



SHWE YAUNG PYA AGRO Co.,Ltd.



COMMUNICATION On PROGRESS



HUMAN RIGHTS

LABOUR STANDARDS

ENVIRONMENT

ANTI-CORRUPTION



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ABOUT SHWE YAUNG PYA

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.

Our mission is to become a world class natural rubber products supplier and to conserve nurture and protect the environment. The company aim to benefit the local community by creating more employment opportunities for local people.

Our concern is 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.



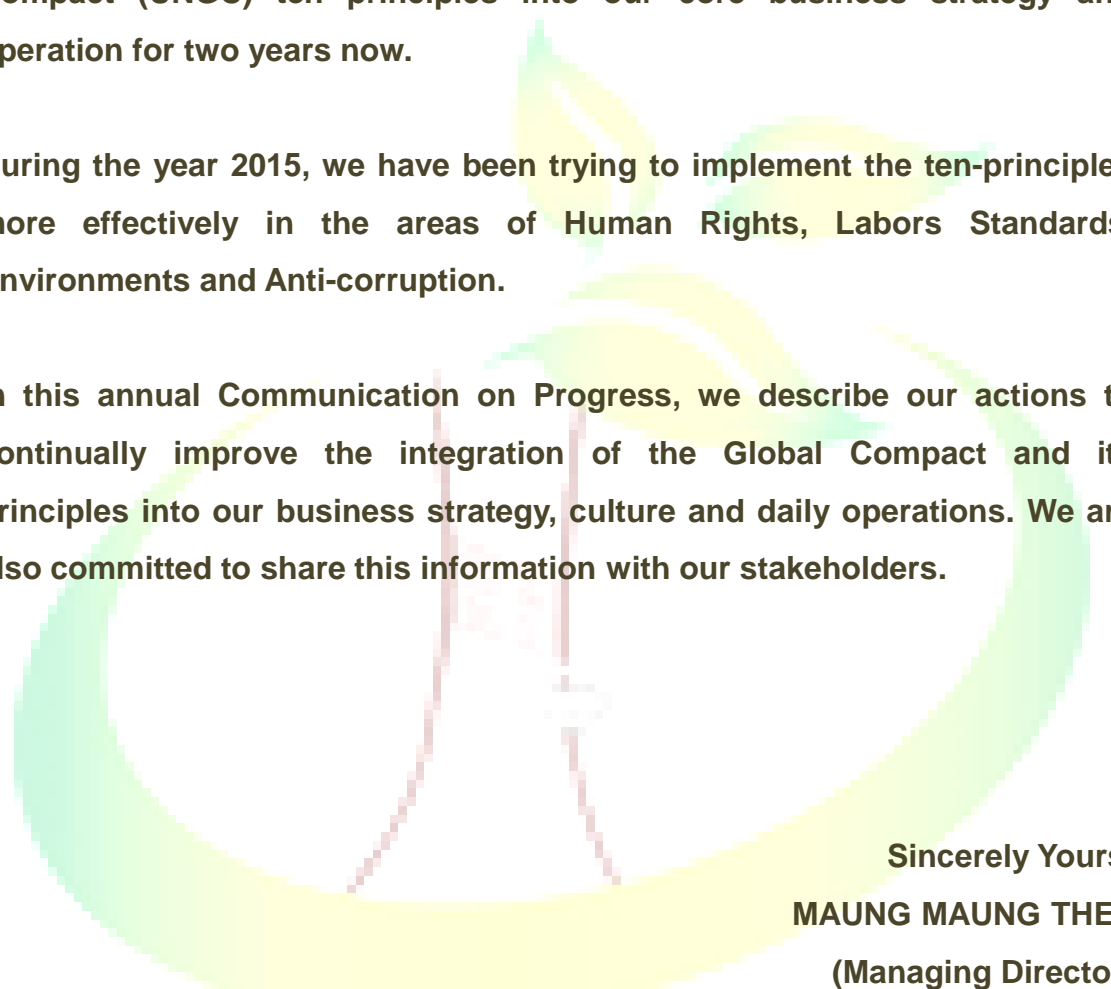


STATEMENT OF COMMITMENT

It's our upmost pleasure that we have committed United Nations Global Compact (UNGC) ten principles into our core business strategy and operation for two years now.

During the year 2015, we have been trying to implement the ten-principles more effectively in the areas of Human Rights, Labors Standards, Environments and Anti-corruption.

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.



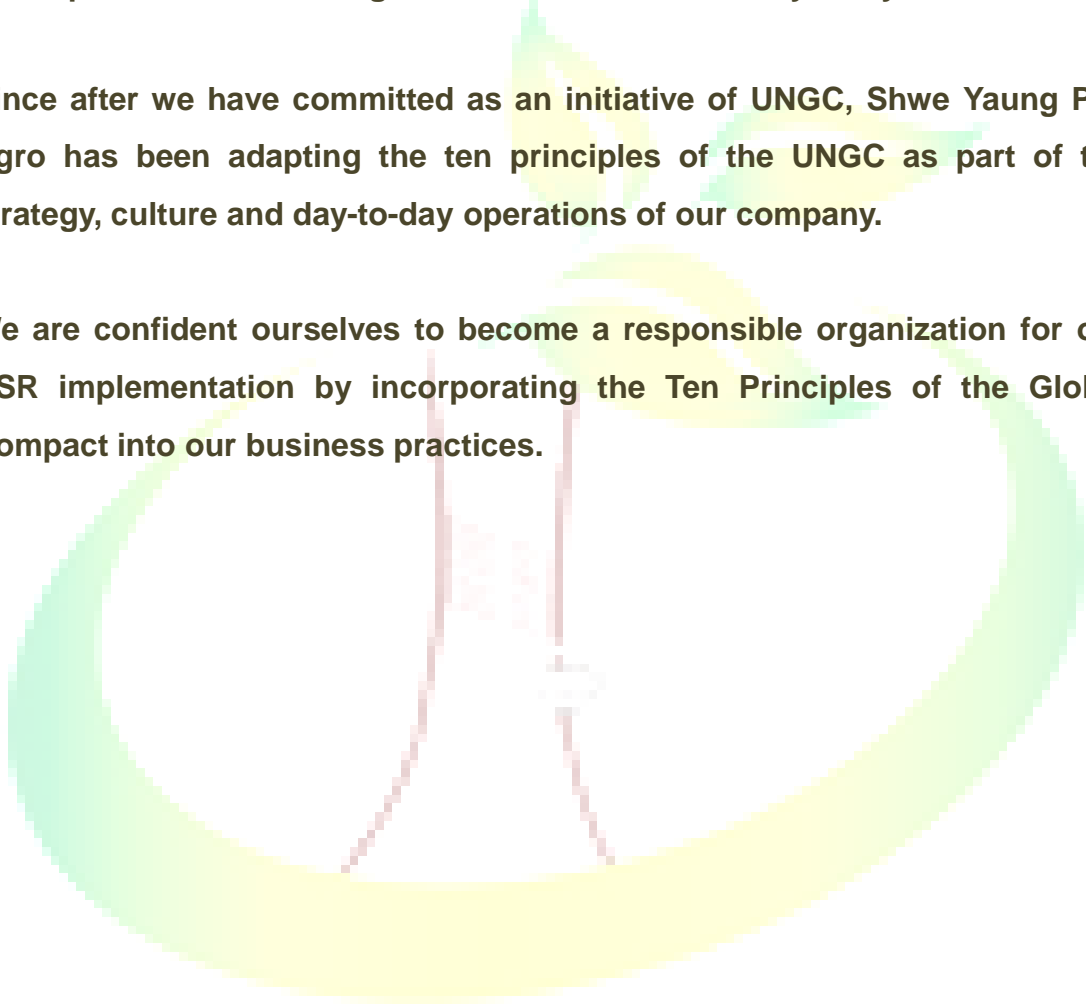
Sincerely Yours,
MAUNG MAUNG THET
(Managing Director)
Shwe Yaung Pya Agro Co., Ltd.

SHWE YAUNG PYA AND UN GLOBAL COMPACT

Shwe Yaung Pya has become a proud registered participants in the United Nations Global Compact (UNGC) since January 2014. 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.

Since after 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.

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.



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.

ASSESSMENTS, POLICY AND GOALS

We are fully committed and support to the Universal Declaration of Human Rights (UDHR) and 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.

We ensure that all our policies and practices to comply with the fundamental principles described in the Declaration which includes equal chance, right to life, liberty, security of the person, the freedom of thought, conscious, religion and expression. Furthermore, 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.

We do share our policies and practices with our valuable stakerholders through our various communication channels such as website, social media, newsletter and we sincerely expect our business partners, suppliers and contractors to respect our policies and good practices as well.

* 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>.

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IMPLEMENTATION

We make sure that employee were fully aware of not only the company's policies but also their rights and responsibilities. All our employees benefit freedom of religion and there are no discrimination and they are getting equal working environment in align with UDHR.

More awareness trainings of Human Rights and Whistle Blowing policies were conducted among employee by the management this year. Suggestion boxes were placed for both our employee and stakeholders and debars were conducted to voice out their needs without hesitation.

Management closely paid attention for the standard of employee' housing and electricity were made available to them and to the community nearby area of our area. We fully support the educational infrastructure and transportation arrangement for the employee's children and communities as well to enhance their living standard.



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MEASUREMENT OF OUTCOMES

In this particular year as well, there were ZERO case of human rights contravention and was reported by our stakeholders nor found by our management.

Our parent company, Max Myanmar Group arranged the follow up corporate responsibility assessment too. There were no Human Rights breach found or reported by the external assessors. External assessors have met and interviewed with many local communities such as schools personnel, medical assistance of the village, INGO : IOM representative and KNU representative and the feed back about the SYP plantation were notably positive.

As our country's economy growing up and cease-fire agreement of the area, the local community's standard of living have been going up and SYP plantation actively contributed in various area. Shwe Yaung Pya team strong supported in the flood-relief program not only by contributing the donation (dry-food, rice, clothes, etc.) to flooded area but also involved in various flood-relief activities together with the community leaders, Ayeyarwady Foundation and other NGOs.



ASSESSMENTS, POLICY AND GOALS

Shwe Yaung Pya Agro never fail to abide the country' labour laws and also make sure to align with ILO declaration and its articles. The principles of non-discrimination, no forced labour, no child labour (under 18 years old) are taken as highly importance with our organization.

We ensure employee are duly aware of their rights and responsibilities and company's policies. Various policies such as Human Rights Policy, Whistle Blowing Policy, OHS (Occupational Health and Safety) Policy were fully enforced to ensure the safety work environment for the employee, the freedom of speech of the employee and proper communication practice. Moreover, Grievance Handling Policy* was developed as well for the sake of rights and fairness of the employee.

We understand that the most valuable asset of our organization is our "people" and we always pay close attention to take care of the enhancement and well-fare of our employee and their family.

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

LABOUR STANDARDS

- | | |
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IMPLEMENTATION

We ensure fair employment and good working environment to all our employee. We do not support any form of discrimination against employees and we hire employees on the basis of their merit only.

We have been conducting various relevant trainings year on year for our employee not only for the policies awareness and occupation safety but also the skill development and carrier development. Fire safety trainings and Fire drills were conducted by local fire brigade officers regularly and other OHS training by NGOs such as IOM, WHO and Red Cross. We make sure all necessary PPE were provided to all employee and supervisors ensure all employee applied them properly.

Housing and solar light for electricity are provided to all employees and our management monitored the well-fare of the employee and their family.



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MEASUREMENT OF OUTCOMES

In Shwe Yaung Pya plantation there are 600 plus employee and 2,000 over their family. We ensure all our employee to obtain equal working environment and no discrimination. We have various races such as Karen, Mon, Paoh, Rakhine , Burmese and various religions.

There is no variation of salary or opportunity based on gender and the ratio of the basic salary and remuneration of women to men for each employee category is equal. We strictly followed the minimum wages law and make sure all our employee being provided accordingly.

We liaised closely with NGOs for the health education, periodical medical program and prevention from local various diseases. Regular trainings and health screening were conducted for all our employee and as a result of this we observed there were less serious medical records of our employee this year.

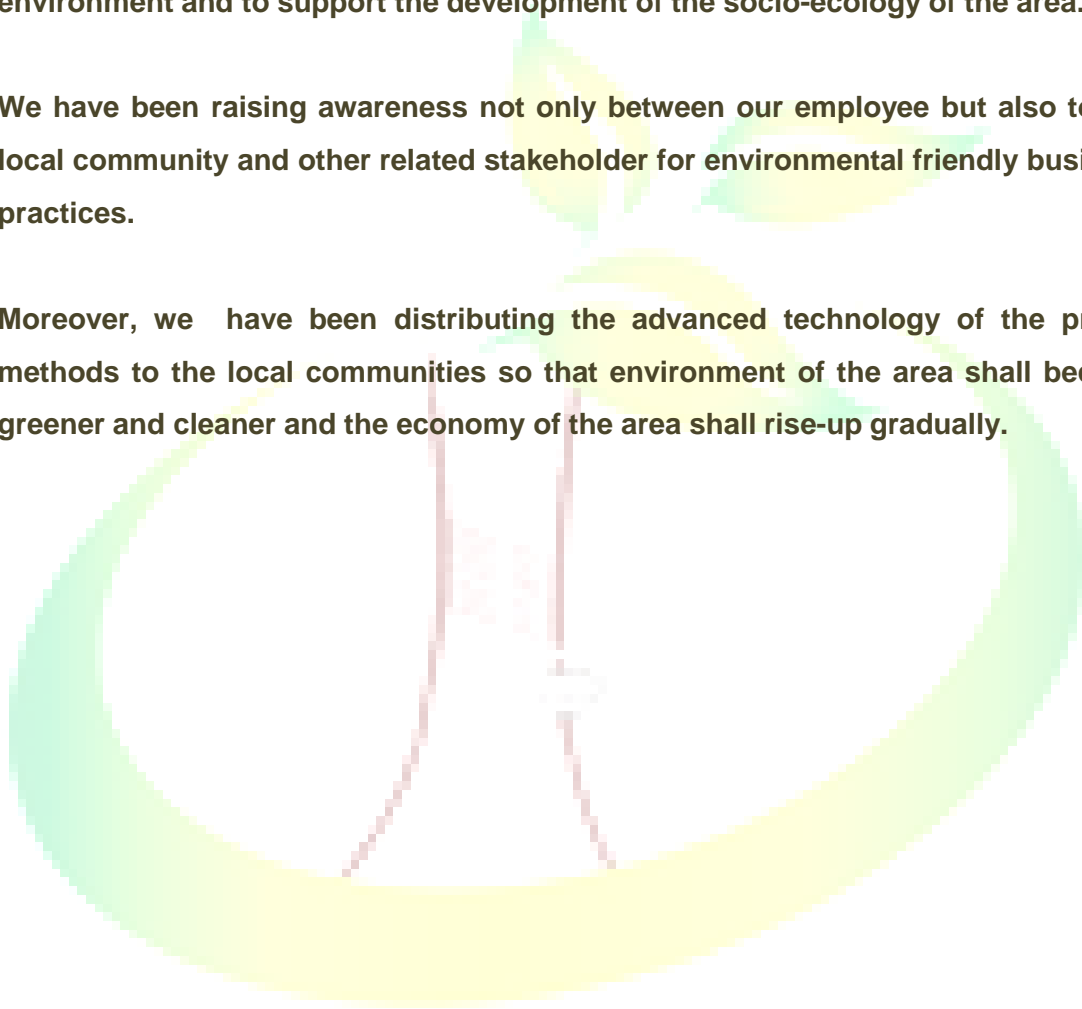


ASSESSMENTS, POLICY AND GOALS

We strong believe our rubber plantation business plays a significant constructive role in reducing the global warming due to greenhouse effects. We are doing the business as the “man-made forest” we ensure to nurture the green environment and to support the development of the socio-ecology of the area.

We have been raising awareness not only between our employee but also to our local community and other related stakeholder for environmental friendly business practices.

Moreover, we have been distributing the advanced technology of the proper methods 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

- | | |
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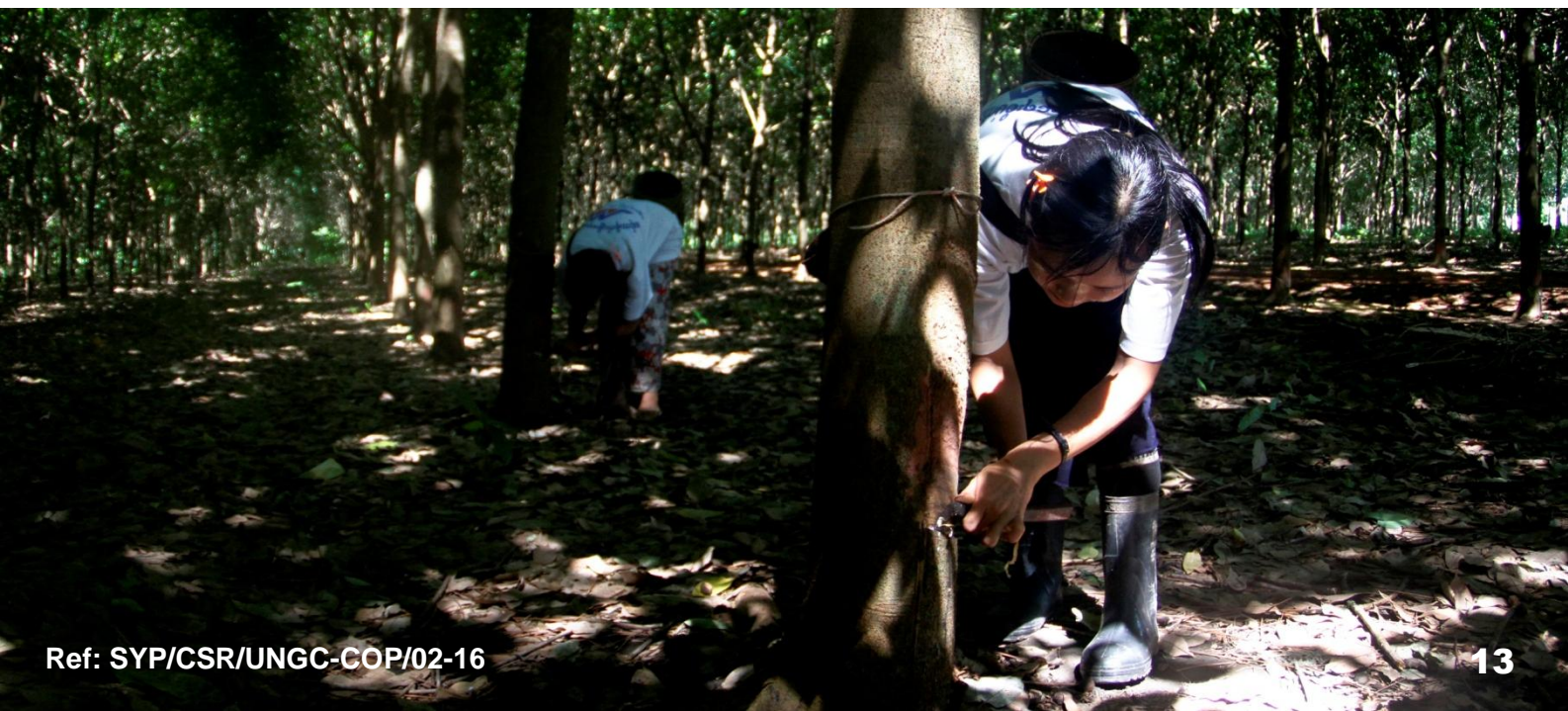
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IMPLEMENTATION

Our contour lined planting controlled 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.

We conducts not only safety training but also environment awareness training for all level of employees to be responsible for the environment and the communities. Since we prefer greener environment, we have been reducing the usage of chemical fertilizer too.

As our missions states “to conserve the environment”, we share our good agriculture practices with advanced technology with the local communities for the sake of greater environmental responsibilities. Through our ongoing effort, we hope to complement and support the growth and development of green practices in the wider community.



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MEASUREMENT OF OUTCOMES

Our Max Myanmar group conducted the corporate responsibility assessment last year and follow up assessment on this year main focus is Sustainability. The assessment was emphasized on the sustainability of the company, the communities and the environment.

Shwe Yaung Pya rubber plantation naturally sustained the environment because of the areas of 1500 hectare green sources shall absorb the numerous amount of CO₂ which cause to green house effect and 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.



ASSESSMENTS, POLICY AND GOALS

Shwe Yaung Pya Agro practice ZERO tolerance policy for corruption, bribery and extortion and fully committed to integrity, fair dealing and adopt corporate good governance practices.

Our policies and procedures are very stringent and we strictly 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. Furthermore, we would like to encourage all our stakeholders to respect and comply the same principles of ethic, transparency and accountability as well.

* 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.

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IMPLEMENTATION

We believe that the basic needs of the employee and their family should be well taken care of to prevent any misconduct, corruption and bribery. Our management pay close attention to the well-fare of our employee and make sure that they are fully aware of the ZERO tolerance policy for any corruption.

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. 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 and our management closely and regularly monitored the feed back accordingly.



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MEASUREMENT OF OUTCOMES

In this year, our Max Myanmar Group continued corporate responsibility assessment and we were very glad that there were no corruption case found or reported. Our management has been constantly monitored and ensured the communication between the employee as well as the communities and stakeholders.

All employee are strong encouraged to report if they observed any form of misconducts or corruption via suggestion boxes or other communication channels. We intend to reward if someone reported a misconduct and found out to be the truth.

We are going to keep practicing the transparent reporting system and aim to improve the compliance standards not only within our organization and but also to our related stakeholders.

CSR ACTIVITIES 2015

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.

Our CSR activities in the Year 2015 were as below mentioned but not just limited to.



Redcross and UNHCR periodical medical program

Rubber tapping technology sharing with communities



CSR ACTIVITIES 2015

We actively support and contribute the Ayeyarwaddy Foundation’s philanthropic activities throughout the country with other business units of Max Myanmar Group.

In this year 2015, flooding in various regions where quite damaging to the villages and Max Myanmar group voluntarily contributed at various flood-relief camp especially in Ayeyarwady Division.



Flood-relief activities with Ayeyarwady Foundation

Contributing at Beelin Flood-relief camp



CSR ACTIVITIES 2015

As part of our corporate responsibility, we always value our internal stakeholders, our employee and their social well-fare have been well taken care of.

As many training were conducted as required, there were various social activities held for the employee and the communities such as annual staff party, annual vacation trip, local ethnic celebration event and so on.



Employee annual vacation trip

Local community ethnic event contribution





CSR ACTIVITIES 2015

Since we established the Shwe Yaung Pya rubber plantation in this area, we always wanted to be a “plus” to the community and region and we are committed to support and contribute to the community in various ways.

We don't prohibit at all for the villagers looking for fire-wood in our compound and we do even allow the cow-feeding as well. We ensure to have a good communication and relationship with the community and our employee.



Community and Employee

Villagers collecting fire-wood in SYP rubber plantation area



CSR ACTIVITIES

As our Max Myanmar Group prioritize the transparency, Shwe Yaung Pya rubber plantation collaborated with various NGOs and shared information as well.

Many INGOs, NGOs visited and collected data from us and we fully co-operated. Since last year, corporate responsibility assessment was conducted by international third party organization and continued to this year for sustainability assessment as well.



Sharing rubber tapping with visitors

Interviewing with the worker by CSR assessor





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

We welcome feedback on its contents.



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