

Sustainability through ‘Creating Shared Value’ (CSV)

Message from the CEO & Chief Coach

Creating Shared Value

Central to the Mega Way in all of the 32 countries where we operate is the concept of Creating Shared Value

To us, that means going beyond the traditional parameters of Corporate Social Responsibility. It means embracing an entire philosophy of generating economic value while achieving social value. Simultaneously it means connecting our success to the success of the communities where we operate. It means practicing what we preach in terms of caring for Human Wellness – economic wellness, physical wellness, and social wellness.

From building talent and creating jobs in the markets where we work, to spreading the wisdom of self-care, to successfully pursuing ISO 14000 certification and green level certifications for our production facilities, Creating Shared Value is not just at the periphery of what we do: it is at the center of it.

Good Health By Yourself

Part of Mega’s unique contribution to Shared Value is our ability to empower people to take care of their own health and wellness. Self-care is at the heart of our thinking on health – reducing the burden on national healthcare systems in the countries that can least afford it.

With our resources for analysis and diagnostics and our ability to build knowledge and capacity, we are in a uniquely privileged position to inspire and enable both our team and our communities to actively pursue good health. Hence the Good Health By Yourself program.

For our employees, we focus on increasing physical activity, encouraging a healthy diet and lifestyle, improving health knowledge and encouraging appropriate preventive care. We offer comprehensive medical coverage to employees in markets where this is often unheard of, with annual check-ups and individualized advice on healthy living along with incentives for pursuing healthy ways of life.

Mega shares this with our communities by regularly conducting knowledge-building workshops and detection and diagnostic camps for health conditions often endemic to developing societies. These include:

- Anemia detection camps, to identify iron deficiency in many of the impoverished communities where we work
- Bone health detection camps, to help in early detection of osteoporosis
- Diabetes and blood pressure awareness, through educating healthcare providers and reaching the wider public through activities such as diagnostic camps
- Mother and child care in high infant mortality environments, through workshops on healthy pregnancy and child development

Green Mega

Sustainability is also a cornerstone of our approach to Creating Shared Value. In Thailand, we have achieved Green Industry Certification Level 3 (Green Activity) for both our Soi 6 and Soi 8 plants in SamutPrakan under the Green Industry Initiative of the Ministry of Industry. We have received the ISO 14001 certification in April 2015 and shall be re-audited in April 2018 for renewal.

In all of our production and storage processes we work to effectively utilize resources, reduce pollution, and reduce greenhouse gas emissions. To this end, we have implemented a number of practical initiatives in our manufacturing facilities, such as building an underground waste water treatment plant, converting to natural gas boilers and dehumidifiers, energy-saving T5 lighting / LED lamps and non-CFC air conditioning and saving energy through variable speed drive motors.

Our recently-built Australia plant has also been designed to the most rigorous environmental standards, with 400 photovoltaic solar panels generating 100 kW of renewable energy, approximately one third of total peak demand. Factory lighting consists of over 300 high-efficiency, low-energy demand LED lights.

Mega We Care Wellness Foundation

Creating Shared Value is not just philanthropy. Nevertheless, it makes us proud to be able to plow a significant proportion of our profits back into the communities where we work to achieve sustainable growth benefiting all. To this end, the Mega We Care Wellness Foundation set aside two percent of our profits after tax to sustainable development initiatives leveraging not only our funding but our healthcare expertise as well.

CEO and Chief Coach

VivekDhawan

Sustainability at Mega Lifesciences

Sustainability at Mega Lifesciences means delivering a sustainably growing operation with long term existence, an Organization that lives and grows beyond each of us, to be achieved by balancing the objective of profitable growth, human development, Environmental protection as well as conservation and Social Responsibilities.

Sustainability through CSV at Mega Lifesciences is lead and guided by the CEO and Chief Coach, Mr. VivekDhawan. The Company's objective since the inception has been to create an organization that lives and grows beyond each one of us and one that changes before it is forced to change.

Creating Shared Value includes proposing strategy, processes and implementation of initiatives for a sustainable organization and it is the responsibility of the Directors, Management and employees to implement sustainability through CSV.

Corporate Strategy and Long Term objectives

The Company has a 'Change by Design' framework which builds Products, Markets, Customer Experience and People on a foundation of Operational excellence and Enabling systems by installing in place policies, Key Performance Indicators (KPIs), Long term, Medium term and Short term reward systems, procedures, processes and finance.

Mega Vision

Mega's Vision is to 'Create a Thinking Organisation which will change before it is forced to Change. An Organisation which will live and grow beyond each one of us'

Mega Objective

Mega's Objective is to create value by marketing and selling medicines and medicinal supplements in developing countries.

Long Term Goals

- Maintaining our current market share.
- Double business in 5 years ending in year 2020
- Growth in sub-saharan Africa termed as 'Build Africa'
- Penetrating deeper in the natural herbal products business
- To consolidate position as a health care company

Succession Planning

The Company has developed a detailed succession plan for the Board of Directors including CEO and CFO. The succession planning has also been done in respect of Key executives and senior managers too. The plan has been documented and approved by the Nomination and Remuneration Committee.

Business Continuity Planning

The Company has developed Business Continuity Plans for its key operational units and is working towards achieving an integrated business continuity plan.

The corporate strategy approved by the Board of Directors is then passed on to the Management and staff as KPIs. These KPIs are then monitored periodically and rewards are disbursed based on actual achievements against the KPIs.

Stakeholder Engagement

Stakeholder engagement is a part of Mega Lifesciences' policies, processes, procedures and reporting. It is embedded in the Business Ethics and Code of Conduct. Stakeholder engagement manifests in various forms.

Stakeholders	Engagement	Expected outcomes
Shareholders, Analysts and Financial Institutions	<ul style="list-style-type: none"> • Annual Meetings General • Quarterly Statements Financial • Annual Report • Earnings Calls • Roadshows • Questions and Answers • Complaints • Factory Visits 	<p>Sustainable Return on Investment</p> <p>Long term sustainable strategy</p> <p>Good Governance</p>
Customers	<p>Regular visits</p> <p>Knowledge building programs through keynote speakers and other programs</p> <p>Training and Development</p>	<p>Good Quality Products/ Services</p> <p>Consumer education</p> <p>Consumer feedback and reporting related training.</p>
Suppliers	<p>Regular meetings</p> <p>Supplier Code</p> <p>Supplier audits</p>	<p>Fair relationships</p> <p>Long terms</p>
Employees	<p>Newsletters (Mega Views News)</p> <p>Minds we Share meets</p> <p>Annual Trips/ picnics</p> <p>Appraisal meetings</p>	<p>Good remuneration</p> <p>Decent working conditions</p> <p>Career path, security, benefits and training.</p>
Society	<p>Regular Involvement with communities</p>	<p>Long term community and social development</p>
Government	<p>Filing reports and returns</p> <p>Responding to directives, queries, etc</p>	<p>Payment of taxes</p> <p>Compliance with laws</p>
Competitors	<p>Membership and Participating in Industry/ trade bodies</p> <p>Participate in industry surveys</p> <p>Marketing Code of Ethics</p>	<p>Industry news</p> <p>Representation to government and regulatory bodies.</p> <p>Fair Competition and business practices</p>

Mega We Care – Us

Corporate Governance

The Company has a Board of Directors from Diverse areas of expertise and carrying high level experience in their areas of expertise. The Board of the Company comprises of 10 Directors out of which 4 are Independent Directors. The Directors meeting details and roles and responsibilities are covered in the Annual Report under the section Corporate Governance.

The Board has constituted

- a) Audit Committee which oversees Corporate Governance, Risk Management, Legal Compliance, External Auditors and Internal Audits. The External Auditors' and Internal Auditors' scope and appointment is approved by the Audit Committee.
- b) Nomination and Remuneration Committee which oversees the Nomination of Directors including Independent Directors and also reviews the remuneration of the Management Board and other senior executives.

Risk Management

The Company has a Risk Management Policy which requires the company to prepare the Risk Registers and highlight the Risks in Operations at least once annually in the Annual Report. The Audit Committee is responsible for the oversight and approval of Risk Management practices of the Company.

Compliance

The Company has a full time and dedicated unit for Compliance and Risk Management. The Company has a Compliance policy and a Compliance Manual. The Compliance manual along with the related policies has been communicated to operations covering more than 90% of the businesses. The key policies have been translated in local languages and governance related forms have been implemented for signatures from employees.

Anti-Corruption, Anti-Bribery and Marketing Code of Ethics

The Company has implemented an Anti -Corruption Policy to ensure that the business is conducted with ethics, integrity, and transparency and as responsible corporate citizens. Mega Lifesciences or any of its employees, managers or Board Members acting on behalf of Mega shall not make, provide, offer or authorize any payments, gifts of any kind or anything of value, directly or indirectly, to any official or employee of any country, state, provincial or local government or any government controlled or owned agency or entity.

Mega Lifesciences further extends this policy to such dealings with health care professionals and private hospitals which shall be done as per limits and approval procedures as specified by Mega.

Mega Lifesciences shall not make any facilitating payments to any government agencies, employees, department, government, political parties to expedite or secure the performance of routine services like tax assessments, customs clearances, utility connections, gas, telephone, internet, etc.

Mega Lifesciences has ensured effective implementation by laying down the rules, Formats, procedures and training employees on the Business Ethics and code of conduct and also signatures from employees for adherence to the Code of Conduct. All new employees are provided a training for Business Ethics and Code of Conduct and are required to sign as agreed and understand.

The Company also has a practice of circulating and obtaining confirmation from management and employees on the 'Conflict of Interest' form which ensures fair dealings.

The Company conducts training on all aspects of the Anti-Corruption policy regularly for key employees.

Human Resources Sustainability

Mega People, values and Culture

"Creating Owners... Improving Lives"

MEGA is a people centric organization which believes in goodness of people and gives an opportunity to people to make careers, improve their own lives as they are improving lives of their customers and partners.

Every member of the Mega team is an owner of a way of life. Our daily lives are driven by a simple cause: To improve lives, to care for human wellness and to help people stay healthy as long as they live. It's a cause that unites our 4,500-plus strong team across the world, sparking ingenuity, passion and a zest for life. They have created a learning organization that believes in Thinking, Changing and Growing.

At the core of the Mega culture is Respect, Freedom, Trust and Truth:

- Respect: for each other's differences
- Freedom: in work and personal lives
- Trust: our people as adults who know what needs to be done.
- Truth: in everything we do.

Human Capital Development



EXCELLENCE ACADEMY

Mega Academy arranges a variety of training programs and workshops for the people at Mega Lifesciences.

‘MINDS WE SHARE ‘ at Mega Lifesciences, is an approach to organize hands-on meets with the purpose of exchanging knowledge and gain wisdom, a conclave where we invite world-renowned speakers to offer new perspectives, which participants then cascade to their worldwide teams. Recent world-renowned facilitators have included Dr. Park, Partner of Blue Ocean Strategy, Dr. Clotaire Rapaille, author of ‘The Culture Code’, Jason Jennings, Curt W Coffman, Dr. Eric De Smet, Fredrik Haren, Dr. Jody Hoffer Gittel, Robert Spector, Mr. Sam Waterfall and Dr. Robert Buist. These forums were the genesis of our passion for ‘Employee Evangelism & Ownership’, and ‘Creating Owners, Improving Lives’.

We engage our teams by enlisting their participation in workshops with management gurus and best-selling authors like Marshall Goldsmith, Ram Charan and Paco Underhill, marketing gurus like Al Ries and Jack Trout, strengths coach Marcus Buckingham and The Lean Start up by Eric Ries.

Mega Academy has designed and implemented the Mega Master Management (MMM) program in collaboration with leading university of Thailand, The Mahidol University, to provide tools to managers, to improve skills, knowledge and methods for enabling them to successfully lead a team towards Mega’s goals and aims at delivering enhanced employee engagement, empowerment, commitment, retention and productivity improvement. The program extends over a period of 12 months and includes classroom training for at least one day per month. The program includes conception, discussion and implementation of projects and concludes with a certificate from Mahidol University’s Centre for Management.

The program is also offered in shorter version under a ‘MMM – Mini’ which mainly facilitates induction.

52,138 hours of training in 2017 globally at various locations of Mega Lifesciences

<<Training photos included in attachment>>

Skill and knowledge development programs are designed to deliver leadership, behavioral and technical skills making Mega’s human capital ready to meet business challenges and reach organizational goals.

Executive education and leadership development at mega is a one on one approach driven by the immediate coach. Colleagues undergo various trainings in the organization as well as with external bodies and universities. Few to name are Minds We Share at Mega, SASIN Thailand, IIM-Ahmedabad India, Institute Of Directors (IOD), Thailand, MahidolUniversityThailand and more. The executive education and leadership development interventions aims at developing future leaders by bring them knowledge, skills and experience to lead influentially and enhance business results.

More than 4,300 employees worldwide including 43% Males and 57% Females.

Employee remuneration and benefits

<ul style="list-style-type: none">• Allowances	<ul style="list-style-type: none">• Awards based on years of service
<ul style="list-style-type: none">• Bonuses	<ul style="list-style-type: none">• Benevolent funds
<ul style="list-style-type: none">• Incentives	<ul style="list-style-type: none">• Protective equipment
<ul style="list-style-type: none">• Share based payments	<ul style="list-style-type: none">• Overtime payments
<ul style="list-style-type: none">• Provident Fund	<ul style="list-style-type: none">• Support for employee and family bereavement
<ul style="list-style-type: none">• Social Security	<ul style="list-style-type: none">• Diet planning and healthy living
<ul style="list-style-type: none">• Employee education	<ul style="list-style-type: none">• Accident Insurance

Employee Rights

The Company respects Human rights and provides healthy and hygienic working conditions. Mega Lifesciences respects and observes the labour laws of the country of its operations and files the reports as required by law within due dates. The Company’s Business Ethics and Code of Conduct bars discrimination on any grounds.

Good Health ByYourself (GHBY)

Mega Lifesciences wants to create good health ambassadors by promoting good health among all the employees and desires that each of the 4,900 plus employees is an evangelist for prevention of disease achieved through healthy life.

The company encourages regular health checkups and counseling for all employees. The company conducted various activities across its locations:

Mega Cambodia

- Stay healthy with Mega Family- ‘Mega We Care’ Football event for our people to communicate importance of physical activity in daily life.
- Aerobics and Volleyball match to instill awareness related to health and being active in life.

Mega Thailand

- Persistently undertakes health initiatives aimed at improving the quality of life of Mega employees by focusing on Food, Exercise and Mindfulness.

Mega Myanmar

- Football match - Mega employees Vs MBA students (Yangon)
-

Why would you like to work for Mega Lifesciences?

The Company not only provides good career by developing, encouraging and empowering employees to attain their potential through a remuneration under a wide spectrum of salaries, incentives, allowances, variable incentives, long term rewards like Stock Options and Share Warrants but also provides a platform for relationships and engagement at a personal and family level. Workplace relationships are encouraged by organizing activities and events like water festival, merit making, charity trips, yearend parties, etc

Health and Safety.

Mega Lifesciences maintains safety records for reporting to the Ministry of Labour and also to the Management and Board of Directors of Mega Lifesciences.

The Company has a dedicated Safety team for its manufacturing locations and has safety code for its manufacturing as well as logistics facilities which mandates the employees to adhere to strict standards of safety.

‘Zero’ Cases of dismemberment have been reported in Mega Lifesciences globally.

Mega We Care – Communities and Society

Mega Wellness foundation

Mega Lifesciences encourages its offices worldwide to identify means of engagement with the society. The Company has a policy to set aside upto 2% of its Profits After Tax for various activities under its ‘Creating Shared Value’ drive.

Donor for Life

Mega Cambodia



Football match was organized at Mega Cambodia. Fun filled activity and high energetic involvement.

Mega Indonesia



Walkathon during Mega Academy workshop Coaching for Performance. This activity sensitizes the employees on importance of walking daily and inculcating healthy habits.

Mega Kenya



Aerobics during Mega Academy training: Execution Excellence Experiential learning coupled with healthy activities leads to productive employees.

Mega Malaysia



Badminton match being played among employees as part of GHB program. Help in team synergy and sportsman spirit.

Mega Myanmar



Walkathon for Ferrovit in Mandalay. Brand awareness along with healthy promotion activities.

Mega Nigeria



Health related activities during GHBy week

Mega Ghana



Weekly yoga in Mega Ghana office – For office Staff. We have started weekly yoga, starting with basic Breathing Exercises (Pranayama).

Mega Peru



International yoga Day participation by Mega employees.

Mega Philippines



International yoga Day participation by Mega employees.

Mega Sri Lanka



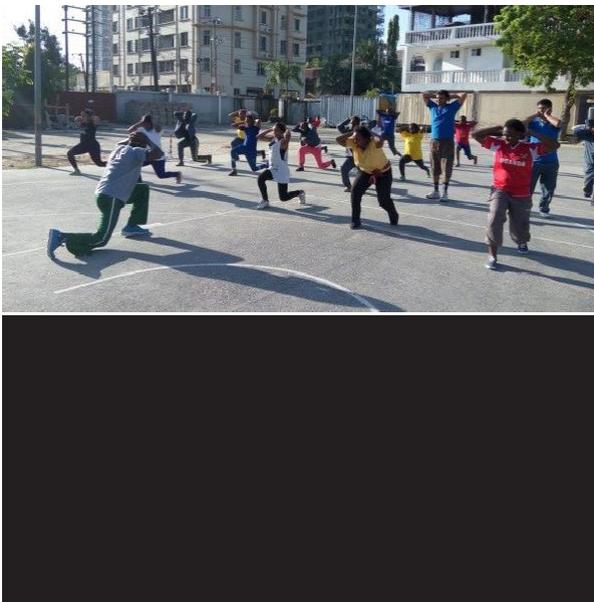
yoga during Mega Academy Training. Experiential learning coupled with healthy activities leads to productive employees.

Mega Sudan



Aerobics during Training. Involved participation for health related activities by following instruction of the experts by streaming online video link on YouTube.

Mega Tanzania



Aerobics during GHBy week. Every fortnightly health related activities are organized for employees which helps in team bonding and better productivity

Mega Thailand



Mega Sports day organized in Bangkok for internal employees. Lots of people participated in various health related activities and enjoyed with lots of fun.



yoga @ Mega corp. office. Mindfulness in Thy Medicine (MIM) is one of the core pillar of GHBy. yoga actively take part in yoga session being organized in the office at regular intervals.

Mega Uganda



Evening walk & jogging with the team as part of GHBy activity during Mega Academy training. Helps in team bonding and better productivity among staff

Mega Ukraine



For GHBy promotion at the Team Party each regional team presented performances on the topic Mega Ukraine team for Healthy Lifestyle. It was real team building and pleasant time spending together with colleagues preparing performance

Mega Vietnam



The activities include diet improvement & exercise practice with the external trainer twice a week. Besides, we created a viber group for Wellness Challenge employees to share useful tips & encourage each other to achieve the objective.

Mega Thailand Factory



Dr. Sant conducting medical awareness session for Mega Thailand factory employees



Healthy Recipe discussion among Mega Thailand Factory Employees

Mega Academy

Mega Cambodia



Participants enjoying the activities which are experiential in nature based adult learning principles during Coaching for Performance workshop.

Mega Malaysia



Mega CEO, Mr. vivek interacting with Mega Biolife team during the Intergration and kick off meet.

Mega Myanmar



Functional Skill Development Program (FSDP) being conducted in yangon for front line sales colleagues. This session focus on Profiling Segmenting and Targeting of the customers along with Selling skills technique.

Mega Philippines



Coaching conversation in progress during Mega Academy workshop. Participants having fun during group discussions and experiential activities.

Mega Sudan



Group discussion during Induction module. Participants involved & enjoying passing the ball activities during workshop.

Mega Vietnam



Mega vietnam conducted Change By Design workshop for Supervisor and Managerial level employees. 50 participants attended this session and enjoyed the learning on how to cope with change in their daily work lives through various tools available with CBD-TOC by developing and co-creating structured roadmap with timelines for implementation and regular monitoring.

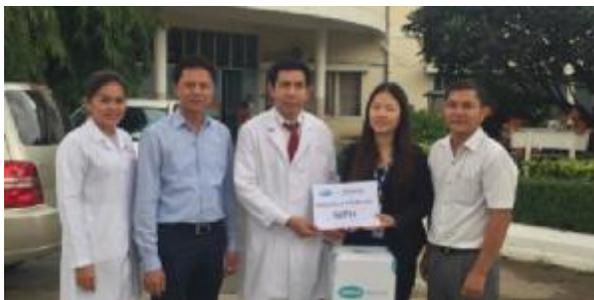
Mega Thailand Factory



A highly energetic and fun filled activity conducted for Factory employees of Mega Thailand. This session helped in nurturing the team bonding and cohesiveness among all colleagues

CSR / CSV ACTIVITIES

Mega Cambodia



Free medicine sample donation done by Mega Cambodia at National Paediatric Hospital. These activities enhance the image of Mega in the community.

Mega Kenya



Free medicine donation in St Francis Community hospital by Megathereby enhancing the image of Mega.

Mega Myanmar



Livolin Forte Donation to Myanmar Liver Foundation in yangon thereby contributing to the society.



Mega Nigeria

Mega staff voluntary Blood donation

To celebrate the world blood donor day, we invited the officials of the Lagos state Blood Transfusion Services to our office and the Lagos staff were screened and donated blood

Mega Peru



Donation from MEGA Peru to victims of the floods of the Child

Thanks to the contribution from MEGA worldwide, we could help to one of the most affected community from Catacaos called «Monte Sullon» (Piura, North of Peru). A community with around 7,000 habitants was benefited with this contribution, to rebuild a Health Center with 19 medical staff including 2 Obstetricians, 2 Doctors, 1 Dentist, 2 nurses and other technicians.

Mega Sri Lanka



Health Camp at Horana, Sri Lanka on 8th April 2017, coinciding with World Health Day. Ginsomin donated books to these children so that they do not miss school or abstain from school due to poverty and want of proper amenities to attend school. Ginsomin has been doing this on a yearly basis with the help of a local medical practitioner, Dr. Caldera.

Mega Uganda



Mega Uganda Extend support to Nsambya Hospital students & Mulago Hospital Orthopedic student with a Projector to facilitate their studies.

Mega We Care- Environment We Conserve

Green Mega - 2017

Green Industry

The Company received Level 4 Green Industry Certification awarded by the Ministry of Industry for both the manufacturing locations in Thailand.

The Company achieved ISO 14001 in April 2015 and the certification shall be subject to renewal in April 2018. The Company successfully maintained ISO 14001 certification in 2017 and it is still active.

Green project

The Company has set up energy saving team to implement project and monitor energy consumption per unit of product produced (Specific Energy Consumption).

The Company has started using LED lamps (20 Watt) to save energy and protect environment. The Company has replaced 56% of lighting to T8 lamps.

The Company continues to use chilled water for air conditioning system (non CFC) to reduce the green house gas emission.

The insulation material of ducts has been changed from fiber glass to polyethylene foam to help reduce the reinstallation and also prevent spread of small glass particles in the environment.

The Company has installed video conference facilities to reduce carbon footprint.

The Company has started a practice to send print copies of annual report only to shareholders who request by return letter and has reduced printing by 50%.

Green Mega 2018

Solar power usage to be increased

Prepare improving Green Industry Certification from Ministry of Industry to level 4 compared to level 3.

Awards and Recognitions

Level 3 Green Industry Certification from the Ministry of Industry.

ကုမ္ပဏီအမည် : မြန်မာ့စက်မှု



Green Industry
ကုမ္ပဏီအမည်

လက်မှတ်ပုံနှိပ်ပြီး
ဖိစပ် ခန့် ကြည့်ရန် ဖြစ်ပါသည်။

အိတ်အတွင်း : နေရာထုတ်ဖောက်ရေး အစီအစဉ်
အစီအစဉ်အရ အစီအစဉ်များပါရှိပါသည်။

အိတ်အတွင်း
အစီအစဉ်အရ အစီအစဉ်များပါရှိပါသည်။
အစီအစဉ်အရ အစီအစဉ်များပါရှိပါသည်။

(လက်မှတ် ခံရန်)
အိတ်အတွင်း

ကုမ္ပဏီအမည် : မြန်မာ့စက်မှု
လက်မှတ် : မြန်မာ့စက်မှု
အိတ်အတွင်း : မြန်မာ့စက်မှု

ကုမ္ပဏီအမည် : မြန်မာ့စက်မှု



Green Industry
ကုမ္ပဏီအမည်

လက်မှတ်ပုံနှိပ်ပြီး
ဖိစပ် ခန့် ကြည့်ရန် ဖြစ်ပါသည်။

အိတ်အတွင်း : နေရာထုတ်ဖောက်ရေး အစီအစဉ်
အစီအစဉ်အရ အစီအစဉ်များပါရှိပါသည်။

အိတ်အတွင်း
အစီအစဉ်အရ အစီအစဉ်များပါရှိပါသည်။
အစီအစဉ်အရ အစီအစဉ်များပါရှိပါသည်။

(လက်မှတ် ခံရန်)
အိတ်အတွင်း

ကုမ္ပဏီအမည် : မြန်မာ့စက်မှု
လက်မှတ် : မြန်မာ့စက်မှု
အိတ်အတွင်း : မြန်မာ့စက်မှု