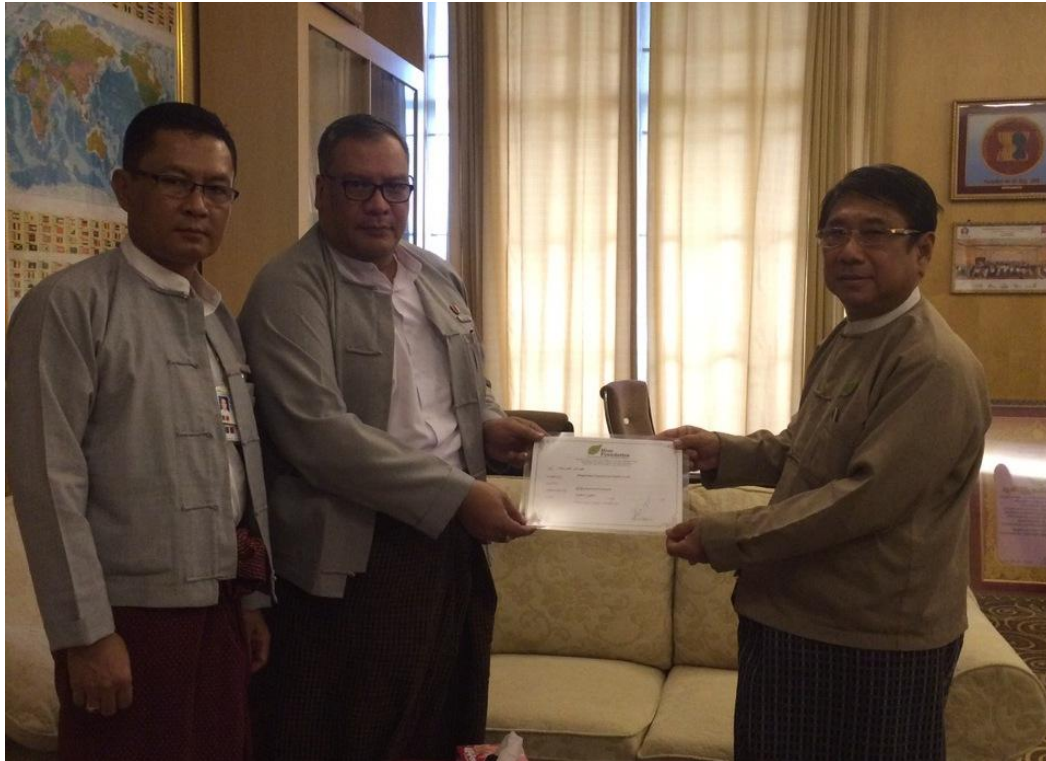


Planting the various kinds of the trees around the warehouse area to be green environment.

We have been actively supporting to Local NGO and Foundation's CSR activities to be green environment, to save the people who is straighten by natural disaster. We are contributing to the country's education sector, health sector, religious affairs.



Mingalardon Cargo Services donated to Local Foundation two hundreds lakhs and cloths for flood suffered area



Donation Five Lakhs kyats to Local Foundation for Myaing Gyi Ngu Internally Displace Person IDP's Shelter in need of supplies

Measurement of outcomes

Annual review meeting completed by Management Team. As the our sustainable Improvement the environment, We have planted the various kinds of the trees around the warehouse area. MCS admits that We have future plan to be clean around the Yangon International Airport and compound area partner with Yangon City Development Committee (YCDC) that will be implemented near future.

MCS donated the food and soft drinks for students to the Htauk Kyant Social Welfare Training School, the Department of Social Welfare, Ministry of Social Welfare.



Donation to the Htauk Kyant Social Welfare Training School, Department of Social Welfare

Orientation and awareness training were conducted regularly to understand of company's sustainable program for environment. Safety Training, Fire drill and Dangerous Goods Training are regularly conducted to prevent possible fire incident and Dangerous Goods incident which can harm the environment.



Dangerous Goods Training



Anti-corruption

Principle 10 – Businesses should work against all forms of corruption, including extortion and bribery.

Assessments, Policy and Goals

- Not accept the gift or present
- Regularly check by Internal Audit Team
- Monitoring by CCTV control center

Implementation

Mingalardon Cargo Services have a standard and believe in communication with all stakeholders especially with our valuable employee. Our Management holds weekly meeting with all departments to encourage integrity and explain about punishments and rewards concerned with corruption. No corruption was briefly mentioned on Human Resources policy and procedure. All employee are fully encouraged without any hesitation to report if any corruption case noticed through various communication channels.

MCS was audited by the external auditor for the certification of ISO 9001:2015 Quality Management System without Non conformity regarding with any corruption case.

Measurement of outcomes

Annual review meeting completed by Management Team. As the result of corruption review, there were no corruption cases sharing through by all communication channels. In case of any corruption, Management Team takes investigation the accident detail and serious action according to any level of cases and checking the documents and CCTV records after that the Management Team take the necessary action on the investigation of the problem.