

## COMMUNICATION ON PROGRESS (COP)

**The Medical Export Group BV**  
**Hooglandseweg 6**  
**4214 KG Vuren**  
**The Netherlands**

Period covered by your Communication on Progress (COP)

From: 1<sup>st</sup> January 2019 To: 31<sup>st</sup> December 2019

### ***1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER (OWNER OR PRESIDENT IN THE CASE OF SMALL BUSINESSES)***

Please use the box below to include the statement of continued support signed by your company's chief executive

**Please find enclosed our officially signed statement as well.**

30<sup>th</sup> January 2020

Dear Mr. Secretary-General,

Hereby I am pleased to reaffirm The Medical Export Group's support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

We are committed to continuously incorporate the Global Compact and its principles as part of the strategy, culture and day-to-day operations of our company, and to participate in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals.

In 2019 we have created a major impact on sustainability by placing 3,406 solar panels on our office and warehouse roof. These 3,406 panels generate 932,440 kWh (energy sufficient for 260 house-holds) and are replacing the fossil energy sources we previously used with which we reduced our carbon footprint considerably and structurally. At the same time these solar panels generate a substantial amount of extra capacity which we supply back into the energy network creating also positive sustainability results on structural level on a broader scale. Furthermore, also in the field of working environment and employee empowerment further progress was made last year.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. Since we support public accountability and transparency, we also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Mr. Marcel Claessen

CEO

## 2. DESCRIPTION OF ACTIONS

### Human Rights

Please use the box below to describe **actions** your company has taken in the area of human rights. Examples include:

- Most of the actions that The Medical Export Group (*abbreviated as of now as MEG*) has taken in 2016 until 2018 have been continued in the same or even further improved fashion in 2019 such as:
- In our recruitment process we continued to pay high value on working without any form of prejudice in age, gender, race or religion. Also the recruitment agencies we work with are made aware of and have to confirm adherence to our clear position in this are;
- In MEG warehouse safety garment and safety shoes are obligatory and MEG ensures availability for those employed in the warehouse. Also, neon-coloured vests and safety shoes are made available (and obliged) to wear by other MEG employees and visitor entering the warehouse;
- We have continued to insist on each supplier and service provider to represent and guarantee that neither it nor its affiliates are engaged in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child.

New initiatives launched in 2019:

- The implementation of the further enhanced and final version of the Human Resources (HR) guide clearly describing all rules, regulations and rights. This HR guide is now an integral part of each old and new employee contract;
- A GDPR policy was developed with a privacy statement that will be shared with all employees for signature in 2020;
- In order to increase overall employee satisfaction, inclusion and social interaction various initiatives were implemented including the introduction of a table tennis table, fuzzleball table and various social activities. This also helped employees to unwind during or after intensive days;
- All employees now have laptop instead of a desktop in order to work cross functional in different team settings in the office, which stimulates internal cooperation. More importantly this provides employees with the option of working remote, both inside the office building as well as outside;
- MEG started up an awareness project for all employees. This project serves to make employees fully realize the importance of the environment of humanitarian assistance we work in. That people in vulnerable settings are heavily depending for their health on our efficacy, efficiency, dedication and approach.
- NICU-project Ethiopia:
- In 2019 we conducted a 3-week training-of-trainers course in Ethiopia on the correct and efficient use and maintenance of 20 different types of neonatal and infant care (NICU) related equipment. 30 engineers were trained and certified to provide downstream-training at hospital level. With this initiative local capacity has been built.
- Under the same project in 2019 50 hospitals were supplied with 34 different types of medical NICU-related equipment and supplied. Installation of all this equipment was also performed providing these hospitals with good functioning, high quality equipment to improve both access to and quality of healthcare throughout Ethiopia. Goods for the final 30 sites were shipped out in December for supply, installation, training and maintenance in 2020.
- In this project we maximize the number of local staff; our technical teams operating the installation for example are composed solely of Ethiopians. Each team also has contains a junior team member who is trained on the job through which his career chances are seriously improved.

### Labour

Please use the box below to describe **actions** your company has taken in the area of labour. Examples include:

- In 2019 while maintaining all benefits as described in our previous COP and positive effects described above under "human rights" the following initiatives were implemented:
- New ERP system:

- In June 2019 we implemented a new ERP system that has already shown positive effects in a substantial reduction of manual labor, an elimination of duplication of data entry and a decrease of human errors at all departments. This has resulted into a higher employee satisfaction;
- New folding machine:
- In the warehouse a new folding machine has been put into use which has replaced the avoidable folding by manual labor.
- Training:
- Increasing employee value through personal development of employees by offering training / courses based on specific, personal preferences.
- Job profiles and salary scale system:
- All job profiles have been reviewed and finalized. Furthermore, a new system for salary scales was drafted and implemented;
- Introducing of the five-step principles of LEAN in our way of working:
- The first group of 12 MEG colleagues, at least one from each department, are trained in the LEAN principles and form the chain team that works on cross-functional projects with the aim of creating added value for our customers in all our processes. AT the same time increased understanding as well as collaboration between various disciplines is created.
- The next group of 12 MEG colleagues will be trained in 2020.
- The new and intensive fleet review process was first executed in 2019. With this fleet review we will get solid insight in present capacities of all our staff members and their potential and direction of development. This information will be used to draft a personal development plan and coaching process for each individual employee.

## **Environment**

Please use the box below to describe **actions** your company has taken in the area of environment. Examples include:

- The following main measures taken in 2018 continue provide very positive results in 2019:
  - The move from multiple sites towards one, central warehouse has completely ruled out extra goods movements and related carbon emission.
  - The wood used in the construction of the new warehouse is all FSC-certified;
  - Separation of waste material;
  - Office and warehouse ventilation system with minimum environmental impact;
  - Continued increased sourcing and procurement at country of destination.
- New initiatives in 2019:
- Paperless order process:
  - The implementation of the new ERP system has resulted into a paperless internal order process. Also the internal and external communication in relation to the order has been fully digitized.
  - We also agreed with the suppliers to switch, wherever possible, completely to a digital delivery of the inbound shipping documentation, for instance MEG request standard only telex release Bill of lading (BOL) instead of original Bill of Ladings (BOL); the same applies for outbound shipping documentation
  - Paperless quotation process:
  - The internal part of the quotation process has now also been fully digitized. Also more of our clients now move away from hard copy bid submission towards a full digital, on-line bidding process; a development that we applaud and stimulate
  - Batch lists:
  - Instead of pasting two batch lists on every box of each kit, two batch lists on every first box of each kit.
  - Digital signature Purchase orders:
  - The procurement department introduced a digital signature in order to minimize the use of paper.
  - Sustainability approach suppliers:
  - During vendor visits, MEG includes the subject of sustainability approach of the vendors as a standard topic on the agenda.
  - Optimization of our keep cool shipments in order to improve our full process, quality and efficiency of supply by joining the Leading Minds Seminar on Temperature Sensitive Healthcare products.
  - Reduction in use of plastic:

- We have replaced plastic packaging material by paper strips in our warehouse.

### **Anti-Corruption**

Please use the box below to describe **actions** your company has taken to fight corruption. Examples include:

- In 2019 the following documents launched in 2018 were further improved and implemented:  
Compliance statement consisting of:
  - Code of Conduct;
  - Code of Ethics;
  - Anti-corruption declaration.
  - Whistle-blower regulation.

These documents form part of the HR guide and thus of each employment contract (old and new); every MEG-employee, permanent or temporary as well as every partner (such as agents, distributors, QA-consultants) that operate for or on behalf of MEG, have to agree to and sign these 4 documents.

To familiarize all staff members a workshop was organized with an external counselor.

  - Introduction of the Declaration of Interest.
  - This document is to be undersigned by all staff members involved in the evaluation and selection of critical procurement-related activities within MEG that carry the risk of a conflict of interest. By signing this document staff members a.o. confirm they will use the information they receive confidentially.
  - Ethical code for vendors:
  - Procurement department started the revalidation of the ethical code with our suppliers.

### **3. MEASUREMENT OF OUTCOMES**

In the box below, please include the most relevant indicators to **measure outcomes**. Examples include:

- The folding machine replaces manual labor of folding 2,782 papers on a weekly basis;
- The new approach on batch lists saves 2,766 papers per week;
- The increase in no. of electrical company cars was 33%
- The digitization of the order communication is saving €7.75 worth of materials per order;
- The digitization of inbound shipping documents is saving approximately 12 A4 papers and cost and carbon footprint of one courier for each purchase order;
- New and comprehensive HR guide introduced covering all areas of human rights, labor, environment and anti-corruption;
- Introduction of the declaration of interest;
- 3,406 solar panels placed providing 932,440 kWh;
- Supplied and installed medical equipment + trained staff for an operation of 50 hospitals in Ethiopia.