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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. Each year, we observe a significant increase in the number of organizations around the world that aim to build a more socially responsible world. Han Ideal is also taking an active role in the local business community by sharing our knowledge and experiences with our stakeholders about the importance of the UNGC Principles. We strive to improve our processes and policies every 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 share and explain the activities implemented by our organization throughout the past year to align with the ten UNGC Principles. We thank 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 2020

From: September 2019 To: August 2020

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. We aim to protect all our people 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 at the organization.

Assessment, Policy and Goals

- Han Ideal strongly condemns any form of discrimination within our workplace across all our offices.
- Han Ideal strongly condemns any form of discrimination at any of our partners' and suppliers' organizations.
- Hiring practices at Han Ideal are not biased towards race, gender, religion, or other traits; everyone is considered equal and is given a fair opportunity through a meritocratic system.
- Han Ideal cultivates a family style corporate culture where all colleagues should treat each other with respect, fairness, and equal opportunity.
- Han Ideal 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.
- Han Ideal continues to donate to charitable causes and philanthropic efforts that respect and align with the United Nations Human Rights Principles.
- Han Ideal supports and participates in events and donations that improve the socioeconomic status of people within the country.
- Han Ideal continues to provide seminars, conferences, training, and learning programs for employees with the aim of improving their personal development and professional skills.

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, Han Ideal cultivates a family style positive working environment where these types of conflicts do not occur in our workplace across all our branch offices. Our people treat one another with respect, fairness, and equality.
- There is a shortage of skilled and qualified labor in Myanmar. Therefore, Han Ideal invests in seminars, training, conferences, and learning programs that aim to build the capacity and develop the careers of our employees. Employees are free to attend the programs as they wish in order to enhance their skills.

Implementation

- Han Ideal will voluntarily share this COP internally to our employees and externally to stakeholders of the company when asked in order for them to align with and be aware of the Human Rights goals and values of our organization.
- Han Ideal conducts hiring practices and employee promotions in a systematic, meritocratic, and unbiased manner without any forms of discrimination.
- Han Ideal takes advice and collects feedback from internal and external stakeholders on how to improve our policies and practices so that we can learn more ways to promote Human Rights.
- The owners, directors, and shareholders of Han Ideal take full responsibility to promote and uphold Human Rights at the company at all offices.
- The Human Resources Department works closely with our Department Heads to develop policies and learn more ways to protect and promote Human Rights.
- Han Ideal maintains a sexual harassment policy where any incidences will be dealt with in a fair, appropriate, and prioritized manner.
- Han Ideal cultivates a family style company environment where our employees are able to freely express their cultural values, individual ideas, and practice their religion without judgment.
- Han Ideal holds various seminars, programs, training, and conferences throughout the year for all employees with the aim of capacity building and professional development in order to enhance their skills.

Measurement of outcomes

- Any incidences that violate Human Rights against Han Ideal company policies are reported to the HR Department in order for them to be dealt with appropriately in a fair, appropriate, 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 upholding 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, suppliers, branch offices, and other stakeholders to prioritize the labour rights of workers in order to build a more sustainable and socially responsible future for the world.

Assessment, Policy and Goals

- Han Ideal does not endorse or practice any form of child labour, forced labour, or compulsory labour within our workplace and across all offices.
- Han Ideal does not endorse any form of child labour, forced labour, or compulsory labour at any suppliers' or business partners' companies.
- Han Ideal adheres to Myanmar labor laws in order to provide employees with the appropriate benefits, compensation, pay, rights, and responsibilities for their work and efforts.
- All employees are compensated according to Myanmar labour laws with regards to minimum wage, overtime pay, medical leave, holidays, and other relevant points.
- Han Ideal endorses and practices hiring processes that are implemented in a fair, meritocratic, and just manner without any form of discrimination. Han Ideal also encourages its business partners, suppliers, and other stakeholders to conduct the same processes to align with the UNGC Labour Principles.
- Han Ideal fosters a harmonious family style and positive working environment without any form of discrimination.
- Han Ideal cultivates a family style open corporate culture where all employees can freely express their cultural values and practice their religion freely without judgment.

Implementation

- Han Ideal regularly updates and revises its corporate policies to align with national labour laws that have been amended in order to protect our employees.
- HR and Department Heads ensure that all employees are notified and aware about a change in a policy regarding labor rights by issuing a company memo.
- Han Ideal provides regular training and seminars for employees to bring awareness of labour rights, discrimination, forced labour, and etc. in order for them to learn the importance of the UNGC Labour Principles.
- Han Ideal invests in labor awareness training for 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 at all offices.
- Han Ideal also supports the healthcare of all employees by paying for operations, surgeries, death expenses, maternal leave, and etc.
- Han Ideal is in contact with the Labour Union of Myanmar (Government Ministry) so that they can always provide information, education, awareness and training to all our staff about the latest updates in the country regarding labour regulations and policies.
- Han Ideal invests heavily in our employees through training, seminars, conferences, and programs so that their professional development, capacity building, knowledge, and skills can improve for the future.

Measurement of outcomes

- Han Ideal reviews its organizational statistics and policies regularly to understand how the labour practices can improve for the benefit of all employees (e.g. gender, pay scale, sick leave, health coverage, training, diversity).
- Han Ideal does not tolerate violations of the UNGC Labour Principles among internal and

external stakeholders. If there is a violation by one party, Han Ideal will review the situation in order to assess whether we should terminate all ties with the relevant party.

- 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 across the previous year to learn if any actions or improvements can be made for the future benefit of the organization.

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 supporting and aligning with the UNGC Environmental Principles because the organization strives to promote greater environmental responsibility and waste reduction 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

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

Implementation

- Han Ideal encourages 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.).
- Han Ideal holds 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 to understand where we can reduce our waste and carbon footprint.
- Han Ideal requests all 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

- Han Ideal takes 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 the organizational supply chain processes to assess and understand 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.
- Han Ideal requests annual environmental reports from business partners and suppliers 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.
- Han Ideal conducts annual assessments to learn how we can improve our operations and 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

- Han Ideal maintains 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.
- Han Ideal does not endorse or commit to any business practices that will violate the UNGC Anti-Corruption Principle.
- Han Ideal invests in training and seminars so that all employees can recognize and be aware of any form of corruption if it is taking place.

Implementation

- Han Ideal establishes 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.
- Han Ideal invests in seminars and training so that our employees can understand and be aware of any form of corruption.
- Han Ideal shares 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 Han Ideal is audited regularly to ensure that no corruption, bribery, malpractice, or extortion is taking place at our workplace across all offices.

Measurement of outcomes

- The Department Heads and HR Department collaborate to handle any situation that is related to corruption involving any employees, business partners, suppliers, or stakeholders.

- Reported incidents will be dealt with in an appropriate and prioritized manner in addition to evaluating prior actions and punishments.
- The HR Department and Department Heads work together closely to evaluate current anti-corruption standards of the organization in order to learn how it can be improved for the future benefit of the organization.
- Every department is audited regularly to ensure that no corruption is committed at our workplace across all offices.

Concluding Statements

In summary, Han Ideal Trading Ltd. is taking steps to ensure that the practices, processes, and procedures of the organization align with the Ten Principles of the UNGC. Han Ideal is proud of the continued progress that our organization is achieving each year in order to build a socially responsible and sustainable future. Han Ideal also urges all internal and external stakeholders to practice actions that align with the values of the UNGC Principles. Again, Han Ideal would like to thank all the people involved in its daily operations and practices in order to implement the UNGC Principles for a better future.