



SHWE YAUNG PYA AGRO Co.,Ltd.

COMMUNICATION ON PROGRESS

HUMAN RIGHTS

LABOUR STANDARDS

ENVIRONMENT

ANTI-CORRUPTION



TABLE OF CONTENTS

Company Profile	4
Our Objectives	5
Letter of Commitment	6
Shwe Yaung Pya & UN Global Compact	8
Sustainable Approach	9
UN Global Compact 10 Principles	10
Human Rights	11
Labour Standards	14
Environment	17
Anti-corruption	20
Our CSR Activities	23

**WORKING THE LAND,
PROTECTING THE ENVIRONMENT**



Company Profile

What We Do

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.

What We Aim

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. The following are the objectives



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 provide sustainable income for the local community by creating employment opportunity.
- To preserve the environment by applying and sharing advanced and eco-friendly plantation technology and knowledge.



Letter of Commitment

To our stakeholders;

I am pleased to reaffirm that Shwe Yaung Pya Argo has always committed to fulfil our Corporate Social Responsibilities (CSR) by implementing ten principles in the areas of human rights, labor 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.

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.

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. 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.

Sincerely Yours,

MAUNG MAUNG THET
Managing Director
Shwe Yaung Pya Agro Co.,
Ltd.



SHUE YANG PVA AGRO Co., Ltd.

Approach to Sustainable and Responsible Business



Shwe Yaung Pya & UN Global Compact

An Approach of Sharing

We believe that growth in socially responsible business is the roadway we are shifting. We aim to drive our rubber plantation by contributing to sustainable development and enriching society and the planet through our business.

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 participant 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

- 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.
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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 & 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 :

<https://maxmyanmargroup.com/corporate-policies/corporate-hr-policies/#1566143426645-2a0e839c-e9fe>

** Our Whistle Blowing Policy available to be downloaded at :

<https://maxmyanmargroup.com/compliance/whistle-blowing-policy/>

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 regular 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. Besides, we supported HR Trainings for smart community.

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 Max Myanmar Group's subsidiaries 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 & 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 :
<https://maxmyanmargroup.com/risk-management-and-internal-control/grievance-handling-policy/>

Implementation

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. There are zero incidents of child labour or forced labour.

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. 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

We treat everyone including all our employees and contractors whether part-time, full-time in fairly and with respect. 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 tract 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



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 & 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. Our environmental management includes understanding and assessing environmental impacts, reducing environmental impacts (e.g. waste, water and air emissions, biodiversity, etc), and ensuring transparency of actions taken and impact. We believe that appropriate environmental management will be of particular importance for land restoration efforts.

Our Environmental Policy available to be downloaded at :

<https://maxmyanmargroup.com/reducing-environmental-impact/#1566791089298-e45a2a4e-5d8f>

Our Waste Management Plan available to be downloaded at :

<https://maxmyanmargroup.com/reducing-environmental-impact/#1566794143807-92870427-eb14>

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 always control wasted 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.

Building upon corporate and social partnerships, we participated AYA Forestation Campaign to create an awareness in the public about the importance to take actions for the planet.



Measurement of Outcomes

We sustained and retained man-made forest and ever reduced a huge of carbon dioxide. Our approach to climate change addresses both the risks and opportunities in transitioning to a low carbon economy. To maximize our positive impact, we continuously engaged the regional environmental management team as meet laws, regulation and other requirement. Besides, 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. We properly controlled waste water management and also retained nature reserve pool. A local fruit garden was established in our compound for freshy organic food. To add, we always pay attention to prevent the natural fire hazard in local landscape area and effective sustain to forest.

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

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

Assessments, Policy & 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 available to be downloaded at :

<https://maxmyanmargroup.com/corporate-policies/corporate-hr-policies/#1566143097783-2655afd8-7acd>

Our Anti-corruption Practices available to be downloaded at :

<https://maxmyanmargroup.com/corporate-policies/corporate-hr-policies/#1566143097746-259ebfb0-c2f4>

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 or Assessments 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 believe 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.

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. We allowed discussion with freely for their complaints by direct or facing or their representative team leaders or supervisors to management team. Also, we allow them to communicate via phone call or online platforms to Corporate Team.

Our CSR Activities



Data support and help for pre and post graduate level for their academic reserach papers



Knowledge sharing to small holders and other visitors



Provide a religious center or as a hall room in our compound for varios used as an assembly point

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.

We also invite local communities to participate in the company's training programs, such as fire-fighting and occupational health and safety.



COMMUNICATION
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



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