



MINGALARDON CARGO SERVICES PUBLIC CO., LTD.

2017 - 2018 COMMUNICATION ON PROGRESS



WE SUPPORT

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



13th June 2018
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 2nd 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 2017 to 13th June 2018

Yours Sincerely,

A handwritten signature in black ink, appearing to be 'Saw Tun', is written over a light blue rectangular background.

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” had been practicing 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.

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.

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.

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. 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 addition suggestion phone number, emails were publicized to all our stakeholders through various communication channels.

Measurement of outcomes

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

MCS actively participates in Human Right activities, workshop and seminars such as The Role of CSOs in Promoting UN Global Compact including the Business for Peace (B4P), Role of CSOs and Concrete Actions which is conducted on 21st August 2017 at UMFCCI by Prof. Dr. Aung Tun Thet.



Role of CSOs in Promoting UN Global Compact Seminar at UMFCCI

MCS's Quality Management System was certified by Bureau Veritas Certification and accredited by UKAS on 01st March 2017. The surveillance audit was conducted and passed on 08th Feb 2018 without Non conformity regarding with any human rights though the audit focus on MCS' Quality Management System. The surveillance audit will be conducted by Bureau Veritas Certification every year.

Mingalardon Cargo Services proceeded to be sustainable development and more successful in the future activities and performance with all customers. Mingalardon Cargo Services has celebrated its Annual Customer Appreciation Dinner on the evening on 16th January 2018 at Sedona Hotel. The dinner has been attended by MCS Management and responsible persons, Advisors from HGC and invited guests, Freight forwarder, customer airlines and ground handling agents.



MCS 's Annual Customer Appreciation Dinner



The MCS 's Annual Customer Appreciation Dinner has been completed successfully with lucky draw programme for the attended guests and entertainment of songs and music by vocalists.



MCS 's Annual Customer Appreciation Dinner

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 and no force labor policy
- Creates secure work-place and healthy 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 and security
- Respect disability and responsible business
- Support Training for workers

Implementation

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.

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, Energy medicine, 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.

Orientation training, Quality Management System, UNGC ten principle 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. To improve the employee skill, MCS provide the Dangerous Goods training, safety training, security training and other international training.

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.



Cargo and Mail Security Training



Dangerous Goods Regulation Training



X-Ray Operator Training



Fire Drill conducted by Myanmar Fire Services Department



Fire Drill conducted by Myanmar Fire Services Department



Under new program, let workers to know about knowledge, information and worker rights by supporting respective books and annual seminar on warehousing, health care, work-place security and others.





MCS provide Enervon- C Multivitamin and health care to employee. Multivitamin are prescribed for treating deficiency of vitamins caused by illness like pregnancy, unhealthy nutrition, unsteady digestion and other similar conditions.



Providing the ENERVON-C and health care to Employee

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 management 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 all believed that Planting trees can support the natural environment positively and have meaningful effects on social life, purify the air pollution, can add oxygen to the atmosphere, save the energy on cooling/heating machineries and also support to reduce global warming system. If a huge tree in properly and systematically taken care in a garden, the volume of oxygen it produces is equivalent to the air condition.



Mingalardon Cargo Services Public Co., Ltd Monsoon Tree Planting Event 2018

Measurement of outcomes

The MCS Monsoon Tree Planting Event 2018 was accomplished on 9th June 2018 on the areas of Hlawga National Park located in Mingalardon township. A total of 200 plants of Teak and Mahogany are planted actively by the MCS Management Team, Staff and Aviation Family members. MCS provide the food and cool drinks for all staff and partnerships. Moreover, MCS will continue to participate yearly planting or other environmental development in the future.



Mingalardon Cargo Services Public Co., Ltd Monsoon Tree Planting Event 2018



Mingalardon Cargo Services Public Co., Ltd Monsoon Tree Planting Event 2018



We have been actively supporting to Local 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.



MCS collective donation food and essential items for fire fighters

MCS participated with local foundation and all sectors donation the food and essential items to those who are involved in fire extinguishing at Hteinbin Garbage Dumping Site at Hlaing Tharyar Township, Yangon Division on 26th April 2018. The donated items included essential items which are really needed in fire extinguishing, such as tents, medicines and equipment, ice-boxes, long boots, food items i.e. eggs and purified drinking water, etc.

Annual management 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 are contribution, planting and CSR activities every year.



Mingalardon Cargo Services Public Co., Ltd., the Donation Ceremony is conducted on Thursday, 17th May 2018 at the Htauk Kyant Social Welfare Training School, the Department of Social Welfare, Ministry of Social Welfare, Relief and Resettlement which is located at No. 45, Yangon-Pyay Road in Mingalardon township.



MCS's Management and staff members attended the Donation Ceremony and donated the food, soft drinks, clothes and benefaction to the novices and 69 children for their training and living.



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



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



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.

Customer Surveys are conducted at least once a year by requesting the existing customers to complete customer feedback forms. If customer complaints about corruption, MCS audit team takes immediate action to investigate by interviewing all concerned persons and check the documents records reviewing. Based upon the result of the Audit Team review, MCS management takes necessary actions accordingly.

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. There was no corruption case MCS management review meeting

Measurement of outcomes

Annual management 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.