

# United Paints Group Co., Ltd.

# GLOBAL COMPACT REPORT END OF 2016







CONTENT					
No.	Content	Page			
1.	Letter from the Managing Director	1			
2.	Our Milestones	2			
3.	Our Products	3			
4.	Our Brands & Colors	4			
5.	Company Policy	5			
6.	Overview on GC Implementation	6			
7.	Human Rights	7 – 8			
8.	Activities	9 – 10			
9.	Labor	11 – 14			
10.	Activities	15			
11.	Environment	16 – 31			
12.	Anti-Corruption	32 - 33			
13.	Broader UN Goals and Issues	34 – 43			
14.	Certificates	44 – 45			
15.	Conclusion	46			

# Letter From Managing Director



U AYE HAN Managing Director United Paints Group Co., Ltd. Dear Friends,

We are pleased to present our progress report on the United Nations Global Compact. For the year 2017, we have labored tirelessly to build on our position as the top leading paint manufacturer in Myanmar and to improve the lives of many people with our products. In our business field, we concentrate on the health of people and on the area of energy and resource efficiency. And we do this with a great sense of responsibility and a clear commitment to sustainable business development. Because only in this way can we create the society acceptance that is of such importance for our business. Specifically, this means that safety has top priority for us. The safety of our products and facilities is our license to operate. It is the foundation for gaining the trust of our customers, shareholders, public authorities and employees that is absolutely essential for us.

That is why safety training measures – both for our employees and for external service providers, suppliers and contractors are standard operating procedures at all our sites. The safe handling and use of our products lie at the focus of our activities, which include transparent communication and distribution of our products safety information. Here, we also follow the precautionary principle of the United Nations. We also focus constantly on the issue of legal compliance. Because of our efforts, our company has been accredited with Quality Management System (ISO 9001:2008) in September 2003, Environmental Management System (ISO14001:2004) and Occupational Health and Safety Assessment System (OSHAS 18001:2007) in October 2008. Furthermore, we have been practicing the Responsible Care Management System. Thus we have been conferred the permission to use the RC logo. We are committed to implement the Integrated Management System, Occupational Health and Safety Assessment System and the Responsible Care Management System to maintain our status as the leading paint manufacturer in Myanmar.

We care about our stakeholders' satisfaction. We have developed a win-win situation amongst our stakeholders. We do not only emphasize on our profit, we will support and help those who are waiting for our help.

We have set and pursued the mechanisms, processes and relations by which we are able to get good Corporate Governance so that we can be classified as a dutiful and responsible company for our country.

Thank you very much for taking up your precious time to read this letter.

Sincerely,

AYE HAN, Managing Director

# **OUR MILESTONES**





#### **Background History of UPG**

United Paints Group Co., Ltd, a wholly Myanmar owned company, established the UPG Factory to produce paint and paint related products with the aim of import substitution and export promotion in 1995.

UPG's ideals targeted the production of quality products that would ensure Customer satisfaction, internationally accepted systems of management, health and safety of the employees and maintain a clean and friendly environment in the process. The realization of these ideals earned for UPG, the QMS (Quality Management System ISO 9001:2008) on 22 September 2003 and the OHSAS (Occupational Health and Safety Assessment Series 18001:2007) and the EMS (Environmental Management System ISO 14001:2004) on 29 October 2008 from UKAS (United Kingdom Accreditation Service) under the auspices of BM Trada (Malaysia).

In addition to these ISO achievements, UPG is also undertaking the responsibilities as laid out by Chemical Industry Group CIG of Myanmar Industries Association and practices the Responsible Care Management System using the Responsible Care Guidelines of Japan Responsible Care Council (JRCC) and Japan External Trade Organization (JETRO).

#### Research & Development

The R & D Department is set up with international standard laboratory equipment to keep up with ever changing technical advances in paints and coatings manufacturing knowledge and practices. A competent and dedicated team of professionals and technicians runs the R&D laboratory of UPG ensuring excellent performance.





#### Quality Assurance

In accordance with the company's policy to provide high quality products to satisfy customer requirements, the Quality Assurance Department takes stringent quality control measures by inspecting every stage of production process form incoming raw materials through finished products.

#### Our Commitment towards Customer Satisfaction

The Comprehensive technical expertise of service personnel and effective logistical support has made UPG as a reputable and reliable partner Catering Customer Delight.





#### Distribution Network

UPG has established a swift and reliable system of distribution and logistic support network ensuring timely, efficient and effective supply chain operation.

# **OUR MILESTONES**



UNITED PAINTS GROUP CO., LTD.





ISO 9001:2008 ISO 14001:2004 OHSAS 18001:2007 Responsible C

#### Our Values

The UPG employees, with quality consciousness and valid team spirit, work at their best to satisfy customer needs and wants. Properly trained UPG employees undertake every tasks in genuine entrepreneurial manner.

#### A Passion for Innovation

Understanding the future requirement of the customers, the UPG has taken every opportunity to utilize innovative technology and resources. It embraces new ideas to harness its manufacturing process to deliver top of the line products to the market.

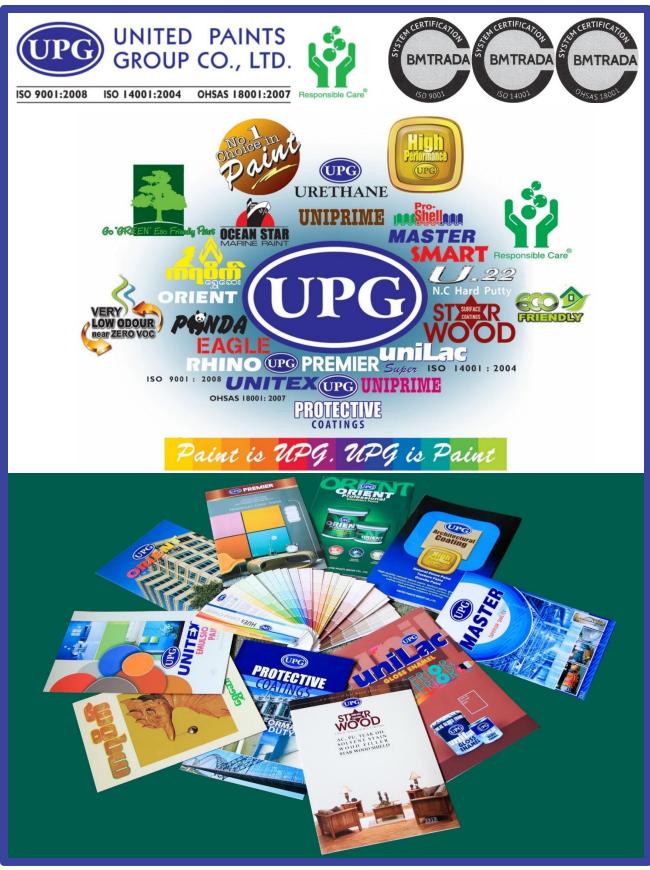
#### **Import & Export Promotion**

The UPG imports raw materials from Australia, China, Germany, Indonesia, India, Japan, Malaysia Netherland, Philippines, Singapore and Thailand. UPG exports its finished products to China, India, Malaysia and Sri Lanka.

# **OUR PRODUCTS**



# **OUR BRANDS & COLORS**



# **COMPANY POLICY**

# **Company Policy**

UPG as a leading paint manufacturer in Myanmar is committed to implement the Integrated Management System comprising Quality, Environmental, Health and Safety, Responsible Care systems and to fulfil all the applicable legal and other regulatory requirements with the aim to ensure satisfaction of interested parties (customers, suppliers, employees, local authorities and neighbours) by creating a corporate culture. In order to achieve the company policy, we are committed to the following:

- To promote the awareness of Quality, Environmental, Health and Safety, Responsible Care systems to interested parties.
- To prevent pollution, incident, injury, ill health, environmental impact and health hazard through systematic risk identification, assessment, control with proper procedure and training.
- To periodically analyse, set, implement and evaluate the company objectives and targets.
- To strictly adhere to all procedures and continually improve the Integrated Management System.

The management shall accept responsibility for the effective implementation of this policy and provide systems, enhance awareness and support to ensure an environmentally friendly, safe and healthy working condition.

Managing Director

UPG

Dated : 01-07-2009

**UNITED PAINTS GROUP CO., LTD.** 



# **United Paints Group Co., Ltd.** Implementation of GC Principles

# **OVERVIEW**



UPG took the COP self-assessment regarding the following GC advanced criteria as engaging to implement GC principles;

- Corporate sustainability governance and leadership
- Implementing the ten principles into strategies & operations in the areas of:
  - > Human rights
  - > Labor
  - > Environment
  - > Anti-corruption
  - UN goals and issues

UPG's Communication on Progress is in the format of "Stand Alone Document. In COP, description of actions and relevant policies regarding the ten principles will be contained some are implementation status with goals, timelines and responsible persons, and some are with established or emerging best practices.



As UPG has been practicing OHS and EMS in its organization, objectives and targets have set for the year in order to attain continual improvement of these systems, and to achieve the qualitative and quantitative outcomes over the objectives. Organization's upstream and downstream business partners (such as suppliers, contractors, service providers, dealers, customers, users, transport contractors) have been as one mainstreaming into corporate functions and business units.

In doing so, UPG has been achieving on the value chain implementation throughout the organization, as well as have developed win-win-win-win situation within the sphere of business units.



# United Paints Group Co., Ltd. Implementation of GC Principles

# **HUMAN RIGHTS**

Principle-1 : Business should support and respect the protection of internationally proclaimed human rights.

**Principle-2**: Business should make sure that they are not complicit in human rights abuses

# Employee's Human Rights

UPG joined the UN Global Compact (UNGC) on 7 May 2012 and has been supporting the internationally-declared principle of human rights of employees and abiding by the Labor Law of Myanmar and ILO's labor standards and principles. At UPG, unfair practices and discriminations regarding recruitment, promotion, compensation or training are strictly prohibited and qualified employees are given a full and fair opportunity.

UPG has the Legal and Other Requirement Manual (UP-CM04) to follow the law, rules and regulations regarding labor as well as operation safety and environment conservation.

# Fair Assessment and Compensation

To ensure fair assessment and compensation, UPG conducts both management evaluation and performance evaluation together every year. Management evaluation is to review the unit-level attainment of management goals and efficiency in so doing and the result is utilized as criteria for bonus pay and performance assessment. Besides, the evaluation outcome is considered in determining division manager's annual salary level to ensure management accountability in respective divisions. Performance evaluation is to assess achievement and competency on an individual level and its results serve as key data to decide individual employee's salary increases, promotions and competency development. UPG will fine-tune its assessment and compensation system and operate it more rigorously to make sure all UPG employees are evaluated and compensated fairly for what they achieved, and thus motivated to do better.

# Employment-Management Relationship of Mutual Benefits and Harmony

UPG considers its employees as partners for sustainable development and works for mutually beneficial and cooperative relations. We are building mature and trustworthy employee relations through such events as Annual Dinner, Monsoon Sports ,and Vacation Trip that unite labor and management as one. Offering money as a wedding gift for employees who are getting married. Offering of condolence money to the employees on the death of the parents, spouses and off springs and providing services in funeral service.

# Social Security

Employees are entitled to join as members of Social Security Board (SSB) and enjoy the rights prescribed by the SSB.

# Health

UPG offers health care training, doctor and nurse counseling services and in-house vaccination programs to promote employee health. Financial assistance is given to the sick employee and sometimes, blood donation is given by the employees to the needy sick employee or family members. The blood donor is given a day off the next day in order to restore his energy. Executive level and above employees are given the package of medical checkup every two years.

# Leaves

Employees are entitled to enjoy the following leaves as prescribed by the Leave & Holidays Act of Myanmar.

- 1. Casual Leave 2. Earned Leave
- 3. Medical Leave
- 4. Maternity Leave 5. Leave Without Pay

# Customer Relationship

In the case of consumers, we have transparent and well-tested procedures in place to address their complaints fairly and speedily without undue cost or burden to them. Sometimes our relationship with contractual partners will allow us to influence them to adopt principles and standards similar to our own. We also draw to their attention the rationale and importance of our Code of Business Principles.

# Taxpayer in Myanmar

As every citizen has the duty to pay TAXES to be levied according to the LAW, UPG's taxpaying rank is as below.

Assessment Year Position	2011 ~ 2012	2012 ~ 2013	2013 ~ 2014	2014 ~ 2015	2015 ~ 2016
Commercial Tax	30	40	88	108	145
Income Tax	51	60	74	86	83

# ACTIVITIES











**2016 Monsoon Sports and Tournaments** 







# Photo Gallery

**Global Compact** 

# ACTIVITIES

# Employees' Vacation Trip in 2016





# "We're not looking only on our profit"









Donation to People who Faced the Natural Disaster

# Photo Gallery

**Global Compact** 

# LABOR

**Principle-3**: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle-4: Business should elimination of all forms of forced and compulsory labor.

Principle-5: Business should effect the abolition of child labor.

**Principle-6**: Business should effect the elimination of discrimination in respect of employment and occupation.

At UPG, discrimination on the grounds of education, gender and age is strictly prohibited to offer equal employment opportunities. In addition, we are following the Labor Laws set by the Myanmar Government and implementing accordingly.

	Process implemented	Effectiveness of the process
Prevention of child Labor	100%. Verification of age of employee when hired	All employees are over 18 years of age when hired
Prevention of Forced Labor	100%. Employment contract based on employee's voluntary agreement	All employees enjoy employment as per contractual terms

#### Incentives & Bonus

In 2016, UPG amended the system of incentives and bonus that is provided to employees. As the result, both sides of company and employees have the benefit of productivity increase and employees' better life style. The overtime wages are paid also according to the rules and regulations of labor law. Travelling allowance and daily wages are also provided to employees.

## Meal Service

At the factory, canteen is providing lunch to employees. If there is overtime work, dinner is also provided to employees and anybody can have coffee and noodle freely at security guard house after 6:30 pm as they prefer. Regarding meal service, feedback from employees are listened and fulfillment are undertaken appropriately.

# Ferry Service

Employees are provided with regular mini-bus ferry service for commuting to work and home. Also ferries take them back to their home doors If there is overtime work. Employees enjoy the ferry service.

# **Corporate Learning Culture**

- Provide training to our employee to gain knowledge and awareness
- Increase the commitment of employees by encouraging them to identify with the mission and objectives of the organization.
- Help to develop a positive culture in the organization, one, for example, that is oriented towards performance improvement.
- Improve individual, team and corporate performance in terms of output, quality, speed and overall productivity.
- Establish both external and internal training, if necessary we provide further study.



TRAININGS CONDUCTED

- Mathematical Skills
- Management Skills
- Safety & Health Knowledge

#### 🖬 General Knowledge

Technical	Skills	Training
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Solvent base product training
Water base product training
Technical Knowledge level 1 (upgrade)
Automotive Paint Training
Technical Knowledge Level-1 (upgrade) & Level- 2
Construction Chemical & Decorative Paint training
Technical Knowledge Level-1 (upgrade) & Level- 2
Wood coating training
Decorative Paint training
Architectural Training
Industrial Coating
Technical Knowledge level 1
Wood coating training
Equipment Calibration
Paint Quality Test and Common Paint Problems

# **Corporate Learning Culture**

S	afety & Health Knowledge Training
1	Training on Prevention of Hazard From Chemical and Related Substance Law
2	Workplace Rule & Business Etiquette
3	Kaizen & 7 QC Tool
4	Productivity Improvement, Organization, 5S, KAIZEN
5	Chemical Spillage Drill
6	Risk Assessment Training
7	Fire Fighting Training (MDY)
8	5S, IMS Training
9	Basic Fire Fighting Training
10	Handling and Storage of Chemical Training
11	How to Operate Waste Water Treatment Plant and Waste Water
12	Process Safety Workshop
13	Vehicle Risk Assessment

# Management Skills Training

1	Technical Workshop on Occupational Safety and Health: Risk Assessment and Management
2	5S Management
3	Sustainable Ubran Development and Integrated Town Planning
4	Business English Management
5	Customer Service Management
6	Office Management
7	Time Management
8	Total Quality Management
9	IEE EnMs Expert Training
10	EnMs (Export Level Module-3 Training)
11	Daily Management
12	Professional Office Administration
13	Leader Ship Skill
14	Certificate in Professional Digital Secretarial Skills
15	Human Resource Management (Case Study of Japanese Companies)
16	Complaint Management

# **Corporate Learning Culture**

# General Knowledge Training

1	Problem Solving	
2	Roles & Corporate Philosophy	
3	Book keeping	
4	CCNA (Cisco CCNA Subject)	
5	Mikrotik Network for Project Use	
6	TQM 3 Principle and Customer View Point	
7	PDCA & Standard Work	
8	Industrial Installation Control & Wiring	
9	YEN-D Program	
10	Team Work	
11	Workplace Communication	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
12	Project Training	
13	Communication Skills	
14	Word & Excel (Microsoft Office)	LANK PIC
15	V Lookup Training	
16	Create groups and mailing Lists training	A Daw
17	Kaspersky Technical Training	
18	Dispersing Press and Doughnut Effect (Factory)	
19	Excel " Pivot Table "Training	
20	Finished Goods Inspection Training	
21	Microsoft Office Excel Training	
22	Computer Knowledge & Internet, Email	
23	Basic Accounting	
24	To Do List Training	
25	Compressed Air System Optimization (User Lard) Training	
26	ပြည်သူ့ဂန်ထမ်းစီမံခန့်ခွဲမှုဒီပလိုမာ	CALLE LIN
27	LCCI (1,2)	
28	Standard Operation Training	
29	CCNP Routing Training	

# ACTIVITIES

# "We're care our employees"

# Medical Treatment & Clinic



# Fire Fighting Drill and Training **Photo Gallery**

**Global Compact** 

# **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.

## Our Commitment

- UPG has an *Environmental Management System* that is accredited to the ISO14001 standard and UPG has been conferred the logo of *Responsible Care Management System* (RCMS).
- UPG commits to promote the awareness over the environmental conservation to all the interested parties.
- UPG commits to review our aspects and impacts on the environment and take action that is necessary to reduce our environmental impacts.
- UPG commits to set the yearly objectives and targets and to implement it successfully.



#### Precautionary Measures on Aspect-Impact Identification

In order to prevent the accident /incident happening, hazard/aspect identification and risk/impact assessment have been performed systematically based on 6 steps of general procedures of risk assessment (Risk Assessment VER.5).

The risk/impact assessment is carried out not only for the production process line, but also for the maintenance operations for emergency situations. Then corrective and preventive actions are taken into account for hazard/aspect identification. The assessment for hazard and aspect were revised in April 2015 in order to cover all area and process. In the second edition assessment registration hand-book "Content List of Hazard-Risk Assessment *and* Aspect-Impact Assessment", the numbers of total assessments increased A-60 to 70 assessments (All are A-01 ~ A-70). As necessary assessment for additional process or new locations, related assessment are being also revised or added, presently the total number of assessments are up to A-75. This assessment is based on the plant/location, process/ procedures, OHS and EC describing as revised/review or additional or new assessment.



Hazard-Risk Assessment and Aspect-Impact Assessment

#### Waste Water Treatment System

Waste water generated from the water based paint production plant, QC and R&D laboratories is being collected and treated at the waste water treatment plant. Effluent water quality from treatment plant is tested before it is discharged into the public drain. If it meets the Proposed National Standard (Ministry of Health) for discharge, it is discharged into the public drain . If it does not meet the standard it is sent back to the treatment plant.



**Filter Press** 



# Discharged Water Quality

discharged water quality was analyzed quarterly at the Myanmar Science & Technology Research Department. The quarterly test results in 2016 were as below. In 2017, the standard will be referred to the national guide lines.

#### Effluent Discharged Quality Test Result (Jan -December , 2016)

Objective - To upgrade UPG Standard Specification (BOD & COD) of effluent discharge water. (BOD  $\leq$  60 mg/lit ,COD  $\leq$  200 mg/lit )

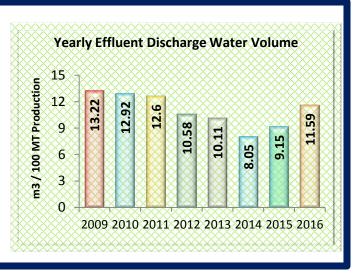
Frequency	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Bianually	Once per Two years
Parameters	рН	BOD(ppm)	COD(ppm)	Suspended Solids(ppm), Max	Total Solids(ppm), Max	Lead (ppm),Max	Iron (ppm), Max
Proposed National Std (Ministry of Health)	6.0 - 9.6	≤ 60	≤ 200	500	2000	0.1	1
First Quarter, 2016	8.25	10.00	153.60	494.00	1328.00		
Second Quarter, 2016	7.22	4.90	165.60	231.00	1259.00	0.035	
Third Quarter, 2016	8.1	0.7	123.2	90.00	1094.00		
Fourth Quarter, 2016	8.15	3.7	147.2	56.00	1632.00	0.034	
Remarks Tested by Department of Research and Innovation, Ministry of Science & Technology.						& Technology .	

## The Analyzed Report by Myanmar Science & Technology Department

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Sample: eq RESULT		RESLLT	
Sample No. Job No. Sample Date	996/15-16 5-1270 Treacted waste waster 7:3.16 133.60 10.06	Sample No. Job Ko. Sample Markot Sample Date B.O.D (Biochenical Oxygen Demand) (ppm) C.O.D (Chenical Oxygen Demand) (ppm)	657:16-17 3-812 Treated Waste Water 8.11.16 3.70 147.20
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#### Effluent Discharge Volume

One of the objectives and targets of UPG is to reduce the volume of discharge water. The achievement of reduction of yearly effluent discharge water volume is shown in figure. In 2017, some additional programs will be implemented to reduce the effluent discharge water.





## Hazardous Waste Disposal

Hazardous wastes generated from the solvent based paint production plant, QC and R&D laboratories are collected in drums at scheduled waste storage area located at the waste water treatment plant. Hazardous wastes are disposed of at the designated Municipal {Yangon City Development Council (YCDC)landfill).

Target was set to reduce the amount of waste generated from solvent based paint production in 2016, and UPG is taking full utilization of 3R method over the waste. The target was achieved and will continue to set as target in 2017 also.

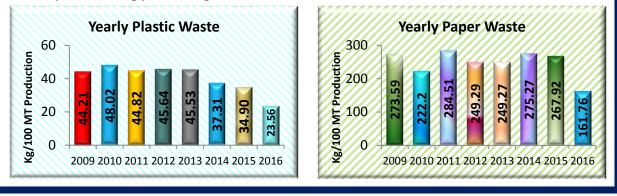


#### <u>Solid Waste Disposal</u>

Plastics and paper bags are the solid wastes generated from production. These wastes, so called recycle wastes, are collected in the waste bags disposal room as well as in the waste brick-tanks. Then they are sold to the contractors for recycling. The amount of plastics and paper bags increased proportionally with the amount of production.

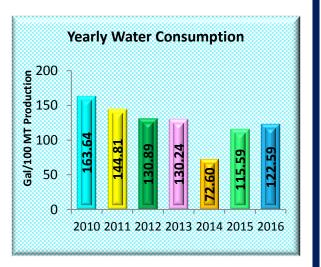


At the water based production plant, waste bags disposal room was constructed separately to prevent the spreading of powders to the ambient air and flowing down the drain leading to the public drain. The waste paper bags are compacted and put into long plastic bags.



#### Water Consumption

Water is used in UPG in two ways. It is used in water based paint production after being treated and also for general use. General use includes the utilization for cleaning, washing, bathing, gardening and toilets. UPG has been practicing to save this natural resource to preserve the environment. The guidelines for water saving was conducted to the employees and mottos are displayed at water taps. In 2013, individual water meters were installed at 4 locations for actual record of water consumption.

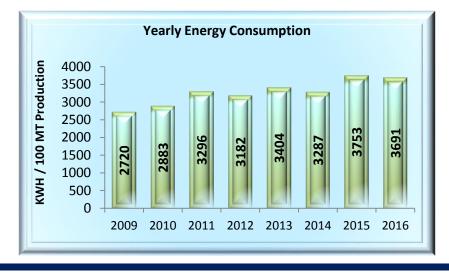


#### **Electrical Energy Consumption**

Frequency inverters (Energy saving type) are installed at electric motors. Frequency inverter drives can save energy about 40% of ordinary motors. Electrical utilization depends on the machines utilization at production plant.

The new water based plant started production in July 2010. Due to the operation of new added machineries, the electrical energy consumption increased from July 2010. Similarly, solvent based production line was also transferred to the new plant in July 2011 and electrical energy consumption increased because of some new addition of equipment and facilities.

In 2012, all the added machines and equipment are fully utilized and the power consumption became stable. Electrical energy consumption is trying to reduce yearly. Industrial Energy Efficiency system is being introduced in 2016.





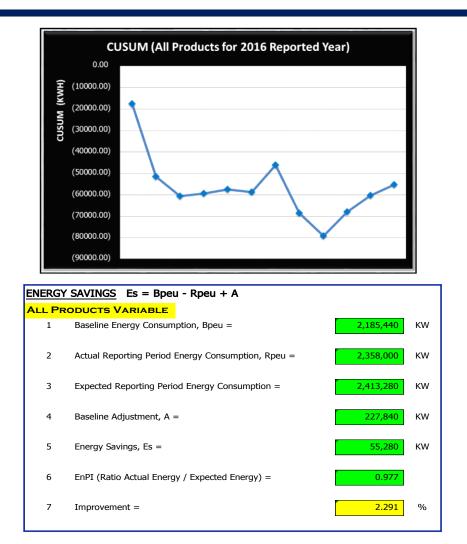
#### Implementation on Industrial Energy Efficiency

After getting the training for industrial energy efficiency improvement conducted by UNIDO, UPG has being introduced to set up SEUs and EnPOs. The statistical analysis was taken and the target for next two years was established as the following. "The objective and target for CY 2016 to 2017 is that energy intensity will be reduced by 5% according to the model of baseline data of CY 2015."

Data and Model Baseline Data = Year 2015 Reported Data = January to December 2016 CUSUM = January to December 2016 Model = Baseline Data Year 2013 and All Product Variable including CDD, and At 2nd step, P value of Emulsion Product and Solvent & NC are satisfied and model is taken as below;

#### Y = C baseload + m1 Emulsion Production + m2 Solvent & NC

The followings are CUSUM graph and improvement for energy saving for January to December 2016. CUSUM trend shows the decreasing energy consumption and energy intensity but not gradually decreasing trend. Energy intensity EnPI ratio is 0.977 and energy saving units are 55280 KW according to the model with baseline data CY 2015. Improvement is 2.291% for this reported period (January to December 2016).



#### Saving Energy in Office

In order to help cut GHG emissions, temperature of our office except for training rooms is set above 28 degree Celsius in the summer. Considering our working environment conditions, we start with small and easy steps such as putting office and electronic devices into low power mode, turning off computers and printers when not in use, and turning off the light during lunch time.

With unprecedented high oil prices today, UPG is saving energy: its office temperature is maintained at appropriate levels, air conditioning facilities are managed in an efficient manner and cooling /heating facilities in the summer and winter season are operated and maintained efficiently.

These efforts enable UPG to reduce its oil consumption and contribute to cutting GHG emissions.

#### Eco-friendly Interior at UPG

UPG used eco-friendly interior materials for environmental considerations. The building also used water paints instead of oil paints on the wall.

#### Air Quality Monitoring

Monitoring of air quality at the water based paint production plant, was carried out in 2012 by the methods of *Area Sampler and Personal Sampler*. Area sampler testing method shows how much particulate matter is spreading in the air at workplace environment. Personal sampler testing method shows how much the worker may inhale the particulate matter from the ambient air.

Measurement of	Result		Unit	Reference Value	
Dust Analyst	13.6.2012	13.6.2012 14.6.2012			
Particulate Matter (Area Sampler)	2.77	1.44	mg/m <sup>3</sup>	TWA (Time Waited	
Particulate Matter (Personal Sampler)	2.77	0.56	mg/m <sup>3</sup>	Average) = 5 mg./m <sup>3</sup>	

## Air Quality Monitoring

Dust measurement was conducted at the powder transferring area on 13/6/12 and at the packaging area on 14/06/2012. The results reveal that the particulate matter was higher at the powder transferring area but in both places, it was significantly lesser than the reference values.





Area Sampler Method



Personal Sampler Method

In fact, UPG has been utilizing closed vessel types and dust collectors for the filling process of chemicals in powder form into the mixing vessels.





In April 2014, ambient air quality measures were performed at near Factory Canteen area and outside the production plant using the HIGH VOLUME SAMPLER with the aid of the Occupational Health Division, Ministry of Health. All the result meet with WHO air quality Guideline.

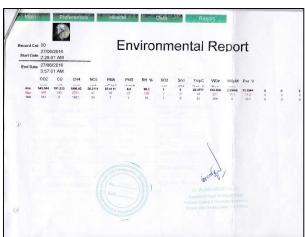
Name	Unit	Result-1 (Near Canteen)	Result-2 (Outside Production Plant)	WHO Guideline
TSPM	μg / m <sup>3</sup>	98.3	79.56	
PM <sub>10</sub> (24 Hr mean)	μg / m³	37.04	33.29	50
SO <sub>2</sub> (24 Hr mean)	μg / m <sup>3</sup>	0.46	0.6	20
NO <sub>2</sub> (Annual mean)	μg / m <sup>3</sup>	10.02	9.39	40
NO <sub>2</sub> (1 Hr mean)	μg / m <sup>3</sup>	41.75	30.93	200

# Air Quality Monitoring

Ambient air quality test result certificate is as shown below issued by Environmental Division, Yangon City Development Committee in 2016.

	Pollutant	Average Concentration	Limits/Guideline Value Standards
1	Carbon Dioxide (CO2)	542 ppm	345 (WIIO)
2	Carbon Monoxide (CO)	191 ppb	9,000 (8-Hr))(NAAQS 35,000 (1-Hr)
3	Methane (CH4)	1986 ppm	160 (WHO)
4	Nitrogen Dioxide (NO2)	26 ppb	100 (1-Hr) ) (NAAQS) 53 (1-yr)
5	PM <sub>10</sub> (Sensor A)	24 μg/m³	50 (24-Hr) (MOECAF)
6	PM2.5 (Sensor B)	7 μg/m <sup>3</sup>	25(24-Hr)(MOECAF)
7	Sulfur Dioxide (SO2)	l ppb	75 (1-Hr) (NAAQS)
1 + 1 am		E- KUNG Assilter Ivas Pro 6 correl 6	A Contract of Department

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Measuring the Ambient Air Quality by using the "HAZ-SCANER, Model EPAS"



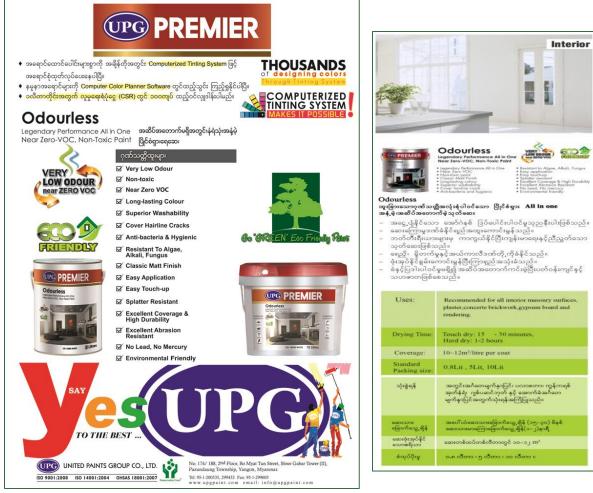
**Global Compact** 

## Environmental Friendly Technology

UPG has been taking effort to develop and diffuse the environmental friendly technologies over the UPG paint products such as lead free and odourless paint.

The product has very low odour, near zero VOC and non-toxic.





# World Environment Day Activities (2016)

In Jun 5<sup>th</sup> 2016, the WED celebration was undertaken at Hlaing Thayar Factory of UPG Co., Ltd. The employees participated eagerly at the celebration of World Environment Day. Firstly, PDD Director addressed at the ceremony regarding the 2016 WED slogan "Zero Tolerance For The Illegal Wildlife Trade".

The following activities were taken;

- $\checkmark$  Collecting the plastic waste along the factory-front road
- $\checkmark$  Tree planting in front and beside of solvent based production plant
- ✓ Fixing the leaks in the manufacturing plant







**Global Compact** 



# Collecting Plastic Waste around the factory







2. Collecting the Waste by Vehicles and Backhoe in Pan Hlaing Street Hlaing Thar Yar Industrial Zone (1)















Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

# Anti-Corruption

# Policy and Activities on Anti-Corruption

UPG have signed as a member of UN Global Compact in May 2014. As a member we are obliged to implement anti-corruption as a guiding principle. Anti-corruption policy and actions required are established in personnel regulation of the company which are to be followed by the stake holders including company employees, officers, directors and others.

# Policy and Regulations on Anti-Corruption

It is stated in the Employment contract of UPG that any act on bribery and corruption is strictly prohibited in this company for any workers and that any for incompliances shall be treated as a major offence beside it is a criminal act which warrant to be taken action by due process of the court of Law.

All company employees are prohibited from attempting persuading and accepting any presents on cash or financial benefits in performing official duties. The other party may be agents, represent actives, brokers, contractors suppliers as employees.

Complaints or suggestions or leads received through these sources shall be verified and primarily investigated by respective manager. Departmental enquiry shall be followed after directors comment. Necessary actions including legal action shall be followed as necessary.

Any employees who is funnel to take bribe with valid evidence, he/she be liable to face official enquiry and disciplinary action.

Surprise checks and discrete observation are used to ensure compliance of anti-corruption policy of the company review meetings are held by concerned department managers and director to assess degree of compliance of anticorruption policy in the company.

Company employee shall report to superior concerned whenever any presents was given by a business associate. Any things worth less than Kyat 25000 can be accepted with the permission of head of Department to the giver if it is not permitted.

Prior Sanction shall be sought for accepting an offer on entertainment from the business associates. Disregard of this regulation is prohibited.

Prior sanction shall be sought from respective director for offering any things or cash worth less than Kyat 25000 as present to business associates.

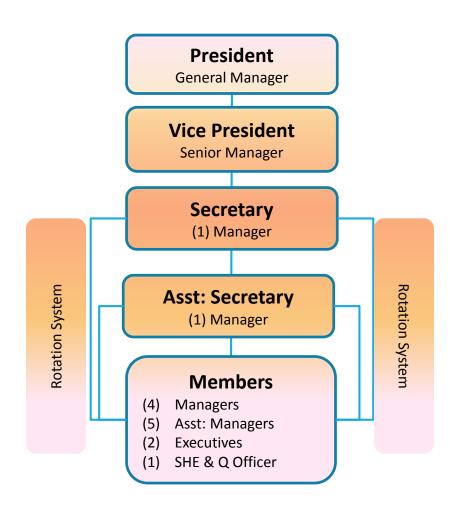
Personnel of UPG shall abide by the Anti-corruption Law.

# **Implementing Anti-Corruption Programme**

UPG has a discrete information system gathering system on bribery and corruption. Contact phone number and email address to report on this matter are put on company notice boards. Suggestion boxes are placed at factory and branch offices to solicit comments.

UPG has a personal affairs committee which held a meeting once a month. Corruption cases have not been reported as yet.

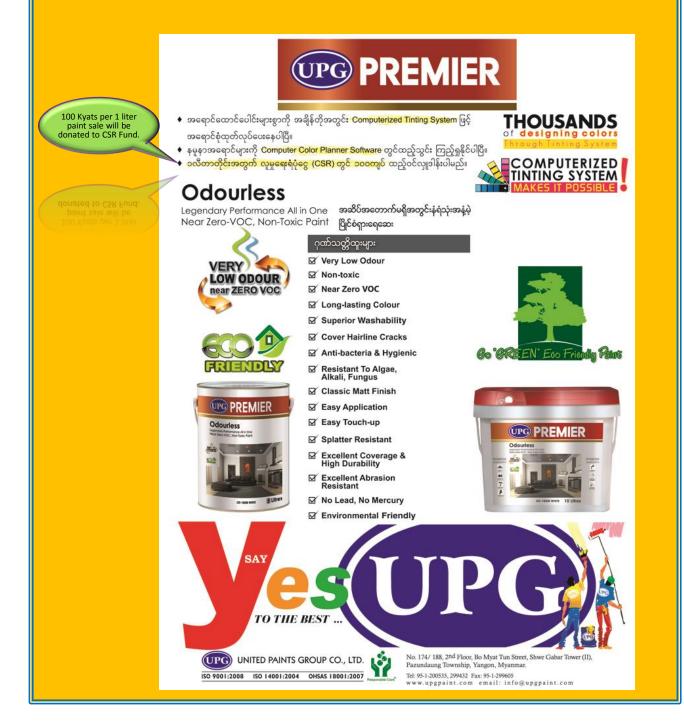
# **Structure of Personal Affairs Committee**



# **Broader UN GOALS & ISSUES**

**Core business contributions to UN goals and issues** : UPG is strongly committed to take part in the business contributions to UN goals and issues, and trying to get the best practices.

**Social investments and philanthropy**: UPG has been establishing the CSR programs to be implemented in 2014, such as for subsidies to poor students. UPG declares in the advertisement as shown below that UPG will donate one hundred kyats (Myanmar currency) to CSR fund for every liter of paint sale.



**Core business contributions to UN goals and issues** : UPG is strongly committed to take part in the business contributions to UN goals and issues, and trying to get the best practices.

**Social investments and philanthropy**: UPG donated and gave the following subsidies in 2016 to schools and students for their schooling.

Date	Particulars
1.1.2016	Provision of stationery to Basic Education Middle School No.2 (Pazundaung)
13.2.2016	Support to Physical Fitness Group
25.5.2016	Provision of stationery to schools

**Social investments and philanthropy:** UPG donated and gave the following subsidies in 2016 to UPG employees' students, natural disaster victims, and kahtain.

Date		Particulars
6.7.201	16	Education Sector Development Aid for the Employees' Children
15.2.20	16	Provision of Relief Goods to fire Victims for Labutta Township
20.2.20		Provision of Food Suppliment to Blood Donors.
2.3.201	16	Provision of Relief Goods to fire Victims for Kyaukkar Village, Palaw Township, Myeik.
12.1.20	16	Contribution to the UN Global Compact
3.3.201	16	Provision of Paint for Decorative and Protective Purpose

**Core business contributions to UN goals and issues** : UPG is strongly committed to take part in the business contributions to UN goals and issues, and trying to get the best practices.

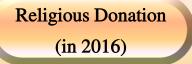
Date	Particulars
1.5.2016	Provision of Drinking water to Villages where Scarcely of water (Khayan Township)
31.5.2016	Provision of aid to the Development in Social Relief, Health and Education Sectors.
26.6.2016	Provision of Food Suppliment to Blood Donors
17.7.2016	Provision of Aid for Relief and Resettlement, Education and Health Sectors.
26.7.2016	Planning for construction of Basic Education School
9.8.2016	Provision of Relief Goods to Flood Victims (Hinthada District)
12.8.2016	Provision of Relief Goods to Flood Victims (Moe Nyo Township)
13.9.2016	Provision of Relief Goods to Flood Victims (Hinthada District)
23.10.2016	Provision of Food Suppliment to Blood Donors
23.12.2016	Aid for the Regional Development and Protection of Natural Disaster. Provision of aid to the commerce and Industrial Association

**Core business contributions to UN goals and issues** : UPG is strongly committed to take part in the business contributions to UN goals and issues, and trying to get the best practices.



**Core business contributions to UN goals and issues** : UPG is strongly committed to take part in the business contributions to UN goals and issues, and trying to get the best practices.

Social investments and philanthropy:











**Global Compact** 

**Social investments and philanthropy**: UPG took the blood donation at National Blood Center as a commemoration of UPG 20 Years Anniversary celebrated on February 10<sup>th</sup> 2015. Mandalay Center also took in part at the blood donation ceremony at Mandalay Public Hospital.

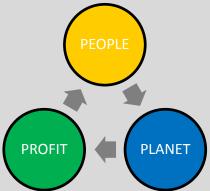
**Blood Donation** 

Si.DescriptionPersonsDate1Sales Area-1, Yangon3325.1.20152Yangon Dealers725.1.20153Guest related to UPG's Employees725.1.20154Paint Factory (Hlaing Tharyar, Yangon)8631.1.20155Head Office (Yangon)1231.1.20156Mandalay Center2627.1.2015Total Persons	Sr.	Description	Numbers of	Blood Donation
2Yangon Dealers725.1.20153Guest related to UPG's Employees725.1.20154Paint Factory (Hlaing Tharyar, Yangon)8631.1.20155Head Office (Yangon)1231.1.20156Mandalay Center2627.1.2015	31.	Pescipuoi	Persons	Date
3Guest related to UPG's Employees725.1.20154Paint Factory (Hlaing Tharyar, Yangon)8631.1.20155Head Office (Yangon)1231.1.20156Mandalay Center2627.1.2015	1	Sales Area-1, Yangon	33	25.1.2015
4Paint Factory (Hlaing Tharyar, Yangon)8631.1.20155Head Office (Yangon)1231.1.20156Mandalay Center2627.1.2015	2	Yangon Dealers	7	25.1.2015
5      Head Office (Yangon)      12      31.1.2015        6      Mandalay Center      26      27.1.2015	3	Guest related to UPG's Employees	7	25.1.2015
6 Mandalay Center 26 27.1.2015	4	Paint Factory (Hlaing Tharyar, Yangon)	86	31.1.2015
	5	Head Office (Yangon)	12	31.1.2015
Total Persons 171	6	Mandalay Center	26	27.1.2015
		Total Persons	171	



**Social investments and philanthropy**: In order to get win-win-win-win situation with our customer, UPG's marketing system is leading to social responsibility marketing. Just buying our product you can participate in the activities of our social service. Now our business trend is based on Socially Responsible Business. So our customers can be a donor by buying just a liter of our product because a portion of the earnings will be donated to the Corporate Social Responsibility Fund.





**UPG** PREMIER

အရောင်ထောင်ပေါင်းများစွာကို အခိုန်တိုအတွင်း Computerized Tinting System ဖြင့် အရောင်စုံထုတ်လုပ်ပေးနေပါပြီ။

• နမူနာအရောင်များကို Computer Color Planner Software တွင်ထည့်သွင်း ကြည့်ရှုနိုင်ပါပြီး

၀လီတာတိုင်းအတွက် လူမှုရေးရံပုံငွေ (CSR) တွင် ၁၀၀ကျပ် ထည့်ဝင်လှုုဒါန်းပါမည်။

**UPG PREMIER** 

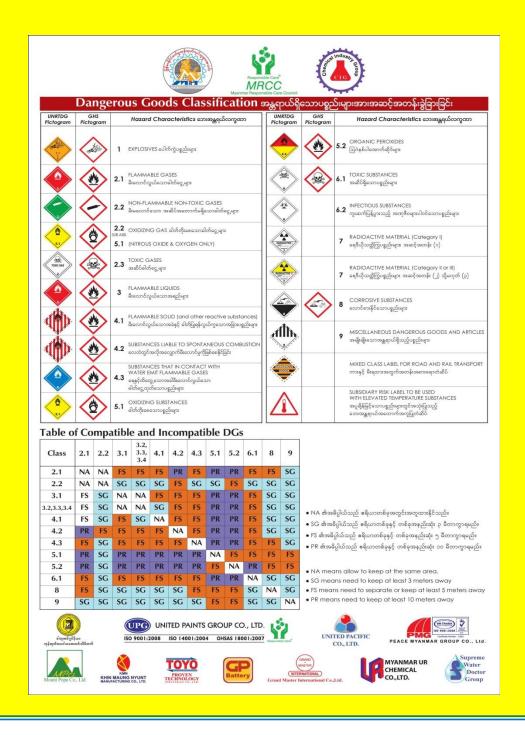
- စာရောင်ထောင်ပေါင်းများစွာကို အချိန်တိုအတွင်း Computerized Tinting System ဖြင့် အရောင်စုံထုတ်လုပ်ပေးနေပါပြီ။
- နမူနာအရောင်များကို Computer Color Planner Software တွင်ထည့်သွင်း ကြည့်ရှုနိုင်ပါမြီး
  ဝလီတာတိုင်းအတွက် လူမှုရေးရုံပုံငွေ (CSR) တွင် ဝဝဝကျင် ထည့်ဝင်လျစါန်းပါမည်။

#### Vinyl Silk



Weathershield (Gloss) SUPER 🖊 အထူးပြောင်လက်တောက်မခြင်း 3000 WEATHER 🗸 ပြင်ပရာသီဥတုဒဏ်ကြာရှည်ခံခြင်း အာမ်း GOOD 🗸 ဖုံးအုပ်နိုင်မှုကောင်းမွန်ခြင်း 🗸 ခဲ့နှင့် ပြဒါးပါဝင်မှုမရှိခြင်း EXTERIOR LASTING 0 Weathershield 🗸 ပြင်ပရာသီဥတုဒဏ်ကြာရှည်ခံခြင်း THOUSANDS 🗸 မှိုနှင့်ရေညှိတက်ခြင်းကိုကာကွယ်နိုင်ခြင်း အရောင်တောက်ပမှုကြာရှည်ခံခြင်း OMPUTERIZED 🗸 ခဲ့နှင့် ပြဒါးပါဝင်မှုမရှိခြင်း TO THE BEST UNITED PAINTS GROUP CO., LTD. 100 900112008 100 1400112004 0H545 1800112007 United States of the State States of the States of Tel: 95-1-200535, 299432 Fax

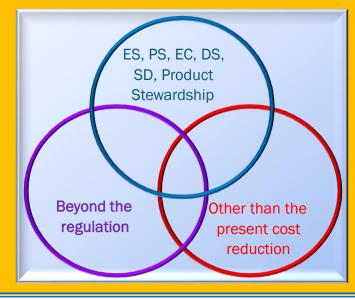
Advocacy and public policy engagement & Partnerships and collective action : UPG has committed to take part in the advocacy and public policy engagement and joined industry peers. Especially, UPG has been implementing the Responsible Care under the guidelines of Myanmar Responsible Care Council (MRCC) which is a member of RCLG. Therefore, UPG led initiatives contributions to solving common challenges among the industry peers, as well as for chemical safety whilst storing, production, handling, transporting and distribution.



Advocacy and public policy engagement & Partnerships and collective action : MRCC (under the Myanmar Chemical Industry Group, CIG) organized and published the booklet version-1 of " Information on Dangerous Chemicals". These booklets will be donated to students at schools and MRCC members will explain the information and knowledge about the dangerous chemicals at schools. In this activity, UPG participated actively and led the preparation of this booklet in order to achieve the objective of MRCC.



Advocacy and public policy engagement & Partnerships and collective action : UPG has been carrying out the responsible care activities for employee safety, process safety and environmental conservation in line with yearly policy established implementing three codes out of six codes. Year by year, UPG is implementing the RC codes deeper and wider with continual improvement. UPG is undertaking responsible care activities beyond the regulations without looking only for profit and benefit.



#### **Controlled Precursor Chemicals**

Controlled precursor chemicals are used in the production of narcotic drugs and psychotropic substances, and thus UPG is taking its responsibility to protect right way utilization of these chemicals. And after being established the code of content (Procedure PC-P01 to PC-P08) regarding the controlled precursor chemicals imported for our production use, we are complying rules and regulations, and our procedures for the whole process of importation, storage, carrying out production, transportation, reselling.

		Procedure —			
ထုတ်လုပ်မှုလုပ်ငန်းလုပ်ကိုင်ခြင်း (CARRYING OUT PRODUCTION)					
Doc. No. : PC-P01 Rev. No. : 0	Effective Date : 01/07/06	Page No. : 1 of 2			
၁။ ရည်ရှယ်ချက် (Purpose)					
ထိန်းချပ်ပရီကာဆာ(၃)မျိုးကို ကုမ္ပဏီအတွက်တ	ာစားဝင်အသုံးပြုခွင့်ရရှိပြီး ထွတ်လုပ်မှုလုပ်ငန်းလ	ပ်ကိုင်နိုင်ရန်ဖြစ်သည်။			
။ အကြိုးဝင်မှု (Scope)					
<mark>ထိန်းချုပ်ပရီကာဆာ(၃)မျိုး</mark> အသုံးပြုရန်ထောက်ခံ တင်ပြစြင်းတို့ အကြုံးဝင်သည်။	ချက်လျှောက်ထားခြင်း၊ အသုံးပြုခြင်းနှင့် နောင်ဂ	vာမည့်နှစ်အတွက်လိုအပ်ချက်			
၃။ ရည်ညွှန်းချက် (Reference)					
၃.၁။ <mark>ထိန်းချုပ်ဓါတုပစ္စည်းကြီးကြ</mark> ပ်ရေးဆိုင်ရာနဥ	ည်းဥပဒေများ (ပြည်ထဲရေးဝန်ကြီးဌာန)				
၄။ သုံးစွဲရန်ပုံစံ (Applicable Form)					
၄.၁။ ပုံစံ(၁) – <mark>ထိန်းချုပ်ဓါတုပစ္စည်</mark> းကိုအသုံးပြု		ဘက်ခံချက်			
လျှောက်ထားခြင်း။ (ကြီးကြပ်ရေ ၄.၂။ ပုံစံ(၂) – <mark>ထိန်းချပ်ဓါတုပစ္စည်းကို</mark> အသုံးပြု		ဘက်ခံချက်။			
(ကြီးကြပ်ရေးကော်မတီ၏ပုံစံ) ၄.၃။ ပုံစံ(၃) – နောင်လာမည့်(၁)နှစ်အတွက် ထိ	S. S. S. S. S. S. S. S. S.				
၄.၃။ ပုံစ(၃) – နောင်လာမည်(၁)နှစ်အတွက် 🕊 (ကြီးကြပ်ရေးကော်မတီ၏ပုံစံ)	န်းချိုင်ရတိုင်စွည်းလိုအင်ချက်တင်ပြနင်း။				
၄.၄။ ပုံစံ(၄) – <mark>ထိန်းချုပ်ဓါတုပစ္စည်း</mark> ထုတ်လုပ်ခြ ၄.၅။ ပုံစံ(၅) – <mark>ထိန်းချုပ်ဓါတုပစ္စည်းနှ</mark> င့်စပ်လျဉ်					
၅။ အဓိပ္ပါယ်သတ်မှတ်ချက် (Definition)					
၅.၁။ ကြီးကြပ်ရေးကော်မတီ – <mark>ထိန်းချုပ်ဓါဝ</mark> ၅.၂။ Liaison Officer – ဆက်ဆံရေးမှ	<mark>၇ပစ္စည်းကြီး</mark> ကြပ်ရေးကော်မတီ (ပြည်ထဲရေးဝန်ဂြ ။။	ဦးဌာန)			
0.0	Department				
၆။ လုပ်ငန်းစဉ်များ (Procedures)					
၆.၁။ Liaison Officer သည် ကြီးကြပ်ရေးကော် ပြု၍ ကုန်ထုတ်လုပ်ခြင်းထောက်ခံချက်အဝ	ာ်တေီသို့ နောက်ဆက်တွဲ (၄.၁)ပါ ပုံစံ(၁)ဖြင့် င ကက် ဒီၾကာဘက်ကားစပင်။	စိန်းချုပ်ဓါတုပစ္စည်း အသုံး			

#### CERTIFICATES

#### Quality Management System ISO-9001:2008



**Global Compact** 

#### CERTIFICATES

Occupational Health & Safety Management System OHSAS-18001:2007





# Conclusion

his is our report for UN Global Compact Advanced Level for the year 2016. We will follow each and every GC principle in order to implement it in our organization as a good culture and take part in the process of creating a better world.

We understand well that 17 SDGs provide historic opportunity to unite all global stakeholders to end extreme poverty, fight inequality and injustice, and protect our planet. We are committed to carry out the related activities to SDGs whilst being implemented for Global Compact Principle. We are convinced our activities will give us a good reflection in our business process.



