



SHWE YAUNG PYA AGRO Co.,Ltd.



Communication On Progress



HUMAN RIGHTS



LABOUR STANDARDS



ENVIRONMENT



ANTI-CORRUPTION



Contents

✿ Company Overview	04
✿ Statement of Commitment	06
✿ Approach to Sustainable and Responsible Business	07
✿ UN Global Compact 10 Principles	11
✿ Human Rights	12
✿ Labour Standards	17
✿ Environment	22
✿ Anti-corruption	27
✿ CSR Activities	32

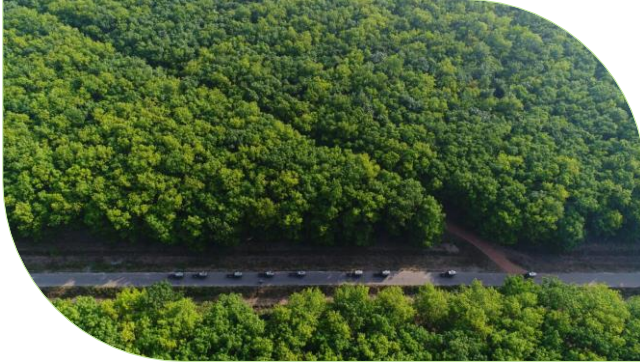




SHWE YAUNG PYA AGRO Co.,Ltd.

**WORKING THE LAND,
PROTECTING THE ENVIRONMENT**

Company Overview



- Shwe Yaung Pya Agro Co., Ltd. was established in 2005, operating a Rubber Plantation in Belin Myanmar. It has over 600 employees and 5,000 acres, of which two-thirds are cultivated, and the remainder set aside for community use.
- The company focuses on rubber plantation and related downstream business while creating new opportunities for the local community and conserving the natural environment.
- While conditions in the rubber market have been challenging, we have created conditions for stable and dependable sources of income for our employees. We also support small local rubber plantations and the Industrial Crops Department in accessing advanced knowledge in rubber plantation management, in order to have productivity gains.



Our Objectives

- To utilize the fallow land in Mon State to rejuvenate the agricultural sector of Myanmar



- To promote the industrial raw material rubber plantation which lagged far behind comparing to Thailand and Malaysia

- To promote economic, social and community development in the area



- To preserve the environment by applying and sharing advanced and eco-friendly plantation technology and knowledge.

- To provide sustainable income for the local community by creating employment opportunity.



Statement of Commitment

“

While we have a corporate obligation to our stakeholders, we strongly believe in achieving sustainable growth through transparent and responsible practices. I am pleased to reaffirm Shwe Yaung Pya's support of the Ten Principles of the United Nations Global Compact (UNGC) in the areas of Human Rights, Labour, Environment and Ant-corruption.

As a member of UNGC, we are committed to sustainable journey and while retaining a focus on our long-term strategic business objectives, we constantly adjust our response to the evolving sustainable development landscape. Also in the interests of new levels of reporting, we're determined to contribute the UN Sustainable Development Goals (SDGs) by linking each of our action areas to the relevant SDGs and their respective targets.

To continue to prosper commercially and responsibly, we always enhance integrating sustainability initiatives in our daily operations by improving our business focus from volume to value. These initiatives are important steps in ensuring not only for our environmental commitments but also for providing livelihood opportunities for local community.

With our ongoing engagement in people, inclusion and diversity will become increasingly important, as will our relationships with communities. All of this adds up to greater responsibility, greater transparency and greater collaboration with our stakeholders. In this annual COP report, we describe our actions to continually improve the integration of Global Compact and its principles.

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Sincerely Yours,

MAUNG MAUNG THET

(Managing Director)

Shwe Yaung Pya Agro Co., Ltd.



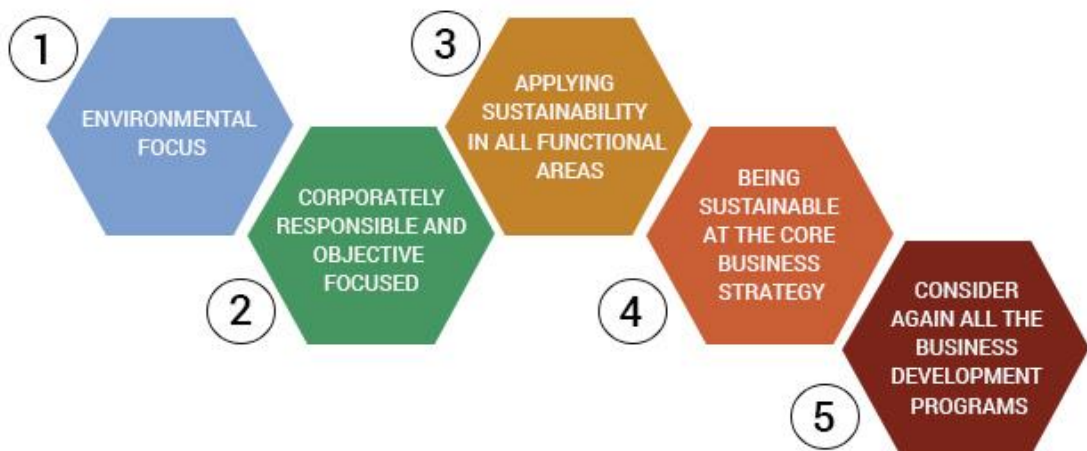


Approach to Sustainable and Responsible Business

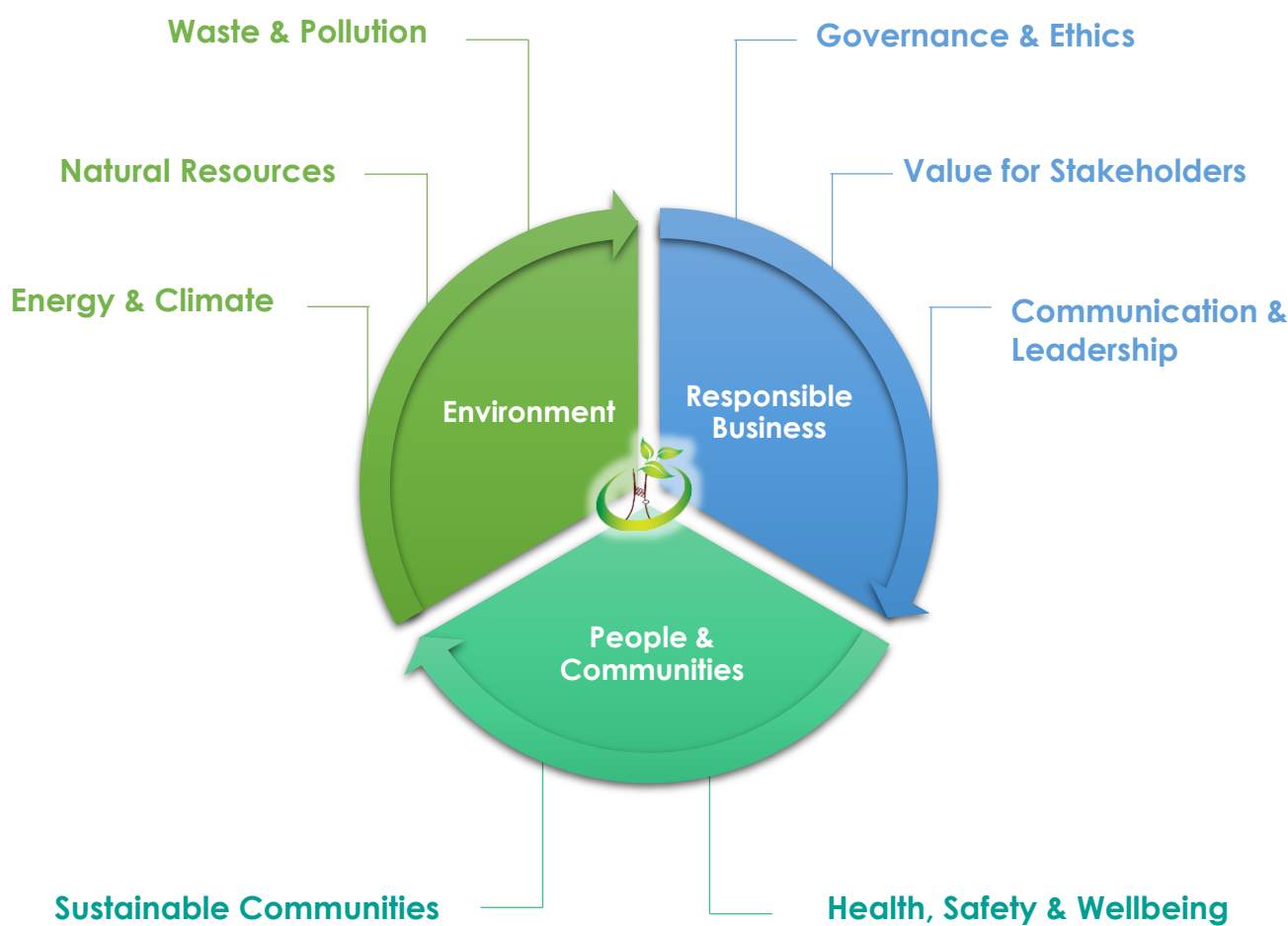


Sustainability in Business Strategy

- Shwe Yaung Pya Agro Co., Ltd. was established in 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.



Sustainable Approach



Stakeholder Engagement in Sustainable Development

- Through stakeholder engagement mapping, we can scrutinize the way we deliver our commitments in sustainability.
- Stakeholders' opinions help target how we develop our business and innovations, with their level of engagement depending on the topic's relevance to them.
- In a business to business environment, we together with our stakeholders, build on sustainable added-value.



One Max	We operate based on Max standards and values in all businesses
Stakeholder Satisfaction	We are considered one of the leading companies in Myanmar by local and international stakeholders
Supplier Engagement	Our suppliers look to us as the preferred partner, helping us to innovate and improve business
Employee Satisfaction	We are the preferred company of choice for university graduates, we enable our employees to grow and develop
Shareholder Satisfaction	We deliver on shareholder expectations of economic performance and good governance
Customer Satisfaction	We exceed customer expectations on value, service and have a reputation which matches our performance



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



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



Human Rights

ASSESSMENTS, POLICY AND GOALS

Our Human Rights policies, programs 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 color.

We have successfully enforced the Human Rights Policy* by Max Myanmar Group together with the guidance of Human Rights international expert and all business units of Max Myanmar Group have to strictly follow these policies. 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

IMPLEMENTATION

Shwe Yaung Pya supports the Universal Declaration of Human Rights. We condemn forced labour, child labour and all practices that are conducive to exploiting children. There have been zero incidents of human rights violations, including child labour, slavery or bonded labour, or violations of the rights of indigenous people.

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. Besides, forced sharing and trainings of the interpersonal skills and communication are constantly conducted to our employees.

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. To add, company provide regular treatment of malaria and TB disease in our society.

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



MEASUREMENT OF OUTCOMES

There have been zero human right grievances and zero incidents were reported for corruption or forced labour. Management prohibit all kinds of violent behavior including physical assaults, fighting, threatening, intimidation and the intentional or reckless destruction of company, employee or customer property.

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 Standard



Labour Standard

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 that 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 across all levels. 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 Standard

IMPLEMENTATION

There are zero incidents of child labour or forced labour. Shwe Yaung Pya institutes a non-discrimination and equal opportunity policy within our Code of Business Conduct. We support equal opportunities through fair and consistent methods of recruitment, retention, training and compensation.

All employees are given a written contract, regular performance reviews and generous benefit. Shwe Yaung Pya achieved NSSA Certification for our employees. For occupational health and safety, 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.

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.




MEASUREMENT OF OUTCOMES

Our policy is to treat everyone including all our employees and contractors whether part-time, full-time in fairly and with respect. Opportunities for employment, engagement, promotion, training or any other benefit are based on skills and ability. We have various races and religions and they all fully have equal opportunities, information and working environment. We are committed to practice good corporate governance and to responsibly operate our business in fully compliance with our country labour laws and ILO regulations.

We set strict policies and ensure to be implemented effectively. Other initiatives include mentoring and development programs and support diversity and employee integration across the business. We are working on developing specific KPIs that can more clearly monitor, measure and track our commitment to promoting fair working conditions in the workplaces.

To help embed and promote cultural diversity, we provide inter-cultural training. 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. By following HR policies and labour rules, we constantly review opportunities to ensure the long-term sustainability and growth of our business.





Environment



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

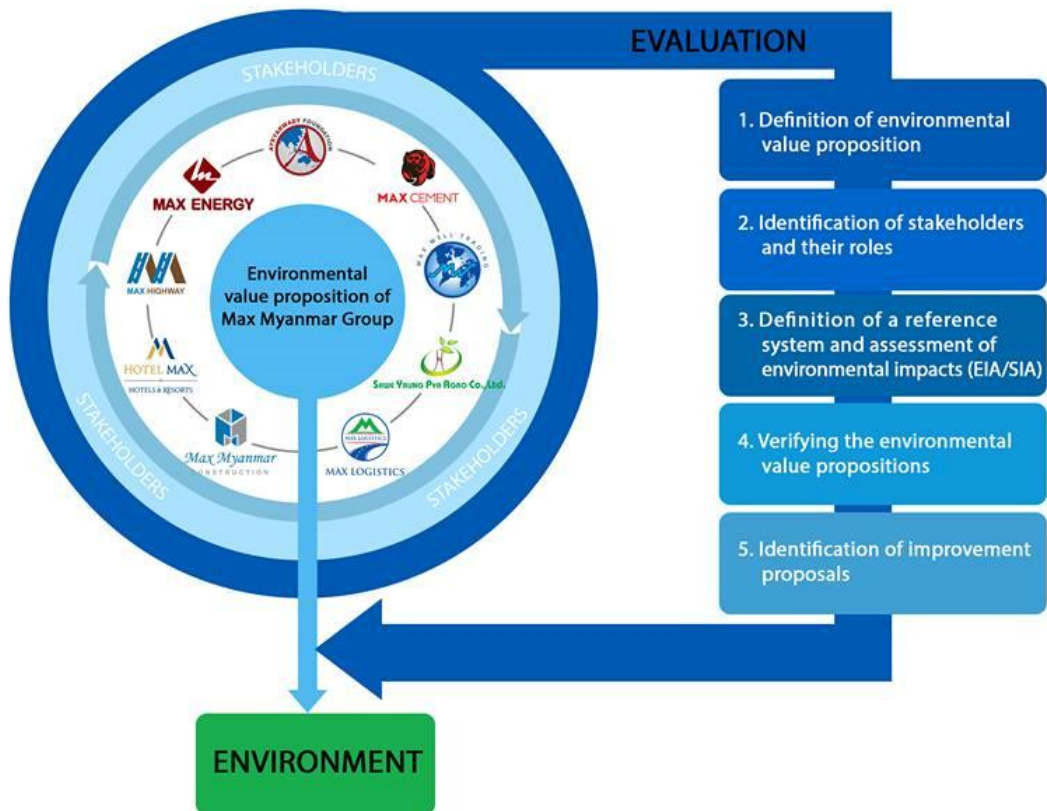


Environment

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.

Protecting the environment is ingrained in the Max group's corporate values and principles. We are planning to adopt the ISO 14001:2004 Environmental Management System based on a solid sustainability framework in near future in order to secure the future growth of both the corporation and the communities we operate in.



IMPLEMENTATION

We engaged the environmental sustainability as IEE testing for industrial license. Our environmental performance and management across all our operations must meet local and regional environmental laws, regulations, and other requirements.

We manage our impact by optimizing environmental changes and process efficiencies and replacing solar-based energy with reducing fuel-wood consumption in our processing.

We aim for effective water stewardship in our forestry operations and in our manufacturing operations. We recognize collaboration with stakeholders at the landscape or catchment scale as best practice. We controlled waste water management as using sieving and storing system.

This approach is supported by ongoing investments in low carbon energy technologies, and continued focus on responsible, sustainable forestry. We planted 10 acres of Acacia tree for reforestation and motivation to local environment as annually. We also conduct either technical transferring or consultant to state government's rubber firms.



MEASUREMENT OF OUTCOMES

We promote ecosystem stewardship at a landscape scale through our long-term collaboration and partnerships and by sharing best practices in ecosystem stewardship across our own industry sector and beyond.

To maximize our positive impact, we share knowledge and learning with other stakeholders, seek joint solutions, and participate in developing good practices across sectors and value chains to protect ecosystems and biodiversity. We have been growing not only the main crop but also some other crops and distributing technologies and good cultural practices to the communities.

Our approach to climate change addresses both the risks and opportunities in transitioning to a low carbon economy. Focus areas include energy optimization programs, increasing the ratio of renewable energy and biomass-based fuels, and moving towards electricity self-sufficiency. 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.

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



Anti-corruption

Principle 10

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



Anti-corruption

ASSESSMENTS, POLICY AND GOALS

In recent years, there has been an increasing global trend and need towards improved corporate government practices, accountability and responsibility. Corporate governance is about commitment to values and about ethical business conduct. Timely and accurate disclosure of information regarding the financial situation, performance and ownership of the company is essential to measure anti-corruption practices of company.

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 favor 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

IMPLEMENTATION

Employees and subcontractors must also have the confidence to challenge others when a breach of the code of ethical conduct is suspected. Max Myanmar has whistle-blowing policy and procedures in place to protect and support the whistle-blower to the greatest extent possible.

Key performance indicators may be set that directly relate to compliance with the code. Employee (and subcontractor) appraisals are opportunities for embedding the code, but also for identifying weaknesses in the code.

Effective speak-up arrangements, such as anonymous helplines, through which employees, contractors and other third parties can raise concerns in confidence about unsafe, unethical or unlawful practices are an important element of good corporate governance.

We believes that suggestions from users of the code should be welcomed and treated with respect. These are a valuable source of information, and the organization may even choose to introduce a rewards mechanism related to valuable suggestions. Even in smaller organizations, managers should welcome suggestions received informally. 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.



Anti-corruption

MEASUREMENT OF OUTCOMES

According to the audited reports of Internal and External teams, no corruption cases was reported nor found throughout the years 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 Co.,Ltd.

CSR Activities



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.
- Together with Ayeeyarwady Foundation, we also actively involve in community engagement as in social programs and disaster management activities.



Our CSR Activities

- With a corporate mission of Sharing and Contributing to the Community, Shwe Yaung Pya is committed to the community development in areas of educational, sports, social, cultural, and environmental causes. Community engagement also comprises the provision of structures that facilitate career development and create job opportunities for young people.
- Max Myanmar also invites local communities to participate in the company's training programs, such as fire-fighting and occupational health and safety.





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

We welcome feedback on its contents.



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