

Myanmar Centre for Responsible Business

Pwint Thit Sa/TiME follow-up:

Human Rights Policy - best practice workshop

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Tuesday 22nd October 2014

www.mcrb.org.mm

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(ဆာကူရာ ဆေးရုံအနီး)

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Myanmar Centre for Responsible Business



www.myanmar-responsiblebusiness.org

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Founders:



THE DANISH
INSTITUTE FOR
HUMAN RIGHTS

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.

Current core funders:

- UK Department for International Development
- DANIDA (Danish development aid)
- Norway
- Switzerland
- Netherlands
- Ireland



PWINT THIT SA PROJECT

Transparency in Myanmar Enterprises

Inspired by Transparency International's reports on 'Transparency in Corporate Reporting'



- 2nd TI 'TRAC' report was published 2012
- research into the public reporting practices of 100 emerging markets companies comprising a list of Global Challengers 2011.
- TI researchers collected and analysed publicly available data on three dimensions of transparency:
 1. Reporting on **anti-corruption programmes** (covering inter alia bribery, facilitation payments, whistleblower protection and political contributions),
 2. **Organisational transparency** (including information about corporate holdings), and
 3. **Country-by-country reporting** (including revenues, capital expenditure and tax payments).



TRANSPARENCY
INTERNATIONAL



		ACP	DT	CBC
Statoll	8.3	100%	100%	50.0%
Rio Tinto	7.2	92%	100%	23.7%
BHP Billiton	7.2	92%	100%	23.6%
ArcelorMittal	6.9	85%	100%	21.3%
BG Group	6.7	100%	100%	2.4%
HSBC Holdings	6.7	92%	100%	8.0%
BASF	6.7	100%	100%	0.0%
France Telecom	6.6	81%	100%	17.2%
BP	6.6	92%	100%	5.6%
Allianz	6.6	88%	100%	8.5%
Tesco	6.5	69%	100%	26.2%
Novartis	6.5	92%	100%	1.8%
ExxonMobil	6.4	88%	100%	4.3%
Vodafone	6.4	85%	100%	7.5%
Wal-Mart Stores	6.4	77%	100%	14.0%
ANZ Banking	6.3	88%	100%	0.8%
Siemens	6.3	88%	100%	0.6%
GlaxoSmithKline	6.2	85%	100%	2.4%
Royal Dutch Shell	6.2	85%	100%	2.1%

Transparency International also published a 'TRAC' report on emerging economies (2013)



TRANSPARENCY INTERNATIONAL



		ACP	DT	CBC
Tata Communications	7.1	92%	88%	34%
Tata Global Beverages	6.6	92%	75%	31%
Tata Steel	6.6	92%	75%	30%
Bharti Airtel	6.4	85%	75%	34%
Petronas	6.3	88%	100%	1%
United Company Rusal	6.2	69%	100%	17%
Tata Chemicals	6.2	81%	75%	30%
Mahindra & Mahindra	6.1	73%	81%	30%
Tata Motors	6.0	77%	75%	29%
Tata Consultancy Services	5.9	85%	75%	17%
Saudi Basic Industries	5.8	85%	88%	2%
América Móvil	5.7	73%	81%	16%
Reliance Industries	5.7	65%	75%	30%
Wipro	5.7	77%	63%	30%
PTT	5.6	85%	75%	9%

Transparency In Myanmar Enterprises (TiME/ပွင့်ဆံ့)



PWINT THIT SA PROJECT
Transparency in Myanmar Enterprises

- ▶ 60 large Myanmar companies chosen based on 2012/3 top taxpayers lists as a proxy for size
- ▶ Websites reviewed for content on:
 1. Organisational transparency
 2. Anti-corruption programmes
 3. Human Rights and HSE, including grievance mechanisms (instead of country by country tax reporting as in TI TRAC report)

Communication with the companies



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Transparency in Myanmar Enterprises

- ▶ Companies included in the research were first informed about their inclusion in late March 2014/ Early April both in hard copy and by email where known.
- ▶ The project was also launched in the local media, with the aim of *inter alia* alerting company senior managers to the project and encouraging them to participate actively.
- ▶ Last week of May 2014, companies provided with initial scores and scoring schedule. Companies asked to give feedback. Encouraged to upload more information to their websites by 30 June.
- ▶ MCRB available to meet with companies. Almost twenty companies contacted us
- ▶ Some websites were significantly overhauled during the research period as a result of the project.
- ▶ Problems communicating with some companies due to absence of a website (25 companies), or one with reliable contact information/Public Affairs Department

Data collection and analysis

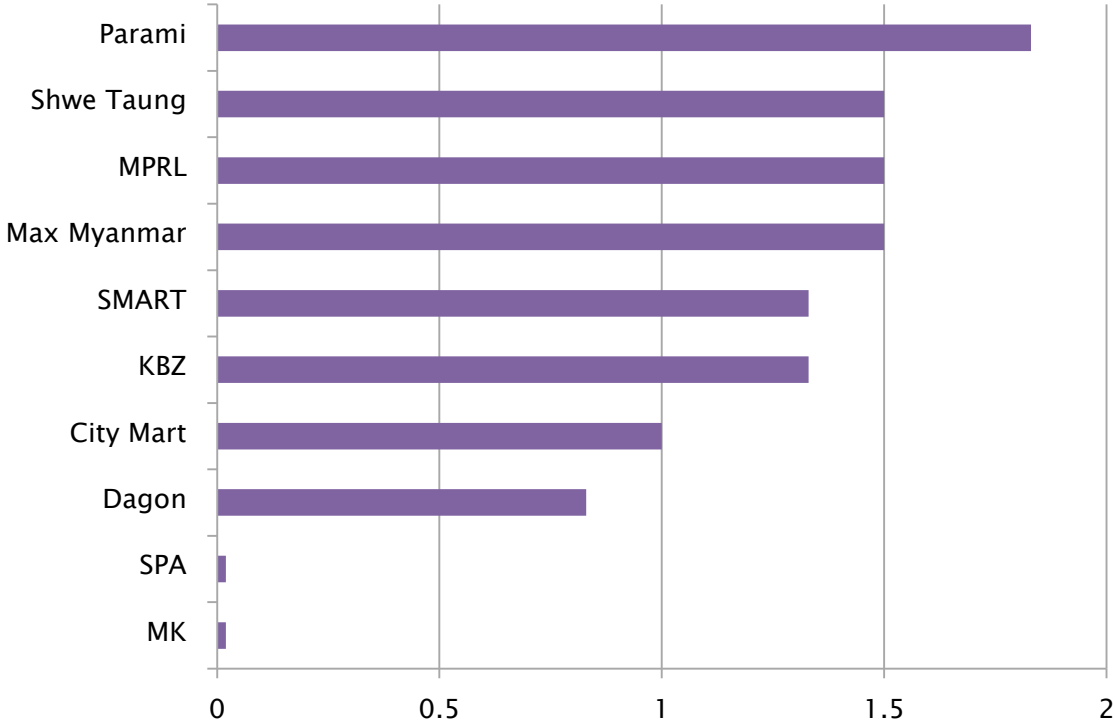


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Transparency in Myanmar Enterprises

- ▶ Desk research on websites 1st April to July 1st 2014. Websites accessed frequently, monitored changes (significant in 10 of the companies).
- ▶ Out of the 60 companies surveyed, only 35 companies have websites.
- ▶ The scoring schedule was based on Transparency International's scoring system and was also sent to the companies.
- ▶ Scores of 1, 0.5, or 0 were given to each question depending on the extent to which information was fully reported.
- ▶ A question was N/A and was not considered if not relevant to the organization.
- ▶ Score standardized and rescaled to a maximum of 10.
- ▶ The higher the score, the more information a company is publishing on its official website about its business approach towards anti-corruption policy, organizational transparency, human rights and HSE.
- ▶ **However, the score reflects information disclosure only and does not measure a company's performance on the ground on these issues. It also does not provide a 100% check of the accuracy of the information disclosed on the website.**

Ranking	Company Name	Anti-corruption Score/%	Organizational Transparency Score/%	Human Rights, Health, Safety and Environment Score/%	Total Score
1	KBZ (Kambawza)	3.08/92.31%	2.22/66.67%	1.33/40%	6.63
2	Parami	2.69/80.77%	2.22/66.67%	1.67/50%	6.58
3	Max Myanmar	3.33/100%	0.97/29.17%	1.5/45%	5.8
4	Shwe Taung	2.69/80.77%	1.39/41.67%	1.5/45%	5.58
5	Myanmar Petroleum	1.67/50%	1.67/50%	1.67/50%	5.01
6	SMART	2.82/84.62%	0.83/25%	1.33/40%	4.98
7	City Mart	1.67/50%	2.08/62.50%	1/30%	4.75
8	Dagon	1.03/30.77%	1.67/50%	1.17/35%	3.87
9	Serge Pun and Associates Group	0.84/25.39%	1.74/52.58%	0.66/19.70%	3.24
10	MK	0/0%	1.67/50%	0.02/5%	1.69
11	KMA	0/0%	1.67/50%	0/0%	1.67
12	KMD	0.26/7.69%	1.11/33.33%	0/0%	1.37
13	Myanmar Gold Star (MGS) Group	0/0%	1.11/33.33%	0/0%	1.11
14	ACE Group of companies	0/0%	0.83/25%	0/0%	0.83
15	Ambo	0/0%	0.83/25%	0/0%	0.83

Transparency about Human Rights and HSE reporting



Reporting on Human Rights & Health, Safety and Environment (HSE)



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Transparency in Myanmar Enterprises

26) Does the company have a human rights policy and a commitment to carrying out human rights due diligence?

27) Does the company have a process to address complaints and grievances from its employees and local communities and is the process made public to the employees and local community?

28) Does the company have an employment policy which covers:

- a. just and favourable remuneration;
- b. freedom of association and collective bargaining;
- c. Non-discrimination policy in recruitment and promotion and at the workplace?

29) Does the company have health, safety and environment policies and report on their Implementation?

30) Does the company publish statistics on health and safety incidents?

Reporting on Human Rights & Health, Safety and Environment (HSE) (continued)



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31) Does the company have a policy or procedure which provides information on the company's land ownership, and does it explain how these lands are purchased, leased, used and managed?

32) Is the company policy publicly committed to recognising and protecting people's land and resource rights, particularly the rights of those located near to the companies' operations and who may be affected by their implementation?

33) Does the company have a policy which deals with the dislocation or resettlement of people and does it provide information on the resettlement sites' locations, the number of households resettled in each site, and how their livelihoods have been restored?

34) Does the company publicly report on a regular basis on the implementation of these policies and commitments?

35) Does the company conduct and publish environmental and social impact assessments and management plans?

TiME/Pwint Thit Sa Follow-up



PWINT THIT SA PROJECT
Transparency in Myanmar Enterprises

Workshops with companies on good practice in:

- Anti-corruption programmes (Tuesday 23 September)
- Human rights policies (Wednesday 22 October)
- Reporting (Monday 3 November)
- Grievance mechanisms (December tbc)

2nd TiME report in 2015