

# United Paints Group Co., Ltd.

# Global Compact Report End of 2017







# CONTENT S

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.	Our Mission	6
7.	Overview on GC Implementation	7
8.	Human Rights	8
9.	Activities	10
10.	Labor	12
11.	Activities	16
12.	Environment	17
13.	Anti-Corruption	33
14.	Broader UN Goals and Issues	35
15.	Certificates	45
16.	Conclusion	48

# **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 customers, shareholders, public authorities 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. Recently we achieved of "ASEAN-OSHNET Excellence Award 2017" for excellent performance in Occupational Safety and Health through the implementation of sound OSH management system.

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**







ISO 9001:2008

ISO 14001:2004

OHSAS 18001:2007

#### **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**







ISO 9001:2008

ISO 14001:2004

OHSAS 18001:2007

#### 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**



Paint is UPG. UPG is Paint



# **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 protect environment, 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

Dated: 01-12-2017

# **OUR MISSION**

# **OUR MISSION**

- We will strive to build and maintain UPG as the most user friendly, the most reliable and the largest Myanmar paints supplier with sustainable development goal.
- We aim to uphold our current status of being the leading paints supplier in domestic market by dynamic, ethical and responsive corporate governance through integrated management system.
- We will enhance the competency of our management and personnel via continual professional education programs to respond to challenges of the times.
- We must grow together with all our stakeholders since we embrace the importance of Corporate Sustainability and Responsibility.

# ကျွန်ပ်တို့၏ ရည်မှန်းချက်

- ကျွန်ုပ်တို့သည် ယူဝီဂျီကို စဉ်ဆက်မပြတ်ဖွံ့ဖြိုးတိုးတက်စေရေး ဦးတည်ချက်ဖြင့် မြန်မာနိုင်ငံတွင်သုံးစွဲသူများ အတွက် အဆင်ပြေဆုံး၊ အားကိုးထိုက်ဆုံး၊ အကြီးမားဆုံးသုတ်ဆေး ထုတ်လုပ်ဖြန့်ချိသည့် လုပ်ငန်းကြီးအဖြစ် တည်ဆောက်ထိန်းသိမ်းသွားရန် ကြိုးပမ်းအား ထုတ်ကြပါမည်။
- ကျွန်ုပ်တို့သည် ပေါင်းစုအရည်အသွေး စီမံခန့်ခွဲမှုစနစ်အားဖြင့် တက်ကြွသော၊ ကျင့်ဝတ်ညီသော၊ တာဝန်သိသော ကော်ပိုရိတ်အုပ်ချုပ်မှု ကျင့်သုံးကာပြည်တွင်းသုတ်ဆေးထုတ်လုပ် ဖြန့်ချိသူတို့ ဈေးကွက်တွင် ဦးဆောင်သူအဖြစ် လက်ရှိရပ်တည်နေသည့် ကျွန်ုပ်တို့ အနေအထားကို ဆက်လက်ထိန်းသိမ်းသွားရန် ရည်ရွယ် ပါသည်။
- ကျွန်ုပ်တို့သည် စေတ်ကာလ၏ စိန်ခေါ်မှုများကို တုန့်ပြန်ရင်ဆိုင်နိုင်ရေးအတွက် ကျွန်ုပ်တို့ စီမံစန့်ခွဲရေးနှင့် ဝန်ထမ်း အဖွဲ့၏ ကျွမ်းကျင်ပိုင်နိုင်မှုအရည်အသွေးကို စဉ်ဆက်မပြတ်လုပ်ငန်းဆိုင်ရာ ပညာပေးအစီအစဉ်များဖြင့် မြှင့်တင် ပေးသွားမည်ဖြစ်ပါသည်။
- ကျွန်ုပ်တို့သည် ကုမ္ပဏီအဖွဲ့အစည်း စဉ်ဆက်မပြတ်ရပ်တည်မှုနှင့် တာဝန်သိမှု၏ အရေးပါခြင်းကို လက်ခံထားသည့်
   အလျောက် အကျိုးတူပုဂ္ဂိုလ်အားလုံးနှင့် အတူတကွ ရှင်သန်ကြီးပွားကြပါမည်။

Managing Director

UNITED PAINTS GROUP CO., LTD.

Dated: 01-12-2017



# 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
  - Fnvironment
  - > 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	2016 ~ 2017
Commercial Tax	30	40	88	108	145	60
Income Tax	51	60	74	86	83	78

# **ACTIVITIES**

# **2017 Monsoon Sports and Tournaments**

















**Photo Gallery** 

# **ACTIVITIES**



**Employees' Vacation Trip in 2017** 



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









Donation to People who Faced the Natural Disaster



# 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.



# **Technical Skills Training**

Sr.	Description	Number of Training
1	Tinting System Training	6
2	Architectural Training	9
3	Wood Coating Training	4
4	Industrial Coating Training	4
5	Tinting System Level-1 Training	3
6	Industrial Coating & Wood Coating Training	5
7	Architectural and Wood Coating Training	3
8	Construction Chemical	2

# **Corporate Learning Culture**

# Safety & Health Knowledge Training

1	Chemical Spillage Training
2	Basic Fire Fighting Training
3	GHS Basic Course
4	QAD Risk Assessment
5	Workplace 5S Implementation Training
6	IMS Induction Training
7	Waste disposal and Handling Training
8	Electrical Safety Awareness Training
9	Chemical Safety and Hazard Training
10	Forklift Operation Safety Training

# **Management Skills Training**

1	Financial Management
2	Applied Office Management
3	Business Management
4	Human Resource Management
5	Certificate in Professional Digital Secretarial Skills
6	Digital Marketing Training 2017
7	Waste Management Knowledge and Application Training
8	Waste Management & Chemical Spillage Training
9	ISO 9001:2015,14001:2015 Awareness Training
10	Human Resource Development Training
11	Internal Audit Training
12	SAP QM Module Training

# **Corporate Learning Culture**

# **General Knowledge Training**

1	Finished Goods Inspection (Quality Control Training)
2	New Raw Store Arrangement Storage System Training
3	Water Based & Solvent Based UPG Products (Staff Upgrading Training)
4	CSR Training
5	VMware Industrial Experience Boot Camp
6	Dispersion Process and the Doughnut Effect
7	IPBX, PABX Telephone System Course (VOIP 1/2017)
8	Mikro Tik Certified User Manager Engineer (MTCUME)
9	Compressed air system optimization (CASO) (Expert Level ) Course
10	Data Center Virtualization
11	UPG IT Support Website Training
12	Basic MIG/MAG Welding Course
13	Equipment Calibration







# **ACTIVITIES**

"We care our employees"

Medical Treatment & Clinic



# Fire Fighting Drill and Training









**Photo Gallery** 

# **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.







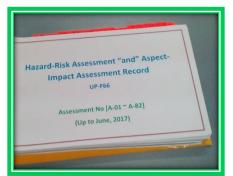
#### Precautionary Measures on Aspect-Impact Identification

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  $^{\sim}$  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-82. 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.

The biological treatment process has been promoted in 2018, and currently it was being taken as test run and commissioning as below photos.





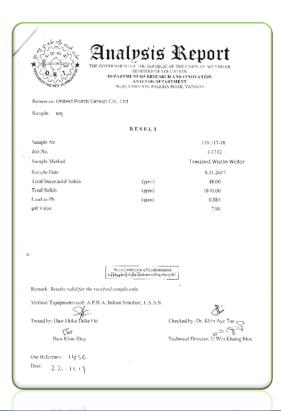


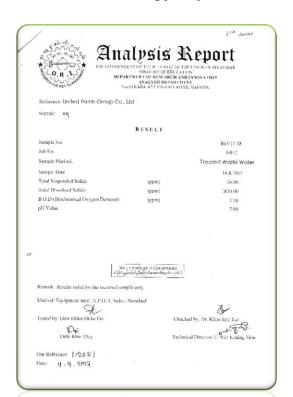
## **Discharged Water Quality**

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

	Effluent Discharged Quality Test Result (Jan - Dec , 2017)									
Objective - To upgrade	UPG Stand	lard Specif	ication (BOD	& COD) of efflue	ent discharge wat	er. (BOD ≤ 5	0 mg/l ,COD ≤	250 mg/l )		
								Once per Two years		
Parameters	рН	BOD (mg/l)	COD (mg/l)	Total Suspended Solids(mg/l)	Total Dissolved Solids(mg/l)	Lead (mg/l)	Iron (mg/l)	Zn	Cu	Total Coliform Bacteria
Standard	6.0 ~ 9.0	≤ 50	≤ 250	≤ 50	≤ 2000	≤ 0.1	≤ 3.5	2	0.5	400 / 100 ml
First Quarter, 2017	8.00	4.70	224.64	32.00	1992.00					
Second Quarter, 2017	7.9	1.60	218.96	40.00	394.00	0.041	0.023	0.027	0.005	0
Third Quarter, 2017	7.9	5.5	116	34.00	1830.00					
Fourth Quarter, 2017	7.9	6.4	200	48.00	1870.00	0.085				
										Tested by Occupational Health
Remarks	Source			EG(National Envir						servation

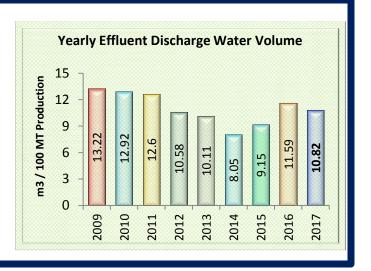
## The Analyzed Report by Myanmar Science & Technology Department





#### **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 2017, and UPG is taking full utilization of 3R method over the waste. The target was achieved and will continue to set as target in 2018 also.



### **Solid Waste Disposal**

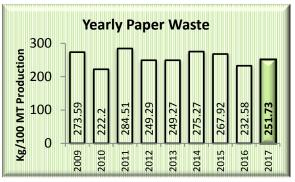
Plastics and paper bags are the solid wastes generated from production. These wastes, so called recycle wastes, are collected in the waste bags disposal room as well as in the waste brick-tanks. Then they are sold to the contractors for recycling. The amount of plastics and paper bags increased proportionally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





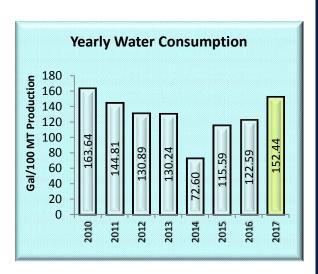
At the water based production plant, waste bags disposal room was constructed separately to prevent the spreading of powders to the ambient air and flowing down the drain leading to the public drain. The waste paper bags are compacted and put into long plastic bags.





## **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. individual water meters were installed at 11 locations for actual record of water consumption up to date.



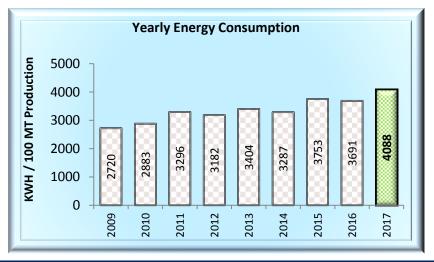
### **Electrical Energy Consumption**

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 2017, new building (4 storeyed + Basement) has been started to use all facilities for packing materials store, R&D, general store and plastic production. That is why the electrical consumption increase more than the previous years.

in mid of 2018, UPG is aiming to start the implementation of industrial energy efficiency project targeting to achieve the ISO50001 certification.







### 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 CV 2016 to 2017 is that energy intensity will be reduced."

"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

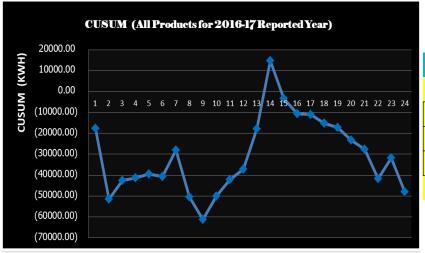
Reported Data = January to December for 2016 and 2017

CUSUM = January to December for 2016 and 2017

Model = Baseline Data Year 2015 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 for 2016 and 2017. CUSUM trend shows the decreasing energy consumption and energy intensity but not gradually decreasing trend. Energy intensity EnPI ratio is 0.990 and energy saving units are 47938 KW according to the model with baseline data CY 2015. Improvement is 0.979% for this reported period.



X1 = Emulsion, X2= Solvent & NC						
Y = C + m1 Emulsion + m2 Solvent & NC						
C =	89168.2925					
m1 =	-19.0028					
m2 =	676.8513					
Y = 89168 - 19 Emulsion + 677 Solvent & NC						

1	Baseline Energy Consumption, Bpeu	= 2,173,440	KW
2	Actual Reporting Period Energy Consumption, Rpeu	= 4,846,920	KW
3	Expected Reporting Period Energy Consumption	= 4,894,858	KW
4	Baseline Adjustment, A	= 2,721,418	KW
5	Energy savings, Es	= 47,938	KW
6	EnPI (Ratio Actual Energy / Expected Energy)	= 0.990	KW
7	Improvement	= 0.979	%

### 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	Res	Result		D 6 W 1	
Dust Analyst	13.6.2012	14.6.2012	Unit	Reference Value	
Particulate Matter (Area Sampler)	2.77	1.44	mg/m³	TWA (Time Waited Average) = 5 mg./m <sup>3</sup>	
Particulate Matter (Personal Sampler)	2.77	0.56	mg/m³		

## **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 becaute the reference values.

significantly lesser than the reference values.







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	$\mu g$ / $m^3$	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)	$\mu g$ / $m^3$	0.46	0.6	20
NO <sub>2</sub> (Annual mean)	$\mu g$ / $m^3$	10.02	9.39	40
NO <sub>2</sub> (1 Hr mean)	μg / m³	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 2017.











## **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 (2017)

In Jun 5<sup>th</sup> 2017, 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 2017 WED slogan "Connecting people to Nature".

The following activities were taken;

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

The Ceremony on WED Activities





# World Environment Day Activities (2017)









# **World Environment Day Activities (2017)**





Collecting
Plastic Waste
around the
factory







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







# Tree Planting Activities with Ministry of Forestry









# **ANTI-CORRUPTION**

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 anti-corruption 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.

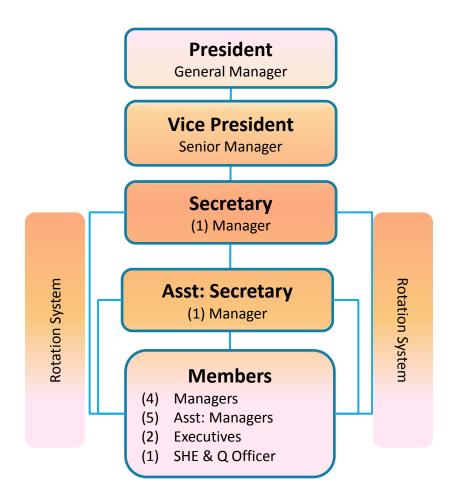
# **ANTI-CORRUPTION**

# 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.

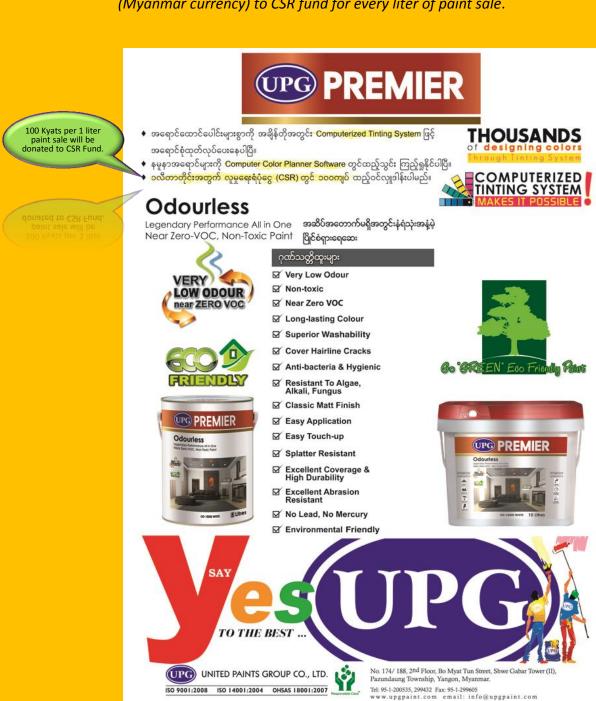
UPG has Personal Affairs Committee which meets every month to discuss on anti-corruption matters. There were no such cases arisen as yet.

# **Structure of Personal Affairs Committee**



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.



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

**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 2017 to schools and students for their schooling.

Date	Particulars Particulars	
05.01.2017	Provision of stationery to 3R Classes	
27.05.2017	Provision of stationery to schools	
10.07.2017	Provision if stationery to Pale Yadana Monastrey	
25.08.2017	Donation of Teachining Aids to Training organized by Industry Association in collaboration with Ministry of Industry	
28.08.2017	Planning for construction of Basic Education School	

**Social investments and philanthropy:** UPG donated and gave the following subsidies in 2017 to UPG employees' students, natural disaster victims.

Date	Particulars Particulars Particulars Particulars	
20.07.2017	Education Sector Development Aid for the Employees' Children	
04.09.2017	Supply of H1N1 Disease Protection Materials to UPG Staff, Dealers, CSD & BOD	
21.09.2017	Supply of instant vermicelli and pasoe to flood victims in Rakkhine Sate	
14.11.2017	Aids for the Development of Rakkhine State through Management Committee, Hlaing Thar Yar Industual Town.	

**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
03.03.2017 25.04.2017 23.07.2017 21.09.2107 26.11.2017	Provision of Nutritional Supplements to Blood Donors from Head Office, Factory & Sales Center
28.01.2017	Donation of Household Paint to Fire Dapartment
22.06.2017	Donation of Plastic Chairs for the Waiting Room at Social Security Department
06.11.2017	Sponsorship for Dissemination of knowledge on "Safety for Every Human Being" by Global Enchanting.



**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.



### **CSR** Activities















**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:

Religious Donation (in 2017)











**Social investments and philanthropy**: UPG has been taking the blood donation at National Blood Center (YGN) and Orthopedic Hospital (MDY) with supporting of company in 2017 as below. Some employees are also taking blood donation individually as their convenient time, and company has been giving a day off the next day accordingly.

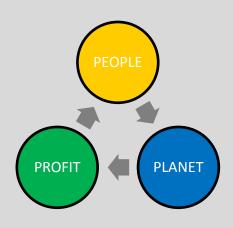
### **Blood Donation**

Sr.	Description	Numbers of	Blood Donation
		Persons	Date
[:i:	HO, Factory and Sales Area-1	23	05.03.2017
2	MDY Center	19	07.05.2017
3.	HO, Factory and Sales Area-1	69	23.07.2017
4.	MDY Center	45	29.08.2017
5.	HO, Factory and Sales Area-1	74	26.11.2017
6	Individual blood donors		
	Total Persons	230	



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.



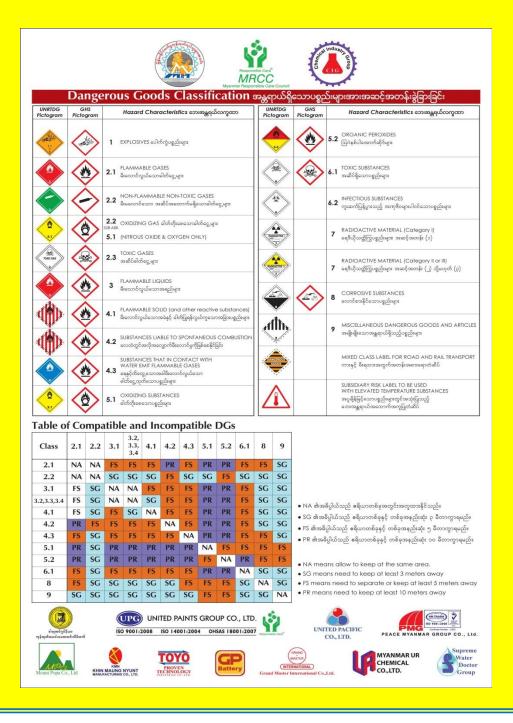






#### Advocacy and public policy engagement & Partnerships and collective action:

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.



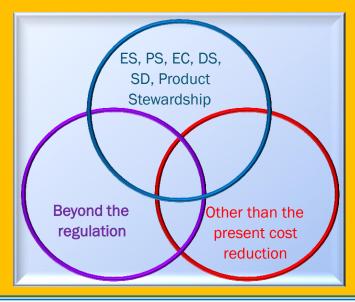
### Advocacy and public policy engagement & Partnerships and collective action:

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, carrying out production, storage, transportation, reselling.

```
UPG UNITED PAINTS GROUP CO.,LTD.
                                                                                                                                         Procedure
                            ထုတ်လုပ်မှုလုပ်ငန်းလုပ်ကိုင်ခြင်း (CARRYING OUT PRODUCTION)
Doc. No. : PC-P01 Rev. No. : 0
                                                                             Effective Date: 01/07/06
     <mark>ထိန်းချုပ်ပရီကာဆာ(၃)မျို</mark>းကို ကုမ္ပဏီအတွက်တရားဝင်အသုံးပြုခွင့်ရရှိပြီး ထုတ်လုပ်မှုလုပ်ငန်းလုပ်ကိုင်နိုင်ရန်ဖြစ်သည်။
    <mark>ထိန်းချုပ်ပရီကာဆာ(၃)မျ</mark>ိုး အသုံးပြုရန်ထောက်ခံချက်လျှောက်ထားခြင်း၊ အသုံးပြုခြင်းနှင့် နောင်လာမည့်နှစ်အတွက်လိုအပ်ချက်
    တင်ပြုခြင်းတို့ အကြုံးဝင်သည်။
၃။ ရည်ညွှန်းချက် (Reference)
   ၃.၁။ <mark>ထိန်းချုပ်ဓါတုပစ္စည်</mark>းကြီးကြပ်ရေးဆိုင်ရာနည်းဥပဒေများ (ပြည်ထဲရေးဝန်ကြီးဌာန)
၄။ သုံးစွဲရန်ပုံစံ (Applicable Form)
  ၄.၁။ ပုံစံ(၁) – <mark>ထိန်းချုပ်ဝါတူပစ္စည်း</mark>ကိုအသုံးပြု၍ ကုန်ပစ္စည်းထုတ်လုပ်မှုလုပ်ငန်းလုပ်ကိုင်ရန်ထောက်စံချက်
လျှောက်ထားခြင်း။ (အိုကြပ်ရေးကောင်မတီ၏ (နဲ)
၄.၂။ ပုံစံ(၂) – <mark>ထိန်းချုပ်ဝါတူဝစ္စည်းကိုအသုံးပြု၍</mark> ကုန်ပစ္စည်းထုတ်လုပ်မှုလုပ်ငန်းလုပ်ကိုင်ရန်ထောက်ခံချက်။
(အိုကြပ်ရေးကောင်မတီ၏ ပုံစံ)
   9-၃။ ပုံစံ(၃) – နောင်လာမည့်(၁)နှစ်အတွက် <mark>ထိန်းရျှပ်ဓါတုပစ္စည</mark>်းလိုအပ်ချက်တင်ပြုခြင်း။
(ကြီးကြပ်ရေးကော်မတီ၏ ပုံစံ)
   ၄-၄။ ပုံစံ(၄) – <mark>ထိန်းချုပ်ပါတူပစ္ခည်း</mark>ထုတ်လုပ်ဖြင်းလစဉ်မှတ်တမ်း။ (ကြီးကြပ်ရေးကော်မတီ၏ပုံစံ)
၄-၅။ ပုံစံ(၅) – <mark>ထိန်းချုပ်ပါတူပည</mark>်းနှင့်စပ်လျဉ်း၍ လစဉ်မှတ်တမ်းများကို(၃)လတစ်ကြိမ်တင်ပြင်အစီရင်ခံခြင်း။
၅။ အဓိပ္ပါယ်သတ်မှတ်ချက် (Definition)
     ၅.၁။ ဖြံကြုပ်ရေးကော်မတီ - <mark>ထိန်းချုပ်ခါဟုရည်</mark>ကြုံကြုပ်ရေးကော်မတီ (ပြည်ထဲရေးဝန်ကြီးဌာန)
၅.၂။ Liaison Officer - တက်ဆံရေးမှုမှုး
၅-၃။ PDD - - Production Department
၆။ လုပ်ငန်းစဉ်များ (Procedures)
     S.၁။ Liaison Officer သည် ကြီးကြဝ်ရေးကော်မတီသို့ မှောက်ဆက်တွဲ (၄.၁)ပါ ပုံစံ(၁)ဖြင့် <mark>ထိန်းချုပ်ဓါတုပစ္စည်</mark>း အသုံး
ဖြ၍ ကုန်ထုတ်လုပ်ဖြင်းထောက်ခံချက်အတွက် ဦးစွာလျှောက်ထားရမည်။
```

# **CERTIFICATES**





# **BMTRADA**

#### CERTIFICATE OF REGISTRATION

UNITED PAINTS GROUP CO. LTD.
No. 174/188, 2nd Floor,
Shwe Gabar Tower (II),
Bo Myat Tun Street,
Pazundaung Township,
Yangon, Myanmar.

Scope of certification
Manufacturing and Supply of Paint and Paint Related Products.

Certificate start date: 22 September 2015

Certificate expiry date: 21 September 2018

gned on behalf of Tom Johnston General Manager Central Certification Services

n LLE, Chiltern Nouse, Stocking Lane, High Wycombe, Buckinghamshire, HP14 4ND, LX is part of the Exons Gress, registered address: 6 Concert Way, Centenary Park, Eccies, NSO IRE

This certificate remains the property of SM-TRADE Certification LLC. This certificate and all copies or reproductions of the certificate shall be returned to BM-TRADE Certification Ltd or destroyed if requested. Further clerification regarding the scope of this coefficial and verification of the certification is advantaged bill TRADE at the shore address or it were bronded.com







#### CERTIFICATE OF REGISTRATION

This is to certify that

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

> UNITED PAINTS GROUP CO., LTD. No. 174/188, 2nd Floor, Shwe Gabar Tower II, Bo Myat Tun Stree, Pazundaung Township, Yangon, Myanmar.



has been audited and found to meet the requirements of standard ISO 14001:2004 Environmental Management System

Scope of certification

Manufacturing and Supply of Paint and Paint Related Products

**Environmental Management System** ISO 14001:2004

Certificate number: 1250

Certificide start date: 29 October 2017

This certificate remains the property of Exons (AE) Ltd. This certificate and all copies or reproductions of the certificate shall be returned to Exons (AE) Ltd. or destroyed if requested. Further certificates used used to certificate and verification of the certificate is assumed to the certificate is considered to the certificate is considered to a certificate in the certificate is certificated.

# **CERTIFICATES**

Occupational Health & Safety Management System OHSAS-18001:2007







Responsible Care Management System 8.12.2009

# **CERTIFICATES**

#### ASEAN-OSHNET EXCELLENCE AWARD 2017



Recently UPG achieved the award of

"THE 2<sup>nd</sup> ASEAN-OSHNET EXCELLENCE AWARD 2017" for the performance of Occupational Safety and Health with Sound OSH Management System.

The certificate was received at 3<sup>rd</sup> April 2018 at the 5<sup>th</sup> ASEAN-OSHNET Conference, Siem Reap, Cambodia.



#### THE 2<sup>ND</sup> ASEAN-OSHNET EXCELLENCE AWARD

Presented to

United Paints Group Co., Ltd.

For Excellent Performance in Occupational Safety and Health through the Implementation of Sound OSH Management System

on 3 April 2018, Siem Beap, Cambodia

H.E. Dato' Lim Jock Hoi Secretary-General of ASEAN

H.E. Ith Samheng
Minister of Labour and Vocational Training
Cambodia

# Conclusion

This is our report for UN Global Compact Advanced Level for the year 2017. 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 Principles. We are convinced our activities will give us a good reflection in our business process.





### ယူနိုက်တက်ပိန့်(စ်)ဂရု(ပ်)ကုမ္ပကီလီမိတက်

Website : <a href="http://www.upgpaint.com">http://www.upgpaint.com</a>

e - mail : <u>info@upgpaint.com</u>

Facebook : www.facebook.com/upgpaint

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Tel: 95-1-200535, 299432 Fax: 95-1-299605