

# MAX ENERGY

## COMMUNICATION ON PROGRESS (2018)



**HUMAN RIGHTS**



**LABOUR STANDARDS**



**ENVIRONMENT**



**ANTI-CORRUPTION**



WE SUPPORT

**UNITED NATIONS GLOBAL COMPACT (UNGC)**  
**COMMUNICATION ON PROGRESS (COP) - FEBRUARY 2019**

**LETTER OF COMMITMENT FROM CHIEF EXECUTIVE OFFICER, MAX ENERGY**

In 2018, Max Energy has travelled with United Nations Global Compact (UNGC) for six years journey where Max Energy is endlessly adopting the Ten principles of United Nations Global Compact to be responsible and sustainable organization for the benefit of community and organization. We are consistently operating the business to be a role model of responsible organization among the industry by embedding the ten principles of UNGC.

In this year, Max Energy has operated 46 Filling stations with nearly 1000 employees by committing and aligning with Ten Principles of the United Nations Global Compact. Our company is actively supporting for Human Right and Labor Right, seriously concerning for Environmental and Anti-corruption issues. Max Energy is contributing to the country's and employee's Education and Health Sector, Religious and Social affairs not only by self but also with Ayeyarwady foundation so as to be the committed responsible organization.

Management of the Max Energy always make sure that company is practicing and embedding all aspects of UNGC's Ten Principles; human rights, labor standards, environment and anti-corruption into the company policies, and procedures, strategies and initiatives and CSR activities.

We are always seeking the initiatives to collaborate with all the stakeholders in order to fulfill the company's mission; to be an environmentally responsible organization for future growth and development of community and organization with the company core value; commitment, integrity, teamwork and excellence.

The summary of Max Energy's improvement in Ten principles are described in the following report of this annual Communication on Progress. Furthermore, Max Energy is committed to share this information with our stakeholders by using our primary channels of communication.

Yours Sincerely,



Than Oo  
Chief Executive Officer  
Max Energy Co., Ltd.

## HUMAN RIGHTS

**Principle 1:** Business should support and respect the protection of internationally proclaimed human rights.

**Principle 2:** Make sure that they are not complicit in human rights abuses.

<p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>Assessments, Policy and Goals</b></p>	<p>Max Energy Co., Ltd has developed a number of policies for the beneficiary of human right that shall be kept up to date and posted on company website. Max Energy's Human Rights policies is reflected by the policies of mother company, Max Myanmar Holding Co., Ltd, in align with Myanmar Labor law and comply with Universal Declaration of Human Right (UDHR) to treat one another fairly with respect, regardless of race, language, nationality and color.</p> <p>Max Energy is strongly value and respect the equal opportunities of human right and make sure that no human right abuses and discrimination are taken place at the work place. Max Energy is always hunting for unity, productivity and values to ethical business practices and good corporate governance.</p> <p>Occupational Health and Safety policy has been stated as a compulsory one for the reason that the company emphasizes for a safe and healthy working environment as a fundamental human right.</p> <p>Max Energy is always finding out the way so as to sustain the community development.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>Implementation</b></p>	<p>In order to construct the ethical business organization, Max Energy publicly stated rules and regulations in Employee Handbook, code of conduct, rights and responsibilities in anti-corruption policy, environmental policy, equality and diversity management policy, grievance handling policy, human rights policy and land acquisition policy.</p> <p>Max Energy respect the freedom of speech of the stakeholders, for that reason, Whistle blowing policy has been carried out year by year.</p> <p>In order to support the community, Max Energy is consecutively hiring the distance education students for the part time jobs. Company has also implemented the internship program in order to support and provide the students to explore their interests and develop their professional skills and competencies.</p> <p>In order to prevent the injuries and hazardous situations at all the working environment, company has planned to educate and train the employees on proper workplace procedures, practices and behavior by OHSE team.</p>

## Activities and Outcomes

Human Right Policy both in English and Myanmar version, Equality and Diversity Management Policy, Grievance Policy and Code of Conduct are publicly uploaded on Max Energy website, [www.maxenergy.com.mm](http://www.maxenergy.com.mm). Zero case of human right contravention was occurred in Max Energy during 2018. Relevant sectors of human rights policy are shared at the staff orientation and trainings.

Max Energy accepted 80 part-time university students and four internships student for their building experience to set foundation for future career and to explore a career path in 2018.

Max Energy renewed the Occupational Health and Safety policy in 2018 and implemented the Management plan of Occupational Health and Safety. In 2018, Max Energy has conducted 84 times safety briefing at all the filling stations, one OHSE Committee meeting, one PPE awareness training, 21 times inspections and 42 times emergency drill at all filling stations. Lost Time Incidents notice boards are located at all the working places.

Whistle Blowing Committee are reorganized and suggestion boxes are taken placed at all the work places. There is grievance hotline to handle the complaint of human right violation and anti-corruption. Update the annual handbook annually whenever necessary.

Max Energy has contributed for monastery education, road construction, village electricity, blood donation, fire safety donation etc. not only with AYA foundation but also by-self.

## LABOR PRINCIPLES

**Principle 3:** Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.

**Principle 4:** Business should support the elimination of all forms of forced or compulsory labor.

**Principle 5:** Business should support the effective abolition of child labor

**Principle 6:** Business should support the elimination of discrimination in respect of employment and occupation.

<p style="text-align: center;"><b>Assessments, Policy and Goals</b></p>	<p>Max Energy is fully respect to the right of the employees and defends the elimination of all forms of forced and compulsory labor and abolition of child labor. Company has formed the committee for the freedom of speech and freedom of association of the employee and stakeholders and also mentioned the employee's rights and responsibilities in Employee Handbook.</p> <p>According to chairman's instructions and guidelines, Max Energy is enhancing the employee capacity and capability through human resource development. Also, company has the policy to improve the employee's motivation and efficiency by giving incentives and monetary rewards. Max Energy's career development goals include development for the additional skills, knowledge and competencies and action plan and respective training programs.</p>
<p style="text-align: center;"><b>Implementation</b></p>	<p>Max Energy is complying with the country labour laws and ILO rules at all times for the sake of employee rights. Max Energy has operated the business with mutual respect between employer and employee more like a family business. For that reason, the company has implemented the ways to express the employees' opinions, suggestions, difficulties and so on. Besides, there is instructions not to employ child labor and to ensure that all the benefits like wages, working hours, leave and allowances are all fully received by employees.</p> <p>Max Energy is always seeking out the way to enhance the employee capacity for the sake of company, country and their selves by implementing the upgrading trainings, on-job trainings, providing continuous learning and development opportunities and professional growths. Moreover, company provides financial assistance for further studies at universities and colleges. Career development policies and programs are not only in the HR policy and manual handbook and on paper but management team ensure to collectively design to practice and implement and deliver results from employee orientation to performance appraisal review.</p> <p>Max Energy has implemented the Transfer Policy and Procedure to enhance the employee's potentials, to help identify interest by creating effective job rotation, job attachment, internal transfer opportunities and special-job-assignment.</p>

## Activities and Outcomes

Max Energy's human resource training team and functional line managers implemented Fire Safety Manager training, orientation and knowledge sharing training, sales training, innovative assistant supervisory skill and level up training, new manager skills development training, advanced excel training, sales & customer service engagement training, essential winning skills in sales & customer services training, certified safety supervisor training, building wiring training, business continuity planning toolkit training, petroleum products handling process basic training, basic HR management training, higher sale & marketing management training, international trade training, strategic management training, basics customer service management training, basic and advance level of financial management training, beginner and intermediate level of business English training for nearly 800 employees in 2018.

Max Energy has achieved "Best Career Advancement Program Local" award in 2018 given by Myanmar Employer Awards for having a solid foundation of development or management plan that foresees not only the initial recruitment process but also the ongoing training and development for the employees.

According to mother company's guidelines, Max energy has participated in Respectful Workplace workshop about cost of workplace bullying and sexual harassment that is researched by IFC (World Bank Group) and Factive Consulting in October 2018. For the time being, male to female ratio at Max Energy is 66:34 and there is no child labor employed under 18 years old within the organization. There is no gender discrimination in giving staff benefits, allowances and rewards. Max Energy has rewarded special bonus to 1530 staffs from March 2018 to December 2018. Besides, as a result of no ethnic discrimination, there are Kayin, Shan, Mon, Myanmar, Rakhine, Chin employees at the Max Energy.

The management team has updated the whistle blowing committee at the beginning of 2019. Whistle Blowing Policy, Occupational Health and Safety Policy and Grievance Handling Policy are publicly uploaded on the website, [www.maxenergy.com.mm](http://www.maxenergy.com.mm). Representative Team of Employee is actively formed this year too.

## ENVIRONMENTAL PRINCIPLES

**Principle 7:** Business should support a precautionary approach to environmental challenges.

**Principle 8:** Business should undertake initiatives to promote greater environmental responsibility.

**Principle 9:** Business should encourage the development and diffusion of environmentally friendly technologies.

<b>Assessments, Policy and Goals</b>	<p>One of the mission statements of Max Energy is to be an environmentally responsible organization for future growth and development of community and organization. One of the Max Energy's values is providing high-quality fuel products as a socially responsible and environmentally sustainable manner.</p> <p>This year, Max Energy has committed to reduce the practices that can harm the environment and adopting environmentally friendly practices by reducing energy consumption and usage of paper, encouraging recycle initiatives and selling lower Sulphur content products. Max Energy will ensure to comply all respective Myanmar environment protection legislations and strive to use pollution prevention and environmental best practices in all the company do. Company is committed to provide safe and healthy workplace for all the Max Energy's employees and stakeholders, as well as minimizes the potential impact on the environment.</p>
<b>Implementation</b>	<p>Max Energy has implemented the environmental management plan, to oversight the environmental policy for the protection of all personnel and the general public and also encourage the proactive involvement of all personnel in managing the environmental program.</p> <p>Max Energy has implemented the plan to promote environmental awareness among the employees and encourage them to work in an environmental responsible manner, for example, trash cleaning in public area and Reduce paper project internally for the sake of environmental saving initiatives. Company has also executed to reduce waste through re-use and recycle like saving the data digitally instead of visualize hard copy.</p> <p>Max Energy strive to continually improve the environmental performance and minimize the social impact and damage of activities by periodically reviewing company's environmental policy in light of current and planned future activities.</p>



<b>Activities and Outcomes</b>	<p>In 2018, Max Energy has formed the Management plan for environment internally and environmental policy is published on <a href="http://www.maxenergy.com.mm">www.maxenergy.com.mm</a> in align with Max Myanmar Holding Co., Ltd. Notice boards were located in the main administration building and common area that include: OHSE alerts and bulletins, audit results, OHSE initiatives/ awareness information, policy and health and well-being information and as a result, there is no environmental incidents or complains has been occurred in 2018.</p> <p>Max Energy is maintaining the culture of freshening the environment, so in 2018 too, Team Max Energy did trash cleaning at the street, market, public area, working place, hospital at every township where company filling stations are located.</p> <p>As a result of Reduce Paper Project, company can reduce average 17,000 A4 pages per month in 2018 by eliminating some papers and steps and controlling the data in soft file. This amount shows that it can save one or two Trees cutting per month according to google data. Furthermore, company is still planning to reduce more paper and heading to paperless working environment.</p> <p>Moreover, Max Energy has contributed for Solar Energy usage together with Novotel Yangon Max's CSR activities and donated for village electricity.</p>
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## ANTI-CORRUPTION PRINCIPLES

**Principle 10:** Business should work against corruption in all its forms, including extortion and bribery.

<b>Assessments, Policy &amp; Goals</b>	<p>Max Energy conduct all of the related business in an honest and ethical manner and committed to act professionally, fairly and with integrity in doing business or engaging with all stakeholders. Mainly, the management team of Max Energy set a high ethical standard and endorse a zero-tolerance principle to corruption and bribery. Company is highly upholding to all relevant and prevailing laws of Myanmar including Anti-corruption Law 2013 in respect of our conduct to all stakeholders.</p> <p>Moreover, company values transparency and good corporate governance to sustain the policy strictly, to increase prevention, and to monitor for continuous improvement.</p>
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<p style="text-align: center;"><b>Implementation</b></p>	<p>Max Energy implemented the policy that intend to provide a clear principle on how company stands against corruption and bribery. Max Energy’s anti-corruption policy is in align with Max Myanmar Holding Co., Ltd where all employees must ensure to read, understand and comply with this policy.</p> <p>Also, company planned employees to attend relevant training at orientation and annual regular training on how to implement and adhere to this anti-corruption policy. Another internal implemented rule is that CFO and internal audit team are regularly check and monitor the internal transaction and payment related to all stakeholders and also external audit teams.</p>
<p style="text-align: center;"><b>Activities and Outcomes</b></p>	<p>Whistle Blowing Policy and Anti-corruption Policy are publicly declared on the website, <a href="http://www.maxenergy.com.mm">www.maxenergy.com.mm</a> , which are applied within the stakeholders of Max Energy. Management team always monitor the policies to be up to date whenever necessary. Suggestion boxes are located each and every place of Max Energy office.</p> <p>Max Energy has been inspected by the internal audit team to all departments, mother company audit team, ISO audit team and external audit team (Deloitte) by quarterly, annually so as to eliminate any fraud and corruption case at any touch point. There is no corruption has been reported within 2018. Moreover, Max Energy has been rewarded top 12 commercial tax payer and top 50 income tax payer in the whole Myanmar by the Government for 2016~17 in 2018.</p> <p>In July 2018, management level from Max Energy has been participated in the Anti-corruption workshop by the topic of Managing Corruption Risks at the Business Level by Ph.D Scholar U Naing Ko Ko from Australian National University. Moreover, auditor always mentioned about the findings to raise the awareness about anti-corruption.</p>