



SHWE YAUNG PYA AGRO Co.,Ltd.

COMMUNICATION ON PROGRESS



HUMAN RIGHTS

LABOUR STANDARDS

ENVIRONMENT

ANTI-CORRUPTION



20th Dec, 2017

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 2017

COMPANY PROFILE

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

Myanmar exports in natural rubber have steadily increased in the past years as the world's annual consumption of natural rubber has been raised. We took an opportunity for the development in the rubber industry and strategically commenced the business of the rubber plantation and production.

Our goal is to become a world class natural rubber products supplier and to conserve, nurture and protect the environment. We 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 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 ten principles in the areas of human rights, labour 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.

Annual submission of Communication on Progress (COP) describes our company's efforts to implement the ten principles for participation in the Global Compact.

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 & UN GLOBAL COMPACT

Shwe Yaung Pya has been actively supporting to Ayeyarwady Foundation which is a nonprofit organization founded by Max Myanmar Group in 2010. We are contributing to the country's Education sector, Health sector, Sports and Religious affairs together with Ayeyarwady Foundation.

Our CSR activities are not just limited to the contribution to the Ayeyarwady Foundation but also 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.

After soon, Shwe Yaung Pya has become a proud registered participants in the United Nations Global Compact (UNGC) in January 2014. This was one of the corporate milestones since Shwe Yaung Pya is the first to participate in UNGC among Rubber Plantation industry in Myanmar. We are confident ourselves to become a responsible organization for our CSR implementation by incorporating Ten Principles of the Global Compact into our business practices as part of the strategy, culture and day-to-day operations of our company.

UN GLOBAL COMPACT 10 PRINCIPLES

HUMAN RIGHTS

- Principle 1** - Businesses should support and respect the protection of internationally proclaimed human rights
- Principle 2** - Make sure Businesses are not complicit in human right abuses

LABOUR STANDARDS

- Principle 3** - Businesses should uphold freedom of association and effective recognition of the right to collective bargaining
- Principle 4** - The elimination of all forms of forced and compulsory labour
- Principle 5** - The effective abolition of child labour
- Principle 6** - Eliminate discrimination in respect of employment and occupation

ENVIRONMENT

- Principle 7** - Businesses should support a precautionary approach to environmental challenges
- Principle 8** - Undertake initiatives to promote greater environmental responsibility
- Principle 9** - Encourage the development and diffusion of environmentally friendly technologies

ANTI-CORRUPTION

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

HUMAN RIGHTS

- Principle 1 - Businesses should support and respect the protection of internationally proclaimed human rights
- Principle 2 - Make sure Businesses are not complicit in human right abuses

ASSESSMENTS, POLICY AND GOALS

Our Human Rights 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 Group with the guidance of Human Rights international expert and all business units of Max Myanmar Group have to strictly followed. Moreover, in align with Human Rights Policy as to show that we respect the freedom of speech of our stakeholders, Whistle Blowing Policy** have been implemented during the year 2017.

We do share our policies and practices with our valuable stakeholders through 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/en/content/human-rights-policy>

- ** Our Whistle Blowing Policy available to be downloaded at :
<http://www.maxmyanmargroup.com/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 ensure that there is no discrimination and getting equal working environment among all our employees in align with UDHR.

Awareness trainings followed by Whistle Blowing policies were conducted among employee by the management. Suggestion boxes, emergency call list, face to face transparency, social media channels and other ways were placed for both our employee and stakeholders. Discussion sessions were conducted to voice out their needs and feedbacks. Whistle blowing committee closely paid attention to all the feedbacks of our stakeholders.

We regularly give full education support and transportation arrangement for the employee's children and communities to enhance living standard. Proper housing and electricity were supported to the employee and also the community from nearby area. Upgrading process of two miles long regional concrete road and 10 miles long district road is a part of developing the communication and transportation by Shwe Yaung Pya.

We ensure all our employees benefit freedom of their rights and responsibilities arranged by Quality Management System of ISO 9001:2015.

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 committee pay close attention to the measurement of outcomes for the human rights issues. In this year, there was ZERO case of human rights contravention and was reported.

In this year, Shwe Yaung Pya Agro and all other SBUs have been conducted assessment by the assessors in regards of all business operation and activities. There were no Human Rights breach found or reported by the external assessors.

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.

We ensure employee are duly aware of their rights and responsibilities and company's policies. To ensure the freedom of speech of the employee and stakeholders and proper communication practice, OHS (Occupational Health and Safety), Human Rights Policy and Whistle Blowing Policy are fully enforced. Moreover, Grievance Handling Policy* was developed for the rights and fairness of the employee.

- Our Grievance Handling Policy available to be downloaded 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

We do not accept child labour (under 18 years old) and any form of discrimination against employees. We support fair employment and hire employees on the basis of their merit only.

We conducted awareness trainings and sharing OHSE to all our employees with safety wears and equipment. Health is the most important thing for our employees. Therefore, health care Programs, awareness training and check-up, especially for malaria and TB disease, were conducted by the participation of Ministry of Health and IOM activities.

Giving back to the society, Shwe Yaung Pya Agro supported school ferry, stationaries and membership for employee's children and communities. Housing and solar light for electricity are provided to all employees. In this year, 4 water tube wells were newly built and installed in the campus for the factory used and for our employee. By using the QMS of International Standard Organization, the income of the employees were grown this year.

We held many traditional celebration, cultural programs and local festival celebration for employee and communities. Our management planned local trip as well as foreign excursion trip 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 daily business in fully compliance with our country labour laws and ILO regulations.

We set strict policies and ensure to be implemented effectively. We have various races and religions and they all fully have equal opportunities, information and working environment.

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

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

Our core mission statement is “to conserve the environment” and we ensure our plantation nurtures the green environment and supports the development of the socio-ecology of the surrounding area. We believe our plantation plays 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 to local communities so that greener cleaner and better environment 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

Safety of the people and the environment is our priority. Besides, Rubber plantation is enriching to reforest conservation and reduce global warming. Production biomass for local and it encourages socio-eco development. Since we prefer greener environment, we have been reducing the usage of chemical fertilizer too.

We prevent natural fire hazard by plantation and participation with local communities. We also support bee culture by others private investment risk.

Sharing and participation with the small-holder and the stakeholder is done by following up the SNR-i and using Quality Management System as a model farm.

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 CO₂ which can produce green house effect. The fallen rubber leaves could significantly improve soil fertility annually.

We have been growing not only the main crop but also some other crops and distributing 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 the company's sustainable program for the environment.

ANTI-CORRUPTION

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 good governance practices. We have ZERO tolerance policy for corruption, bribery and extortion.

Any corruption and bribery regardless of any level of management positions are not accepted. 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 continuously.

- Our Anti-corruption Policy: MGMT001_2014_Rev_002 available to be downloaded at <http://www.maxmyanmargroup.com/en/content/anti-corruption-policy-0>

ANTI-CORRUPTION

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

IMPLEMENTATION

Transparency is the most important in our community. We do value on transparency and openness in communication with all stakeholders and our valuable employee.

Our ZERO tolerance policy on corruption was distributed and all our employee are fully encouraged without any hesitation to report if any corruption case noticed through suggestion boxes as well as social media and emergency calls.

We ensure our Whistle Blowing Policy to be implemented and enforced effectively by placing suggestion boxes at all our working environments. Our whistle blowing committee closely and regularly monitored. Inspection is regularly done by cooperate group and planning as performance bonus system, self-controlling by financial management team.

ANTI-CORRUPTION

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

MEASUREMENT OF OUTCOMES

No corruption cases was reported nor found throughout 2017 since debar meeting, awareness trainings and knowledge sharing were conducted regularly between management and all employee, .

In case of any corruptions occur in our organization, our management will take very careful investigation into detail scenario and take immediate action by interviewing all respective personnel and by detail checking of all documents.

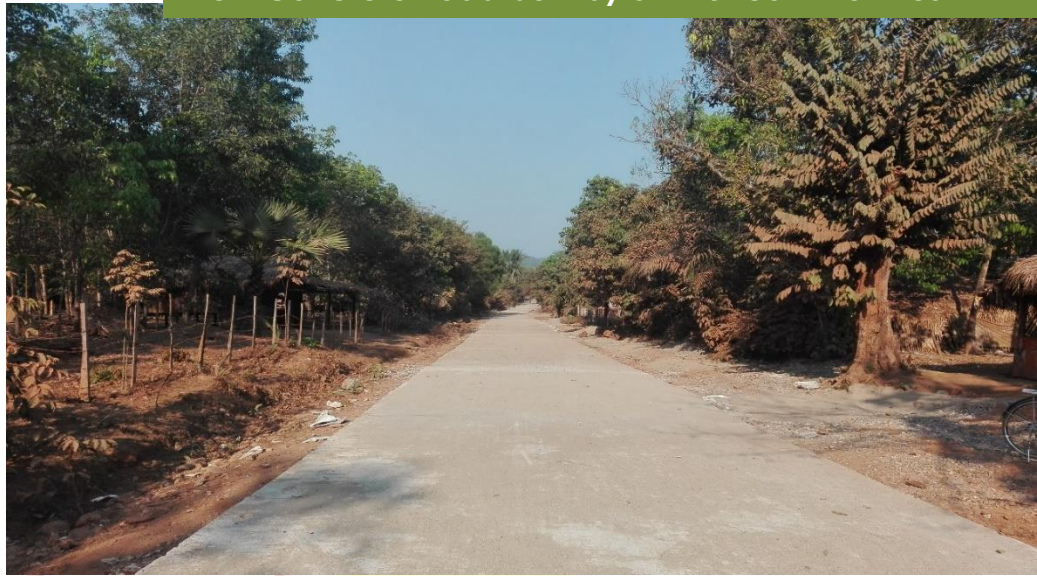
Shwe Yaung Pya Agro have been conducted assessment in regards of all business operation and activities. There was no corruption case found or reported in 2017.

OUR CSR ACTIVITIES

Creating numerous job opportunities for local people and enhancing their income is our priority. Since the establishment of Shwe Yaung Pya Agro, conserving the environment, transferring the advance technologies have been performed, and have been committed to Corporate Social Responsibilities.

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

New Concrete Road built by SYP for communities



School Ferry provided to employee's children and communities



OUR CSR ACTIVITIES

IOM Health Talk For Employee



Awareness Training for Legal Laws



Workplace Training for Employee

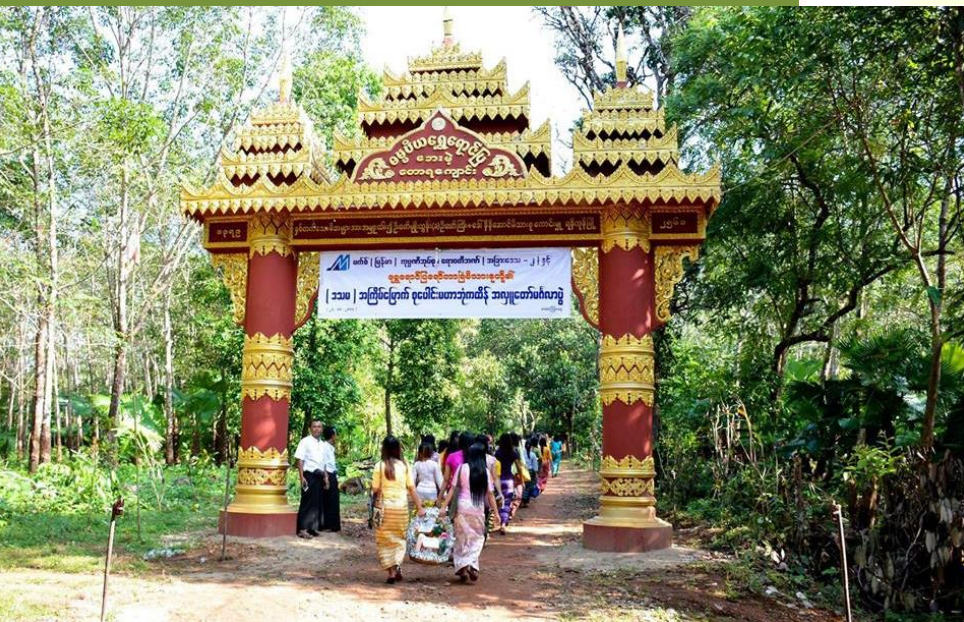


OUR CSR ACTIVITIES

Traditional celebration for communities



Religious celebration for employee and communities



Traditional festival celebration





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

Website : www.maxmyanmargroup.com