

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: 1st January 2020 To: 31st December 2020

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.

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, Labor, 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.

As for all, 2020 has been a very challenging and demanding year for our company due to the devastating impact of the Covid-crisis. Throughout the entire year we stayed faithful to all improved guidelines and strategies we have implemented over the course of years as contribution to a better, safer and more sustainable world. This year we have developed less new initiatives, because our focus, time and effort was fully dedicated to providing all of our clients with the much needed immediate, adequate and successful assistance to cope with the Covid-crisis.

Since the start of the Covid-crisis we served close to 25 organizations worldwide with the delivery of more than 1,200 line items adding up to more than 8,000,000 single items. The main products within this Covid-response were PPE-items (including more than 6,000,000 face shields, 1,000,000 coveralls, and 120,000 boxes of masks) and medical equipment (including over 7,000 oxygen concentrators).

By setting up a hub in Shanghai we were able to reduce the overall lead-times and transport kilometers significant by delivering directly from the main sourcing country.

Much attention has also been paid this year to the safety our own employees implementing extra safety measures for staff that had to work at the office or warehouse and creating healthy situations for employees that worked from home.

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:

New initiatives launched in 2020:

- In the light of the Covid-crisis important safety measures have been taken to protect our own staff from infections. In addition to the great appeal for staff to work at home to the maximum extent possible, sufficient working space and good circulation of air at the office and warehouse has been guaranteed;
- A new GDPR policy was developed with a privacy statement and data leaking protocol. All employees have received and signed for this new policy;
- The working conditions in the warehouse have been improved by adjusting the air circulation. In the office plants have been added;
- All employees have received all necessary tools for safe and healthy working conditions for working from home under the Covid restrictions;
- A Covid-crisis team was set up to immediately act in changing conditions to safeguard health of our staff;
- Launch of a new Health and Safety policy including appointment of 2 prevention coordinators;
- RI&E study conducted;
- In 2020 we supplied 38 different types of neonatal and infant care medical equipment for another 30 hospitals in Ethiopia as part of the medical infrastructure strengthening.
- In 2020 on 25 more sites all this equipment was installed by local trained staff. A schedule for preventive maintenance was also drafted for implementation in 2021. The maintenance works will also be carried out solely by local staff.

Ongoing positive effects of improvements implemented in past years:

- In our recruitment process we continue 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 area;
- 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;
- The continuous improvement 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;
- Further increased sourcing of products at the African continent leading to local capacity building and self-reliance.
- MEG continued the 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. This has led to an increase in employee satisfaction, a better understanding of the huge importance of our work leading to a further increased dedication and pride.

Labour

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

New initiatives launched in 2020:

- A start has been made with the implementation of a scanning tool in the warehouse thereby reducing the amount of manual labor;
- Adapting the warehouse layout has resulted in a picking efficiency of 26% and various other improvements led to an overall efficiency of 19% in the entire warehouse. This has reduced duplication of efforts and thereby increased the right use of employees' potential with as positive outcome a higher employee satisfaction;
- 12 extra employees followed and concluded the LEAN-training and 47 staff members followed an introductory course. In 2021 another training group of about 10 people will start;
- Server capacity increased substantially to allow for large scale working from home;
- The new and intensive fleet review process as follow up of 2019's review. 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.

Ongoing positive effects of improvements implemented in past years:

- Increased sourcing of products at the African continent, thereby contributing to local employment, capacity building and increasing self-reliance of the African people;
- Continued implementation and further broadening of the LEAN-approach;

Environment

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

New initiatives launched in 2020:

- In addition to the digital delivery of the inbound shipping documents, now also other purchase related documents such as the Certificate of Origin are now entirely digitized;
- The objective of MEG is to transport more shipments via barge. This is good for the environment, a barge holds about 165 containers, which means 165 trucks less on the road
- MEG has intensified sourcing of more reusable products in stead of single use. AN example is the intensified use of reusable aprons;
- Further increased sourcing of products at the African continent leading to further reduction of greenhouse gasses;
- Start of the implementation of a packaging calculation and optimization tool called StackAssist. This tool will result into a more efficient filling of boxes leading to less empty space in these boxes. As a consequence less boxes will be used. In addition the system also generates an optimal loading plan for containers, thereby reducing the space in and thereby number of containers used;
- 100% inbound control checks avoiding last-minute crash-actions in procuring shortages and importing these by means of less substantiable transport options;
- In the early days of the Covid-crisis we set up a local warehouse hub in Shanghai in order to increase responsiveness to the emergencies and at the same time to reduce transport movements;
- Further promotion of use of electric company cars; 3 new lease contracts for electric cars were signed.

Ongoing positive effects of improvements implemented in past years:

- Separation of waste material;
- Our 3,406 solar panels continue to provide approx. 932,440 kWh worth of energy;
- Office and warehouse ventilation system with minimum environmental impact;
- Paperless order and quotation process;
- Electronic signing of documents;
- Electronic storage of certificates and documents;
- 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:

New initiatives launched in 2020:

- Having all necessary measures in place, no new initiatives were developed. The focus was on maintaining the high standard we have.

Ongoing positive effects of improvements implemented in past years:

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:

- Adaption of the warehouse resulted into a 26% higher picking efficiency and other warehouse improvements added another 16% increase in efficiency. Both reducing waste and increasing employee satisfaction;
- Supplied and installed medical equipment + trained local staff for an operation of another 30 hospitals in Ethiopia with the support of locally trained and hired employees;
- No. of transport to port via barge: 10%;
- In 2020 250 more shipments than in 2019 were dispatched directly from the manufacturing sites to the end-user;
- New GDPR policy and privacy statement;
- New Health and Safety policy.

The measures taken in previous years continue to create positive effects. The numbers for 2020 are equal to those reported in 2019:

- *3,406 solar panels placed providing 932,440 kWh;*
- *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 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.*