



**SHWE YAUNG PYA AGRO Co.,Ltd.**



WE SUPPORT

## ***COMMUNICATION ON PROGRESS***

***HUMAN RIGHTS***

***LABOUR STANDARDS***

***ENVIRONMENT***

***ANTI-CORRUPTION***

27<sup>th</sup> January, 2015

# CONTENTS

## 02 - COMPANY PROFILE

## 03 - STATEMENT OF COMMITMENT

## 04 - SHWE YAUNG PYA AND UN GLOBAL COMPACT

## 05 - UN GLOBAL COMPACT 10 PRINCIPLES

## 06 - **HUMAN RIGHTS**

- Assessment, Policy & Goals
- Implementation
- Measurement of outcomes

## 09 - **LABOUR STANDARDS**

- Assessment, Policy & Goals
- Implementation
- Measurement of outcomes

## 12 - **ENVIRONMENT**

- Assessment, Policy & Goals
- Implementation
- Measurement of outcomes

## 15 - **ANTI-CORRUPTION**

- Assessment, Policy & Goals
- Implementation
- Measurement of outcomes

## 18 - CSR ACTIVITIES OVER THE YEAR 2014

# COMPANY PROFILE

Shwe Yaung Pya Agro Co. Ltd., a subsidiary of Max Myanmar Group of Companies, was established in 2005. Our 5000 acres of rubber cluster are situated in Awingyi Village, Beelin Township, Mon state, Myanmar and our initial production started on 2012 and full production should be achieved by 2018 as per progressing plans and schedules.

Myanmar is currently ranked seventh in rubber production in Southeast Asia, according to the International Rubber Research and Development Board (IRRDB). Nowadays, Myanmar Rubber Planters and Producers Association (MRPPA) do not entirely depend on China but also on South Korea, Vietnam and Singapore. Myanmar export in natural rubber have steadily increased in the past years since the world's annual consumption of natural rubber has risen up. We took the development in the rubber industry as an opportunity and strategically commenced the business of the rubber plantation and production.

The goal of the company is to become a world class natural rubber products supplier yet to conserve, nurture and protect the environment. The company aim to benefit the local community by creating more employment opportunities for local people. We concern to ensure the longevity of its rubber plantations that can enrich not only its business but also the lives of the local community as well as to sustain the environment.

# STATEMENT OF COMMITMENT

Shwe Yaung Pya Agro Co., Ltd. has committed to fulfil 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 annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We are also committed to share this information with our stakeholders.

Sincerely,

**MAUNG MAUNG THET**

(Managing Director)

Shwe Yaung Pya Agro Co., Ltd.



## SHWE YAUNG PYA AND UN GLOBAL COMPACT

As our mission is to create numerous job opportunities for local people and enhance their income, to conserve the environment, and to transfer the advance technologies, we have been committed to Corporate Social Responsibilities since the establishment of Shwe Yaung Pya Agro.

We have been actively supporting the Ayeyarwady Foundation, a nonprofit organization founded by Max Myanmar Group in 2010. We are contributing to the country's Education sectors, Health sectors, Sports and religious affairs together with the 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 January 2014, we happened to acknowledge about the United Nations Global Compact (UNGC), the corporate responsibility initiative – the world's largest with over 12,000 business and non-business participants in 145 countries.

In January 2014, Shwe Yaung Pya has become a proud registered participants in the United Nations Global Compact (UNGC). This was one of the corporate milestones for Shwe Yaung Pya Agro, which is the first to participate in UNGC among Rubber Plantation industry in Myanmar. We are confident to become a responsible organization for our CSR implementation by incorporating the Ten Principles of the Global Compact into our business practices.

Since we have committed as an initiative of UNGC, Shwe Yaung Pya Agro 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

## ASSESSMENT, 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 which all business units of Max Myanmar Group strictly follow. 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 2014 too.

\* 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

We ensure all our employees benefit from freedom of religion and we make sure no discrimination and getting equal working environment in align with UDHR.

Awareness trainings of Human Rights and Whistle Blowing policies were conducted among employee by the management. Suggestion boxes were placed for both our employee and stakeholders and debars were conducted to voice out their needs without hesitation. Our whistle blowing committee closely paid attention to all the feedbacks of our stakeholders too.

We make sure that employee are fully aware of not only the company's policies but also their rights and responsibilities.

We fully support the educational infrastructure and transportation arrangement for the employee's children and communities to enhance their living standard. Employee are provided with proper housing and electricity were made available to them and also to the community nearby area of our area. And it has been in significant progress to facilitate electricity to wider area of community in near future by the support of Shwe Yaung Pya Agro.



# 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

## MEASUREMENT OF OUTCOMES

Our management committed to pay close attention to the measurement of outcomes on the human rights issues. ZERO case of human rights contravention was reported by our stakeholders nor found by our management over the last year.

In this year, our Max Myanmar Group arranged external assessment by international reputable organization for sustainability assessment. Shwe Yaung Pya Agro and all other SBUs have been conducted assessment by the external assessors in regards of all business operations and activities. There were no Human Rights breach found or reported by the external assessors. External assessors have met and interviewed with almost all local communities (previous land owners, neighbour villagers/farmers/gardeners, schools personnel, medical assistance of the village, INGO : IOM representative and KNU representative) related to Shwe Yaung Pya rubber plantation area. It considered reasonably for external assessors that Shwe Yaung Pya Agro have treated and contributed to all local communities fair-and-square and it's obvious that Shwe Yaung Pya rubber plantation is a "Plus" not only to the local communities but also to the area itself.

Moreover, Shwe Yaung Pya Agro enthusiastically involved in UN Global Compact Myanmar Network events and activities too.

# 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

## ASSESSMENT, POLICY AND GOALS

Shwe Yaung Pya Agro 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.

We ensure employee are duly aware of their rights and responsibilities and company's policies. 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>.

# 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

## IMPLEMENTATION

We ensure to be in full compliance with the labour laws and regulations in the areas that we operate in. We do not support child labour (under 18 years old). We support fair employment and do not support any form of discrimination against employees. We hire employees on the basis of their merit only.

We provide necessary trainings for the skill 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 debar meetings are being held and whistle blowing policy fully integrated and established by means of suggestion boxes. OHSE trainings were conducted by local fire brigade officers and NGOs such as IOM, WHO and Red Cross. Required PPE provided to all employee and supervisors ensure all employee applied them properly.

Shwe Yaung Pya Agro built new primary school building for the communities (total five primary school buildings) and provided school bus for employee's children and communities. Housing and solar light for electricity are provided to all employees. We encourage them to breed live stock and to plant the vegetables and fruits. Co-operative market place were provided for the employee where they can easily buy basic daily groceries and good with limited credit term as per their hierarchy level.

We held many traditional celebration, cultural programs and local festivals celebration for employee and communities. Our management is also planning for foreign excursion trip yearly for our employees to expand their general knowledge and experience too.

# 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

## MEASUREMENT OF OUTCOMES

We are committed to practice good corporate governance and to responsibly operate our business in fully compliance with our country labour laws and ILO regulations.

We set strict policies to be implemented effectively that all our employee obtain equal working environment and no discrimination. We have various races such as Karen, Mon, Paoh, Rakhine, Burmese and various religions. They all have equal opportunities, information and working environment.

We ensure the communication channels between employee and management to be well organized through suggestion boxes, suggestion email & phone number and social media. All feedbacks, suggestions, claims and complaints were carefully handled and managed by whistle blowing committee.

There is ZERO child labour and forced labour 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

## ASSESSMENT, POLICY AND GOALS

Since our core mission statement is “to conserve the environment” and our business of rubber plantation is naturally a man-made forest, we ensure our business to nurture the green environment and to support the development of the socio-ecology of the area.

We believe our rubber plants play a significant role in reducing the global warming due to greenhouse effects.

On the other hand, we have been distributing the advanced technology of the proper methods of rubber plantation to the local communities so that environment of the area shall become greener and cleaner and the economy of the area shall rise-up gradually.



# 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

## IMPLEMENTATION

We always prioritise not only for the safety of the people but also for the safety of the environment. We conduct safety training for all levels of employees to be responsible for the environment and the communities.

Our contour lined planting control soil erosion by wind or water so that it can also provide the developing ecosystem and up-keeping the forest which can lead to conserve sustainability of the environment. Since we prefer greener environment, we have been reducing the usage of chemical fertilizer too.

We believe our good agriculture practices with advanced technology could provide more opportunities for the communities with greater environmental responsibilities.

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

# 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

## MEASUREMENT OF OUTCOMES

Areas of 1500 hectare green sources shall absorb the numerous amount of CO<sub>2</sub> which cause to green house effect. The fallen rubber leaves which may weight about 360 tons per hectare could significantly improve the soil fertility annually. Furthermore, the rubber wood could provide the sufficient amount of as side products for the communities.

We have been growing not only the main crops but also the horticultural crops like Mango , Rambutan , Pomelo , Durian , Purple Mangosteen, etc. And distributing the technologies and good cultural practices to the communities.

Moreover, awareness trainings were also conducted in regular basis to make sure all the employee fully understand of company's sustainable program for the environment.

# ANTI-CORRUPTION

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

## ASSESSMENT, POLICY AND GOALS

Shwe Yaung Pya Agro 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 procedures. Any gifts or presents 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 stakeholders. 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

We do value on transparency and openness in communication with all stakeholders especially with our valuable employee. Monthly debar meetings were held with employees at all management levels to encourage integrity and explain about punishments and rewards concerned with corruption and bribes. Our ZERO tolerance policy on corruption was briefly distributed and all our employee are fully encouraged without any hesitation to report if any corruption case noticed through suggestion boxes.

We ensure our Whistle Blowing Policy to be implemented and enforced effectively and efficiently by placing suggestion boxes at all our working environments. Our whistle blowing committee closely and regularly monitored the feed back through the suggestion boxes, website and social media.

We ensure the basic needs of employee are fulfilled properly i.e housing, electricity, water and so on. So that employee may not be tempted from any corruption or extortion since their basic needs are well fulfilled and their social ware fares are well taken care of.

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

## MEASUREMENT OF OUTCOMES

As a result of thoroughly conducting debar meeting, awareness trainings and knowledge sharing between management and all employee, there were no corruption cases reported nor found by our management throughout the year 2014.

In case of any corruptions occur in our organization, our management will take very careful investigation into detail scenario and will never hesitate to take serious action accordingly regardless of any level of stakeholders involvement. We will takes immediate action to investigate the incident by interviewing all respective personnel and by detail checking of all documents. Based upon the result and report of our inspection team, our management will make very careful review and then we takes necessary actions accordingly.

In this year, our Max Myanmar Group arranged external assessment by international reputable organization for sustainability assessment. Shwe Yaung Pya Agro 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.



## OUR CSR ACTIVITIES

As our mission is to create numerous job opportunities for local people and enhance their income, to conserve the environment, and to transfer the advance technologies, we have been committed to Corporate Social Responsibilities since the establishment of Shwe Young Pya Agro.

Our CSR activities were as below mentioned but not just limited to.

New primary school building built by SYP for communities



School bus provided to employee's children and communities





## OUR CSR ACTIVITIES





## OUR CSR ACTIVITIES

Traditional celebration for communities



Religious celebration for employee and communities



Traditional festival celebration





## OUR CSR ACTIVITIES

New bridge of village entry road for communities built by SYP



Employee housing provided



Co-operative Market place for Employee





## OUR CSR ACTIVITIES



Awareness training and performance reward

Peace Football Match between KNU and Military arranged by SYP



Solar panel provided for employee family







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

We welcome feedback on its contents.

## **SHWE YAUNG PYA AGRO CO., LTD.**

No.123, Alanpya Pagoda Road, Dagon Township,  
Yangon, Myanmar.

Tel: (95-1) 255819-38, Fax: (95-1) 255839-44

E-mail : [mgmgethet@maxmyanmargroup.com](mailto:mgmgethet@maxmyanmargroup.com)

Website : [www.maxmyanmargroup.com](http://www.maxmyanmargroup.com)

