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**Statement of continued support
by the Managing Director of Han Ideal Trading Ltd.**

Han Ideal Trading Ltd. is highly committed in its continued support and alignment with the United Nations Global Compact guidelines and principles. Every year, we see a significant increase in the number of organizations in the world that are aiming to build a more socially responsible world. Han Ideal is also taking an active role in the business community by sharing our knowledge and experiences with our stakeholders about the importance of the UNGC Principles. We also work to improve our processes and policies each year so that our corporate culture can align more with the UNGC guidelines. We strongly believe that these practices will build a future that is in alignment with Sustainable Development Goals (SDGs).

In this annual Communication on Progress, we describe and explain the activities implemented by our organization over the past year to align with the ten UNGC Principles. We appreciate everyone involved in our daily operations and corporate practices to implement the UNGC Principles for a sustainable future.

Sincerely,

Htut Arkar Win
Managing Director
Han Ideal Trading Ltd.

UN Global Compact COP Report 2019

From: September 2018 To: August 2019

The Ten Principles of the United Nations Global Compact

The Global Compact asks companies to embrace, support and enact, 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

Han Ideal Trading Ltd. is strongly committed to upholding the human rights of individuals both internally at the workplace and externally for our stakeholders. The organization aims to protect all its employees from any form of discrimination by implementing business policies to achieve this goal. We also support and respect human rights by placing an importance on diversity, work-life balance, career development, and capacity building for all.

Assessment, Policy and Goals

- We strongly condemn any form of discrimination within our workplace across all branch offices across the country.
- We strongly condemn any form of discrimination at any of our partner organizations.
- Hiring practices at the organization are not biased on race, gender, religion, or other traits; everyone is considered equal and has a fair opportunity through a meritocratic system.
- The organization cultivates a family style corporate culture where all colleagues treat each other with respect, fairness, and equal opportunity.
- The organization cultivates a family style working environment where employees, business partners, and stakeholders are able to freely express their values, opinions, and culture without judgment (unless it goes against the United Nations Human Rights Principles).
- Sexual harassment and other forms of harassment are not tolerated.
- We continue to donate to charitable causes and philanthropic efforts that respect and align with the United Nations Human Rights Principles.
- We support and participate in events and donations that improve the socioeconomic status of people within the country.
- We continue to provide seminars, conferences, training, and programs for employees with the aim of improving their personal and professional development.

Assessment of Human Rights related risks and impact in industry sector and country/countries of operation (see Risk Assessment Report at www.humanrightsbusiness.org)

- Myanmar currently faces religious conflicts between Buddhists and Muslims in the western

region of the country. However, the organization cultivates a family style positive working environment where these types of conflicts do not occur in our workplace across all our branch offices.

- There is a shortage of skilled and qualified labor in Myanmar. Therefore, we invest in seminars, training, conferences, and programs that aim to build the capacity and develop the careers of our employees. Employees are free to attend the programs as they please.
- Our country also does not have an adequate healthcare system that provides universal coverage for everyone. Therefore, we provide appropriate and necessary healthcare and medical support to employees in their time of need.

Implementation

- We will share this COP internally to our employees and externally to stakeholders of the company in order for them to align with and be aware of the Human Rights goals and values of our organization.
- We conduct hiring practices and promotions in a systematic, meritocratic, and unbiased manner without any form of discrimination.
- We take advice and collect feedback from internal and external stakeholders on how to improve our policies and practices so that we can find better ways to promote Human Rights.
- The owners, directors, and shareholders of the organization take full responsibility to promote and uphold Human Rights at our organization across all our branch offices.
- The Human Resources Department works closely with our department heads to develop policies that protect and promote Human Rights.
- We maintain a sexual harassment policy where any incidences will be dealt with in a fair, appropriate, and prioritized manner.
- We cultivate a family style company environment where people are able to express their cultural values and practice their religion without judgment.
- We hold various seminars, programs, training, and conferences throughout the year for all employees with the aim of capacity building and professional development.

Measurement of outcomes

- Any incidences that violate Human Rights against our company policies are reported to the HR Department in order for them to be dealt with appropriately in a fair and prioritized manner.
- The HR Department and Department Heads work closely together to assess the demographics of our organization to see if there can be any improvements in diversity.
- The annual assessment of our monitoring systems and handled cases are used to understand how our company policies can be improved for future use.

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.

Han Ideal Trading Ltd. is strongly committed to supporting and aligning with the Labour Principles of the UNGC. We aim to protect our employees from discrimination, forced labor, and other labor

practices that go against the UNGC Labour Principles. We also encourage our business partners, branch offices, and other stakeholders to prioritize the labour rights of workers in order to build a sustainable and socially responsible future for the world.

Assessment, Policy and Goals

- We do not endorse or practice any form of child labour, forced labour, or compulsory labour within our workplace and branch offices.
- We do not endorse any form of child labour, forced labour, or compulsory labour at any supplier company or business partner company.
- We adhere to Myanmar labor laws in order to provide employees with the appropriate benefits, compensation, rights, and responsibilities for their work.
- All employees are compensated according to Myanmar labour laws with regards to minimum wage, overtime pay, medical leave, holidays, and other relevant items.
- We endorse and practice hiring practices that are implemented in a fair, meritocratic, and just manner without any form of discrimination. We also encourage our business partners, suppliers, and other stakeholders to conduct the same practices to align with the UNGC Labour Principles.
- We harmonious family style and positive working environment without any form of discrimination.
- We cultivate a family style open corporate culture where all employees can express their cultural values and practice their religion freely without judgment.

Implementation

- Our labour policies are regularly updated and revised to align with national labour laws in order to protect our employees.
- HR and Department Heads ensure that all employees are notified about a change in a policy regarding labor rights by issuing a company memo.
- We provide regular training and seminars for employees to bring awareness of labour rights, discrimination, forced labour, and etc. in order for them to understand the importance of the UNGC Labour Principles.
- We invest in training all managers and department heads so that they can understand different forms of discrimination in order for them to promote a non-discriminatory and fair work environment.
- We ensure that the medical needs of the staff are provided adequately and appropriately for their health and well-being since there is no universal health coverage in this country.
- We also support the healthcare of all employees by paying for operations, surgeries, death expenses, maternal leave, and etc.
- We have a close relationship with the Labour Union of Myanmar (Government Ministry) so that they can always provide information, education, and training to all our staff about the latest updates in the country regarding labour regulations and policies.
- We invest heavily in our people through training, seminars, conferences, and programs so that their professional development, capacity building, knowledge, and skills can improve for long-term.

Measurement of outcomes

- We review our organizational statistics and policies regularly to see how our labour practices can improve for the benefit of our employees (e.g. gender, pay scale, sick leave, health coverage, training, diversity).
- We do not tolerate violations of the UNGC Labour Principles among internal and external stakeholders. If there is a violation by one party, we will review the situation in order to assess

whether we should terminate all ties with the party in question.

- The Department Heads and HR Department work closely together to improve the labour policies of our organization in order to align with national labour laws.
- The Department Heads and HR Department conduct an annual assessment of any violations that occurred in the past year to see if any actions or improvements can be made for future reference.

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

Han Ideal Trading Ltd. is strongly committed to align with the UNGC Environmental Principles because we strive to promote greater environmental responsibility and reduce waste in order to build a sustainable future. Throughout the organization, all employees have participated in socially responsible activities and practices due to the importance of saving the environment and reducing carbon footprint to protect the environment.

Assessment, Policy and Goals

- We will not participate in any activity or practice that will significantly increase the carbon footprint or violate the national environmental laws.
- We establish company policies such as “Green Friday” where employees are encouraged to recycle, carpool, reduce plastic, reduce waste, and implement other socially responsible activities on a weekly basis to raise awareness of environmental protection.
- The Operations Department reviews employee actions and office procedures to ensure that everyone is acting in accordance to our company policies regarding the environment in order to reduce the carbon footprint.
- The Department Heads and HR Department work closely together to conduct training sessions throughout the organization to promote environmental responsibility, bring awareness of current environmental challenges, and encourage practices to reduce waste.
- We set a goal to reduce our carbon footprint by at least 10% annually.

Implementation

- We encourage all employees to engage in practices that reduce waste and protect the environment (e.g. paperless communication, electronic data storage, carpooling, monitoring water usage levels, using natural light where appropriate, saving electricity if necessary, etc.).
- We hold seminars on the topic of environmental protection for employees in order for everyone to be aware of current environmental challenges in the world and to share methods that protect the environment by reducing waste.
- The Operations Department reviews the company supply chain processes so that any changes that can be implemented to reduce any environmental impact.
- We request our business partners to share their environmental policies and reports to learn the actions they have taken to protect the environment.
- The HR Department regularly stays updated with the national environmental laws and regulations in order for the company to align with these standards.

Measurement of outcomes

- We take systematic steps to monitor the carbon footprint of the company (e.g. monthly electricity bill, purchase of paper, gasoline bills, recycling, water bill, and etc.).
- The Operations Department monitors our supply chain processes to assess where we can improve our methods to reduce waste.
- Managers have meetings throughout the year to share the best practices of reducing waste in their own departments in order for others to understand possible actions for improvement.
- We request annual environmental reports from business partners in order to understand what they have done to reduce their carbon footprint and to learn from them about new ways that can be implemented at our own workplace.
- We conduct annual assessments to understand how we can improve our operations supply chain processes to reduce our carbon footprint.

Anti-Corruption

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

Han Ideal Trading Ltd. strongly urges all organizations to work towards the eradication of any form of bribery, corruption, extortion, and other unethical practices.

Assessment, Policy and Goals

- We maintain a zero tolerance policy towards any form of extortion, bribery, or corruption within our workplace or at our business partners and suppliers. Any business partner, supplier, or employee engaging in these unethical business practices will be dealt with in an appropriate and prioritized manner.
- We do not endorse business practices that will violate the UNGC Anti-Corruption Principle.
- We invest in training and seminars so that our employees can recognize any form of corruption if it is taking place.

Implementation

- We establish company policies and protocols to inform the HR Department and Department Heads if an employee or business partner discovers a situation involving bribery, extortion, or other forms of corruption.
- We invest in seminars and training so that our employees can understand and be aware of any form of corruption.
- We share the company anti-corruption policy to all employees, business partners, suppliers, and external stakeholders so that everyone understands to act in alignment with these regulations.
- Every department at our organization is audited regularly to ensure that no corruption, bribery, malpractice, or extortion is taking place at our workplace.

Measurement of outcomes

- The Department Heads and HR Department collaborate closely together to handle any situation that is related to corruption with employees, business partners, suppliers, or stakeholders.
- Reported incidents will be dealt with in an appropriate and prioritized manner but also by evaluating prior actions and punishments.
- The Department Heads and HR Department will work together closely to evaluate current anti-

- corruption standards of the organization to see how it can be improved for future reference.
- Every department is audited regularly to ensure that no corruption is being conducted at our workplace.

Concluding Statements

In summary, Han Ideal Trading Ltd. is taking steps to ensure that the processes and procedures of the organization align with the ten Principles of the UNGC. We are proud of the continued progress that our organization is making every year in order to build a socially responsible and sustainable future. We also urge our internal and external stakeholders to develop practices that align with the values of the UNGC Principles. Again, we would like to thank all the people involved in our daily operations and practices in order to implement the UNGC Principles for a better future.