Pwint Thit Sa
Transparency in Myanmar Enterprises (TiME)

Launch of the 2020 Results

21 December 2020
Pwint Thit Sa is the result of a partnership and is all about teamwork
Pwint Thit Sa is a massive undertaking...

60,000+ data to analyse and compute

Countless cups of coffee

300 days of Yever contributed *pro bono*
Our approach to the 6th Report (1/3)

We assessed more companies: 260 companies this year (248 companies in 2019).

We used 143 criteria to score 4 dimensions.

Our methodology is aligned with various reporting frameworks.
Our approach to the 6th Report (2/3)

In Myanmar, listed and public companies nowadays have to comply with more rules and regulations concerning disclosure.

We encourage other companies to disclose the same information too. Since this disclosure is voluntary, those privately-owned companies who disclose more information will get **bonus points**.
NEW CRITERIA

Q75 Corporate policies
We will check if companies have a specific policy for their philanthropic activities.

Q90 Frameworks
We will check if companies consider also Sustainable Development Goals (SDGs).

Q94 Expenditure for philanthropic activities
We will check if companies disclose their expenditure on philanthropic activities.

UPDATED CRITERIA

New sliding scale for points to encourage companies to enhance their management practices related to sustainability.

Q68 Does the company have a sustainability strategy?

Q71 Does the company clearly explain how the materiality analysis is relevant for business issues?

Q75 Are the following areas covered by a specific policy?

Q96 Does the company disclose some quantitative KPIs on the following topics?
**Our journey of Pwint Thit Sa 2020**

<table>
<thead>
<tr>
<th>Month</th>
<th>Event</th>
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<tr>
<td>February 2020</td>
<td>Launch of the 2020 edition and disclosure of the methodology, companies' list and criteria</td>
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<tr>
<td>April 2020</td>
<td>First assessment of the companies.</td>
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<td>May 2020</td>
<td>Webinar to share initial results with companies</td>
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<td>June - August 2020</td>
<td>34 companies had virtual meetings with the Pwint Thit Sa team.</td>
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<td>September - December 2020</td>
<td>Final assessment, quality control and development of the 2020 report.</td>
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Findings #1
More companies are disclosing, and their disclosure has improved

1. The average score of Myanmar companies has improved from 5% in 2019 to 7%. More companies disclose information.

2. The average score of top 10 is now on par with the best performing companies in Pwint Thit Sa 2019. This highlights the ability of champions to increase the quality of their disclosure.

3. High scores > 90% are achievable: one company did it! Congratulations uab bank!

4. The only category which did not improve its score in 2020: State-owned Economic Enterprises (SEEs).
Findings #2
Companies should now focus on Sustainability Management and Reporting

Companies improved their disclosure mostly in the following areas: Corporate Profile and Corporate Governance. This also reflects the changes made in our methodology: private companies could get bonus points in these two areas. Sustainability Management is the only area where, on average, the score of Myanmar companies remained stable. Companies should also consider improving the quality of their disclosure on reporting.
Findings #3
Market players should support and encourage champions to foster better practices.

19 champions
of which 4 volunteered to be included: KMD, IME Group, Alpha Power Engineering and Proven.

33 challengers

107 beginners

101 outsiders
Findings #4
Pwint Thit Sa helped companies improve their corporate disclosure, again

34 meetings with companies

+ 231% increase of the score on average (vs. 134% last year)

Congratulations to Authentic Group and Mya Ayer for their efforts between the first and second assessments!
Pwint Thit Sa 2020
Top 20 performers

- UAB: 96%
- CMHL: 89%
- SHWE TAUNG: 81%
- YOMA BANK: 79%
- FMI: 69%
- MAX MYANMAR: 62%
- KBZ BANK: 57%
- MTS: 55%
- TMH: 54%
- MAHA: 53%
- MAEX: 52%
- KMD: 49%
- SMART: 46%
- IME GROUP: 44%
- ALPHA: 44%
- MSP CAT: 44%
- IGE: 43%
- PROVEN: 41%
- GGI: 39%
- MAHA: 36%
Pwint Thit Sa 2020, and 2019
Top 10 performers

1. uab
   96%

2. CMHL
   89%

3. SHWE TAUNG
   81%

4. YOMA BANK
   79%

5. FMI
   69%

6. MAX MYANMAR
   62%

7. KBZ BANK
   57%

8. MTS
   55%

9. TMH
   54%

10. AYA Bank
    53%

70%
61%
55%
55%
53%
51%
48%
40%
39%
38%
0%
20%
40%
60%
80%
PART 1: INTRODUCTION
- *Pwint Thit Sa*, Corporate Governance and Disclosure in the era of COVID-19
- Supporting Governance Reform and Sustainable Development
- Building Trust

PART 2: CURRENT POLICY AND REGULATORY CONTEXT FOR CORPORATE GOVERNANCE AND DISCLOSURE

PART 3: EMERGING ISSUES IN CORPORATE GOVERNANCE AND DISCLOSURE IN MYANMAR

PART 4: THE 2020 PWINT THIT SA REPORT: RESULTS

PART 5: RECOMMENDATIONS
- To companies, government, Yangon Stock Exchange, AntiCorruption Commission, Investors, media/civil society
Part 2 summarises the current Policy and Regulatory Context for Corporate Governance and Disclosure

State-Owned Economic Enterprises
- Companies formed under the 1950 Special Companies Act (SCA)
- State-owned banks

Central Bank of Myanmar
- Directive on Fit and Proper Criteria
- Directive on Directors of Banks
- Directive on External Auditors of Banks
- Related Parties Directive
- Directive on Acquisition of Substantial Interest
- Directive on Customer Due Diligence

DICA and the Myanmar Companies Law
- What are public and private companies?
- Disclosure Requirements in the Companies Law
- Annual Return
- Statutory report
- Financial Statements and Director's Report
- Independent Non-Executive Directors

Anti-Money-Laundering (AML), Ownership (BO) and Politically Exposed Persons (PEPs)
- Beneficial Ownership in Myanmar Law
- Beneficial Ownership in the Myanmar Extractives Industries Transparency Initiative
- Recent Developments Concerning Beneficial Ownership and Customer Due Diligence

Myanmar Investment Commission
- Disclosure by the MIC
- Disclosure by the Investor

Environmental Impact Assessment

Securities and Exchange Commission of Myanmar (SECM)
- Continuous Disclosure
- Corporate Governance Notification
- Related Party Transactions (RPTs)
Part 3: Emerging Issues in Corporate Governance and Disclosure in Myanmar

Business and Human Rights
- Military-owned Companies
  - Myanmar Economic Holdings Public Company Ltd
  - Myanmar Economic Corporation

Developments in Combatting Corruption
- Anti-Corruption Commission, and the Anti-Corruption Law
- Corruption Prevention Units
- Facilitation Payments and Better Regulation
- COVID-19 and Corruption
- Areas for further action to combat corruption

Sustainability/ESG Reporting
- An official Myanmar approach to ESG reporting?
- International standards and reporting frameworks for disclosure
- The role of Stock Exchanges in promoting Disclosure and Sustainability
  - Yangon Stock Exchange
- Regulatory requirements for sustainability reporting and human rights due diligence
  - European Union Requirements
  - National requirements

Engagement with stakeholders
Corporate Philanthropy and ‘CSR’
- The 2014 Associations Law
- Mandatory and Voluntary Social and Environmental Expenditure by Companies

Developing a Consistent Myanmar Approach to Corporate Governance and Disclosure
- A Myanmar Corporate Governance Code?
Thank you!

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myanmar.responsible.business
yever.consulting

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