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August 30, 2018

**EXECUTIVE DIRECTOR OF MEDI MYANMAR GROUP LTD.
STATEMENT OF CONTINUED SUPPORT**

Medi Myanmar Group Ltd. is extremely committed to align with the United Nations Global Compact guidelines and principles because it matches our organizational mission and goals. Over the years, we have witnessed the changing landscape around the world where more organizations, no matter how small or large, are taking steps to become more socially responsible. At Medi Myanmar, we also believe in being socially responsible and engaging in ethical business practices with all our stakeholders to build a sustainable future. The human rights, labor, environmental, and anti-corruption principles of the UNGC are excellent in highlighting the direction that Medi Myanmar is heading towards to build a great organization.

Since 2015, one of our goals is also to improve our management and operations systems in order to prepare it for success and sustainability. The senior management teams along with the relevant stakeholders in the organization were successful in achieving the ISO 9001: 2008 certification in order to align with standardized principles to grow our company. Again in 2018, Medi Myanmar was successful in earning the ISO 9001: 2015 certification for continuously meeting standardized and required management systems to meet the needs of stakeholders.

Together, we believe that by adhering to ISO standards and UNGC principles, it will engage

our senior management, staff, and other stakeholders to work towards the sustainable development goals. In addition, Medi Myanmar will continuously review areas for improvement and make adjustments accordingly wherever necessary to work towards these principles and standards. It is the only way we can create more value for stakeholders in the long run for sustainability.

In this annual Communication on Progress, we explain the policies created and actions implemented in alignment with the Ten Principles of the UNGC. It contains an overview of how these principles and values are integrated in our systems and operations to build a sustainable future for all stakeholders. Medi Myanmar would also like to thank everyone involved in our daily operations for their support and execution of these principles throughout the organization.

Sincerely,

A handwritten signature in black ink, appearing to be 'Htut Arkar Win' with a stylized flourish at the end.

Htut Arkar Win

EXECUTIVE DIRECTOR

MEDI MYANMAR GROUP LTD.

From: August 2017 To: August 2018

The Global Compact asks companies to embrace, support and enact on “**The Ten Principles of the United Nations Global Compact**” within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption:

Human Rights

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

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

Medi Myanmar Group Ltd. is a strong supporter of human rights by providing the necessary facilities and environment in order to provide a safe and health workplace for our employees. There are also policies in place to ensure that activities such as discrimination are not tolerated at our organization and in our daily employment practices.

Moreover, Medi Myanmar strongly believes that our employees are the key assets of our organization so we pay close attention to their needs. There are opportunities for personal development and other mechanisms in place for them to feel growth at this company. We have over 10 branch offices across Myanmar so these human resource practices are implemented at all branches for all senior management and staff.

Assessment, Policy and Goals

- Medi Myanmar develops policies so that our workplace is free from harassment and other forms of discrimination based on race, color, religion, sex, national origin, age, disability, and sexual orientation. We have zero tolerance for harassment, abuses or any other form of unlawful discrimination.

- Medi Myanmar maintains a policy where everyone should treat each other equally and fairly with no discrimination on gender, race or religion.
- At Medi Myanmar, career opportunities are available for all employees. Assessment of professional competencies and performances of our employees are executed through KPI's. Fair assessment exams are implemented for new employees. We also look from within our own company and give them priority career development opportunities.
- All business partners and suppliers will adhere to our principles on Human Rights.
- All employees and business partners are free to express their cultural values and conduct their activities without discrimination or judgment at Medi Myanmar
- We are committed to improve the lives of people in our local community socially and economically, with priority in the areas of health and education. Philanthropic efforts are integrated into our core values and business activities as we donate medical supplies, build clinics, and provide medical assistance in various parts of the country.
- Myanmar currently faces occasional religious conflicts between the Buddhists and Muslims in western parts of the country. We are continuously observing and keeping awareness to ensure that this type of conflict does not take place within the workplace of our organization.

Implementation

- We have an open door policy with our employees. Support is present throughout the entire organization at all levels, from top management, senior management to the bottom level for anyone to express their experiences regarding human rights.
- Policies on human rights is shared amongst all employees and monitored by assigned team and middle management level to follow and act accordingly.
- Medi Myanmar urges feedback from our employees, business partners, and affiliates on how we can improve our policies and be more progressive on solutions regarding Human rights.
- Continuous, systematic assessment and monitoring of our policies are executed in the areas

where needed. Senior management and HR cooperate with each other to resolve issues involving people of all levels if needed.

- Medi Myanmar provides supports active undergraduates at our company to continue their education through “education leaves” on pay roles to take the exams until they graduate. We also provide jobs to those from underprivileged backgrounds and conduct training to develop in their interest and capacity in their roles.
- Medi Myanmar implements policies for the protection of Human Rights for all stakeholders throughout all levels of our company.
- Any discriminatory act including sexual harassments are taken into account where any incident reported shall be dealt immediately with high priority by HR and senior management.
- All employees regardless of background, race, religion, and sexual orientation are allowed express themselves freely.
- Medi Myanmar supports capacity building of our employees by investing in language skills, training, and personal development of our employees in order for them to acquire valuable skills in their areas of interests in relation to business regardless of their educational background.
- Medi Myanmar supports its employees for healthcare needs from minor to major illness, maternity care, and surgical procedure cases since there is an insufficient healthcare system and coverage provided by the authority for the people within our country.
- Our offices throughout the country hold annual charity activities by following Myanmar tradition and culture. Examples of such events are the Warso occasion, Thadingyut offerings, Kahtein tree offering to monasteries, Myanmar New Years offerings to monks and people.
- We have contributed to the University of Medicine (1) Alumni association for three consecutive years supporting outstanding students award for 4 categories with Gold medal awards. This supports outstanding medical students who can one day contribute to the medical community.

- We participate in the local project with the Global L'Occitane Foundation to fight avoidable blindness. We access rural areas with a lack of medical coverage and infrastructure in order to provide free eye care such as dispensing prescription glasses, distributing antibiotics, and providing cataract surgery to over 2000 people annually.
- One senior management is the President of Visăkhă Foundation, which is an official registered foundation supporting young adults on vocational training, providing decent jobs and reducing poverty from underprivileged in poor social-economic background including orphans. In collaboration with the foundation we are fully supporting on education and vocational training support. Together with the foundation we are involved in taking responsibility for nearly 300 young adults with vocational training for development of their skills and provided decent jobs with decent income able to support to continue their education to get a degree and support their families.

Measurement of outcomes

- HR reports incidents to senior management when they are aware of any situation regarding the violation of human rights in order to deal with the matter.
- Medi Myanmar assesses organizational demographics annually to see where we can improve (i.e. gender, race, educational distribution and etc.).
- Regular and continuous assessment and monitoring are done. We analyze and identify the areas for improvement and where additions can be made for better implementation of company policies supporting to responsibility on human rights.
- Medi Myanmar assesses our charitable contributions in order to implement philanthropic efforts in more areas within the local community that may need it.

Labour

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 labour; and

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

Assessment, Policy and Goals

- Medi Myanmar Group Ltd. adheres to the Country's labour laws regarding wages, overtime work pay, leave benefits, maternal leave, and other benefits.
- Medi Myanmar does not engage in torture, child labour, forced and compulsory labour within our organization and will not work with any business partners that do so.
- Our human resources department has created policies that clearly state employee rights and responsibilities for compensation and benefits. These rights and responsibilities are continuously updated in accordance with national regulations.
- Medi Myanmar requires its business partners and suppliers to adhere to our labor policies when hiring staff, engaging in employment practices, and giving compensation.
- Medi Myanmar aims to reduce our employee complaints and turnover rates in order to create a safe and harmonious working environment without discrimination. .

Implementation

- Labour policies are created, implemented and updated by the HR department in cooperation with senior management. If there are any violations reported, it will be addressed by HR and senior management to be deal with in a timely manner with a fair system.
- Medi Myanmar issues a company memo that is to be cascaded down the organization if organizational policies on labour rights are to be amended.
- New recruits are shared the company policies and regulations order for them to understand and be aware of our policies and practices.
- Senior and middle management staff is trained to understand different types of discrimination and how it can affect the workforce in order for them to promote a non-discriminatory work

environment.

- Medi Myanmar prioritizes the health and safety of our employees. We ensure that our staff is provided with adequate medical care and support wherever our resources need to be allocated (i.e. Medical leave, maternal leave, Health checkups, medical examinations, medications, operation procedures, treatment and etc.).
- Medi Myanmar supports its employees in capacity building and personal development by providing free courses to improve their English language fluency, knowledge on their related responsibilities and skills development. We also provide opportunities by supporting them to attend courses in marketing, strategic management, human resource management, business management, accounting and MBA degrees. We have permitted 5 MBA students in our company to work with flexible hours during their course until they graduated last month.
- We take steps to boost employee motivation and morale through a reward system including incentives, bonus programs, local trips, overseas trips, and promotions.
- All of our offices close accordingly with all religious and national holidays.
- Medi Myanmar is open to share our labor policies with business partners and supplies when requested.
- Senior management and HR are active and responsibility to uphold labour rights within our organization. We also encourage employees to support each other as a family, protect and educate each other to understand company labour policies in order to be responsible.
- We have an open door policy with the Labour Union of Myanmar (Government Ministry) whereby we welcome them to educate our HR department and senior management for general education, updates, and trends in their field. HR also has the responsibility to communicate and share this information internally to our employees.

Measurement of outcomes

- Medi Myanmar continuously reviews and monitors our company statistics to see where

we can improve in terms of labor rights (i.e. Gender, Pay scale, Job Title, Sick Leave, Health Care, Educational Training).

- Senior management has established KPI's to monitor employees in order to provide them with fair and equal compensation and rewards without discrimination.
- We do not tolerate violations of the Global Compact Labour principles within our organization, by our business partners, business affiliates, or suppliers. We will assess the situation and within reason terminate all ties to the party related to this violation. If the situation can be dealt with in a reasonable manner we will monitor progress and reassess regularly.
- We have a systematic reviewing system by senior management on the company labour policies to ensure that our organization is acting within accordance of the law.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

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

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

Assessment, Policy and Goals

- Medi Myanmar is takes steps to engage in greater responsibility with our stakeholders.
- Newly recruited and long-term employees are shared with our company policies and goals regarding environmental protection.
- Medi Myanmar is on track to decrease its environmental footprint by 10 to 15% annually. We will review areas in our operations and systems where we can decrease our environmental footprint even further in the following years.

Implementation

- We are promoting “not to litter” and “throw waste into the bins” practice within the company since people are not as aware of the environment in the country. We promote methods such as teaching employees how waste should be disposed in proper bins for recycling and trash. No beetle nut chewing in the office premises and no smoking inside the office buildings and all warehouses.
- Medi Myanmar has selected Friday as “clean up day” when all employees throw away litters, remove clusters around their areas and clean up their spaces at the same time.
- Car-pooling is encouraged for employees when they come to the office or in our supply chain systems for delivery in order to reduce carbon emissions.
- Medi Myanmar is replacing fluorescent lamps to LED lamps to save energy in areas where we can. Will continue to implement this procedure throughout all the offices and warehouses to maximize energy saving.
- Medi Myanmar strictly follows environmental policies within our country. For example, high-density polyethylene (HDPE) is no longer in compliance with the environmental policy of Myanmar so we have improved ourselves to use alternative materials such as recycled bags and paper bags.
- We do not take part in local business activities that expose significant risk to the environment (i.e. carbon emissions of factories, etc.).
- Medi Myanmar has encouraged using electronic files to store and send data instead of paper when appropriate.
- Medi Myanmar has decreased its travels by air or vehicle to districts, regions, and branch offices by conducting calls over the Internet.
- Medi Myanmar has quarterly meetings and activities where knowledge and trends about the

environment are shared with employees.

- Medi Myanmar encourages saving electricity by requesting employees to reduce the use of air conditioning depending on the weather or to open windows if possible. We also educate all employees not to waste water sources and use with care.
- Employees are encouraged by senior management and HR to share ideas about going green and alternative ways to reduce their environmental footprint.
- We educate our employees nationwide about environmental protection at a basic level (i.e. Paperless communication, data storage, encouraging the use of garbage cans as opposed to littering, saving water usage, car pooling, installing air cooling fans in some areas, encouraging to use natural light source wherever possible, saving electricity on air conditioning and lighting usage).
- Medi Myanmar urges businesses partners to let us reuse existing furniture and supplies for pop-up events and road shows in order to reduce the use of unnecessary additional resources.
- We encourage business partners to share their annual report of their environmental policies and activities to understand their methods in reducing their environmental footprint so we can also learn new ideas to implement at Medi Myanmar.

Measurement of outcomes

- Medi Myanmar regularly reviews and monitors our environmental footprint of the company through the monthly electricity bill, water bill, gasoline bills, purchase of papers, checking the office premises, warehouses cleanliness and usage of resources, etc.
- Senior management and HR discuss with the supply chain and operations teams to find ways to reduce our carbon footprint and save the environment wherever possible in our daily processes.
- Medi Myanmar regularly organizes knowledge-sharing activities among the employees to understand and improve methods to reduce waste and protect the environment.

- Medi Myanmar also requests annual reports of environmental policies from our business partners and affiliates in order to encourage them to gradually reduce their environmental footprint annually. We also share our environmental goals and implementations if requested.

Anti-Corruption

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

Assessment, Policy and Goals

- Medi Myanmar clearly states in our policies and to our employees or business partners to avoid any form of extortion or bribery. We highlight our expectations on our values related to anti-corruption and general company ethics. New employees and business partners are guided through our company values to understand our expectations. Existing employees are also refreshed and updated on our values if needed.
- We do not tolerate any activities where people within our organization or business affiliates are affecting our community's anti-corruption policies.
- The risk of bribery and corruption within our country is one of the main concerns. We encourage all stakeholders to respect business ethics and values in order to avoid these illegal practices.

Implementation

- Senior Management and HR are required to implement systems and operational flows that will avoid or reduce the risk of corrupt behavior within the company or by business partners.
- Medi Myanmar regularly conducts knowledge sharing sessions with our employees to help them understand what is considered malpractice in terms of bribery and extortion so they are aware of it when it is being practiced. Any incidences must be informed to HR and senior management upon finding out about situation so that the organization can deal with the matter in a fair and just manner.
- The company anti-corruption policy is circulated amongst all stakeholders to ensure that the entire organizational activities are acting in accordance of company policies and national

laws.

- We audit each department within our company monthly and quarterly to ensure that there is no malpractice in accordance with the anti-corruption policy. The respective department heads must review their practices and procedures to align with company's expectations and seek any improvements that can be made
- Reports are collected from department heads of all offices to seek for any presence of extortion and bribery. Any incidences will be reviewed and discussed with management and HR to appropriate actions.

Measurement of outcomes

- All incidents reported are reviewed monthly, quarterly and annually to follow the anti-corruption policy. We want to ensure that our procedures and systems for corrective action are appropriate. In addition, we want to understand how to improve our systems to reduce the risk of anti-corruption.
- We assess and evaluate the incidents reported to understand the severity of the situation in order to understand the appropriate course of action.
- Top management and HR conduct regular internal audits within each department to reduce any risk of corrupt actions in the company.

Overall, Medi Myanmar has implemented policies and created goals to adhere to the UNGC principles in order to support the Sustainable Development Goals (SDGs). We are proud and committed to lead an organization that is ethical and socially responsible in order to build a sustainable future.
