



MAX ENERGY

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COMMUNICATION
ON
PROGRESS



HUMAN RIGHTS

LABOUR STANDARDS

ENVIRONMENT

ANTI-CORRUPTION



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COMPANY PROFILE

Max Energy is a private-owned petrol station business operating in Myanmar with more than 900 employees. As the slogan goes “Max Energy For Your Satisfaction”, we are fully committed to achieve high customer satisfaction while maintaining the position as one of the market leaders in Myanmar petrol station business.

Max Energy Co., Ltd. was incorporated in 2010 as one of the strategic business units (SBU) of Max Myanmar Group of Companies. Max Energy has the ownership of 31 Filling Stations throughout the length and breadth of Myanmar, operating with more than 900 employee.

Our Fillings Stations are situated at the most favourable locations for the convenience of our customers. Our Filling Stations locations cover major divisions of the country including Nay Pyi Taw (Capital City), Yangon (Commercial City), Mandalay, Ayeyarwaddy, Bago, and we are expanding more strategic locations across the country.

The products available in our Filling Stations are Octane 92RON, Octane 95RON, Diesel and Premium Diesel. We ensure that we will consistently provide high quality products in precise quantity to our customers. All our products are directly imported from overseas such as Singapore, Malaysia, Thailand. Moreover, all our Filling Stations operate with advanced technology dispenser machine with state-of-the-art software and thus we can promise our precise quantity to our customers.

The Services we offer in our Filling Stations include but not limited to: 24/7 operations, convenience store attached, credit-sales for corporate customers and excellent customer service. We always focus on offering convenience of every customer. Service is our motto and we are committed to the continual improvement in the Quality of our Services.



STATEMENT OF COMMITMENT

It has been there years that Max Energy Co., Ltd. has committed to fulfill our corporate social responsibilities (CSR) by implementing the ten principles in the areas of human rights, labor standards, environment and anti-corruption advocated by United Nations Global Compact (UNGC) 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.

We understand that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles.

In this 3rd year annual Communication on Progress (COP), we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. Furthermore, we are committed to share this information with our stakeholders by using our primary communication channels.

Sincerely Yours,
Kyaw Zay Myint
(Executive Director)
Max Energy Co., Ltd.



MAX ENERGY AND UNITED NATIONS GLOBAL COMPACT

As our mission is to be an responsible organization for future growth and development of community and organization, we have been committed to Corporate Social Responsibilities since the establishment of Max Energy.

We have been actively supporting to Ayeyarwady Foundation, a nonprofit organization founded by Max Myanmar Group in 2010. We are contributing to the country's Education sector, Health sector, Sports and religious affairs together with Ayeyarwady Foundation.

However, our CSR activities are not just limited to the contribution to the Ayeyarwady Foundation. We always try our best to contribute for the benefits of all our stakeholders. In December 2012, we happened to acknowledge about the United Nations Global Compact (UNGC), the corporate responsibility initiative – the world's largest with over 8,000 business and non-business participants in 135 countries.

After soon, Max Energy has become a proud registered participants in the United Nations Global Compact (UNGC) in January 2013. This was one of the corporate milestones for Max Energy, which is the first to participate in UNGC among Myanmar Fuel Oil Retail business industry. 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.

Since after we have committed as an initiative of UNGC, Max Energy has been adapting the ten principles of the UNGC as part of the strategy, culture and day-to-day operations of our company.



UN GLOBAL COMPACT 10 PRINCIPLES

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

LABOUR STANDARDS

- Principle 3 - Businesses should uphold freedom of association and 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
- Principle 6 - Eliminate discrimination in respect of employment and occupation

ENVIRONMENT

- 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

ANTI-CORRUPTION

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



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

ASSESSMENTS, POLICY AND GOALS

Our Human Resource policies, programmes and practices are aligned with Universal Declaration of Human Rights (UDHR), which requires us to treat one another fairly and with respect, regardless of our race, language, nationality and colour.

We have successfully enforced the Human Rights Policy* by Max Myanmar Holding with the guidance of Human Rights international expert and all business units of Max Myanmar Group have to strictly followed. Moreover, in align with Human Rights Policy as to show that we respect the freedom of speech of our stakeholders, Whistle Blowing Policy** have been implemented during the year 2015 too. In future, we are considering to follow ISO 26000:2010 standards as a guidance for the good practice of social responsibility.

* Our Human Rights Policy available to be downloaded at :

<http://www.maxmyanmargroup.com/index.php/about-us/corporate-governance/human-rights-policy>.

** Our Whistle Blowing Policy available to be downloaded at :

<http://www.maxmyanmargroup.com/index.php/about-us/corporate-governance/whistle-blowing-policy>.





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

IMPLEMENTATION

Max energy strictly follow and observe its code of conduct that lays down the key basic principles, and according to which all corporate bodies and personnel have to accomplish their daily task. It strongly believe in respect and observance of human rights

In Max Energy, we certify all employee rights to freedom of religion and belief and we make sure no discrimination in work place and getting equal pay for work of equal value. Moreover, we provided flexible work options and safe and sound working conditions. Our company policies, rights and responsibility are align with ILO rules and regulation and also UDHR.

Education, development and awareness trainings opportunities are conducted among employee by the management such as Human Rights awareness training and Whistle blowing policies*. Suggestion boxes are placed in all filling stations and our team pay close attention on stakeholder feedback from all communication channel.

Employee have to make sure to understand the employee handbook which is documented and reflected by our company policies, rights and responsibility. Orientation and on job training raise the employee awareness on human right and related issue. Lastly, we monitor risk assessment and try to minimize the possibilities to breach of human rights.



HUMAN RIGHTS

- Principle 1** - Businesses should support and respect the protection of internationally proclaimed human rights
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MEASUREMENT OF OUTCOMES

Just like last year, zero case of human rights contravention was reported by our stakeholders nor found by our management team. We actively promotes the dissemination of the Human Rights and Code of Conduct and ensures its effective implementation, e.g. via training events. The relevant training documents are made available in both Myanmar and English to all managers and employees.

In order to achieve sustainable development, our Max Myanmar Group arranged external assessment for all business operation and activities by International reputable organization. As result, there is no human rights breach has found out.

Then, Max Energy take its role as the main sponsored for Myanmar Sustainable Business Conference 2016 to enhance Y generation to be interested in Business and to become a Business leader as society needs a new leadership for sustainable business development to solve or handle Economic and Social Crises

Moreover, we are audited by external auditor for the certification of ISO 9001:2008 (Quality Management System), and ZERO non-compliance of Human Rights breach though the audit mainly focus on our management system.

In Myanmar, a part time job opportunities are not well-developed at all. So Max Energy provides part time job for University student to get extra cash to cover their cost of living and education more comfortably.



LABOUR STANDARDS

- Principle 3 - Businesses should uphold freedom of association and 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
- Principle 6 - Eliminate discrimination in respect of employment and occupation

ASSESSMENTS, POLICY AND GOALS

We are fully committed to align with ILO declaration and its articles on effective abolition of child labour, the elimination of all forms of forced or compulsory labour, the elimination of discrimination in respect of employment and freedom of association and common bargaining.

Employee Handbook was properly developed and well distributed as the employee's rights and responsibilities and company's policies are thoroughly mentioned in it. Human Rights Policy and Whistle Blowing Policy was fully enforced to ensure the freedom of speech of the employee and stakeholders and proper communication practice. Moreover, Grievance Handling Policy* was developed for the sake of rights and fairness of the employee.

* Our Grievance Handling Policy available to be downloaded at :
<http://www.maxmyanmargroup.com/index.php/about-us/corporate-governance/grievance-handling-policy>.





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IMPLEMENTATION

Max Energy is aware of and respectful of the Labor Rights of every Employee. Max Energy strictly complies with ILO convention and country labour laws by applying the Labour Rights into its strategies and operational Mechanisms, such as Operational Conduct and Ethics, and administration Indicators.

In Max Energy, there is no use of forced and compulsory labor and we observe the minimum age for admission to employment in accordance with statutory obligations. Child labor is prohibited. Moreover, we do not tolerate any form of discrimination based on ethnic origin, color, gender, disability, age or sexual orientation. This principle is anchored in the guidelines for equal opportunities and equal rights.

On the other hand, we set up the necessary trainings to empower the skill development, professional development and carrier development of all our employees. To certain every employee has freedom of speech and equality and to build effective and efficient communication between Management and Employee, employee monthly meetings are being held and whistle blowing policy fully integrated and established by means of suggestions boxes in every working environments and suggestions emails, suggestion phone numbers.

Max Energy take care of both physical and mental strength of their employee. Max Energy has hold the football matches in order to get physical fitness and fresh minded. Then, Max Energy arranges local and foreign team building trip to broaden of the employee's general knowledge and experience.



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MEASUREMENT OF OUTCOMES

Max Energy is committed to practice good corporate governance and to align with ISO 9001:2008 Quality Management System. We responsibly operate our business in fully compliance with our country labor laws and ILO regulations.

Max energy provides equal working environment and equal pay of equal value. There is no discrimination of genders, religious and ethnic in our organization. Max Energy is operated by more than 900 employee form the national wide. Both male and female employee stand at same working environment with equal chance and opportunities. We arrange occasional trainings such as sustainable program, safety and fire drills to ease employee's daily working condition.

In order to get more sound and nice working condition, Max Energy Welfare committee will receive all complaints from employee though internal communication channels, such as emails, suggestion boxes and social media. The committee has the direct responsibility for investigate the facts before proceeding to respond and solve the issues. And our management team still public monthly News Letter between all employees.

There were ZERO child labor and forced labor reported or found in our organization according to the external assessment conducted by international assessors arranged by Max Myanmar Group.



ENVIRONMENT

- 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

ASSESSMENTS, POLICY AND GOALS

One of our mission statements is to be an environmentally responsible organization for future growth and development of community and organization. Accomplishing on our vision and mission of commitment to consumers, community and environment, we provide high-quality fuel products while conducting our business in a socially responsible and environmentally sustainable manner.

We are committed to reduce the environmental footprint of our operations by adopting environmentally friendly practices such as introducing energy saving measures in our premise, encouraging recycling initiatives and to import and sell lower sulphur content products.

As aim to be an environmentally responsible organization, our management plan to adopt the ISO 14001:2004 Environmental Management System with sustainable policy in future.





ENVIRONMENT

- Principle 7 - Businesses should support a precautionary approach to environmental challenges
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IMPLEMENTATION

Max Energy sets its goals related to Environment, Resources and sustainable development. The goals include not only for the development of society but also to have less impact on the environment and creating a green supply chain.

Max Energy emphasizes Environmental Management as one of its responsibility. The responsibility include Environment Safety Trainings for all employees. Management take strict operational procedure to prevent marine pollution. Safety measurements are always thoroughly checked by our inspection team for the entire operation process and management pays serious attention to all safety matters.

Some environmental friendly practices such as introduction of energy saving in our premises and encouraging recycling initiative. Furthermore, we started to import lower sulphur content products (previously 5000ppm Gas Oil and now 500ppm Gas Oil)* to reduce greenhouse effects and global warming for the sake of the green and sustainable environment.

Through our ongoing effort, we hope to complement and support the growth and development of green practices in the wider community.

Minimum Government limitation for importation of Gas Oil (Diesel) is 5000ppm.

On the other hand, Max Energy manages its sustainability by taking CSR for environment and society. Its responsibilities include launching and implementing the sustainability policy, strategies and sustainable development plan in accordance with both for organization and country.



ENVIRONMENT

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MEASUREMENT OF OUTCOMES

Max Energy emphasizes on Environmental safety for operation, innovation, renovation, potential impacts on environment, health and safety.

Just to support a green environment, Max Energy has planted over ten thousands trees in twenty acres in 2015.

Max Energy arranges awareness trainings for employees in order to understand the organization's sustainable program for the environment such as Max energy Trash Cleaning program. It has done in 2015 not only to get clean and green environment, to reduce careless littering on the streets, but also to prevent the transmitting of various diseases by mouse and mosquitoes.

Max Energy traffic safety program is intended to advocate the public to understand the road safety rule And Max Energy monthly donations have done in 2015 to empower the sustainable development.

For the presentation of any possible fire incident, safety trainings and fire drills are regularly conducted for every single of filling station and employees need to strictly participate it.

Thermoplastic pipeline and double wall storage tanks are used in our filling stations to prevent possible leakage to the environment.



ANTI-CORRUPTION

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

ASSESSMENTS, POLICY AND GOALS

Max Energy fully committed to integrity, fair dealing and adopt corporate good governance practices. We have ZERO tolerance policy for corruption, bribery and extortion.

Management sets very stringent policies and procedures that do not allow any corruption and bribery regardless of any level of management positions. All level of employees have to strictly adhere the company's policies and procedure. Any gifts or present shall not be accepted in favour of the performance of work either.

We value transparency and good corporate governance so that we publicly state our anti-corruption policy* on our communication channels for the awareness of all of our stake holders. We are deeply committed to maintain our policy strictly, to implement effectively and to review/monitor for continuous improvement.

* Our Anti-corruption Policy: MGMT001_2014_Rev_002 available to be downloaded at : <http://www.maxmyanmargroup.com/index.php/about-us/corporate-governance/anti-corruption-policy>.





ANTI-CORRUPTION

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

IMPLEMENTATION

Compliance of Business Ethics and Anti-corruption policies are very important for the operation.

Max Energy do value on transparency with all stakeholders especially with our valuable employee. Zero tolerance policy on corruption was briefly mentioned in employee handbook and management team arranges monthly meeting with all employee to make sure to understand the punishment and rewards in case of corruption and bribes.

Just like last year, our Whistle blowing committee implemented the suggestion boxes at all our working environment and it take closely and regularly monitoring to all feedback from all communications channels.

Our POS software takes its responsibility to secure any possible corruption in daily fuel sale operation. We keep maintain proper and secure internal check and balance system for our daily fuel sale like last year.

Lastly, our inspection team check and spot check to make sure no corruption in whole organization. And, Max Energy Business Ethics and compliance have been audited by ISO team and international Audit team.



ANTI-CORRUPTION

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

MEASUREMENT OF OUTCOMES

It is been three years consistently, Zero corruption cases reported nor found by management team. Max Energy performance of business ethics and good corporate governance practices is measure by Audit committee and they evaluate the operational performance and providing recommendation and opinions for more effective process and monitoring.

In case of any corruption occur in the organization, our management team take very careful investigation and take serious action if it is found out. Interviewing all respective personnel, detail checking of documents and investigating CCTV footage have done for furthermore evidences.

In this year, our Max Myanmar Group arranged external assessment by international reputable organization for sustainability assessment. Max Energy and all other SBUs have been conducted assessment by the external assessors in regards of all business operation and activities. There were no corruption case found or reported by the external assessors.

Moreover, as we are upgrading our organization to certify ISO 9001:2008 (Quality Management System) and as per final audit result, there were ZERO non-compliance regarding with any corruption issue.



CSR ACTIVITIES OVER THE YEAR 2015

Business and organizations do not operate in a vacuum. Their relationship to the society and environment in which they operate is a critical factor in their ability to continue to operate effectively. It is also increasingly being used as a measure of their overall performance by its CSR activities of the organization.

Max Energy's CSR activities for the year 2015 were as below mentioned but not just limited to.



Road Safety awareness program





CSR ACTIVITIES OVER THE YEAR 2015

Education Stipend program for Employee's Children



Yearly Tree Planting Program



University Students part-time program





CSR ACTIVITIES OVER THE YEAR 2015

Flooding Relief program at Bago Region



Max Energy Safety Training for Contractors and Sub-contractors



Fire Drill program under guidance by regional Fire Department





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This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact**.

We welcome feedback on its contents.