Sustainability Reporting

– the Myanmar Context

www.mcrb.org.mm
myanmar.responsible.business

Vicky Bowman, Director, MCRB

Max/Ayar/BSR seminar,

Yangon 20 January 2016

Myanmar Centre for Responsible Business

www.myanmar-responsiblebusiness.org
15 Shan Yeiktha Street, Sanchaung, Yangon
Tel/Fax: 01 510069

MCRB defines 'responsible business' as 'business activities that work for the long-term interests of Myanmar and all its people'.

MCRB ၏အဓိပ္ပါယ်ဖွင့်ဆိုချက် "မြန်မာပြည်သူပြည်သားများ၏ ရေရှည်အကျိုးစီးပွားများ အတွက် ဆောင်ရွက်သောစီးပွားရေးလုပ်ငန်းများ"

MCRB Objective

To provide an effective and legitimate platform for the creation of **knowledge, capacity and dialogue** concerning responsible business in Myanmar, based on local needs and international standards, that results in more responsible business practices.

ပို၍တာဝန်ယူမှုရှိသော စီးပွားရေးအလေ့အကျင့်များ ဖြစ်ထွန်းလာစေရန်၊ နိုင်ငံတကာအဆင့်အတန်းများ၊ ဒေသလိုအပ်ချက်များအပေါ် မူတည်၍ မြန်မာနိုင်ငံ၌ တာဝန်ယူမှုရှိသော **အသိပညာ၊ စွမ်းဆောင်ရည်နှင့် စကားဝိုင်းများ** ဖြစ်ပေါ်လာစေရန်အတွက် ထိရောက်သော တရားဝင် အခင်းအကျဉ်းတစ်ခု ပံ့ပိုးပေးရန်။

Current core funders:
- UK DFID
- DANIDA
- Norway
- Switzerland
- Netherlands
- Ireland

Founders:

Institute for **Human Rights and Business**
Shaping Policy • Advancing Practice • Strengthening Accountability

THE DANISH INSTITUTE FOR HUMAN RIGHTS

Why should Myanmar companies care about sustainability reporting?

- Better reputation helps to attract/retain employees, supports 'social licence to operate'
  - လူထု သဘောတူ ကြည်ဖြူခွင့်ပြုမှု
- Improved access to capital
  - Attract foreign partners
  - IFC and other funding
- Increased efficiency and waste reduction
  - Identify and control water, energy usage etc
- Helps to identify, avoid and mitigate environmental and social risks that might cost money
  - Community disputes
  - Safety
- Emerging Myanmar legal requirements to report in Myanmar Companies Law

# Draft amendment to the 1913 Myanmar Companies Act

261. Directors' report

(a) The directors of any company to which this section applies shall make out and include with the financial statements a report with respect to the state of the company's affairs, the amount, if any, which they recommend should be paid by way of dividend, and the amount, if any, which they propose to carry to any Reserve Fund, General Reserve or Reserve Account shown specifically on the balance-sheet, or to a Reserve Fund, General Reserve or Reserve Account to be shown specifically in any subsequent balance-sheet provided with any subsequent financial statements.

(b) The report referred to in sub-section (a) must include a fair review of the company's business, including a description of the company's primary business, an analysis of the company's performance during the year, a description of risks and uncertainties facing the company and any other matters which may be prescribed. The report may be signed by the chairman of the directors on behalf of the directors if authorized in that behalf by the directors.

Source www.dica.gov.mm Draft law is awaiting Parliamentary discussion and approval

MCRB's challenge to the most transparent Myanmar companies....

- International good practice is to identify your 'material risks' for your reporting by consulting with stakeholders inside and outside the company e.g. civil society organisations, trade unions.....which issues are of most interest or concern to them?

- Will Myanmar companies start doing that, and engaging with important (and sometimes hostile) stakeholders
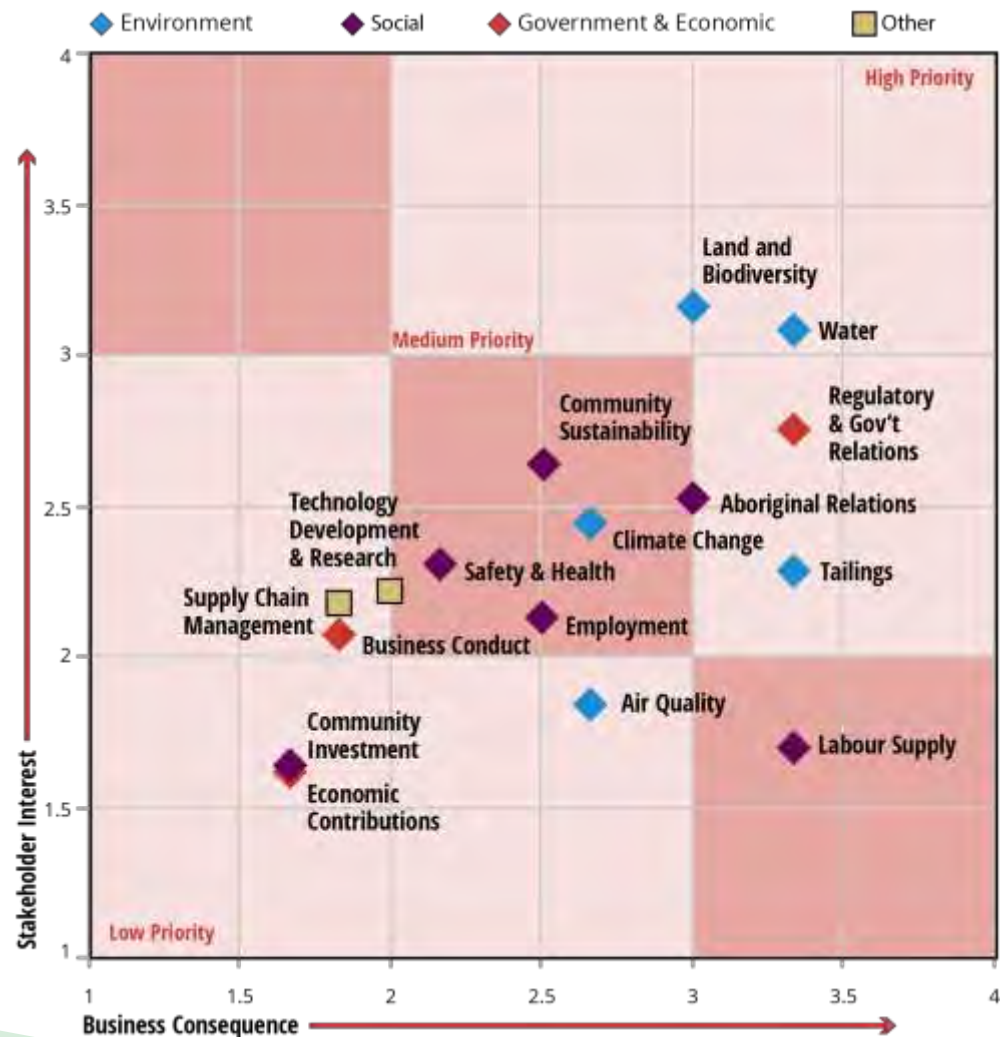
What is the current situation of sustainability reporting in Myanmar?

Transparency In Myanmar Enterprises (TiME/ပွင့်သစ်စ)

- 100 large Myanmar companies chosen based on 2013/4 top taxpayers lists as a proxy for size
- Websites reviewed for content on:
    - Organisational transparency
    - Anti-corruption programmes
    - Human Rights and HSE, including grievance mechanisms
- New: Civil society organisation/public input sought and recent media reports scanned

Findings in 2015

- The best got better
- Top companies:
  - 1st SPA (9th in 2014)
  - 2nd Max (3rd in 2014)
  - 3rd KBZ (1st in 2014)
- 39 out of 100 companies have no website and another 40 companies have very little information
- Jade mining and trading companies publish very little information
- Many company websites are in English but not Burmese

Company Name	2015 Position	2014 Position	ACP Score	OT Score	HSE Score	TOTAL	UNGC Member	Media/ Civil Society Feedback
Serge Pun and Associates Group	1	9	2.95	3.33	3	9.28	Active	✓
Max Myanmar Group of Companies	2	3	2.95	3.12	3.16	9.23	Active (Max Energy)	✓
KBZ (Kambawza) Group of Companies	3	1	3.07	2.5	2.5	8.07	Active	
City Mart Holdings Company Ltd. (CMHL)	4	7	2.69	2.22	2.83	7.74	Active	
SMART Technical Services	5	6	2.95	2.08	2.33	7.36		
Parami	6	2	2.69	2.08	2.16	6.93	Active	
Shwe Taung	7	4	2.18	1.25	3.16	6.59	Active	
MPRL E&P	8	5	1.54	2.08	2.5	6.12		
AYA Bank	9	NA	0.77	2.5	0.93	4.2		
Dagon Group of Companies	10	8	1.02	1.39	1.33	3.74	Active	✓
KMD Co., Ltd.	11	12	1.41	0.69	1.33	3.43		
Asia World Group of Companies	12	37	2.04	0	0.5	2.55	Active	✓
Golden Key Group of Companies (Mikko Group)	13	NA	0	1.67	0.17	1.84		

TiME/Pwint Thit Sa Next steps

➢ **Mini Pwint Thit Sa**
  ➢ Inviting **medium-sized enterprises** to volunteer to have their website benchmarked against the 35 questions.
➢ 3rd Pwint Thit Sa report (to be published in July 2016)
➢ MCRB will repeat workshops with companies on good practice:
  ❑ Anti-corruption programmes
  ❑ Human rights policies
  ❑ Reporting
  ❑ Grievance mechanisms

Myanmar Centre for Responsible Business

PWINT THIT SA PROJECT
Transparency in Myanmar Enterprises

သင့်လုပ်ငန်းသည် ပွင့်လင်းမြင်သာပြီး တာဝန်ယူမှုရှိသော စီးပွားရေးလုပ်ငန်းများတွင် ဦးဆောင်နေကြောင်း သိစေလိုပါသလား။

"မိနီပွင့်သစ်စတွင်" ပါဝင်ပါ။

Thank You!

PWINT THIT SA PROJECT
Transparency in Myanmar Enterprises

Corporate Social Responsibility and Disability (CSR-D)
A Guide for Companies in Myanmar

Operational level grievance mechanisms

IPIECA Good Practice Survey

www.mcrb.org.mm
myanmar.responsible.business