





FAME Pharmaceuticals Industry Co.,Ltd.

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Fame Organic Pharming Project

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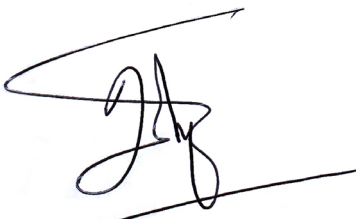
STATEMENT OF CONTINUED SUPPORT

Mr. Antonio Guterres
Secretary – General
United Nation
New York, NY 10017
USA

Dear Mr. Secretary- General,

I am honored and pleased to confirm that FAME Pharmaceuticals Industry Co., Ltd attests its participation in United Nation Global Compact in the fields of Human Rights, Labour, Environment and Anti-corruption.

In this annual Communication on Progress, we represent our continuing actions to upgrade the integration of the Global Compact and its principles into our business structure, culture and daily operations. We also commit to share this information with our customers, colleagues and stakeholders using our primary channels of communication.



Dr. Khin Maung Lwin
Managing Director
FAME Pharmaceuticals Industry Co.,Ltd.

MESSAGE FROM THE MANAGING DIRECTOR



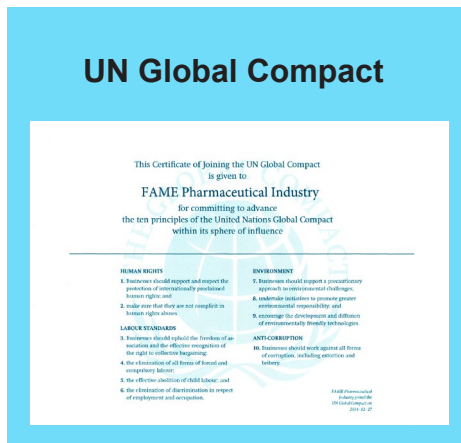
Our company, FAME Pharmaceuticals has been established since 1999 and now it has been 20 years. Our main priority is “Better Health and Brighter Future for people from Myanmar to worldwide through leading innovation in Organic Herbal Medicines. Thus, FAME has been building a common vision for eco-innovation by implementation awareness of innovation project and producing natural and organic herbal medicines continuously.

At the same time, we are performing our CSR activities ceaselessly and also encourage our stakeholders, business leaders, customers and society for co-operation in CSR activities. FAME's CSR Goal is **“To embrace responsibility for the corporate action and encourage a positive impact through activities on the consumers, employees, communities and environment”**.

This is the sixth report of our activities and progress during 2019. In this Communication on Progress, we report on our achievements and our actions to implement the 10 principles of UN Global Compact. We take clear actions on these principles and improve our performance year-on-year. So, I hope that we can perform our responsible practices with acceleration by supporting UN Global Compact more than now in the future.

Dr. Khin Maung Lwin
Managing Director
FAME Pharmaceuticals Industry Co.,Ltd.

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ASEAN BUSINESS AWARDS
For CSR in 2010
(Finalist)



ASEAN BUSINESS AWARDS
2014 (2nd Runner UP)
Most Admired ASEAN
Enterprise Innovation



National Winner 2014
(Myanmar)
Most Admired ASEAN
Enterprise Innovation



ASEAN Energy Award
(Winner) in 2013



President's Excellent
Performance Award
in 2014



ASEAN-OSHNET
Excellence Award
2016



CLMV SME
EXCELLENCE AWARD
2016



ASEAN Business Awards
for Innovation
SME Excellence Award
Winner 2017



Excellence in Workplace
Environment
Gold Winner 2017



ASEAN Business Awards
SME Excellence-Employment
Country Winner 2018

Human Rights Principles

Principle 1:

Business should support and respect the protection of internationally proclaimed human right.

Principle 2:

Business should make sure they are not complicit in human right abuses.

While governments have the primary duty to protect, respect and fulfill human rights, other organizations and individuals have important complementary roles to play in respecting and supporting human rights. All businesses everywhere, regardless of size or sector, have the baseline responsibility to respect human rights. Respecting and supporting human rights also strengthens a business' relationships with its stakeholders. New recruits increasingly consider the social, environmental and governance record of companies when making their choice of employer. Human rights and inclusive business models can also be a source of innovation for new products or services, access to new markets, help strengthen the social license to operate and to make the business a valued member of the community and society.

Our objective is to create the happy and healthy workplace for employees and then they can do their duties to the best of quality according to Universal Declaration of human right. Thus, we take the actions of current and future plans to protect internationally proclaimed human right in the work place:

- Provide technical and education trainings
- Furnish safe and healthy working conditions,
- Guarantee freedom of association,
- Ensure non-discrimination in personnel practices,
- Guard that they do not use directly or indirectly forced labour or child labour,
- Supply access to basic health, education and housing for the workers and their families
- Make reasonable accommodations for all employees' religious observance and practices.

Training Programs

We continuously invite internal and/or external trainers from local and foreign countries for capacity building of our employees. The skilful trainers give the application trainings and technical trainings to the responsible employees as job requirements. We also send employees to foreign countries for learning the knowledge and technical know-how to be able to abreast internationally. We aim to become more skilful persons and to give and share more knowledges to other employees.

In 2019, there were (15) external trainings including Foreign (2) and Local (13) and regular internal trainings including education program, departmental meetings and trainings and monthly management system trainings.

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We also make a supporting program related with new machines. When we purchase a new machine from external suppliers, their experts provide the technical and application trainings to our responsible employees to be more proficient and familiar with that machine.



AOTS(The Leadership Program for Myanmar)
13-26 February 2019 (JAPAN)



Application Training for Gas Chromatography-
Mass Spectrometry by Zizawa

We have orientation training programs for new employees who firstly join to our workplace. The aim of these trainings is to be friendly with the company's systems and to be able to collaborate well. Training period is not more than 10 hours and trained by responsible managers.

1. HR manager explains in house HR Rules and Regulations.
2. QMS MR explains Quality Management System (ISO 9001:2015).
3. QA manager explains Good Manufacturing Practice (GMP).
4. OHSMS Officer explains Occupational Health and Safety Management System (ISO 45001:2018).
5. EMS MR explains Environmental Management System (ISO 14001:2015)
6. CSR MR explains Corporate Social Responsibility 2.0 Policy (ISO 26000)

And then, we make evaluation program after each training.

After all that, they have to learn on job training from their respective managers in their department and monthly departmental training. System trainings are required not only for new employees but also for all employees as refreshment trainings.



New Employee Training

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Departmental Training

Education and Entertainment

We have Saturday program in alternative week and HR department manages the schedules for education and entertainment programs. The system representatives give the education trainings at theatre alternatively and we also invite external speakers and the famous Myanmar authors for Symposium Program to improve general knowledges and motivation. Improving general knowledges needs for employees because it helps with personal growth, good citizenship, and a stronger society. In the same way, entertainment programs are arranged to employees for mind relaxation. Each employee can relax by seeing the film during working hours three times per year.



Entertainment Program



Education Program

For Safety and Health care of employees,

For Employees' health and safety, we are implementing Occupational Health and Safety Management System (ISO 45001:2018) and upgraded in 2019.

OCCUPATIONAL SAFETY AND HEALTH POLICY

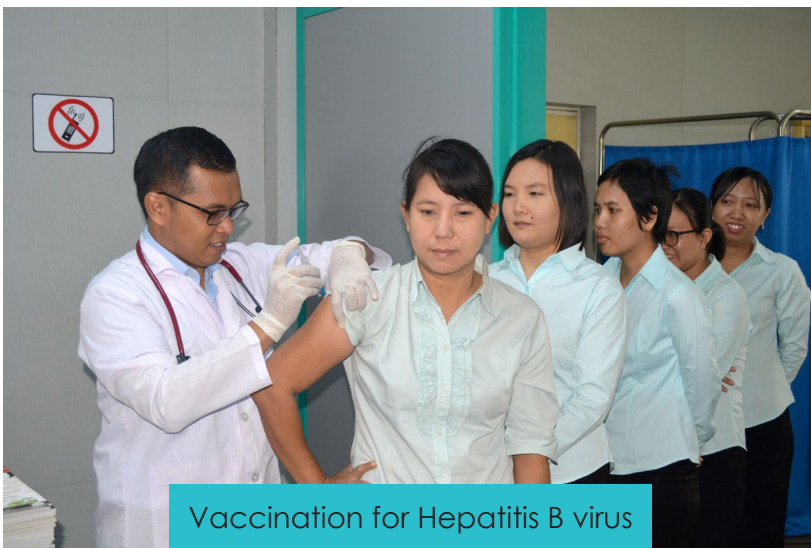
FAME Pharmaceuticals is the business of Research, Development, Manufacturing and Distribution of the Alternative Herbal Medicinal Products for the healthy lifestyle. As such, there are various risk associated with our work activities, including fire hazards, machinery hazards, electrical hazards, etc.

1. FAME Pharmaceuticals implements occupational health and safety management system which is appropriate to the nature and scale of the organization's occupational health and safety risk.
2. FAME Pharmaceuticals will maintain a safe and healthy work environment by controlling potential hazards as much as we can and will document maintain the implemented the Occupational Health and Safety management system according to the ISO 45001:2018 international standard guidelines.
3. FAME Pharmaceuticals will comply with current applicable Occupational Safety and Health Law and where Myanmar legislation is inadequate, will comply with international standards and go beyond to the requirements.
4. FAME Pharmaceuticals will provide proper training, supervision, safe equipment facilities and sufficient resources to meet our requirements.
5. FAME Pharmaceuticals will continually strive to improve on our work safety performance from time to time by controlling potential hazards so as to ensure safety and health for every parties involved.
6. FAME Pharmaceuticals committed to ensure good health of all employees by regular medical check-up and pre-employment medical check-up.
7. FAME Pharmaceuticals reviews the OHSMS Policy periodically to ensure that it remains relevant and appropriate to our organization and for continual improvement.
8. FAME Pharmaceuticals organizes the SA team (the representatives of employees from every level) for the consultation and participation OH&S activities and other decision making.

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For Occupational Health, we have an internal clinic for employees and a medical doctor is assigned to take care the employees. We supply the medicines free of charge and provide the following health care programs for our employees.

1. Pre-employment medical check-up
2. Yearly medical check-up
3. Internal clinic for employees
4. Blood donation
5. Vaccination for Hepatitis B virus
6. Sharing the awareness letter for health
7. Providing first aid training to first aider



Vaccination for Hepatitis B virus



Medical Treatment at Internal Clinic



First Aid Training

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For Occupational safety, we follow the guidelines such as

1. Fire safety
2. Electrical safety
3. Machine safety
4. Material Handling
5. Chemical safety
6. Working at Height
7. Personal Protective Equipment
8. Motor Safety
9. House Keeping

General Safety

OHSMS MR and safety officer regularly check on various risks associated with our daily working activities including fire hazards, machinery hazards, electrical hazards etc.

Safety officer holds the tool-box meeting with the employees from sub-contractors for in-house safety rules and regulations before they start working.

OHSMS MR provides the OHSMS orientation training to each and every new employee at training room. OHSMS MR provides the First Aid training to first aiders from all of departments. We organize the Health and Safety Committee with the representatives from each department and hold the OHSMS monthly meeting to discuss and update about the individual problems in each department concerning about occupational health and safety.



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Fire Safety

For fire safety, we provide the proper fire fighting and protection system including dry rising system with 3 pump houses and 6 water tanks. We provide 245 extinguishers, 16 Fire Hose Reels, 52 smoke detectors, 4 heat detectors, 20 manual call points and 27 fire alarms for fire safety. We do fire drill exercise and fire fighting training two times per year (March & December) with the guidance of the government authorities from Myanmar Fire Service Department.



Fire Drill Exercise



Fire Alarm

Fire Hose Reel



Fire Extinguisher

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Machine Safety

Warning Sign



Electrical Safety



Material Handling



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Chemical Safety



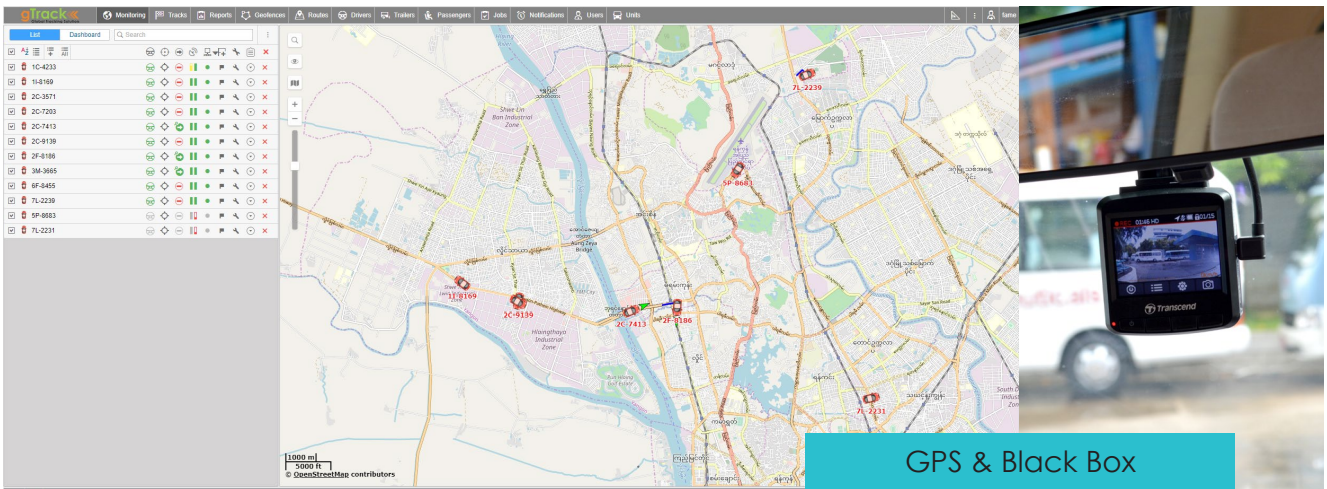
Working at height

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Motor Safety

We fix the GPS and Black box at all of Motor Vehicles from our factory. We control and limit the maximum speed of motor by 50km/hr for in down town area and 100km/hr for out of town (highway). Besides, we do surprise check with alcohol tester to our drivers whether they drink alcohol or not during working hours.



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CSR journals have been distributed since 2013 and published once per year. All employees are willing to participate in CSR journals. In CSR journals, they share their own feelings, poems, novels, motivation, environmental technologies, education, religious knowledges and health awareness letters. Thus, we can improve internal communication between all employees. CSR journals are available to our employees, stakeholders and business partners free of charge to know more about our company activities.



Labour 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 labour
Principle 5:	the effective abolition of child labour
Principle 6:	the elimination of discrimination in respect of employment and occupation

For supporting Human Right in working area, we allowed freedom of association and collective bargaining in our factory. So, we organize Social Accountability (SA 8000) Team to avoid conflicts by building mutual understanding between employer and employees.

SA8000:2008 PRACTICE OF FAME PHARMACEUTICALS

- Discipline as government and ILO
- Practice as GMP and ISO
- Appointed only over 18 years
- Overtime must be voluntary
- Working hours : 8 hrs / day 44 hrs / week
- Minimum of one day off in a week
- Coverage of OHSAS 18001 : 2007
- No discrimination
- Fair payment
- Allowance as indicated
- Compensation as necessary
- Formation of SA8000 Task Force
- Freedom of expression

If any problem with human right issue please contact...

ILO ADDRESS YANGON

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 Yankin Township, Yangon, Myanmar.
 Tel : +95 01 - 2336538, 2336539, 578925, 579956
 FAX : 01 2336582
 Email : yangon@ilo.org

Township Labor Supervisory Committee
 Ministry of Labor Union of Republic of Myanmar
 Hlaing Tharyar, Yangon, Myanmar.
 Phone - 01 645 026, 645 063

We display the principles board of SA 8000 team and follow the guidelines.

SA8000 is an auditable certification standard that encourages organizations to develop, maintain, and apply socially acceptable practices in the workplace. It integrates nine core elements: child labour, forced or compulsory labour, health and safety, freedom of association and right to collective bargaining, discrimination, disciplinary

practices, working hours, remuneration and management system. SA 8000 measures social performance in eight areas important to social accountability in workplaces, anchored by a management system element that drives continuous improvement in all areas of the Standard. It is appreciated by brands and industry leaders for its rigorous approach to ensuring the highest quality of social compliance in their supply chains, all the while without sacrificing business interests.

In our company, SA 8000 Team was organized with SA members since 2008. In SA 8000 Team, a member from each department and SA leader are elected by voting system once a year and has a SA representative of SA Executive Committee. Every SA member has opportunity to discuss on behalf of his or her department at SA meeting which holds monthly. In meeting, each department discusses their problems, needs and expectations. After that, the employer decides and negotiates the required decisions.

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In our factory, we do not appoint any person who is under 18 years old. Moreover, our business contractors do not hire under 18 years old person. Not only in our factory but also in our business contractors follow the abolitions of child labour. There is no forced labour and overtime is voluntary. We practice ISO 45001:2018 (Occupational Health and Safety Management System) for employees' health and safety. There is no discrimination on a person's race, colour, gender and religion which are not related to a person's ability. In addition, we practice labour policies and regulations settled by Local labour laws and ILO. All Employees are eligible to monthly salaries, overtime allowance for extra hours, travelling allowance, supporting transportation, Social Security Insurances at Social Security Board for employees and for yearly leave entitlement; causal leave, earned leave, maternity leave, paternity leave, funeral leave, medical leave and blood donors leave. According to Local labour laws for private sector, women employees are eligible to three and half months for maternity leave. However, in our company, the employees are allowed an extra four months as lactation leave after the maternity leave.

We offer salary to our employees according to basic salary policy of Local Labour Organization.

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We always provide vacation plans especially for serviced employees working at FAME Pharmaceuticals. HR department arranged 2 recreation vacations in 2019; one was Along Taw Kathapa-Sagaing-Monywa-Mandalay and another was Loikaw vacation for relaxation.



Moreover, as an appreciation, the company arranged foreign trip to Vietnam for employees without taking leaves above 5 years consecutively.

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This time, we celebrated New Year staff party on 3rd January, 2020. In that party, we appreciated and awarded to outstanding employees without taking leaves (causal leave, earned leave, fully paid extended medical leave, etc.) and blood donors. Besides, we also honored FVTF donors according to donation amount during the whole year and production workers who worked night shift. Moreover, we arranged various interesting programs like singing content, lucky draw program, entertainment programs, providing foods, etc. This year, we arranged Puzzle Quiz Game as a special program for employees and all employees participated actively and happily in this game.



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For not only employees but also their families especially children, we supply access to stipend concerning with education. Education is the most powerful weapon which we can



use to change the world. Thus, as an encouragement of education, the stipend awarding ceremony of FAME employees' children was held on 29th May, 2019 for the second time. Our Managing Director furnished financially but also school accessories to all employees' children who are from primary to university students. Business partners and our senior executives also participated by donating necessities for students. Furthermore, we annexed lucky draw program for fun. As for students from rural areas, we gave in cash to their parents instead of them. All parents and children took part together happily in this ceremony.



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Donation to Flood Victims



Volunteer Work



FAME volunteer task force (FVTF) has volunteering activity by donation of cash and in-kind to orphanage house, nursing home, flood victims, etc. This consists of not only monastery donation and aid given to local people but also to help build on the health knowledge and skills to attain sustainable development. As part of CSR Activity, we make charitable support and donations for community development, (whether in-kind services, knowledge, time and direct financial contributions). Our company makes these activities continually as much as we can do. It has been 38th donation of FVTF activity. Besides, we provide monthly donation to Support Group for Elderly Doctors (SGED) and transportation for elderly doctors (social visit).

Environmental Principles

- Principle 7 :** Business 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

As and organic herbal medicines manufacturing company, we control the risk of environment caused by our factory leading to create the green environment. According to Guidelines of Environmental Management System (ISO 14001:2015), we always need to consider product life cycle and update the EMS risk assessment register for our factory especially for our interested parties requirements (1) internal, and (2) external interested parties like Employees, Government sectors, Environmental technological companies, Engineering service companies, External Analytical lab, Communities, etc.



The Material Safety Data Sheet (MSDS) for all chemicals which can affect the environment and human health is regularly updated. In MSDS that mentioned how to prevent environment risk and human health.

FAME Pharmaceuticals QUALITY MANAGEMENT DEPARTMENT MATERIAL SAFETY DATA SHEET									
Department /Activity : Engineering Department								Date:19.09.2019	
No	Type of Material			Hazard Identification	Risk : What can happen and how it can happen	Extinguishing media	Source information	Accidental release measures	Handling and storage
	Product / Chemical Name	Physical Properties	Chemical properties/ Formula						
1	Grease	Light brown color, petroleum odor	Petroleum grease	Dermatitis, eye irritation, skin disorders, nausea, diarrhea, stomach discomfort, flammable	Inhalation, ingestion, touch to skin when handling, store in closed containers of proper construction	Carbon dioxide, dry chemical, or foam, avoid using water	Site inspection, monthly usage of the grease consumption	Eliminate all ignition sources. Stop leak only if safe to do so. Absorb residue or small spills with absorbent material and remove to non-leaking containers for disposal	Practice good personal hygiene after handling. Store away from ignition sources and in areas of good ventilation, wear the PPE
2	Diesel	liquid, color, odor, insoluble in water.	Hydrocarbon	Flammable liquid, engine exhaust probably carcinogenic to humans, aspiration hazards (lungs damage)	Eye and skin contact, breathing, ingestion	Dry chemical, carbon dioxide, alcohol or polymer foam	Site inspection, monthly usage of the diesel consumption	Remove with inert absorbent and place in container for disposal of spillage materials. Prevent entry into sewers and waterways.	Practice to wear gloves. Wash thoroughly after handling. Don't wear contaminated clothing or shoes. Warning signs, keep container tightly closed, avoid prolonged contact to skin

Environmental Policy

1. FAME Pharmaceuticals implement Environmental Management System to improve its Environmental Management and ultimately, to reduce the environmental impacts of its operation, activities and products.
2. Environmental Management organizations will clearly define responsibilities and authorities. This shall be established to ensure conformance with legislation and regulation of the nations and with other related requirements to which the organization subscribes related to its environmental aspects.
3. The environmental impact caused by our production activities, products and services shall be precisely analyzed and assessed. The objectives, targets and measure for improving the environment shall be established, implemented and reviewed considering technical and economical possibility.
4. Activities for suppression of waste, energy saving and material conservation should be promoted.
5. All persons working for this Environmental management system should be given full understanding of this environmental policy through environmental education and internal information. All the persons concerned oneself should be interested in an environmental problem and be able to act. We are implementing continually our EMS policy by Internal Environmental Management Committee.

To reduce the risk of these environmental impacts, we clearly set objectives and target below this.

- (1) Solid Waste Management
- (2) Waste Water Management
- (3) Air Pollution Management
- (4) Energy Management

For precautionary approach, we are practicing spillage exercise for emergency chemical spillage and distribute awareness letters concerned with environmental issues as EMS activities.

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I. Solid Waste Management

Objectives :

To prevent soil pollution, provide knowledge of integrated solid waste management approaches, familiarize employees on guiding principles of environment and governance in pollution controls

Programs :

Waste bin segregation, practice chemicals and oil spillage exercise

Operational Control :

Give training to all employees about waste types and awareness of spillage response procedure.

Monitoring & Measurement :

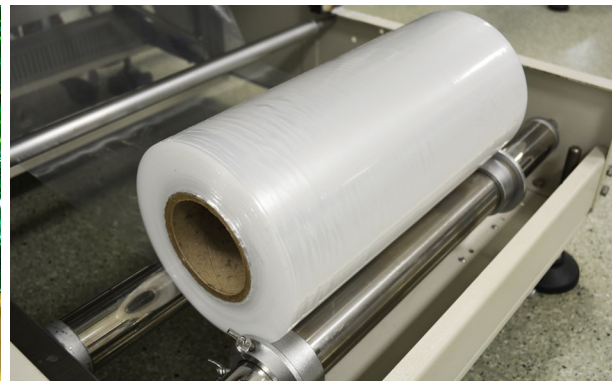
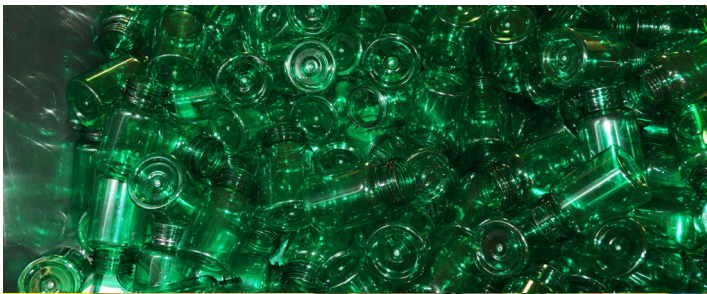
Monthly resale records and departmental spillage exercise records



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1. Plastics

- Objectives :** Reduce plastics as much as we can
- Programs :** Using PET bottles, PP plastics for our product packaging and biodegradable bags in our product selling
- Operational Control :** EMS departmental checklist for plastic control and resold recyclable plastic waste to local buyer
- Monitoring & Measurement :** Plastics resale records



Using PET bottles

Packing with PP plastics



Reducing usage of plastics and substitute biodegradable bags

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2. Paper

- Objectives :** Prevent deforestation
- Programs :** Communicating and reporting via intranet and internet mailing system, E-form, outlook mail, using double sided copying, reusing free sided papers
- Operational Control :** All departments use A4 paper within their limitation and don't print the paper if not necessary.
- Monitoring & Measurement :** Monthly review of departmental A4 usage



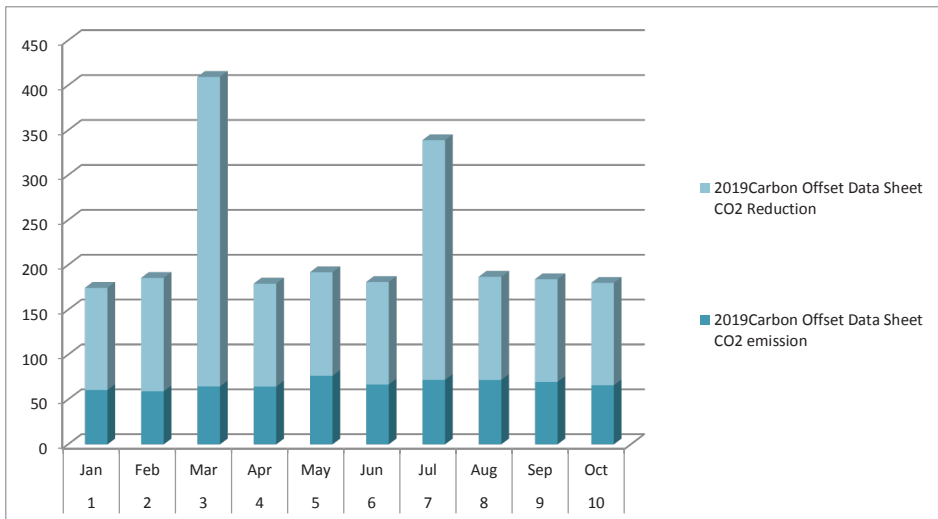
Environmental Management System													
Quality Management Department													
Departmental A4 Usage 2019													
Sr.No	Department	19-Jan	19-Feb	19-Mar	19-Apr	19-May	19-Jun	19-Jul	19-Aug	19-Sep	19-Oct	19-Nov	19-Dec
1	QMD	600	465	500	305	350	900	1000	1000	1000	1000	459	
2	CLN	244	172	124	159	159	149	144	176	158	148	128	
3	HRD	118	500	321	161	205	115	75	150	277	100	122	
4	ADM	181	632	121	127	162	148	244	375	436	142	200	
5	Log	950	841	975	675	912	756	753	895	980	985	985	
6	QC	980	965	970	864	702	770	762	743	834	709	855	
7	RND	620	930	650	850	760	801	790	850	840	750	814	
8	HPS	62	122	75	141	59	83	307	104	232	132	80	
9	SLS	100	130	103	111	98	86	89	340	158	68	66	
10	ODS	205	112	153	151	161	249	101	202	209	307	39	
11	BBS	62	74	59	92	99	50	127	114	152	64	50	
12	PPS	20	20	10	15	30	20	50	50	60	50	60	
13	LPS	120	134	126	89	162	100	100	102	200	100	102	
14	ENG	234	146	215	228	172	254	324	271	458	272	218	
15	Finance	483	356	471	354	515	906	447	522	490	332	368	
16	Motor	62	18	14	56	101	105	161	142	120	162	157	
17	SAL	91	505	524	400	600	500	500	1000	650	730	800	
18	MKT	727	974	714	830	965	989	958	1070	1271	1082	928	
19	Executive	139	65	93	98	77	157	182	74	182	123	46	
	TOTAL	5998	7161	6218	5706	6289	7138	7114	8180	8707	7256	6477	
	PACKINGS	11.9	14.32	12.44	11.41	12.58	14.28	14.23	16.36	17.41	14.51	12.95	

Monthly Review of Departmental A4 Usage

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III. Air Pollution Management

- Objectives :** Protection of the health of surrounding air system and to perform positive impact on environmental air quality
- Programs :** Fame Organic Pharming Project plan, glass house drying and natural air drying system and plantation around the factory
- Operational Control :** Inspect to all departments which apply energy conservation practices or not, practise the spillage exercise to prevent the wastage of diesel oil, check diesel pipes to impede leakage and regular maintenance of generator filter and car exhaust, use R410A aircon gas to prevent ozone depletion
- Monitoring & Measurement :** Monthly data records of carbon dioxide emission and absorption



Comparison of equivalent CO2 emission and reduction



R410A aircon gas



Glass House drying

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We have been building a common vision for eco-innovation by implementation eco-friendly policies, programs and practices for organizational awareness of innovative organic farming project. Thus, Fame Organic Pharming Project was first established in Pyin Oo Lwin, Mandalay in 2003. The purposes of Fame Organic Pharming Project are

1. To develop the organic Agriculture techniques in Myanmar
2. To minimize the risk of hazards to the environment
3. To conserve the endangered medicinal plants in Myanmar
4. To share the knowledge concerning with side effect of using synthetic pesticides and Genetic modified food
5. To distribute our organic raw materials and products to local markets and foreign markets
6. To supply high quality raw materials to the factory
7. To counteract the carbon from FAME (carbon footprint) to protect our environment (as ISO 14001:2015)
8. To result a sustainable ecosystem

Carbon footprint



By doing Fame Organic Pharming Project, we can not only get the qualified organic raw materials but also save the environment.

IV. Energy Management

- Objectives :** To save natural resources of electricity
- Programs :** Energy saving programs such as innovated natural air drying, Glass House drying, energy saving building design, replacing old or defect electrical parts with energy saving items, educating employees on knowledge about environmental and energy issues
- Operational Control :** Switch off or transfer sleep mode to all electrical powers such as lights, computers, printers and air conditioners if unnecessary, installation LED lighting
- Monitoring & Measurement :** Monthly data records of Meter Bill Usage

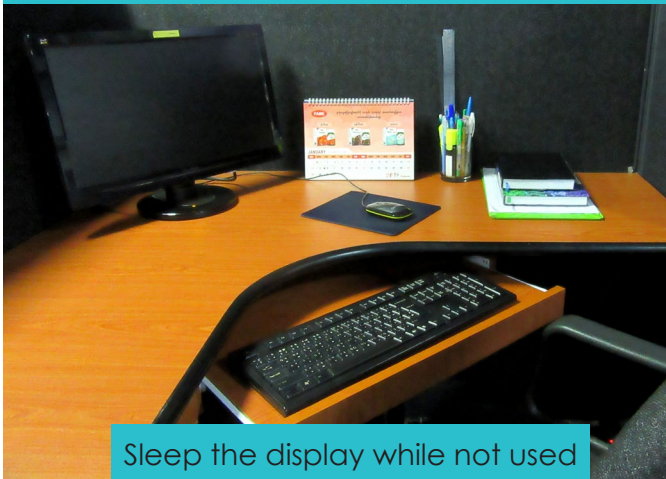


Herbal drying process in Glass House

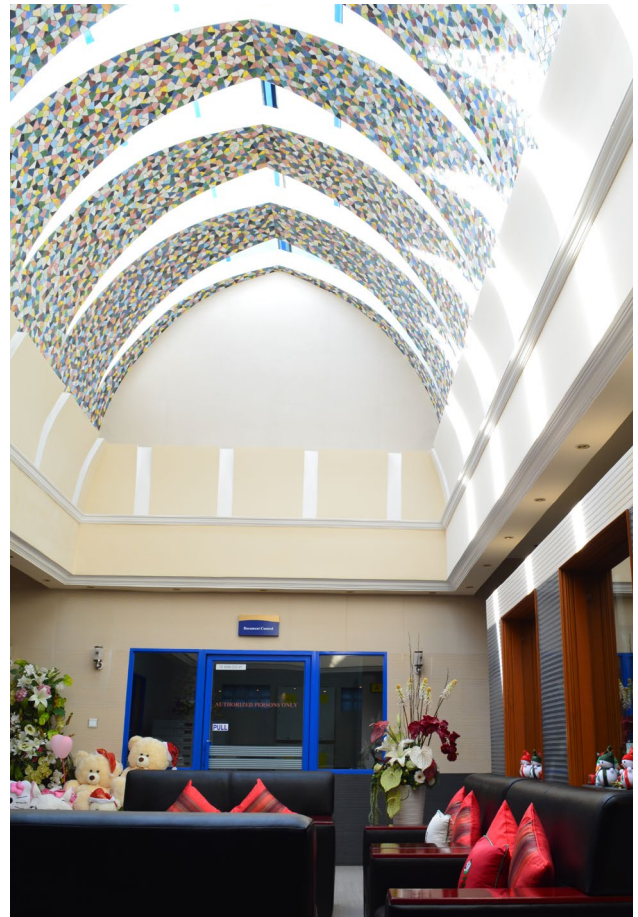


Warning stickers for saving electricity usage

Preservation of Energy



Sleep the display while not used



Lobby Area with Natural Light



Energy Saving with LED lights

Anti-corruption and Anti-bribery Policy

Principle 10:

Business should work against corruption in all its forms, including extortion and bribery

Policy Statement

FAME Pharmaceuticals has a well-established reputation in conducting all of our business in honest and ethical manners. We also take zero tolerance approach to corruption and bribery by any of our employees, third-party representatives. Furthermore, we are committed to conducting our business in all applicable laws, rules and regulations and the highest ethical standard.

Implementation

We conduct training for all new employees and provide relevant training on how to implement and adhere to anti-corruption policy for all existing employees. This policy is applicable to everyone working (whether permanent, fixed-term or temporary) at FAME Pharmaceuticals including seniors executives, officers, and to members of the Board of Directors. Annually we ask all employees to formally accept conformance to this policy.

Our zero-tolerance approach to bribery and corruption must be communicated to all those who are working with us including suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

In case of gifts and hospitality,

- Employees of FAME Pharmaceuticals do not make with the intention of influencing a third party to obtain any business advantage, or to reward the provision or retention of business, or explicit or implicit exchange for benefits.
- It is given in our company name, not in your personal name.
- It is given openly, not secretly according to applicable national laws and conformity with Local custom.
- Employees not offered to, or accepted from, government officials or representatives, or politicians or political parties.
- Employees of FAME Pharmaceuticals who received gifts must consider the reason for the gift, is of an appropriate type and value and given at an appropriate time.
- Employees of FAME Pharmaceuticals who received appropriate gifts contribute what they received to charitable donations for vulnerable community.



Handbook of anti-corruption

**Distribute this book to all departments
for implementation of
Anti-corruption policy**

Anti-corruption and Anti-bribery Principle

All employees follow principles in interactions with the Government

1. FAME Pharmaceuticals will proactively seek dialogue and co-operation with the Government of Republic of the Union of Myanmar provided such engagement is necessary, appropriate and mutually beneficial to both parties.
2. FAME Pharmaceuticals will build its dialogue with Government Officials on its active involvement in and close link to civil society including Non-governmental organizations.
3. FAME Pharmaceuticals is committed to honesty and integrity when in its interactions with Government Officials, by adopting a transparent and responsible behavior, respecting all applicable local laws.
4. In their interactions with Government Officials, employees of FAME Pharmaceuticals are expected to take all reasonable steps to ensure the truth and accuracy of all statements made or information provided by them.
5. Employees of FAME Pharmaceuticals shall always identify themselves openly and correctly when representing and their specific function.
6. Employees shall not misrepresent their status or the nature of their inquiries to Government Officials nor shall they create any false impression in relation thereto.

Facilitation Payments and Kickbacks

Either employees of FAME Pharmaceuticals or person acting on behalf of FAME Pharmaceuticals may not make or accept any kind of facilitation payments and kickbacks.

"Facilitation payment" is defined as payment made to a government officials to facilitate approval of some type of business transaction or activity.

"Kickbacks" is defined as "Payments made to commercial organizations in return for a business advantage, such as a payment made to secure the award of a contract".

Employees of FAME Pharmaceuticals avoid any activity that might lead to a facilitation Payment or Kickback will be made.

Communication on Progress of FAME Pharmaceuticals Industry Co.,Ltd.

Donations

FAME Pharmaceuticals do not make any donation or contribution whether in cash or kind to any political parties or candidates.

As part of FAME Pharmaceuticals Corporate Social Responsibilities, we are committed to support in the development of our community therefore we accept to make charitable support and donations for the development of local people, whether of in-kind services, knowledge, time, or direct financial contributions. However, every employee of FAME Pharmaceuticals do careful to ensure that charitable contributions are not used as a scheme to conceal bribery. We only make charitable donations that are legal and ethical under local laws and practices. We, FAME Pharmaceuticals publicly disclose information of the charitable donations every time we make.



Record-Keeping

All documentations related to anti-corruption policy are kept in Document Control Centre. Monitoring and measurement are done on Yearly basis. We keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties. Responsible persons are ensure that books, records and overall financial reporting are also transparent. They accurately reflect each and all underlying transactions. We declare and keep a written record of all hospitality or gifts accepted or offered which will be subject to managerial review which is usually held twice a year. We also ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure. All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contracts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "of-book" to facilitate or conceal improper payments.

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Waiver

There is no waive or permitted deviation for policy by any employees of FAME Pharmaceuticals.

Discipline

Any employee of FAME Pharmaceuticals who violates anti-corruption laws, rules and regulations legislate by Government of Republic of the Union of Myanmar will be subject to action according to these laws, rules and regulations. Any employee of FAME Pharmaceuticals who violates the terms of this Anti-corruption and Anti-bribery Policy will be subject to disciplinary action. Disciplinary actions include (Warning or Transfer or Demotion) which action will be taken is decided by Board of Directors of FAME Pharmaceuticals. Any employee of FAME Pharmaceuticals who has direct knowledge of potential violations of this policy but fails to report such potential violations to Board of Directors of FAME Pharmaceuticals will be subject to disciplinary action. Any employee of FAME Pharmaceuticals who misleads or hinders investigators inquiring into potential violations of this policy will be subject to disciplinary action.

Monitoring and Review

Top level management which includes Board of Directors are responsible for monitoring and measurement on the sustainable effectiveness of FAME's anti-corruption policy and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. All employees are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.

Employees are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Board of Directors. This policy does not form part of any employee's contract of employment and it may be amended at any time.