



PEACE MYANMAR GROUP CO., LTD.

UN Global Compact Communication on Progress



7th March, 2018

Peace Myanmar Group Company Ltd.

No.1, Corner of Zawtika Lane & Bayint Naung Main Road,

Ward (4), Kamayut, Yangon, Myanmar

Tel: +95 (01) 538412, 538413 Fax: +95 (01) 510553

Website: www.pmg.com.mm

Statement of Commitment

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

Dear Mr. Secretary-General,

On behalf of my organization, Peace Myanmar Group Co., Ltd., I am pleased to acknowledge that we support 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 organization and our stakeholders. 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 how we effort to gradually development and maintain the ten principles of the United Nations Global Compact. It includes, how we practices ten principles to integrate our company policies, organizational culture, and structure.

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.

Employees are parts of our key assets and we are most proud of the growth in our people after fulfilling their career planning and development. We coach and train our employees not only for company benefit but also for their career and life. We provided with the necessary knowledge and skills to perform their day to day jobs; for example induction training for new employee, on the job training, in house training and external training are provided. We support professional growth of our employees by encouraging individuals' creativity, innovation and development, creating brain storming session which enables each individual to build his/her skill sets.

We inform our employees internally about new projects and seek the views of community and respect the right to information and participation. Internal announcement letter including company update information, articles for general knowledge is conducted and put on board in order to share what company is doing for improving to employees.

Company provides employment and fair wages to workers and supports right to work, to adequate standard of living. We assign work to each employee to fit with their skills and to get more experiences for their career. We give fair wages to our employees at the start of every month and we close all the public holidays announced by Government.

Our employees are provided health care and we contribute to the right to health. For the health of employees, vaccinations of anti B hepatitis virus, vaccinations of seasonal influenza have been given and medical checkups conducted.

Blood donation at the national bank is also our proudly CSR effort. Since 2014, we have been engaged in 12th blood drives. We give all our employees a chance to give back to the community by donating much needed blood supplies at the Myanmar National blood bank. At the moment, our employees and friends of the company have donated over 1500 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.

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.

Beside from CSR activities, our company holds annual charity activities according to Myanmar Traditional and culture. The Warso occasion, Thadingyut offerings, Kahtina robe offering and donation to monastic education are example for events of charity activity.



PMG *Peace Myanmar Group Co., Ltd.*

BLOOD DONATION OF PMG FAMILY TO NATIONAL BLOOD BANK



Vaccinations of anti B hepatitis virus



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



THADINGYUT LIGHTING FESTIVAL



KATHINA ROBE OFFERING



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. Our HR department states clear written policies of employee rights and responsibilities for compensation & benefits, rules & regulations.

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. We also have open door policy with our employees. All the employees can work in large space happily together without discrimination and working closely with managers and colleagues of different backgrounds can have teamwork.

We follow the law of the Labor Union of Myanmar and then we welcome them to educate our HR department and attend the training and workshop held by the Labor Union of Myanmar. HR departments share update information to the management and employees internally.

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. Then we have a good gender balance in PMG, female also have equal opportunity to male. We give fully maternity leave to pregnancy according to law and we do not discriminate against women and violate the right to work for female. 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 till in stages and is now carrying out the 6th 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.

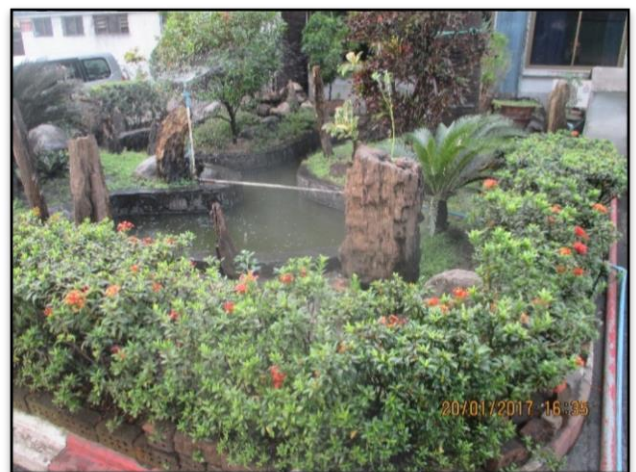
As the boiler ashes are not involved from the Dust Collector chimney, Carbon Dioxide, Acid Rain will not be happened, and also the environment is also protected from air pollution.

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



Cleaning and Safety activities



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

**Underground Water
tank for fire-safety**



Fire-safety Training



ANTI-CORRUPTION PRINCIPLE

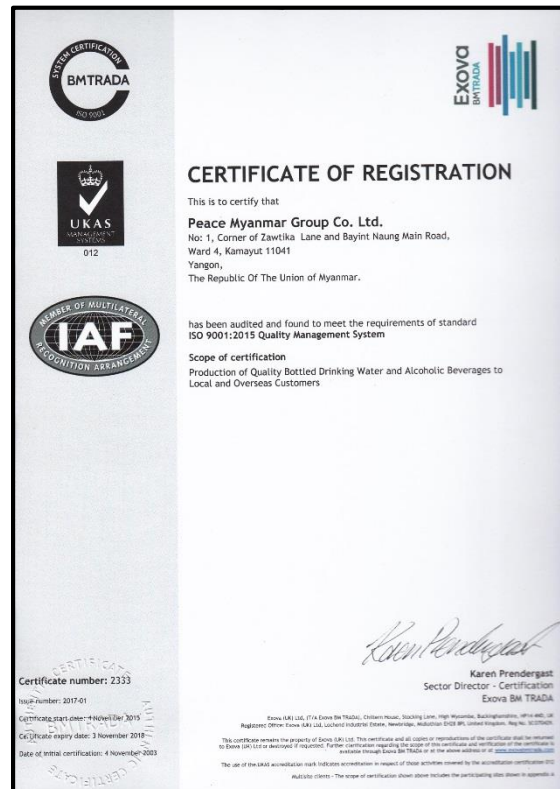
Principle 10: Business should work against corruption in all its forms, including extortion and bribery.

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 not to 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. Again, we educate to new employees, exiting employees and business partners though our anti-corruption policy to ensure that the entire company's activities are acting in accordance of these rules.

Our audits make audition to each department within our company monthly, quarterly and yearly not only the procedures to meet the ISO 9001:2015 standard but also practices to ensure there is no bad practices in accordance with the anti-corruption policy. Then, the report of each department directly goes to top management for any presence of bribery. If there is any practice that violates the anti-corruption policy, these are reviewed and taken necessary action.

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



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

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ
 ဘဏ္ဍာရေးဝန်ကြီးဌာန
 ပြည်တွင်းအခွန်များဦးစီးဌာန
 ဂုဏ်မြေဖတ်တမ်းလွှာ



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 ထမ်းဆောင်ခဲ့သော (မြန်မာ့ကုမ္ပဏီ) Peace Myanmar Group Co.,Ltd. သည်
 နိုင်ငံတော်အတွက် ထာဝရကျေးဇူးပြု၍ အခွန်ထမ်းဆောင်နိုင်ခဲ့သည့်အပြင် တိုင်းပြည်စီးပွား
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(မင်းထွဋ်)
 ညွှန်ကြားရေးမှူးချုပ်

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