

## **Message from the CEO & Chief Coach**

### **Creating Shared Value**

Central to the Mega Way in all of the 34 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 and environmental certifications, 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 pursued Green Industry Certification Level 3 (Green Activity) for both our plants in SamutPrakan under the Green Industry Initiative of the Ministry of Industry. We also achieved the ISO 14001 certification in April 2015.

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.

We built Australia plant with 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.

We have installed a 410 KW plant in our Distribution Center in Yangon in 2018 to further our commitment to sustainability.

### **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

Vivek Dhawan

## **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 2019 core business in 5-7 years.
- 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"> <li>• Annual Meetings General</li> <li>• Quarterly Statements Financial</li> <li>• Annual Report</li> <li>• Earnings Calls</li> <li>• Roadshows</li> <li>• Questions and Answers</li> <li>• Complaints</li> <li>• Factory Visits</li> </ul>	<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 Gittell, 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 AlRies 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 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.

**68,985** hours of training in 2019 globally at various locations of Mega Lifesciences



**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, Mahidol University Thailand 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 5,500 employees worldwide including 45% Males and 55% Females.

### Employee remuneration and benefits

• Allowances	• Awards based on years of service
• Bonuses	• Benevolent funds
• Incentives	• Protective equipment
• Share based payments	• Overtime payments
• Provident Fund	• Support for employee and family bereavement
• Social Security	• Diet planning and healthy living
• Employee education	• 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.

## TRAINING ACTIVITY

### Mega Thailand, Corporate, Bangna

5 Keys of High Performance Team Workshop is another highly interactive program provided for totally 50 participants from all departments in L3-L5 from 2 batches. The modules has been simplified from "5 Keys of Strong Manager" and developed for staff in all levels to understand the concept of talents, strengthen individual capability based on their strengths and improve relationship among teams



### Mega Thailand, Factory, Bangpoo

Living Mega Values is a highly interactive program provided for totally 200 participants in L2-L4 from 9 batches. This program is closely connected to the foundation of Mega. The participants were encouraged to reflect themselves through "The Gallery", drawing meaningful pictures which reflected their personal values and share among groups. Then, they connected themselves to corporate values; Truth, Trust, Freedom, Respect and adoption that are the basics of everything we do in Mega.



### E-Learning

We encouraged learning organization and providing training for thousand colleagues through online technology which can be accessed 24/7 over personal devices. We cooperated with factory internal trainers to create e-learning modules on LMS platform including Customer Service Excellence. In addition, we utilized iSpring (an interactive learning material creating toolkit) to create attractive content and exercise to engage the users so that they can practice and review the content with fun activities.



### Mega Myanmar

Mega Myanmar conducted a series of Mega Academy modules in order to transfer the skills and knowledge required for colleagues to perform better in their respective roles. The participants experienced value addition and enjoyed the way the trainer facilitated the program. The modules were, customer service excellence, high stakes conversation, leading others, personal effectiveness, STOC-Sales Theory of Constraints.



CSE Training Delivery Services (1).jpg



CSE Training Delivery Services (2).jpg



CSE Training Delivery Services (3).jpg



CSE Training Delivery Services (8).jpg

### Mega Vietnam

Mega Vietnam conducted lots of training program through Mega Academy in order to help colleagues develop their skills and knowledge. Participants enjoyed the experiential kinaesthetic activities based on adult learning principles which added fun element in the training programs. Some of the Mega Academy modules that were conducted are Leading Self, Leading Others, Coaching for Performance & Sales Training for OTC team.



### Mega Cambodia

Mega Cambodia had organized MAT —Mega Academy Training program in order to develop internal trainers in various business units to equip and enable them to cascade the mega way of learning to different stakeholders across hierarchy.

These modules included communication, cultural competence, customer service excellence, execution excellence living mega values, product knowledge and quality control.



Communication Skill.JPG



Cultural Competency.JPG



Customer Service Excellence.JPG



Execution Excellence.JPG



Execution Excellence-Activities.JPG



Living Mega Values1.jpg



Living the Mega Value.JPG



Product Knowledge.JPG

### Mega Indonesia

Every new employee who joins Mega Indonesia will get trainings about Company Profile from HR also product knowledge from Product Manager, ASM and RSM. Such induction programs helps in enhancing the knowledge of employees and bonds them with teams. We held STOC training with Mr Vipin on 7 – 10th September. The participant are from Sales Team such as; GM, RSM, ASM, SPV from both division OTC and ETH.



### **Mega Philippines**

Mega Philippines got E- Learning induction for product managers who were the LMS champions through Mr. Vipin. In this induction we learn how to use this new system for give training to all Sales team across Philippines in a new and effective way.



### **Mega Nigeria**

The Finance team in Nigeria had training on communication skill to enhance communication with field staff. We also had team excellence training including Work ethics and Leadership.



### **Good Health ByYourself (GHBY)**

Mega Lifesciences wants to creates good health ambassadors by promoting good health among all the employees and desires that each of the 5,500 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 Thailand - Corporate**

We had organized GHBV Program 2 days1 night at Wellness We care center,MuakLek , Saraburi for group of hospitalpharmacists during Nov 30-Dec 1, 2019.Objective is to create awareness , hypinginspiration for healthcare worker group who directly contact with patients in hospital. Giving knowledge of how to takea good care of themselves by changing life style, dietary, work out and stress management. Then they can advise theirpatient to live in more healthy way.



#### **Mega Thailand Factory**

Healthy Food Cooking Competition wasorganized in Thailand Factory on 7th & 8th Mar 2019. Mega Running 2nd Activity@ Royal Thai Naval Academy on 10Nov 2019. Total 281 mega and theirfamily members joined the event. 2019

Badminton cup was organized in Factory,Thailand wherein employees participated enthusiastically and displayed great sportsmanship spirit. Our CEO Mr. Vivek Dhawan motivated the participants tofocus on health, active and fit lifestyle.



### **Mega Myanmar**

Sports Day was organized by Mega Myanmar on 12th Jan 2019 morning. Lot of health related competitive activities were held and winners were felicitated. Employees had fun participating in these activities and enjoyed to the fullest with great display of sportsmanship spirit.



### **Mega Cambodia**

Mega Cambodia organized sports day and all employees participated enthusiastically. Lot of health related competitive activities like Basketball, Bicycle race, Football, Marathon race, 3 km Running race, Volleyball, etc were held and winners were felicitated. Employees had fun participating in these activities and enjoyed to the fullest with great display of sportsmanship spirit



### **Mega Vietnam**

Mega Vietnam organized sports day in order to boost the awareness level of employees to remain fit and healthy. This activity also ensured team bonding among employees

**Locations:** HCMC Office & WH, Ha Noi Office & WH Yoga Session in Induction

Program Yoga Performance in YEP. Yoga

session are regularly planned for Mega Vietnam employees for a healthy body, mind and soul there by living by the GHBV philosophy of MIM – Mindfulness is Thy Medicine.





### **Mega Uganda**

Mega staff wellness is one of the pillars of our business, we therefore registered and subscribed our staff for “The Medical League” which enables them regular exercises. Mega Uganda activity warm up exercise followed by with health fruits breakfast. This motivated the employees and enhanced their sense of team belongingness.



### **Mega Ukraine**

80% Mega Ukraine employees go in for physical activities. They visit gym 2-3 times per week. Employees who lost weight last year try to hold it through healthy food and gym. Irina Stefanenko lost 10 kg per 5 months visiting gym 3 times per week and eating less food .

### 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 aside approximately Twenty Five Million Baht for various activities under its ‘Creating Shared Value’ drive.

### CSR / CSV Activities

#### Mega Myanmar

2nd time Ferrovit Walkathon was held at Mandalay. This is one of the biggest events in Mega Myanmar in which many people participate with an increased sense of awareness for importance of Ferrovit in daily lives for targeted audience



52410473\_2226361697416336\_52609730909002792\_96\_n.jpg



52420947\_2226361400748693\_77137346691785031\_68\_n.jpg



52434167\_2265683996827433\_89233136428924272\_64\_n.jpg



524510105\_2226362460749593\_8504842991712976\_96\_n.jpg



### Mega Cambodia

We made this contribution through Cambodia Children Fund (CCF) who is helping build the homes and provide care to the poor families. We donated rice and shieldtox mosquito spray to 48 poor families that got affected by the fire on 16th March'19 at SteungMeanchey District of Phnom Penh.



### Mega Vietnam

- Mega Vietnam participated in Blood Donation campaign with a motto to Give Blood Save Life.



- Mega Vietnam collected old calendar and printed books for blind children



### **Mega Ghana**

We have conducted many Camps and many medical outreach programs including community health check-ups in 2019



### **Mega Peru**

We have visited one of the shelters with our team to know more about their labor in kids' lives. They maintain a philosophy of safety, respect and care between the people. During the time we were with them, we could play together, talk about them, and also eat some fruits to maintain the energies high as keeping the image of Mega as enterprise that is to keep a healthy body and mind to go further that our dreams.



## **Mega We Care- Environment We Conserve**

### **Green Mega**

#### **Green Industry**

The Company had 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

#### **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%.

Company has installed a 420 KW roof top solar project in its Yangon Distribution Center in Myanmar. The project comprises of 1,206 Solar panels avoiding 260Kg. of CO2 per day and saving almost 50 liters of diesel per hour.

