



Panchakanya Group,
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March 26, 2021; Friday.

The Global Compact,
United Nations,
New York, NY 10017,
USA.

RE: Statement of Continued Support for the Global Compact

Dear Sir/Madam:

I hereby confirm our continued participation and support to the Global Compact initiatives, as Panchakanya Group continues to adopt Global Compact principles deeply intertwined with its daily operations.

Thank you.

Sincerely,

Ujjwal Shrestha
Executive Director



Panchakanya Group

UNGC ID 135396

Member since April 8, 2019

Communication on Progress (COP)

March 26, 2021

Panchakanya Group is pleased to confirm its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment, and Anti-Corruption. We have strict guidelines as well as measurement of outcomes in place. In our 2020/21 Corporate Sustainability Report below, we describe our actions to continually improve the integration of the Global Compact and its principles into our business, strategy, culture, and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

2020/21 Corporate Sustainability Report

About Panchakanya Group

Panchakanya Group has been a pioneer in introducing building material since its establishment in 1972. Today the Group has a diverse portfolio of manufacturing of construction materials, energy, financial intuitions and represents various automotive and heavy equipment brands. The Group's industrial journey since its inception has made it a leading brand in the construction material range and a preferred brand for the consumers in the Nepalese market through its dedication to quality and service.



Reinforcing the Nation since 1972

The group's long history and involvement in various infrastructure works have helped the company to engage, involve and support various community and environmental challenges through its corporate social responsibility in most parts of Nepal. The company's CSR strongly focuses on 5 core areas and they are education, environment, women empowerment, health and sanitation, and skill development. We are an active member of the UN Global Compact.

Statement from Panchakanya Group's Chief Executive Officer Ujjwal Shrestha:

I am pleased to confirm Panchakanya Group's continued adherence to the UN Global Compact (UNGC) Principles as well as its renewed commitment to work with the UN on promoting sustainable development as a Global Compact LEAD company. Hereafter follows a summary of the progress made by Panchakanya Group in the 2019 with regards to the following areas:

1.) Human Rights and Labor

Panchakanya Groups' commitment to human rights and labor practice is part of our corporate policy. Every employee of the group is given health and medical insurance. Safety equipment is mandatory in all our facilities such as helmets, safety glasses, protective shoes and gloves. The Group has a zero-tolerance policy when it comes to harassment, misconducts such as physical, verbal or psychological harassment. In any of the cases, it leads to immediate suspension or expulsion in serious cases.

We are dedicated to abiding by labor laws within the country and have aligned our business practice with international best practices. Our corporate policy further enshrines our commitment to diversity and prohibits any form of discrimination. As a group, we are committed to ensuring that Panchakanya Group is a safe and fair place to work. This commitment permeates all areas of the organization – from owners, board members and managers to individual employees – in shared efforts to promote a good, enjoyable working environment on an everyday basis. Panchakanya Group has given all its workers with COVID-19 insurance to sustain the condition at priority.

2.) Environment

Panchakanya Group is committed to continuously improve its environmental performance and provide positive contributions to society through its activities and engagements. Climate change is one of today's biggest global challenges. The Group intends to be a key contributor towards the development of a carbon-neutral construction sector.

The entire life cycle of our materials, from production to their use, is taken into account in our actions to mitigate climate change and optimize the use of natural resources. We search for innovative answers, to both reduce the impact of our industrial sites and provide solutions to meet societal challenges. This includes improving energy efficiency in our factories and office building by using green energy and contributing towards building better residential, commercial and government properties by adapting and introducing to sustainable building material. Every year the group host initiatives such as tree plantation and cleaning camps throughout the nation to promote a greener and a cleaner planet.

3.) Anti-Corruption

Panchakanya Group is a family-run business. We believe in ethical business practice with zero-tolerance policy towards corruption. Policies have been in place to ensure transparency and compliance with national and international regulations bookkeeping, budgets, audits, project evaluation, etc. are practised and performed regularly to produce accurate data in accordance with best accounting practices. Training programs are also conducted to ensure this is embedded in our operations with frequent internal and external audits.

4.) COVID-19 Efforts

During the time of Covid 19 outbreak, Panchakanya Group had actively taken part to aid and help the nation. The Group had worked closely with Mr. Mahabir Pun, Chairman of the National Innovation Centre to make “Portable Testing Booths” to allow COVID-19 testing to be taken in various places and locations.



EFFORTS OF PANCHAKANYA FOUNDATION DURING THIS PANDEMIC PERIOD

KEY HIGHLIGHTS

-  Mask distribution
-  Testing booth
-  Ration distribution
-  Financial support
-  Medical instruments

The Group had worked closely with hospitals in Nepal such as Teku Hospital, Bir Hospital, Patan Hospital and Teaching Hospital to support the lack of masks available in the market. Panchakanya Group had distributed 2500 masks each to these hospitals. Portable Testing Booth was provided to Nepal Cancer Hospital in Harisidhi, KMC Hospital in Sinamangal and Teku Hospital (Shukraraaj Tropical & Infectious Disease Hospital). The Employees of Panchakanya Group at Bhairahawa Factory had collectively donated Rs. 5 Lakh from Chaitra Salary to Tilottama Municipality Disaster Management Fund to help people in need during the lockdown due to COVID-19.

In addition, the team at Kathmandu (head office) and Bhairahawa had also pledged Rs. 8.7 lakh and Rs. 2.90 Lakh to the local Wada to help with food distribution for the community and daily wage workers. The team from Bhairahawa has also donated 1000 masks to Tilottama Municipality to help

combat the pandemic. Panchakanya Group in collaboration with their dealers had distributed ration to the daily wage workers for 128 families at Kathmandu valley on the occasion of Labor Day.

COVID MOOD BAND

Panchakanya
G R O U P

Let's fight
COVID-19
TOGETHER

Color Indicator:

- NO TALK NO CONTACT**
- TALK AND MAINTAIN DISTANCE**
- OKAY TO TALK WITH ELBOW AND ANKLE BUMP**

#STAY SAFE
#STAY SAFE
Panchakanya

**MY MOOD BAND REFLECTS
MY SOCIAL PROTOCOL**

www.panchakanya.com

5.) Future Goals

As a major player in the building material manufacturing industry, Panchakanya Group will always adapt and contribute to sustainable products and building techniques through product and process innovation. We aim to provide continuous improvement in our product, increase efficiency in our facilities and strive to build a collaborative and supportive workplace.