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August 13, 2020

**CHAIRMAN OF MEDI MYANMAR GROUP LTD.
STATEMENT OF CONTINUED SUPPORT**

Medi Myanmar Group Ltd. is proud to align with the United Nations Global Compact guidelines and principles because it aligns with our organizational values and goals. Over the past years, we have observed the changing global landscape where more organizations are taking steps to become more socially responsible. At Medi Myanmar, we also believe in being socially responsible and in 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 highlight 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 management teams along with the relevant stakeholders in the organization were successful in achieving the ISO 9001: 2008 certification to align with standardized principles and grow our company. Again in 2018, Medi Myanmar was successful in achieving the ISO 9001: 2015 certification for continuously implanting standardized and required management systems to meet the needs of stakeholders.

Together, we believe that by aligning with ISO standards and UNGC principles, it will engage our people to work towards the sustainable development goals. In addition, Medi Myanmar

will continuously review areas for improvement and development so that we can make adjustments wherever necessary to work towards these principles and standards. This can create more value for stakeholders in the long run for a sustainable future.

In this annual Communication on Progress, we explain the policies created and actions implemented in alignment with the Ten UNGC Principles. It contains an overview of how these principles and values are integrated in our systems and operations in order 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 implementation of these principles throughout the organization.

Sincerely,

A handwritten signature in blue ink, consisting of several fluid, connected strokes, positioned above a horizontal dashed line.

Dr. Win Si Thu

Chairman

Medi Myanmar Group Ltd.

From: August 2019 To: August 2020

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 for a safe and healthy workplace for our people. There are also policies in place to ensure that activities such as discrimination are not tolerated at our organization, operational processes, and our daily employment practices.

Medi Myanmar also believes that our people are the key assets of this organization. Hence, we are attentive to their needs for growth and capacity building. There are opportunities for personal and professional development in place for them to feel growth at this company. We have over 11 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 organization and workplace are 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, abuse, and 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, sexual orientation, religion, and etc.
- 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 assessments and exams are implemented for new employees. Our company also looks from within to give our people the chance for career progression and development opportunities.
- All business partners and suppliers will adhere to our principles on Human Rights.
- All employees and business partners are free to express themselves and conduct their actions within reason without discrimination or judgment at the company.
- We are committed to improve the lives of people in our community socially and economically, with priority in the areas of health, training, 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 are shared to all employees and monitored by designated teams so that everyone understands them, follows instructions, and acts accordingly.
- Medi Myanmar urges feedback from our employees, business partners, and branch offices 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 of need. Management and HR cooperate to resolve issues involving people at all levels of the corporate ladder if needed.
- Medi Myanmar provides support to active undergraduate and graduate students at our company through “paid education leaves” so that our people can complete their courses and training. We also provide jobs to those from underprivileged backgrounds and conduct training to develop and improve their interest and capacity in their daily roles.
- Medi Myanmar implements policies for the protection of Human Rights for all stakeholders throughout all levels of the company.
- Any reported discriminatory act including sexual harassment will be dealt with immediately with high priority by HR and senior management.
- All employees regardless of background, race, religion, and sexual orientation are allowed to express themselves freely within reason.
- Medi Myanmar supports capacity building of our employees by investing in language skills, vocational training, capacity building training, leadership seminars, 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 in healthcare needs from minor to major illness, maternity care, and surgical procedure cases since there is an insufficient healthcare system and lack of health 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, and Myanmar New Years offerings.
- We have contributed to the University of Medicine (1) Alumni association for five

consecutive years by supporting outstanding students award in 4 categories with Gold medal awards. This supports outstanding medical students who can one day contribute to the medical community and society.

- We participate in a local project with the L'Occitane Foundation every year 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 individual in senior management is the President of Visakha Foundation, which is an officially registered foundation supporting young adults on vocational training, providing decent jobs and reducing poverty from underprivileged and poor social-economic backgrounds. In collaboration with the foundation, we are fully supporting them on education and vocational training support. Together with the foundation, we are also involved in taking responsibility for nearly 300 young adults with vocational training for the development of their skills by providing them decent jobs with decent income in order for them to be able to support their continued education and get a degree to 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 our diversity (i.e. gender, race, educational distribution and etc.).
- Regular and continuous assessment and monitoring is done. We analyze and identify the areas for improvement and where additions can be made for better implementation of company policies to further support the human rights principles.
- 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. aligns with 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 at our organization and will not work with any business partners that does 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 any 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 management. If there are any violations reported, it will be addressed by HR and management in order for it to be dealt with in a timely manner in a fair fashion.
- Medi Myanmar issues a company memo that is distributed through all levels of the organization if organizational policies or national regulations on labour rights are amended.
- Medi Myanmar shares the company policies and regulations to new recruits once hired in order for them to understand and be aware of our practices.

- HR, senior management, and middle management employees are trained to understand different types of discrimination and how it can affect the workforce. This is crucial for management to promote a non-discriminatory workplace.
- Medi Myanmar prioritizes the health and safety of our employees. We ensure that our people are 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, to increase knowledge on their related responsibilities and to enhance 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 8 MBA students in our company to work with flexible hours during their course until they graduate.
- We take steps to boost employee motivation and morale through a reward system including incentives, bonus programs, local trips, overseas trips, and career progression.
- All of our offices close accordingly with all religious and national holidays as mandated by the authorities.
- Medi Myanmar is open to share our labor policies with business partners and suppliers when requested.
- Management and HR are active and responsible to uphold labour rights within our organization. We also encourage our people to support each other as a family, protect and educate each other to understand company labour policies for responsible actions.
- We have an open door policy with the Labour Union of Myanmar (Government Ministry) where 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 cascade this information throughout the company 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, our business partners, business affiliates, buyers, 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 has taken steps to engage in greater environmental responsibility with our people and stakeholders.
- All employees from new recruits to long-term employees receive a company memo that includes policies and goals regarding environmental protection.
- Medi Myanmar is on track to decrease its environmental footprint by 10 to 15% annually. We will continuously review areas in our operations, supply chain and various systems to analyze where we can reduce our carbon footprint.

Implementation

- Medi Myanmar promotes practices such as “not to litter” and “throw waste into the bins” within the company since people are not as aware of the environment in the country. We promote methods such as teaching employees on how waste should be disposed in proper bins for recycling and trash.
- Medi Myanmar has selected Friday as “clean up day” when all employees throw away trash, remove clusters around their workspace, and clean up their desks at the same time.
- Medi Myanmar encourages employees to carpool when employees 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. The company 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 business activities that expose significant risk to the environment (i.e. carbon emissions of factories, etc.).
- Medi Myanmar encourages using electronic or online means to store and send data instead of paper when appropriate in order to reduce our carbon footprint.
- Medi Myanmar has decreased carbon emissions by reducing its air and road trips to districts, regions, and branch offices by conducting calls online.

- Medi Myanmar has quarterly meetings and activities with our people to share knowledge and trends about the environment.
- 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.
- Management and HR encourage employees to share ideas about going green and find alternative ways to reduce their environmental footprint.
- We educate our people 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, fixtures, 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 activities in reducing their environmental footprint so we can also learn new ideas to execute at Medi Myanmar.

Measurement of outcomes

- Medi Myanmar regularly reviews and monitors our environmental footprint of the company through the monthly electricity bills, water bills, 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 to 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 to avoid any form of extortion or bribery. We highlight our expectations on our values related to anti-corruption and general company ethics. All employees and business partners are guided through our company values to understand our expectations. All 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 fashion.

- 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 the company's expectations and to seek any improvements that can be made.
- Reports are collected from department heads of all offices to search for any presence of extortion and bribery. Any incidences will be reviewed and discussed with management and HR for appropriate action.

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.

In summary, Medi Myanmar has implemented policies and created goals to align with 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.
