



MINGALARDON CARGO SERVICES PUBLIC CO., LTD.

2021 - 2022

COMMUNICATION ON PROGRESS



WE SUPPORT

- ***HUMAN RIGHT***
- ***LABOUR PRINCIPLES***
- ***ENVIRONMENT***
- ***ANTI-CORRUPTION***



13th June 2022

H.E Antonio Guterres

Secretary-General

United Nations

New York, NY 10017

USA

Dear Mr. Secretary-General,

To our stakeholders,

It has been six years that Mingalardon Cargo Services Public Co., Ltd. through our daily business activities and our stakeholder relationships, reaffirms our support to the Ten Principles of the United Nations Global Compact in the areas covering Human Rights, Labor Principles, Environment and Anti-corruption issues. So that we may achieve sustainable development of the society. We seek in our CSR initiatives to collaborate with all of our stakeholders, government and civil communities to create a better future for all of us.

In June, 2016, Mingalardon Cargo Services became a proud registered participant in the United Nations Global Compact (UNGC). We are confident ourselves to become a responsible organization for our CSR implementation by incorporating the Ten Principles of the Global Compact into our business practices. In December 2017, MCS chose to be a signatory level. We have committed ourselves for Corporate Social Responsibilities (CSR) to our environment. We tried to be fully CSR, donation and planting activities as much as we can in 2021 and 2022.

In this 6th year annual Communication on Progress (COP), MCS is pleased to make commitments to continue support in accordance with the ten principles and guidelines of UNGC. We describe our actions to continually improve the integration of Global Compact and its principles into our business strategies, culture and our daily operations. Additionally, we promise to share this information with our stakeholders using our primary channels of communication.

Communication on Progress (COP) Period covered From 13th June 2021 to 13th June 2022

Yours Sincerely,

A handwritten signature in blue ink, appearing to be 'Saw Tun', written over a light blue circular scribble.

Saw Tun

Managing Director

Mingalardon Cargo Services Public Co., Ltd.



Human Rights

Principle 1 : Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2 : Make sure Businesses are not complicit in human right abuses.

Assessment, Policy and Goals

Mingalardon Cargo Services practices on the following policies;

- Conducting the Human Right and labour law awareness
- No Workplace Discrimination
- Focus on Universal Declaration of Human Rights
- Protect on Human Rights
- Social Security Board
- No discrimination of gender, age, race and religion on employment process.

Continuous Implementation

Human rights are fundamental rights that all human beings possess regardless of their race, ethnicity, sex, national or ethnic origin, color, residence, religion or any other status. Awareness trainings of Human Rights and Labor Law were conducted among employee by the MCS management and Human Resources Department. MCS Employee Handbook was documented and supposed to read and understand by all of our employee. It is not only reflected our company's policies and the rights and responsibilities of the employee. Employee were briefly highlighted about the importance of mutual respect and equality by reading the employee handbook.

“No Workplace Discrimination” in Mingalardon Cargo Services had been practicing in our cargo warehousing process and strongly emphasize on Non- discrimination on workers and among workers.

Mingalardon Cargo Services documented several kinds of books for knowledge and information including general concept of **Universal Declaration of Human Right** books for employee and generation. Moreover, management team strongly encourages and supports each individual's creative warehousing services, innovation and development, enabling each individual's strengths to build creative thinking and sound character for the overall to flourish, without compromising its underlying principles. Moreover, we invite and share our business partners and stakeholders to know about the Ten Principles of UNGC and to practice UNGC Ten Principles and in their business process.

MCS Human Resources Policy and Procedure was documented to understand easily among the employee by the Management Teams and Human Resources Manager. It supposes not only company's management and policies but also the rights and responsibilities of the employees. Employee were briefly highlighted about the importance of mutual respect and equality by reading the Human Resources Policy and Procedure.

Employees are age 18 or older. MCS does not use or employ child labor under any circumstances as defined in the International Labour Organization Convention.

We don't discriminate on Religious, Ethnic, Gender and Vulnerable Group in our employment process. Moreover, all workers have right to belief and right to religion.



Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to create job opportunity for newcomer and everyone, without any discrimination has the right to equal pay for equal work. Conflict Resolution among the MCS's process is practiced effectively. Constructive manner is practiced, i.e. to submit unsatisfactory, displeasure, unfairly treated, grievance, resentment, injustice and all complaints anonymously to Management Team or HR Department. Suggestion boxes were placed at MCS, in additions suggestion phone number, emails were publicized to all our stakeholders though various communication channel.

Measurement of outcomes

MCS Management Review Meeting was conducted by Management with zero case of human rights contravention. Orientation learning were provided in regular basis not only to welcome the new employee but also to make sure the employee awareness of the company's polices and employee handbook so that all employee fully aware of their rights and responsibilities. Orientation training will be conducted as the class room training.

MCS's Quality Management System was certified by Bureau Veritas Certification and accredited by UKAS on 01st March 2017. The Re-Certification Audit was conducted and passed on 17th Feb 2020 without Non conformity regarding with any human rights though the audit focus on MCS' Quality Management System. The surveillance audit was conducted by Bureau Veritas Certification on 18th February 2022, 2nd surveillance audit on 3rd Mar 2022 by online audit and successful completed without finding. MCS has effectively implemented its planned arrangements and to confirm that the management system is capable of achieving the organization's policies and objectives.

Labour Principles

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

Principle 6: the elimination of discrimination in respect of employment and occupation.

Assessment, Policy and Goals

Mingalardon Cargo Services Strongly emphasizes on:

- Company policy to uphold the freedom of association and collective bargaining.
- No child labor and no force labor policy
- Creates secure work-place and healthy for workers
- Creates the additional job vacancy.
- Provided the written Quality Policy and Safety Policy to all the employees
- Educates our staff that our company supports and adopts UNGC the 10 principles
- Help out in emergency response for safety and security
- Respect disability and responsible business
- Support Training for workers



Continuous Implementation

Policy of freedom of Association and activism based on individual freedom of associations and actions are practiced in MCS under The Labor Organization Law, Union of Myanmar. Personnel Recruitment employs over 18 years old only and practices no force labor, 8 hours per day, 48 hours per week and under relevant existing of Myanmar Labor laws. Moreover, MCS encourage workers to earn monthly salaries plus others interim allowances.

According to the each staff performance, each employee will be rewarded with, promotion and bonus without any bias. MCS management teams appreciate for staff who afford on their duty and responsibilities.

In accordance to Labor Law, all employees have reasonable working hours. Overtime rewards as interim allowances, fresh air, fresh drinking water, Energy cool drink, energy medicine, rest-room, dining room and ferry service are provided for the comfortable working environment. As a social welfare benefits, all staff are the members of Social Security Board and are entitled for sickness, maternity, parental and work-related injury allowance.

We are fully committed to align with ILO declaration and its articles on effective abolition of child labor and comply with Labor Law. MCS Human Resources Policy and Procedure was distributed as the employee's rights, responsibilities and grievance policy are mentioned to understand among the employee.

New Warehouse was built to create the additional job vacancy for jobless person. Although We planned to recruit 100 additional workers in 2020-21, it will be on 2022-23 due to covid-19 pandemic and current situation of our country.

Human Resources Policy, Procedure and Manual refers under Myanmar Labour Law, it is stated that opportunity to each individual regardless of race, color, gender, religion, age, sexual orientation, national or ethnic origin, disability, marital status, veteran status, or any other occupationally irrelevant condition. Maintain and improve diversity in our company. MCS company policy is distributed to the all staff to understand.

The Human Resource Department constantly monitors and reviews the performance of the employees and resolves the problems so that the employees can enjoy a more effective and productive workforce. The employees are encouraged to report their grievances and problems freely and if there are any labor abuses within the organization, all reports are accepted by the Management team and will make the reasonable decision and action not to happen over and over again.

Orientation training, Quality Management System, UNGC ten principle were conducted in regular basis not only to welcome the new employee but also to make sure the employee awareness of the company's policies and Human Resources Policy and Procedure so that all employee fully aware of their rights and responsibilities. To improve the employee skill, MCS provide the Dangerous Goods training, safety training, security training , X-Ray

CBT course, Cargo Warehouse Operation Train the Trainer and other international training such as IATA DGR, LAR, QMS, SMS and etc.



X-Ray Operator CBT course



Dangerous Goods Regulation Training Cat 8(Recurrent)



Cargo Warehouse Operation Training



Warehouse Safety Training

Under new program, let workers to know about knowledge, information and worker rights by supporting respective books and annual seminar on warehousing, health care, work-place security and others.

MCS provide necessary training for the skill development, professional development and carrier development of all our employees. Every employee has freedom of speech and efficient communication between management and employee. Weekly meeting are being held for discussion between all employees. We ensure good communication channels between employee and management to be well organized through suggestion boxes, email, phone, viber information group.

There are four emergency response plan in MCS such as Fire safety plan, security plan, work place safety plan and Natural Disaster Plan. Drills for all emergency plan will be simulated every year. MCS is starting to implement the Safety Management System as per component of the SMS framework such as Safety Policy and Objective, Safety Risk Management, Safety Assurance and Safety Promotion. SMS Implementation timeline will be finished on 2024.

Measurement of outcomes

Annual management review meeting completed by Management Team. All feedbacks, suggestions and complaints were handled and managed by Management team. There is no child labour and forced labour reported or founded in organization according to the external audit team. MCS will make possible that each employee is well educated in order to understand the rules and regulations of Labor Rights. There is no reported case concerning labor rights abuses within our organization and there is a harmonious relationship between the management and employees and among the employees in the company.



MCS HR department monitors the training valid date as per IATA training requirement and Civil Aviation Authorities requirements. MCS provides the training facilities for all staff competence.

MCS started to implement the SMS in December 2021 according to the , Safety inspection has been conducting 3 times per a week to prevent the incidence and accident of all MCS employee.

Environment Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Principle 8: Undertake initiatives to promote greater environmental responsibility.

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Assessment, Policy and Goals

Awareness raising or training of employees on environmental protection;

- Always try best to inform progress and latest technology on environment
- Reduce waste materials
- Reduce consumption of fuels efficient usage of vehicles and generators
- All duty staff perform the Cleaning Day on every Sunday.
- Creates green-environment and grow more trees

Continuous Implementation

Mingalardon Cargo Services always priorities not only for the safety of the people but also for the safety of the environment. We conducts safety training for all level of employees to be responsible for the environment and the communities. Management also takes proactive action by setting up for conducting the rubbish cleaning on every Sunday. We are trying adopt more environmentally friendly practices such as introducing energy saving measures the green and sustainable environment.

MCS believe that small efforts are important to control and reduce the damage of the environment. All staffs are trained to appreciate the value of the natural resources and comply with the environmental rules and regulations. MCS use energy saving a good practice of turning off the lights and air conditioner once leaving the meeting rooms and office rooms. Our Company will try to create the paperless workplace so we are trying to make a habit of using the cloud system for files/documents sharing, updating information, reporting. MCS avoid using the unnecessary amount of natural resources and make effort to minimize the environmental footprints.

MCS starts to change from manual cargo process to system process as Cargo Management System. By using the Cargo Management System, MCS staff and Customers can reduce the waste materials such as paper, machine and etc. MCS always try to use the latest technology on environment and to be green and healthy environment.

Mingalardon Cargo Services follows and practices The Environmental Conservation Law laid down in The Republic of the Union of Myanmar. The Communication Letters between organization are now distributed via email, Viber Information Group, no hardcopy is provided. Especially, We use of the environment or any element or segment of the environment after making required protections from the adverse effects of wastes, discharges, emissions and deposits so as to cause public health, safety or welfare.

MCS supported to the staff the facilities and supplement for health and safety as follow;

- a. Safely transportation
- b. ENERVON-C supplement medicine for all staff
- c. Meal allowance for all staff
- d. Uniform and other facilities



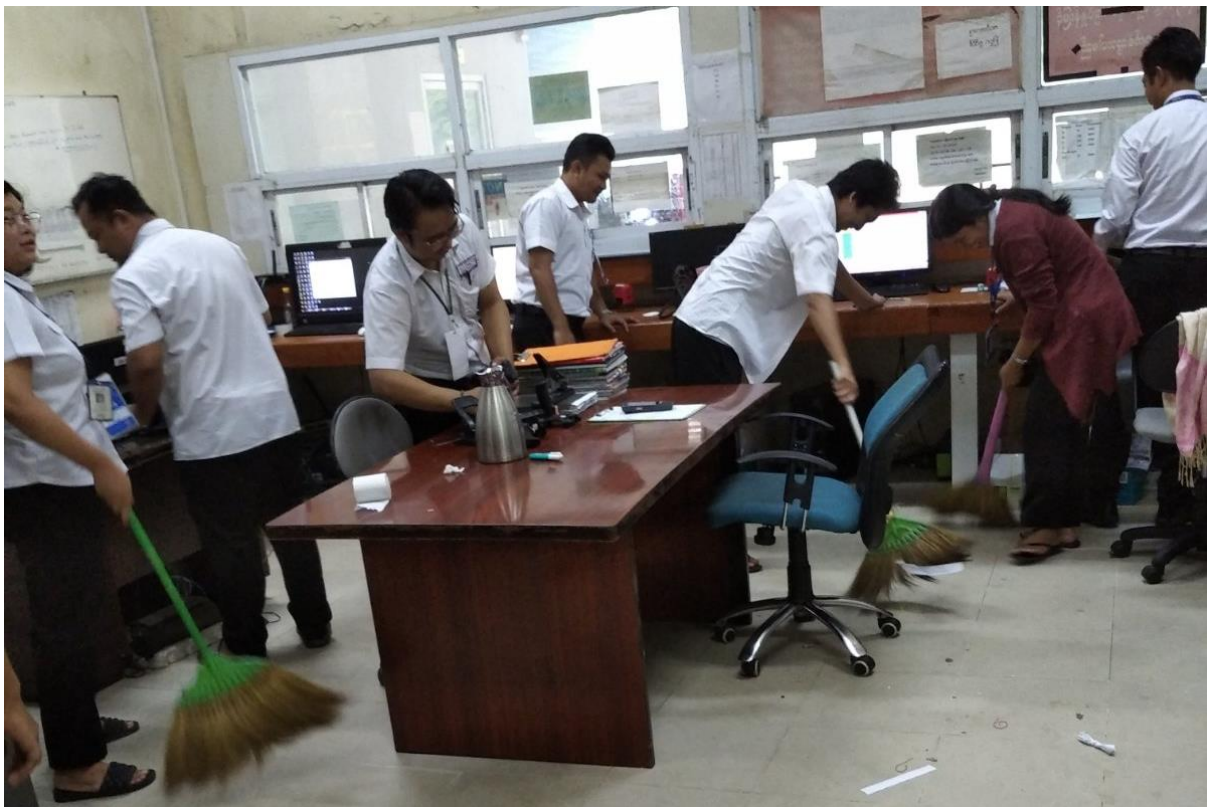


We apply the continuous application of multi-strategy on environmental conservation to processes, products and services to improve the use of resource efficiently, energy saving light and air-conditioning system, minimize waste, polluted water and emissions and conserve the healthy nature and human environment; to enable to manage and implement for decrease and loss of natural resources and for enabling the sustainable use beneficially. According to new program, MCS practices clean environment of inner and outer parts of the work-place. Waste and rubbish are collected in systematic way and dust bins and waste boxes are put to the standard area by regulator. Moreover, we plant trees and create green-environment in warehouse surrounding. Every day, we take care the plant around the environment to growth up, watering, etc.





MCS staff Cleaning Day on every Sunday for Environment



MCS staff Cleaning Day on every Sunday for Environment

We all believed that Planting and maintaining the trees can support the natural environment positively and have meaningful effects on social life, purify the air pollution, can add oxygen to the atmosphere, save the energy on cooling/heating machineries and also

support to reduce global warming system. If a huge tree in properly and systematically taken care in a garden, the volume of oxygen it produces is equivalent to the air condition. And also environment cleaning is very important for human healthy. The MCS team members undertook a cleanliness drive at the MCS compound and non-stop still all areas were impeccably clean.



Green Environment



Measurement of outcomes

In order to continue to contain effectively the spread of COVID-19 in Myanmar, We did not participate the planting as the previous year 2021. But Tree Planting and clean environment was accomplished on the areas of Mingalardon Cargo Services located in Mingalardon township. Moreover, MCS will continue to participate yearly planting, weekly cleaning and other environmental development in the future.

MCS comply with the UNGC's environmental principles and our National Law and regulations to maintain and improve the environment. Mingalardon Cargo Services' primary responsibility is to ensure the long term success of the best corporate social activities. We have been actively supporting to Local Foundation's CSR activities to be green environment, to save the people who is straighten by natural disaster. We are contributing to the country's education sector, health sector, religious affairs.

Annual management review meeting completed by Management Team. As the our sustainable Improvement the environment, We have planted the various kinds of the trees around the warehouse area. MCS admits that We have future plan are contribution, planting and CSR activities every year.

Anti-corruption

Principle 10 – Businesses should work against all forms of corruption, including extortion and bribery.

Assessments, Policy and Goals

- Not accept the gift or present
- Regularly check by Internal Audit Team
- Monitoring by CCTV control center
- Upgrading the security measurement

Continuous Implementation

This policy applies to all persons working for us or on our behalf in any capacity, including employees at all levels of staff, workers, volunteers, agents, contractors, and business partners. MCS committed to be an accountable and responsible business and has zero-tolerance approach to corruption in all its forms and make sure all business operations are free from any illegal practices. Employees, GHA, Airlines, External providers of MCS including all associates are directed by good corporate guidelines to not go outside of the framework of Corporate Governance.

Mingalardon Cargo Services have a standard and believe in communication with all stakeholders especially with our valuable employee. Our Management holds weekly meeting with all departments to encourage integrity and explain about punishments and rewards concerned with corruption. No corruption was briefly mentioned on Human Resources policy and procedure. All employee are fully encouraged without any hesitation to report if any corruption case noticed through various communication channels.



Customer Surveys are conducted at least once a year by requesting the existing customers to complete customer feedback forms. If customer complaints about corruption, MCS audit team takes immediate action to investigate by interviewing all concerned persons and check the documents records reviewing. Based upon the result of the Audit Team review, MCS management takes necessary actions accordingly.

MCS was audited by the external auditor for the surveillance audit of ISO 9001:2015 Quality Management System without Non conformity regarding with any corruption case. There was no corruption case MCS management review meeting

Measurement of outcomes

Annual management review meeting completed by Management Team. As the result of corruption review, there were no corruption cases sharing through by all communication channels. In case of any corruption, Management Team takes investigation the accident detail and serious action according to any level of cases and checking the documents and CCTV records after that the Management Team take the necessary action on the investigation of the problem. MCS upgraded the security measurement in the whole warehouse. MCS has no case against corruption in the company as we continue to follow the anti-corruption policy and guidance from UNGC. MCS is proud to be a participant of UNGC. MCS will continue to support the 10 Principles of UNGC.