



MAX ENERGY

2 **COMMUNICATION**
0 **ON**
1
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HUMAN RIGHTS

LABOUR STANDARDS

ENVIRONMENT

ANTI-CORRUPTION



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COMPANY PROFILE

Max Energy Co., Ltd. was incorporated in 2010 as one of the strategic business units (SBU) of Max Myanmar Group of Companies. Max Energy has the ownership of 25 Filling Stations throughout the length and breadth of Myanmar, operating with more than 700 employee.

Our Fillings Stations are situated at the most favourable locations for the convenience of our customers. Our Filling Stations locations cover major divisions of the country including Nay Pyi Taw (Capital City), Yangon (Commercial City), Mandalay, Ayeyarwaddy, Bago, and we are expanding more strategic locations across the country.

The products available in our Filling Stations are Octane 92RON, Octane 95RON, Diesel and Premium Diesel. We ensure that we will consistently provide high quality products in precise quantity to our customers. All our products are directly imported from overseas such as Singapore, Malaysia, Thailand. Moreover, all our Filling Stations operate with advanced technology dispenser machine with state-of-the-art software and thus we can promise our precise quantity to our customers.

The Services we offer in our Filling Stations include but not limited to: 24/7 operations, convenience store attached, credit-sales for corporate customers and excellent customer service. We always focus on offering convenience of every customer. Service is our motto and we are committed to the continual improvement in the Quality of our Services.



STATEMENT OF COMMITMENT

It has been two years that Max Energy Co., Ltd. has committed to fulfill our corporate social responsibilities (CSR) by implementing the 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 for all of us.

We understand that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles.

In this 2nd year annual Communication on Progress (COP), we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. Furthermore, we are committed to share this information with our stakeholders by using our primary communication channels.

Sincerely Yours,
Kyaw Zay Myint
(Executive Director)
Max Energy Co., Ltd.



MAX ENERGY AND UNITED NATIONS GLOBAL COMPACT

As our mission is to be an responsible organization for future growth and development of community and organization, we have been committed to Corporate Social Responsibilities since the establishment of Max Energy.

We have been actively supporting to Ayeyarwady Foundation, 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.

However, our CSR activities are not just limited to the contribution to the Ayeyarwady Foundation. We always try our best to contribute for the benefits of all our stakeholders. In December 2012, we happened to acknowledge about the United Nations Global Compact (UNGC), the corporate responsibility initiative – the world's largest with over 8,000 business and non-business participants in 135 countries.

After soon, Max Energy has become a proud registered participants in the United Nations Global Compact (UNGC) in January 2013. This was one of the corporate milestones for Max Energy, which is the first to participate in UNGC among Myanmar Fuel Oil Retail business industry. We are confident ourselves to become a responsible organization for our CSR implementation by incorporating the Ten Principles of the Global Compact into our business practices.

Since after we have committed as an initiative of UNGC, Max Energy has been adapting the ten principles of the UNGC as part of the strategy, culture and day-to-day operations of our company.



UN GLOBAL COMPACT 10 PRINCIPLES

HUMAN RIGHTS

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

LABOUR STANDARDS

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

ENVIRONMENT

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

ANTI-CORRUPTION

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



HUMAN RIGHTS

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

ASSESSMENTS, POLICY AND GOALS

Our Human Resource policies, programmes and practices are aligned with Universal Declaration of Human Rights (UDHR), which requires us to treat one another fairly and with respect, regardless of our race, language, nationality and colour.

We have successfully enforced the Human Rights Policy* by Max Myanmar Holding with the guidance of Human Rights international expert and all business units of Max Myanmar Group have to strictly followed. Moreover, in align with Human Rights Policy as to show that we respect the freedom of speech of our stakeholders, Whistle Blowing Policy** have been implemented during the year 2014 too. In future, we are considering to follow ISO 26000:2010 standards as a guidance for the good practice of social responsibility.

* Our Human Rights Policy available to be downloaded at :
<http://www.maxmyanmargroup.com/index.php/about-us/corporate-governance/human-rights-policy>.

** Our Whistle Blowing Policy available to be downloaded at :
<http://www.maxmyanmargroup.com/index.php/about-us/corporate-governance/whistle-blowing-policy>.





HUMAN RIGHTS

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

IMPLEMENTATION

In Max Energy, we ensure all our employees benefit freedom of religion and we make sure no discrimination and getting equal working environment in align with UDHR.

Awareness trainings of Human Rights and Whistle Blowing policies were conducted among employee by the management.* Suggestion boxes were placed all over our filling stations and in additions suggestion ph numbers, suggestion emails were publicized to all our stakeholders. Our whistle blowing committee closely paid attention to all the feedbacks of our stakeholders through various communication channels.

Employee Handbook was documented and supposed to read and understand by all of our employee. It is not only reflected our company's policies and the rights and responsibilities of the employee. Employee were briefly highlighted about the importance of mutual respect and equality by reading the employee handbook. All employees' social welfares are well taken care of by our human resource department too.

Orientation training were conducted in regular basis not only to welcome the new employee but also to make sure the employee awareness of the company's polices and employee handbook so that all employee fully aware of their rights and responsibilities.

* Our Human Rights awareness training presentation available to be downloaded at : https://www.slideshare.net/slideshow/embed_code/41736398.



HUMAN RIGHTS

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MEASUREMENT OF OUTCOMES

Our management committed to pay close attention to the measurement of outcomes the human rights issues. ZERO case of human rights contravention was reported by our stakeholders nor found by our management over the last year.

In this year, our Max Myanmar Group arranged external assessment by international reputable organization for sustainability assessment. Max Energy and all other SBUs have been conducted assessment by the external assessors in regards of all business operation and activities. There were no Human Rights breach found or reported by the external assessors.

Moreover, as we were audited by the external auditor for the certification of ISO 9001:2008 (Quality Management System), there were ZERO non-compliance regarding with any human rights breach though the audit mainly focus on our management system.

We were actively participated in Human Rights activities, workshop and seminars such as Human Rights Workshop for Myanmar Business organized by Myanmar Center for Responsible Business (MCRB). We did even co-sponsored the public seminars for the awareness of Human Rights and Good Corporate Governance.

Max Energy enthusiastically involved in UN Global Compact Myanmar Network events and activities. One of the historical moments for us was to attend UN Global Compact Myanmar Network meeting and to greet with United Nations Secretary General Mr. Ban Ki Moon at President Office, Nay Pyi Taw on 12th November, 2014.



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
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- Principle 6 - Eliminate discrimination in respect of employment and occupation

ASSESSMENTS, POLICY AND GOALS

We are 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.

Employee Handbook was properly developed and well distributed as the employee's rights and responsibilities and company's policies are thoroughly mentioned in it. Human Rights Policy and Whistle Blowing Policy was fully enforced to ensure the freedom of speech of the employee and stakeholders and proper communication practice. Moreover, Grievance Handling Policy* was developed for the sake of rights and fairness of the employee.

* Our Grievance Handling Policy available to be downloaded at :
<http://www.maxmyanmargroup.com/index.php/about-us/corporate-governance/grievance-handling-policy>.





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IMPLEMENTATION

Max Energy ensure to be in full compliance with the labour laws and regulations in the areas that we operate in. We do not support child labour (under 18 years old). We support fair employment and do not support any form of discrimination against employees. We hire employees on the basis of their merit only.

We provide necessary trainings for the skill development, professional development and carrier development of all our employees. To certain every employee has freedom of speech and equality and to build effective and efficient communication between Management and Employee, employee monthly meetings are being held and whistle blowing policy fully integrated and established by means of suggestions boxes in every working environments and suggestions emails, suggestion phone numbers.

We takes care of all employees' social welfare and award for the best service Employee of the Month every month. We don't even forget to celebrate our employee's birthday and that's how we care for our employee down to small things. Furthermore, Max Energy provide ferry transportation for the convenience of all our employees and we even provide lunch for every employee to create more convenient and happy working environment.

Max Energy has celebrated football matches not only for the physical fitness of the employee but also to create a team-work-minded employee community in Max Energy. Our management also arranged both local and foreign excursion trip yearly for our employees to expand their general knowledge and experience. Management arrange a program every-month that management mainly contributed and employee voluntary partially contributed and donated to charitable organizations such as Workers Hospital, Child Hospital, Free education provided Monastery, Orphanage schools, Visual impairment and Blind Schools etc.



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MEASUREMENT OF OUTCOMES

Max Energy is committed to practice good corporate governance and to align with ISO 9001:2008 Quality Management System. We responsibly operate our business in fully compliance with our country labor laws and ILO regulations.

We are operating our filling stations with more than 700 employee with various ethnic and different religions. Our employee comes from various area of Myanmar such as Kayin State, Mon State, Bago, Ayeyarwady, Yangon, Mandalay, Myeik Hti La and are from different ethnic such as Kayin, Chin, Burma, Mon, Yakhine and Paoh.

We sets strict policies and ensure to be implemented effectively that all our employee to obtain equal working environment and no discrimination. Men and women stands equal chance in our organization and to be proven that 200 over women and 400 over men are working at the same working environment with the equal chance of opportunity and information sharing. Various trainings in regards of orientation, awareness of company policy and sustainable programs, safety and fire drills were conducted.

We ensure the communication channels between employee and management to be well organized through suggestion boxes, suggestion email & phone number and social media. All feedbacks, suggestions, claims and complaints were carefully handled and managed by whistle blowing committee. And our management produce monthly News Letter for information sharing between all employee.

There were ZERO child labor and forced labor reported or found in our organization according to the external assessment conducted by international assessors arranged by Max Myanmar Group.



ENVIRONMENT

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

ASSESSMENTS, POLICY AND GOALS

One of our mission statements is to be an *environmentally* responsible organization for future growth and development of community and organization. Accomplishing on our vision and mission of commitment to consumers, community and environment, we provide high-quality fuel products while conducting our business in a socially responsible and environmentally sustainable manner.

We are committed to reduce the environmental footprint of our operations by adopting environmentally friendly practices such as introducing energy saving measures in our premise, encouraging recycling initiatives and to import and sell lower sulphur content products.

As aim to be an environmentally responsible organization, our management plan to adopt the ISO 14001:2004 Environmental Management System with sustainable policy in future.





ENVIRONMENT

- Principle 7 - Businesses should support a precautionary approach to environmental challenges
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IMPLEMENTATION

Max Energy always prioritise not only for the safety of the people but also for the safety of the environment. We conducts safety training for all level of employees to be responsible for the environment and the communities. Management also takes proactive action by setting up the strict operation procedures to prevent marine pollution. Safety measurements are always thoroughly checked by our inspection team for the entire operation process and management pays serious attention to all safety matters.

We are trying adopt more environmentally friendly practices such as introducing energy saving measures in our premise and encouraging recycling initiatives, to use energy-saving light and air-conditioning systems. Furthermore, we started to import lower sulphur content products (previously 5000ppm Gas Oil and now 500ppm Gas Oil)* to reduce greenhouse effects and global warming for the sake of the green and sustainable environment.

Through our ongoing effort, we hope to complement and support the growth and development of green practices in the wider community.

* Minimum Government limitation for importation of Gas Oil (Diesel) is 5000ppm.



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MEASUREMENT OF OUTCOMES

As a result of our sustainability program, we have planted 25,000 various trees in 40 acres jointly arranged by Yangon City Development Committee (YCDC) in the year 2014.

We are already in discussion with suppliers for Energy saving lights which could be possible saved the energy consumption by 30 to 40%. And thermoplastic pipeline and double wall storage tanks to be used in our new filling stations to prevent possible leakage to the environment.

Orientation and awareness training were also conducted in regular basis to make sure all the employee fully understand of company's sustainable program for the environment.

Safety trainings and fire drills are regularly conducted for each and every filling stations and all employee are strictly need to participate so that to prevent possible fire incident which can harm the environment.



ANTI-CORRUPTION

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

ASSESSMENTS, POLICY AND GOALS

Max Energy fully committed to integrity, fair dealing and adopt corporate good governance practices. We have ZERO tolerance policy for corruption, bribery and extortion.

Management sets very stringent policies and procedures that do not allow any corruption and bribery regardless of any level of management positions. All level of employees have to strictly adhere the company's policies and procedure. Any gifts or present shall not be accepted in favour of the performance of work either.

We value transparency and good corporate governance so that we publicly state our anti-corruption policy* on our communication channels for the awareness of all of our stake holders. We are deeply committed to maintain our policy strictly, to implement effectively and to review/monitor for continuous improvement.

* Our Anti-corruption Policy: MGMT001_2014_Rev_002 available to be downloaded at : <http://www.maxmyanmargroup.com/index.php/about-us/corporate-governance/anti-corruption-policy>.





ANTI-CORRUPTION

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

IMPLEMENTATION

Max Energy do value on transparency and openness in communication with all stakeholders especially with our valuable employee. Our management holds monthly meeting with employees at all management levels to encourage integrity and explain about punishments and rewards concerned with corruption and bribes. Our ZERO tolerance policy on corruption was briefly mentioned on Employee Handbook. All our employee are fully encouraged without any hesitation to report if any corruption case noticed through various communication channels.

We ensure our Whistle Blowing Policy to be implemented and enforced effectively and efficiently by placing suggestion boxes at all our working environments. Our whistle blowing committee closely and regularly monitored the feed back through the suggestion boxes, suggestion emails, suggestion phone numbers, website and social media.

Moreover, we have developed and installed advanced-technology Management and POS software to our Filling Station to prevent any possible corruption in daily fuel sale operation. We believe by our state-of-the-art software, we could maintain proper and secure internal check and balance system for our daily fuel sale operation. In addition, our inspection team ensure to check there shall not be any kinds of corruption or bribery happen in our Max Energy community. This means that not only the petrol stations are being inspected regularly but also the whole operation teams are often being spot checked by our inspection team.



ANTI-CORRUPTION

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

MEASUREMENT OF OUTCOMES

As a result of thoroughly conducting awareness training, orientation training and knowledge sharing through our communication channels, there were no corruption cases reported nor found by our management throughout the year 2014.

In case of any corruptions occur in our organization, our management will take very careful investigation into detail scenario and will never hesitate to take serious action accordingly regardless of any level of stakeholders involvement. We will takes immediate action to investigate the incident by interviewing all respective personnel, by detail checking of all documents and by reviewing the CCTV records. Based upon the result and report of our inspection team, Max Energy management will make very careful review and then we takes necessary actions accordingly.

In this year, our Max Myanmar Group arranged external assessment by international reputable organization for sustainability assessment. Max Energy and all other SBUs have been conducted assessment by the external assessors in regards of all business operation and activities. There were no corruption case found or reported by the external assessors.

Moreover, as we are upgrading our organization to certify ISO 9001:2008 (Quality Management System) and as per final audit result, there were ZERO non-compliance regarding with any corruption issue.



CSR ACTIVITIES OVER THE YEAR 2014

Business and organizations do not operate in a vacuum. Their relationship to the society and environment in which they operate is a critical factor in their ability to continue to operate effectively. It is also increasingly being used as a measure of their overall performance by its CSR activities of the organization.

Max Energy's CSR activities for the year 2014 were as below mentioned but not just limited to.

UNGC Myanmar Network Meeting



Greeting with Mr. Ban Ki Moon





CSR ACTIVITIES OVER THE YEAR 2014



Religious Donation



CSR Public Seminar



Donation to Worker Hospital



CSR ACTIVITIES OVER THE YEAR 2014

Human Rights Workshop by MCRB



Fire Fighting Drill



GROW TREE MORE





MAX ENERGY

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

We welcome feedback on its contents.