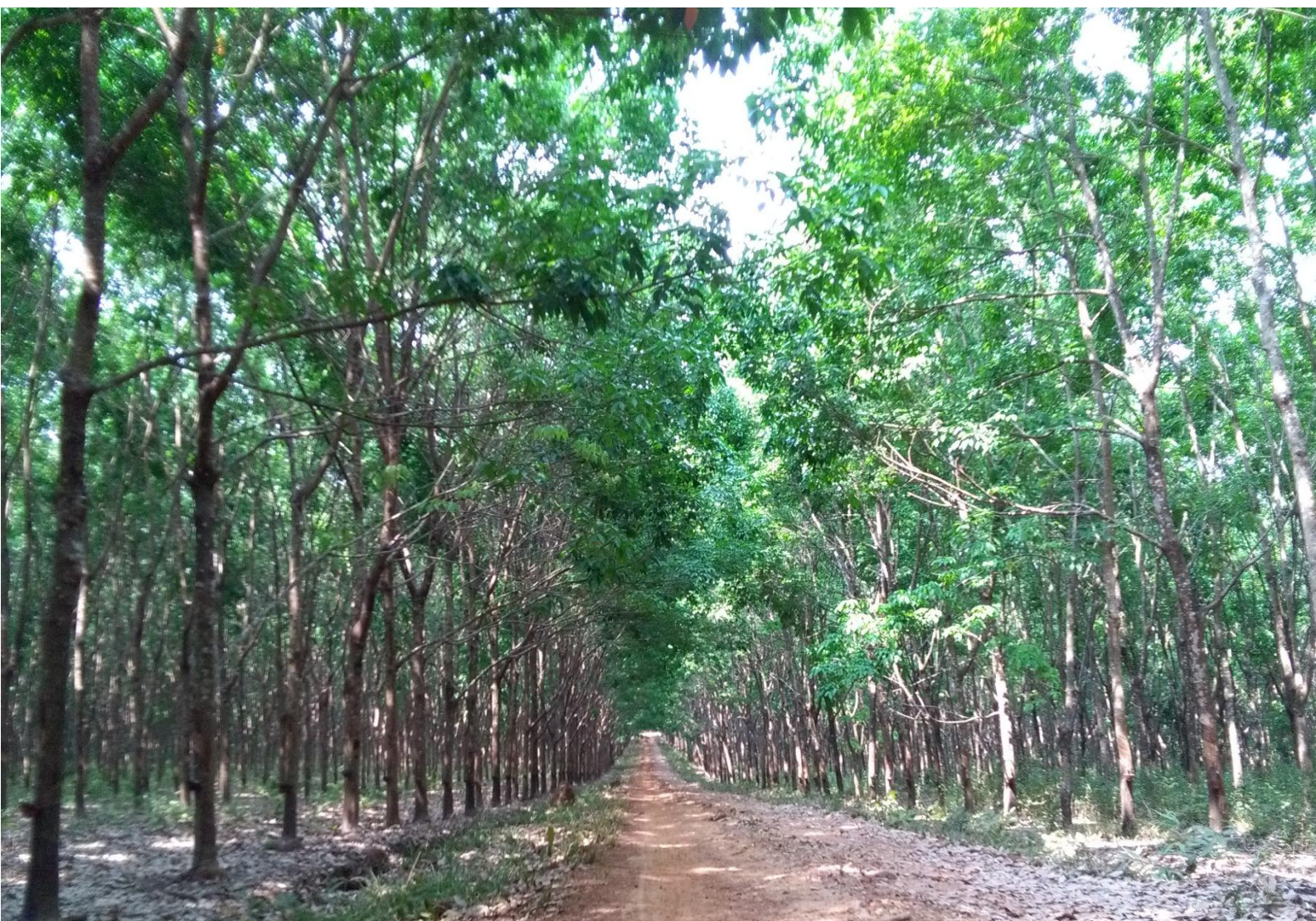




**SHWE YAUNG PYA AGRO Co.,Ltd.**



## **COMMUNICATION ON PROGRESS**

**HUMAN RIGHTS**

**LABOUR STANDARDS**

**ENVIRONMENT**

**ANTI-CORRUPTION**

27<sup>th</sup> January, 2017



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## COMPANY PROFILE

Shwe Yaung Pya Agro Co. Ltd., was founded in 2005 as a subsidiary of Max Myanmar Group. Our 5000 acres of rubber cluster are situated in Awingyi Village, Belin Township, Mon State, Myanmar. Our initial production was started in 2012. Full rubber production should be achieved by the year 2018 according to progressing plans and schedules.

One of our mission is to conduct our business in a safe, environmentally sustainable and economically optimizing manner. We have committed ourselves for corporate social responsibilities to our community and environment where we operate and also where we originate.

Creating employment opportunities for local people is one of our company's goals. We concern to ensure the longevity of the rubber plantations which can develop not only its business but also the living standard of local community and environmental sustainability.

## STATEMENT OF COMMITMENT

It has been two years that Shwe Yaung Pya Agro Co., Ltd. made a commitment for corporate social responsibilities (CSR) with the implementation of ten principles of United Nations Global Compact (UNGC) in the areas of human rights, labour standards, environment and anti-corruption.

Annual submission of a Communication on Progress (COP) is one of the key requirements for participation in Global Compact.

In this annual Communication on Progress, we describe our actions to continually improve the integration of Global Compact and its principles into our business strategy, culture and daily operation procedures. 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 Agro has become a proud registered participant in United Nations Global Compact (UNGC), the corporate responsibility initiative – the world's largest with over 12,000 business and non-business participants in 168 countries, since January 2014. Becoming a UNGC participant was one of the corporate milestones for Shwe Yaung Pya Agro and it is the first rubber plantation as a participant in United Nations Global Compact (UNGC) 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 have been actively supporting to Ayeyarwady Foundation, a nonprofit organization founded by Max Myanmar Group in 2010. Together with Ayeyarwady Foundation, we are contributing to Health Sector, Education sector, Health sector, Youth Development and Sport Program, Responsible Business Practice Program and Disaster Management. 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.

We are confident that Shwe Yaung Pya is a responsible organization for our CSR implementation with 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.





# 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

As Shwe Yaung Pya is a subsidiary of Max Myanmar Holding Co., Ltd, we followed, implemented and successfully enforced Human Rights Policy which was delivered by Max Myanmar Holding with the guidance of Human Rights international expert and all business units of Max Myanmar Group have to strictly follow. Our Human Resource Policies and Practices are aligned with Universal Declaration of Human Rights (UDHR).

We respect the freedom and right of our stakeholders in align with Human Rights Policy. Our Whistle Blowing Policy has been successfully implemented and applied to our employees, suppliers as well as customers.

One of the main goals of our Max Myanmar Group and its subsidiaries is to be a responsible and transparent organization. The policies and practices Shwe Yaung Pya published and implemented are published in our Max Myanmar Group website, Shwe Yaung Pya website, social media and newsletter.

- Our Human Rights Policy available at :

<http://www.maxmyanmargroup.com/?q=en/content/human-rights-policy>

- \*\* Our Whistle Blowing Policy available at :

<http://www.maxmyanmargroup.com/?q=en/content/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 implement and follow non-discrimination policy to all of our employees and getting equal working environment in align with UDHR. All of our employee benefit the freedom of religion in Shwe Yaung Pya Agro.

Human Rights and Whistle Blowing Policies apply to our employees, suppliers and our customers. The training for these policies were conducted among employee by our management team. Suggestion boxes were placed for our employee and stakeholders.

Our management committee (Seven Manager) closely paid attention to all feedbacks of our employees by using suggestion boxes, phones, social media, personal concern and others communication channels. In addition, our committee communicated with our stakeholders for employees' compliance.

Employees Handbook was documented to read, understand and follow by all of our employees. Orientation training and debar were conducted in regular basis not only to welcome the new employees but also to recruit the employee awareness of the company's policies and employee handbook.

Furthermore, we were audited by external assessors (BSR.org) for human rights in our community and surrounding environment. And also, we tried to certify ISO 9001:2015 for quality management system effectively and related to the rights this year.



# 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 the human rights issues. Zero case of human rights contravention and no finding was reported by external assessors, bsr.org, which is arranged by Max Myanmar Holding. Shwe Yaung Pya Agro and all other SBUs of Max Myanmar Group have been conducted assessment by the external assessors in regards of all business operation and activities.

We were audited non-compliance external auditor for ISO 9001:2015 (QMS) in our management.

Shwe Yaung Pya management team strongly activated water supply in the drought area, especially local environment for drinking water.

Our Company participated with local stakeholders in human rights activities such as the member of state's Human Rights Organization to be effected in improving human rights. 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

## ASSESSMENTS, 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.

Employee handbook was published and well distributed as the employee's rights and responsibilities and company's policies are thoroughly mentioned in it. We ensure employee are duly aware of their rights and responsibilities and company's policies. The policies were fully enforced to ensure the freedom of employee as well as stakeholders. Furthermore, Grievance Handling Policy was properly developed for the rights and fairness of our employee.

\*Our Grievance Handling Policy available at:

<http://www.maxmyanmargroup.com/en/content/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

Shwe Yaung Pya Agro followed the labour laws and regulations in the areas we operate. 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 have been providing training year on year for skill development and capacity building of our employee. We support fair employee and we ensure no labour discrimination against employees, on various ethnic and different religions. We have conducted equal chance of all gender. Moreover, OHSE training were conducted by local fire brigade officers regularly and NGO and regarding with safety and fire drill. Required PPE provided to all employee and supervisors ensure all employee applied them properly.

Our community encourages the communication links with employee and management team by means of well organized suggestion boxes, email, phone numbers, social media and others way.

We take care of employees for health by local clinic and participation with Health Department and others organization especially IOM. And also, we continuously support for education sector. Housing and solar light for electricity are provided for all of our employees. Moreover, we implement water tube-well in this year in our management area. Convenience stores are also provided for our employees.

We held cultural programs and traditional festival celebration for our people and our communities. Our management regularly monitored the well-fare of our employees and their family.



# 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 have committed to good corporate governance practice and operate our business in compliance with labour laws and ILO regulations. There was 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.

In Shwe Yaung Pya Agro, there are different races and we ensure that there is no discrimination. We mainly focus on the unity by working on all races and different religions. There is also no slight variation on salary, bonus and opportunities among our employees.

We have compliance on our management and we become a more transparent organization for local communities and our stakeholders. We encourage skillful training and sharing knowledge to our employees with the purpose of capacity building and more understanding of job scope.

Regular health screening and sharing healthcare knowledge was done on a regular basis for all our employees and we did not find a record of serious diseases this year.

In education sector, there is an increase in basic middle education level and we regularly encouraged educational support, together with our Ayeyarwady Foundation.

# 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

Conserving the environment is our core mission statement and rubber plantation business plays a major role in reducing the global warming by means of greenhouse effects. We ensure our Shwe Yaung Pya rubber plantation business to nurture the green environment and to support the development of the socio-ecology of the area.

We have been raising the awareness not only between employees but also to our local community and stakeholders 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

- 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

Our management always conducts safety training for all of our employees as well as local communities with the purpose of being a responsible organization for the environmental efficiency and related society.

Our plantation is expressed as not only a model sustainable plantation and production but also maintenance to natural resources such as plants and man-made forest among local environment. We have been reducing the usage of chemical fertilizer as well. We believe our good agriculture practices with advanced technology could provides 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

Shwe Yaung Pya Agro monitored and followed up the corporate responsibility assessment this year and move along with sustainability. The assessment was emphasized on the sustainability of the company, the communities and the environment.

Our plantation naturally possessed the areas of 1500 hectare green sources and it sustained the environment. This can improve the soil fertility by leaf decomposition. Furthermore, the rubber wood could provide the sufficient amount of as side products for the communities.

Prevention and reducing of fire hazard on forest annually is proved by knowledge sharing and participation of local community, stakeholders and our organization to increased eco-system.

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.

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

## ASSESSMENTS, POLICY AND GOALS

Shwe Yaung Pya Agro fully committed to integrity, fair dealing and adopt corporate governance practices. We have zero tolerance policy for corruption, bribery and extortion.

Our management sets stringent policies and procedures which do not allow any corruption and bribery regardless of any level of management positions. Every employee has to strictly follow the company's policies and procedures. Any gift or present shall not be accepted in favor of the performance of work either.

We state our anti-corruption policy on our communication channels in public for the awareness of all of our stake holders in order to be a more transparent organization and organization with good corporate governance. We are deeply committed to maintain our policy strictly, to implement effectively and to review and monitor for continuous improvement. Furthermore, we would like to encourage all of our stakeholders to respect, comply and follow the principles of ethic, transparency and accountability as well.

- Our Anti-corruption Policy available at :  
<http://www.maxmyanmargroup.com/?q=en/content/anti-corruption-policy-0>

# ANTI-CORRUPTION

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

## IMPLEMENTATION

We do value on transparency with our stakeholders especially among our employees. Zero tolerance policy on corruption was mentioned in our employee handbook and monthly meetings were held to encourage integrity and explain about the rewards and punishment concerned with corruption and bribes.

We were regarded with transparency reporting system and compliance standards. We ensure our whistle Blowing Policy to be implemented and enforced effectively. Suggestion boxes, social media and other various communication channels are exposed and our whistle blowing committee closely and regularly review any corruption or bribery feedback.

Moreover, we have inspected and checked regularly to make sure that there is no corruption in whole organization.



# ANTI-CORRUPTION

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

## MEASUREMENT OF OUTCOMES

There was any corruption case neither reported nor found by our management throughout the year 2016. We have been constantly monitored and evaluated the operational performance and providing recommendation and opinions for more effective process and monitoring.

There was no result of misconduct or corruption via suggestion boxes or any communication channels and there was no suggestion of any corruption performed by inspection with communication management team.

Our Max Myanmar Holding also made an arrangement with BSR organization as an external assessment for sustainability. There was not any case found or reported by external assessors.

Furthermore, as we are upgrading our organization to certify ISO 9001:2015 (QMS) and auditing result, there was zero non-compliance reporting issue.

# 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 Yaung Pya Agro.

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

Human Rights & Anti-corruption Training



Labour Standard Training



# OUR CSR ACTIVITIES

## Environment



## Community Engagement & Foreigner Visit



## ISO Awareness Training





## OUR CSR ACTIVITIES

### Capacity Building Training



### BSR Accessor



### Health Care



# OUR CSR ACTIVITIES

Encouraging Education Sector



Knowledge Sharing in Local Training



Water Distribution in Drought Area







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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