



2nd Communication on Engagement (CoE)

FOR THE Period July 2016 – June 2018

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DIRECTOR'S STATEMENT

I am pleased to reaffirm that the Myanmar Centre for Responsible Business (MCRB) supports the ten principles of the UN Global Compact with respect to human rights, labour, the environment and anti-corruption. With this commitment we express our support for the Global Compact and are working to advance these principles. To that end we will make clear statement to our stakeholders and the general public. We also pledge our participation in and engagement with the UN Global Compact in the following ways:

- Participate in Global Compact global, and local events
- Provide commentary to companies on Communications on Progress
- Engage companies in Global Compact-related issues
- Join and/or propose partnership projects on corporate sustainability
- Engage with Global Compact Local Network

MCRB facilitates locally owned processes that will help establish policies, laws, and practices so that international responsible business standards consistent with the UN Global Compact are used by companies and the government in Myanmar through protect, respect, remedy and advocacy. MCRB is therefore pleased to confirm its continued support for the 10 Principles of the United Nations Global Compact as we continue to help contribute to sustained economic growth in the country.

Vicky Bowman

Vicky Bowman
Director
Myanmar Centre for Responsible Business

INTRODUCTION

The Myanmar Centre for Responsible Business (MCRB), based in Yangon, is a multi-donor initiative supported by core funding from the UK, Norwegian, Dutch, Swiss and Irish governments, and, until 2016, the Danish government, founded by the Institute of Human Rights and Business (IHRB) and the Danish Institute for Human Rights (DIHR). The premise of MCRB is that international standards for responsible and sustainable business, such as the UN Guiding Principles (UNGPs) on Business and Human Rights, are important building blocks for the growth and development in Myanmar, which is needed to bring about poverty reduction.

MCRB has been a member of UN Global Compact (UNGC) since September 2014 and is part of the local network. MCRB's contribution to the 10 principles of the UNGC relates both to its core programmatic activities with government, local civil society organisations, and businesses in Myanmar, which are fully aligned with all 10 Principles, and to the way in which it organises and manages itself. This Communication on Engagement (CoE), like MCRB's first CoE [report](#) in July 2016, therefore covers both MCRB's External and Internal Implementation of the Principles. This second Communication on Engagement highlights a non-exhaustive selection of MCRB's activities related to the UNGC's 10 principles from July 2016 to June 2018 concerning human rights, labour, the environment, and anti-corruption.

Responsible business can bring new jobs, skills and economic benefits for millions of poor people in the country, whether it is practiced by local or international investors. Together with political stability, economic development is a precondition for Myanmar to transition into a stable democracy based on rule of law, human freedom and dignity, in support of the SDGs. Sustainable economic growth is needed in order to bring livelihoods and basic services to millions of people in the country. This requires a model where economic development goes hand in hand with protection of people and the environment, and where both the state and the corporate sector are accountable to agreed duties and responsibilities.

MCRB seeks to facilitate locally-owned processes that will embed international responsible business standards into practice in Myanmar. This process requires building knowledge and capacity of business, civil society organisations and government, as well as advocating for effective regulation based on international standards and building understanding between diverse stakeholders. Transparency is an underpinning enabler for all of these processes, and a fundamental principle for the way MCRB works.

MCRB works particularly closely with the Directorate of Investment and Company Administration (DICA) leading to a number of advocacy and capacity-building programmes in the report period which have been positive for the investment climate for responsible business in Myanmar including:

- Responsible business language included in Myanmar Investment Law (adopted Oct 2016) and in Myanmar Investment Rules (MIR) (adopted March 2017) as a consequence of MCRB advocacy
- Providing, at their request, a training course on responsible business for [DICA \(March 2017\)](#).
- Ongoing collaboration on a booklet on cultural "Do's and Don'ts for Businesses" targeted at foreign investment
- Advocacy on the 2018 Draft Companies Regulations to support transparency around beneficial ownership.

Other advocacy to government and parliament related to improving the regulatory environment for responsible business has covered the Environmental Impact Assessment (EIA) Process, health and safety legislation, digital rights, tourism, mining, and oil and gas.

MCRB has often conducted its advocacy and capacity-building in **partnership or coalitions** with other organisations. One of these has been the **Responsible Investment Working Group (RIWG)** of the Australia-Myanmar Chamber of Commerce (AMCC) which MCRB co-chairs, and which successfully launched RIWG's Position Paper '[Incentivising Shared Value](#)' (September 2016) – to facilitate a debate on what Creating Shared Value means in Myanmar, its relationship to responsible business, and how companies can pursue CSV and government can incentivise it. Other coalitions have included the [Myanmar Digital Rights Forum](#) which MCRB co-founded, working with local civil society organisations, and its support as Secretariat of the [local working group on the Voluntary Principles on Security and Human Rights](#).

MCRB has also partnered with the Organisation for Economic Co-operation and Development (OECD) and bases its approach on the [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#), most recently assisting OECD with its Myanmar launch of the new [OECD Due Diligence Guidance for Responsible Business Conduct](#) which provides practical support to businesses and offers plain language explanations of due diligence recommendations and associated provisions. On a quarterly basis throughout the period, MCRB and the ILO have brought together major multinationals to discuss issues relating to due diligence and the implementation of the MNE Guidelines in Myanmar, including due diligence issues raised by the crisis in Northern Rakhine State. Together with a group of engaged multinationals, MCRB facilitated a [discussion on responsible investment with Myanmar Investment Commission](#) in June 2018.

The majority of MCRB's activities are targetted at companies, both Myanmar and foreign. MCRB provides free of charge workshops and encourages the adoption of codes of conduct and policies and regular sustainability reporting by Myanmar companies relating to issues under the UNGC, and publishes an annual report, Transparency in Myanmar Enterprises (Pwint Thit Sa) on the progress of the largest 100 Myanmar companies (*see Principle 10 section below*). The 2018 report was conducted in partnership with local sustainability consultancy Yever.

International organisations with whom MCRB has collaborated closely include the ILO, and UN organisations including UNDP, UNODC, UNEP, UNICEF, and UNAIDS, and the IFC, as well as a variety of international NGOs working in Myanmar. MCRB continues to collaborate with regional organisations with a focus on responsible business, including the ASEAN-CSR Network, co-hosting events in Myanmar and attending their conferences in the region (Bangkok, Singapore) to bring Myanmar experiences to the debates.

As mentioned in our [2016 CoE](#), in 2014, MCRB established a formal partnership with the Myanmar Business Coalition on Aid (MBCA), also a member of UNGC. This partnership, which ended in mid-2017, enabled MBCA to support local SMEs to understand basic responsible business principles and practices including the UNGC. During the period of this report, MCRB's support enabled MBCA to open offices in Dawei and Sittwe and engage with around 350 companies. Some companies became members of the Compact as a result of

engagement with MBCA, although a number have subsequently failed to follow through with CoPs and therefore been expelled from the Compact.

MCRB'S ACTIVITIES IN RELATION TO HUMAN RIGHTS

PRINCIPLE 1: BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS; AND

PRINCIPLE 2: MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES.

MCRB's work is centred around the [2011 UN Guiding Principles on Business and Human Rights](#) which elaborated the '**Protect, Respect and Remedy**' Framework, the global standard for preventing and addressing the risk of adverse impacts on human rights linked to business activity.

This framework recognises that States have the duty under international human rights law to protect everyone within their territory or jurisdiction from human rights abuses committed by businesses. Business enterprises have the responsibility to respect human rights wherever they operate. The UN Framework clarifies that the corporate responsibility to respect human rights exists independently of States' ability or willingness to fulfil their duty to protect human rights. It recognises the fundamental rights of individuals and communities to access effective remedy when their rights have been adversely impacted by business activities.

Using this framework, which is consistent with the UNGC, MCRB engages with the Myanmar and other relevant governments, businesses, both Myanmar and international, and non-governmental organisations, both local and international, including the media.

EXTERNAL IMPLEMENTATION

Sector-Wide Impacts Assessments (SWIAs)

A SWIA consists of detailed examinations of a specific business sector in a particular geographic context through several different levels of analysis in order to build a more complete picture of the potential impacts of the sector on society and its enjoyment of human rights. SWIAs highlight key human rights risks and opportunities for the Government of Myanmar, companies operating in the sector, and civil societies, and are useful as a basis both for advocacy, and for company-specific assessments. (*For more information see [MCRB's CoE 2016](#)*). In addition to SWIAs on [Oil and Gas](#), [Tourism](#) and [ICT](#), during this period, MCRB has published a [Mining Sector SWIA](#) (2018) and is working on a SWIA on the oil palm sector (end of 2018). All SWIA reports are available on [MCRB's website](#).

Protect (state legal and policy frameworks, and practices that are aligned with responsible business principles)

MCRB's extensive advocacy work with the government to improve the human rights elements of Myanmar's legal framework concerning business has resulted in some improvements including to the [Myanmar Investment Law](#) (adopted Oct 2016) and [Myanmar Investment Rules \(MIR\)](#) (adopted March 2017).

MCRB has also provided [inputs to government consultations](#) on:

- [2018 Draft Companies Regulations](#)
- [Draft Insolvency Law](#)
- [Draft Universal Service Strategy for Telecommunications](#)
- [Draft Occupational Safety and Health \(OSH\) Law.](#)

MCRB used many other channels to promote SWIA recommendations relating to laws protecting human rights, focussing on the oil and gas, tourism, digital rights, and mining sectors, and in particular how EIAs can be used to protect human rights. This has included written input to government and parliament, comments to the media, advocacy via Myanmar Business Forum and other public-private dialogue opportunities.

MCRB has provided inputs to government and parliament intended to support the rights of communities, and workers on [the Artisanal Oil Production Bill](#) and on the draft Tourism Law. One of the changes [advocated by MCRB in 2016](#) was adopted in the final version of Citizens Privacy and Security Law. MCRB was part of a coalition which lobbied MPs on the Telecoms law, leading to 59 MPs voting for the removal of the provision on defamation (Article 66(d)) which has a chilling effect on promoting accountability of business and government, and has been used to restrict the right to freedom of expression.

MCRB has particularly focussed on ensuring that the Myanmar legal framework relating to investment is sensitive to the rights of Indigenous Peoples. Activities have included wide distribution of the February 2016 [Indigenous Peoples' Briefing Paper](#) to raise awareness of government, and others, of the provisions in Myanmar law on protecting rights of Indigenous peoples, and international standards, including presenting it at the IFC's stakeholder engagement training for government officials from several departments involved in the hydro sector in October 2016. MCRB ensured that the provisions of Myanmar's Ethnic Nationalities Law were cross-referenced in the Myanmar Investment Rules and provided inputs into draft EIA Public Participation Guidelines, IFC's work on EIA/SEA sectoral guidelines for hydropower, and the draft byelaws for the 2015 Ethnic Nationalities Law

In the present circumstances, MCRB does not believe that the preparation of a **National Action Plan (NAP)** on Business and Human Rights should be a priority for the Myanmar government, given that basic understanding of business and human rights, and institutional mechanisms to protect human rights is still weak across government. Limited capacity should be focussed on addressing these main weaknesses.

However where there have been initiatives by others concerning a possible NAP, MCRB has shared its experience, research findings and Briefing Papers. In August 2016, MCRB contributed to the Myanmar National Human Rights Commission (MNHRC) and the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) [seminar on developing a Business and Human Rights National Action Plan.](#)

There has been no active follow up due to restructuring of MNHRC which currently does not have a Business and Human Rights lead, but MCRB remains in touch with the Commission and shares information on various human rights issues, as well as inviting them to participate in MCRB events. MCRB also contributed to the ICAR/Alt-SEAN [‘Shadow’ National Baseline Assessment \(NBA\) of Current Implementation of Business and Human Rights Frameworks in Myanmar](#) published in December 2017.

Other training which MCRB has provided to government officials includes Responsible Business 101 and EIA training in Sittwe, and Kyaukphyu, Rakhine State (December 2017/January 2018), in partnership with local CSO the Scholar Institute, and a variety of other events at which government officials have participated.

Respect (Local and foreign companies apply responsible business practices)

MCRB, alone and working with other organisations, has provided several training sessions for companies on business and human rights, including human rights policies, responsible business within the Myanmar Investment Law framework and EIA procedure. The team has spoken at conferences on these issues, including sector-specific ones on oil and gas, ICT, mining, tourism and agriculture. MCRB has also held numerous individual (on average about 8 per month) meetings with Myanmar and foreign companies and consultant multipliers about human rights due diligence practices on issues such as land, labour and community engagement. MCRB is [updating its briefing paper on Land](#) (2015) and has partnered with Oxfam to work on a paper on ‘Responsible investment in plantation agriculture, with a focus on land’, focussed on providing advice to support due diligence by business on land rights, which is the most challenging human rights/business issue in Myanmar.

Collective engagements with companies include quarterly meetings co-hosted with the ILO for multinationals to discuss responsible business conduct; specific seminars, such as a [half-day seminar in Yangon](#) in Japanese for Japanese companies operating in Myanmar to enhance understanding of responsible business conduct in the Myanmar context; and training workshops for EIA consultants, and for companies on issues such as establishing a human rights policy; and a peer-to-peer workshop on Health, Safety, Labour and Community Issues in the Telecoms Sector (with the support of mobile operators Telenor and Ooredoo and the participation of the Ministry of Labour, Immigration and Population (MOLIP).

Outside of Yangon, MCRB’s support to Myanmar Business Coalition on Aid (MBCA) allowed them to approach 50 SMEs on average per quarter in Dawei and Sittwe. Training in coordination with Karen groups was also provided to companies [Hpa-an](#), Taungoo and [Myawadi](#).

MCRB continued working with the International Finance Corporation (IFC) to ensure a high quality [Burmese translation of the IFC’s Performance Standards](#) on Environmental and Social Sustainability, including ensuring that the Burmese vocabulary, is consistent and aligned with emerging Myanmar legal frameworks, and has provided support for other translation of business/human rights related resources.

Remedy (Effective mechanisms, including dialogue between business and rights holders, are preventing and remedying adverse impacts of business)

MCRB fosters dialogue aimed at building both national and local capacity and partnerships on business and human rights, and facilitates cross-sector partnerships among government, business, civil society, NGOs and UN agencies. This includes introducing local and international civil society organisations to business, and specific multistakeholder dialogues. MCRB has supervised a scoping study to establish a local multistakeholder steering group for the Voluntary Principles (VPs) on Security and Human Rights. An [inaugural meeting](#) (Q2 2018) was co-chaired by the UK Embassy and TOTAL, and attended by 16 VPI members and observers including government, company and NGO representatives.

During the reporting period, other multistakeholder dialogues initiated by MCRB alone or in coalition intended to prevent and remedy adverse aspects of business have included:

- A two day '[collaborative design workshop](#)' (with Peace Nexus) to discuss the need for, and shape of, a possible initiative – or initiatives – to build capacity of civil society and business for dialogue and mediation of business-related conflicts and build a network of practitioners
- Two [digital rights forums](#) with local and international CSOs and business on privacy, surveillance, freedom of expression, and protection of vulnerable groups (hate speech, cyber bullying) drawing on the research and analysis in the ICT SWIA.
- A discussion (initiated by MCRB) between the Chinese company (CITIC) leading the consortium called investing in Kyaukphyu SEZ, with human rights focussed NGOs such as Earthrights, International Commission of Jurists (ICJ) and Oxfam.
- [Discussion with the Myanmar Investment Commission](#) on responsible business practices in Myanmar including human rights (together with various companies (Chevron, Coca-Cola, ENI, HEINEKEN, H&M, Nestlé, Shell, Telenor, Total, Unilever, and Woodside)
- A multistakeholder dialogue on [disability and business](#)
- A second multistakeholder dialogue on responsible tourism in [Ngapali](#), three multistakeholder conferences in [Tanintharyi region](#), (with FFI) and a [second](#) (in Naypyidaw) and [third](#) (in Kalaw, Shan State) conference on communities and tourism co-organised, with HSF, MCRB, Myanmar Responsible Tourism Institute (MRTI) and Myanmar Community-based Tourism (CBT) Network.
- A 1-day workshop on '[Responsible investment in plantation agriculture, with a focus on land](#)' (together with Oxfam). The workshop, which discussed examples of good and bad practice in Myanmar relating to oil palm, bananas and rubber, focused on the Myanmar legal framework for investment, including land acquisition and regulation of environmental impacts

Further details of all of these events including presentations and meeting reports are available on MCRB's [website](#).

INTERNAL IMPLEMENTATION

To ensure its own respect for human rights in its operations SWIA research teams used ethical guidelines for field research and publicised them locally. To provide the opportunity for remedy, [MCRB's complaints and grievance mechanism](#) is available on MCRB website in English and Burmese. Communities or others affected by our projects and activities can provide feedback or complaints. To date, no complaints have been received.

In 2018 MCRB updated its data protection practices to ensure that it is EUDPR compliant, and published its [Privacy Policy](#).

MCRB'S ACTIVITIES IN RELATION TO LABOUR

PRINCIPLE 3: BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE 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; AND

PRINCIPLE 6: THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION

EXTERNAL IMPLEMENTATION

Promotion of all four labour-related principles is central to MCRB's activities.

Each [SWIA](#) includes an analysis of labour rights issues identified from field research, policy and legislative frameworks and gaps with international standards, and recommendations to various stakeholders relating to labour rights including freedom of association and the effective recognition of the rights to collective bargaining; the elimination of all forms of forced labour and child labour; and other labour rights, including reasonable working hours and occupational health and safety. The Mining SWIA found significant negative impacts of the sector on women and children.

MCRB has been resource person at a number of workshops, including speaking at the 3rd Multistakeholder Forum on 'How can companies contribute to Myanmar Labour Law reform through responsible business conduct?' in January 2018, organised by the ILO. With ILO, MCRB co-hosts quarterly meetings of multinational companies to discuss labour law reform, and other RBC issues.

MCRB has provided 1:1 advice to companies, spoke at various conferences and offered feedback on a number of projects of others relating to labour rights, working conditions, children labour, discrimination, sexual harassment, and gender equality at the workplace.

PRINCIPLE 3: BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING

PRINCIPLE 4: THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR

MCRB facilitated a discussion between the Caux Roundtable Japan and trade union and labour rights activists, organisations working on other business and human rights issues in Yangon, and has linked up labour and trade union activists with companies to address specific issues.

MCRB provided support with a Korean NGO, to enable Action Labor Rights to undertake an advocacy visit to Korea to follow up their [report](#) on conditions in Korean-owned garment factories, which was issued End-March with MCRB support. Together with International Labour Organization (ILO), encouraged constructive engagement with the Korean Garment Manufacturers Association which led to dialogue with the Korean factories of the need to address some of the issues raised which included recognition of TUs, and addressing compulsory overtime, a form of forced labour.

PRINCIPLE 5: THE EFFECTIVE ABOLITION OF CHILD LABOUR

In May 2017, MCRB published a Briefing Paper on [Children's Rights and Business](#) which uses the framework of the ten '[Children's Rights and Business Principles](#) (CRBP)', developed by UNICEF, the UN Global Compact and Save the Children. The Briefing Paper puts these into a Myanmar context, including an analysis of relevant Myanmar laws as well as international standards. Directed at business, it was the subject of a multistakeholder consultation process, and has been distributed widely including to government and Parliament who are discussing the Children's Rights Law. MCRB has been proposed by the Gender Equality Network to participate in the government's National Committee to Eliminate Child Labour.

PRINCIPLE 6: THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION

MCRB's activities with all stakeholders relating to labour have particularly centred on Principle 6 ([Discrimination](#)), particularly disability. MCRB has published a Briefing Paper on '[Combatting Discrimination by Business and in the Workplace](#)' aimed at helping employers – government, business or NGO - combat discrimination in hiring practices and in the workplace. It describes discrimination in policy, law and practice against several groups in Myanmar who are particularly at risk: women; lesbian, gay, bisexual, and transgender people (LGBT); people living with HIV; people with disabilities; ethnic minorities; and religious minorities. The paper highlights how companies need to be alert to discrimination in their hiring practices and provides practical recommendations to companies to address these challenges, including specific recommendations for each high-risk group. It also addresses wider aspects of discrimination beyond employment.

MCRB has partnered with a number of organisations including Myanmar Federation for People with Disabilities, and entered into a strategic partnership with [Business Disability International](#) (bdi). A draft [Handbook](#) on employing people with disabilities, undertaken with Association for Aid and Relief - Japan (AAR Japan) and Department of Rehabilitation under Ministry of Social Welfare, Relief and Resettlement.

In November 2017, MCRB co-hosted with the ILO a [multistakeholder workshop on Promoting Employment Opportunities for Persons with Disabilities](#) and workshop findings and summary information with the Department of Social Welfare and the National Committee which has the mandate to set a quota in accordance with the 2015 PWDs' Rights Protection Law. A training on disability inclusiveness strategies for senior human resources and other managers from around 20 companies, led by Dr. Sanjukta Choudhury Kaul, with inputs from Cassandra Chiu, Director of The Safe Harbour Counselling Centre.

MCRB's recent work on gender is summarised [here](#). Inter alia, MCRB has joined the Gender Equality Network, and provided inputs from a business perspective into discussions on the draft Violence against Women Law, including the chapter on sexual harassment at a workplace.

MCRB has also spoken at different women-focused events including International Women's Day, launch of Myanmar Women Corporate Directors Network, Women's Professional Network discussion on sexual harassment, conference on the National Strategic Plan for Advancement of Women (2013-2022), AMCC's Women in Business Forum 2017, and the newly launched Business Coalition on Gender Equality. MCRB has linked CSOs to business, and also sought to identify potential women speakers for other events (e.g. Bloomberg Summit) to combat the 'manel' syndrome.

INTERNAL IMPLEMENTATION

MCRB seeks to make its activities inclusive by gender, ethnicity, religion and disability, and also to undertake activities outside of Yangon. On gender, MCRB's core staff were around 70% female in 2016 and 2017, including 80% of senior management. The gender mix varied at MCRB workshops, depending on the stakeholders involved: on average there was about 30-40% female participation in MCRB's workshops; at some workshops (especially those with a disability or discrimination focus) female participation was up to 80%, whereas at others (e.g. Kyauk Phyu) female participation was as low as 20%.

MCRB aims to provide all its employees with a healthy working environment free from harassment or bullying. MCRB does not discriminate on the grounds of gender, marital status, age, religion, physical ability, sexual orientation, political beliefs or social class in the workplace. In its provision of internships, MCRB aims to widen opportunities for young Myanmar people of different backgrounds and ethnicities.

MCRB recognises that flexible working arrangements may assist staff members to balance their work, personal and family needs, including meeting competing commitments. Staff are able to make use of flexible working arrangements including working from home or part-time working as well as study leave.

MCRB staff, including temporary researchers, benefit from formal and on the job training. MCRB offers opportunities for work-related study leave and part-time higher education, particularly for junior staff. MCRB identifies opportunities for staff to take training courses in Myanmar and attachments/participation in events in other countries. During the period, professional development opportunities which MCRB funded participation of included:

- Trainings/seminars on Investment Law, Rules and Companies Law, Taxation and anti-corruption laws

- EIA training in Vietnam (2016/2018)
- Director Certification Programme (DCP), IoD, training in Bangkok
- Southeast Asia Digital Rights Camp in Yogyakarta, Indonesia; RightsCon in Brussels and Toronto
- Business and Nature Forum 2017 in Singapore
- High Conservation Value (HCV) training in Myeik
- One-day course on Tourism Sustainability Standards
- Sexual harassment at a workplace and Creating Shared Value workshops
- Presentation, public-speaking skills and handling meetings with confidence courses (BritCham)
- Factory field visits (e.g. Nestle Factory, IBTC's Distillery)

All MCRB staff, including consultants, interns and full-time employees have written contracts. Annual leave and maternity leave are in line with Myanmar law. MCRB complies with Myanmar laws on social security. For financial years 2016/2017 and 2017/2018, MCRB collected and paid 4,316,000 Kyat in social security contributions (employer contribution 2,589,600 Kyat, employee contribution 1,726,400 Kyat). MCRB provides insurance and health care benefits for its employees in the workplace and for business trips.

MCRB'S ACTIVITIES IN RELATION TO ENVIRONMENT

PRINCIPLE 7: BUSINESSES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES;

PRINCIPLE 8: UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY; AND

PRINCIPLE 9: ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

EXTERNAL IMPLEMENTATION

MCRB's external engagement on responsible business includes a focus on environmentally sustainable business practice, based on a human rights perspective. The Centre also works with other environmental specialist NGOs and CSOs as well as development partners. These include Wildlife Conservation Society, Vermont Law School, and Flora and Fauna International, World Wildlife Fund, Myanmar Green Network, ECODEV, FREDDA, One Map Myanmar, Smithsonian, Thant Myanmar and IFC/World Bank, United Nations Development Programme (UNDP), Asian Development Bank (ADB), Norwegian Environment Agency, among others.

With support from the Helmsley Charitable Trust MCRB has been seeking to [build understanding](#) of the links between business, biodiversity, and human rights in Myanmar, particularly the right to livelihood, with the aim of raising awareness of how to avoid, reduce, mitigate and offset these in business activity. A draft [Briefing Paper](#) has been written together with Sally Johnson of Fairfields Consulting. Comments from consultation are currently being incorporated. The Paper aims to raise awareness amongst business, civil society and

government regulators, of how business activities in Myanmar impact on biodiversity and how this is linked to human rights, and in particular the right to livelihood. It links closely to the need for an effective system of environmental regulation, including SEA and EIA. Sectoral briefs cover the oil and gas, mining, agriculture/plantation and tourism sectors which have been examined in MCRB's SWIAs.

Each SWIA has a chapter on the environment/biodiversity and its human rights impacts. The tourism, oil and gas and mining SWIAs have generated significant discussion about reducing negative environmental impacts, including through on the EIA process and associated safeguards (indigenous peoples, resettlement, IFC Performance Standards), leading to a variety of advocacy and capacity-building activities to strengthen the EIA process. These have included:

- Work on the legal framework for environmental protection, and EIA. This has included collaboration with development partners working on EIA guidelines for oil and gas, mining, hydropower and public participation, facilitation of consultations, including with business, and participating in technical working groups, drawing on lessons from the SWIAs. MCRB provided support to ADB and MONREC for [consultation on their draft EIA Guidelines in May 2018](#).
- Highlighting the need for companies to [publish their EIAs](#), in line with legal requirements
- A discussion with members of the AustCham Responsible Investment Working Group leading to a diagnostic presentation and advocacy letter on the challenges of the EIA process and recommendations.

MCRB has worked with MONREC, Vermont Law School and others including the newly formed Myanmar Impact Assessment Association with several workshops to build capacity of local EIA consultants on issues such as public participation, social impacts, and biodiversity, which have also been an opportunity for government and consultants to exchange [feedback](#) on the system.

EIA 101 and environmental impacts have been the topic of a number of MCRB capacity building workshops for [civil society organisations](#), including in [Shan](#) and [Rakhine](#), government officials and Parliamentarians, and MCRB has also shared experience with regional groups including PACT/Mekong Partnership for the Environment.

Environmental impacts and **tourism** have been a particular focus of MCRB's multistakeholder dialogues during the period, including two multi-stakeholder workshops on responsible tourism in Ngapali, one in Kalaw (all in partnership with Hanns Seidel Foundation), and workshops in Tanintharyi (with FFI), as well as advocacy on the negative environment effects of sand mining for tourism-related construction.

Concerning promotion of responsible environmental practices for **agriculture**, in November 2016, MCRB also co-hosted with PrimeAgri and Ministry of Agriculture, Livestock and Irrigation (MOALI) a multistakeholder roundtable [on food safety and responsible sourcing](#), discussing how Myanmar could enhance food safety and responsible sourcing in primary agricultural production, post-harvest, and food processing, based on international standards such as GLOBAL GAP, Fairtrade and FSSC22000. The multistakeholder discussion with Oxfam on [responsible plantation practice](#) has also addressed environmental impacts.

INTERNAL IMPLEMENTATION

MCRB is trying to reduce its use of resources, namely electricity, water, fuel, plastic and paper. This includes reuse of scrap paper, minimisation of printed material and paper copies, and sharing of soft copies as far as possible including through the website, bearing in mind that printed copies are still preferred by many external Myanmar stakeholders.

MCRB is also a part of [Thant Myanmar](#), a grassroots movement fighting plastic pollution in Myanmar. The Centre took part in [World Environment Day](#) preparations and participated in Kalaw (Shan State) clean-up

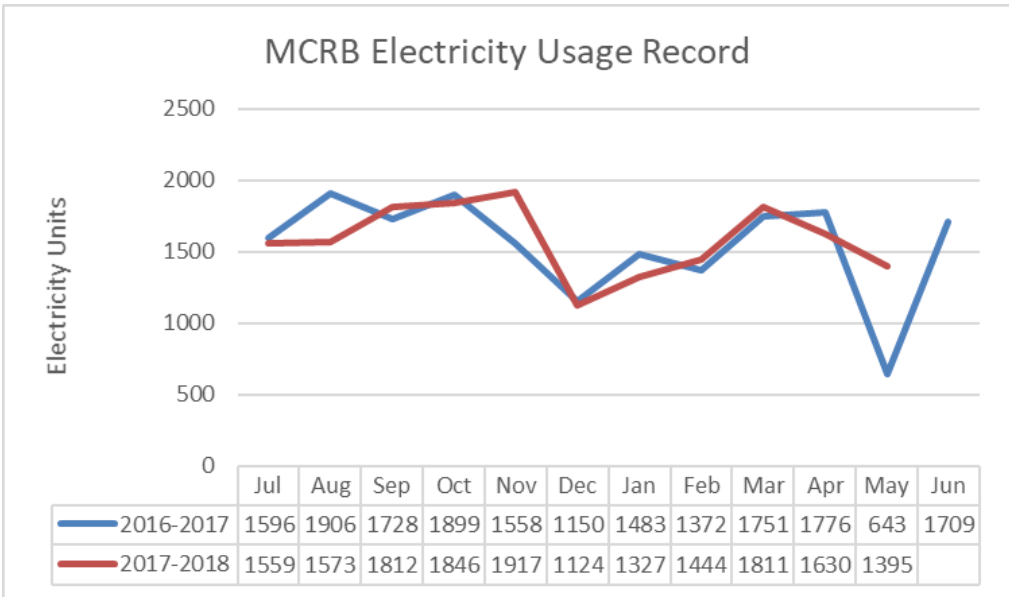


during the team retreat in June 2018. Since 2016, MCRB has been asking hotels where we hold events to work with us to **#beatplasticpollution**. In particular, the Centre has asked for them to reduce usage of plastic water bottles by offering clean, safe water in dispensers and jugs instead. To help other organisations who are committed to beating

plastic pollution, the Centre shared the [guidelines](#) it provides to venues and has successfully encouraged others to use them. This has led to the approach now being offered by Novotel, Inya Lake and Chatrium, as well as Rose Garden, and adopted by many other meeting organisers including ILO, leading to thousands of PET bottles being 'saved'.

MCRB's waste is collected by Yangon City Development Committee (YCDC). However recyclable materials are sold to a private collector who buys and collects papers and empty plastic bottles. To reduce its carbon footprint, MCRB arranges for participants to take buses or mini-buses to Naypyitaw, and seeks car sharing opportunities.

Water is from ground water supplies and not monitored. Electricity consumption at the



MCRB office from July 2016 to May 2018 was broadly stable, between 1100 units and 1900 units.



Further steps need to be taken to reduce unnecessary air conditioning, the main driver of electricity usage. MCRB has posted reminders for switching off the lights and air conditioning when the rooms are vacant.

MCRB'S ACTIVITIES IN RELATION TO ANTI-CORRUPTION

PRINCIPLE 10: BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY.

EXTERNAL IMPLEMENTATION

MCRB's engagement on responsible business highlights the importance of individual and collective action on fighting corruption and delivering good corporate governance. The flagship of this activity is the annual **Pwint Thit Sa**/Transparency in Myanmar Enterprises (TiME) report which focusses on corporate governance in Myanmar companies. Better corporate governance will support Myanmar's achievement of Sustainable Development Goal (SDG) 16.

Pwint Thit Sa/TiME assesses information disclosure on the corporate websites of Myanmar companies. It is intended to encourage increased corporate transparency by Myanmar businesses. This initiative, launched in 2014, has helped MCRB to begin dialogue on responsible business with significant players in the Myanmar economy, creating positive peer pressure for change, and measuring progress, particularly around anti-corruption and human rights practices.

Pwint Thit Sa remains one of MCRB's most popular reports. The 2016 report has been downloaded over 2,700 times from the website, while the 2018 report was downloaded over 1000 times within 3 months of being posted. Around 2,500 hard copies in English and Burmese have been distributed to stakeholders in, and visitors to, Myanmar, including government Ministers and officials, and parliamentarians. It has received extensive media coverage, with over 40 media references known to MCRB, including in foreign media. It has also served as a reference point for many international organisations and companies conducting due diligence and has

been used for a Myanmar Companies Year Book. Myanmar civil society organisations and journalists have also been interested in the report. MCRB has encouraged them to hold companies to account against the CG policies they publish, and to make use of disclosed information such as EIA to improve the design and environmental and social performance of investments.

The [fourth Pwint Thit Sa](#) report was published in March 2018 in partnership for the first time with [Yever](#), a Myanmar business consultancy. MCRB changed the scorecard used for the assessment. While based on the same principle of rating online information disclosure by companies, scoring is now based on the ASEAN Corporate Governance Scorecard (ACGS) which is widely used in the region. Five dimensions – corporate culture, corporate governance, sustainability management, communication and reporting - are assessed. The scorecard incorporates 59 of the most relevant criteria from the ASEAN CG Scorecard together with a further 15 Pwint Thit Sa criteria, relating to global sustainability reporting standards, making 74 criteria in total.

For Pwint Thit Sa 2018, MCRB/Yever selected 182 companies which a significant increase from the last report covering 100 companies. Companies selected for the ranking include all those listed on Yangon Stock Exchange, a number of ‘public’ companies, and significant privately-owned companies. These have been selected partly based on the ‘top taxpayers lists’ issued by the Internal Revenue Department. Of the 100 companies reviewed in 2016, 78 are included in the 2018 report. A feedback opportunity to improve on draft scores was provided to the companies assessed, taken up by around 20 companies.

Companies not falling into these categories but who wish to be benchmarked are also able to volunteer through the ‘mini-Pwint Thit Sa’ process. Details of this can be found on the [MCRB website](#), together with previous Pwint Thit Sa reports from [2014](#), [2015](#) and [2016](#). Further assessments will be conducted on an annual basis. The option to volunteer to be benchmarked remains open to other companies before publication of the next report.

Other MCRB activities to combat corruption through corporate governance initiatives and advocacy with the government and business have included:

- Practical support to the [launch of the new Myanmar Institute of Directors](#), in collaboration with IFC and Dana Facility, including through the participation of MCRB’s Director on its first Board of Directors
- Contributing inputs to, and distributing to business a [Toolkit for Myanmar companies on good governance and anti-corruption](#) developed by Coffey with support from the British Embassy, published in December 2016.
- Co-hosting a [workshop](#) in July 2017 with the UN Office of Drugs and Crime for businesses to identify practical ways to enhance business integrity, resist corrupt practices and reduce exposure to the risks that corruption can pose, through internal practices and collective action. Around 60 participants attended, mostly from Myanmar companies. MCRB had previously held two workshops for businesses on anti-corruption in September 2014 and [March 2016](#), as part of its support to companies to improve corporate governance and transparency
- Supporting two week-long visits (Oct 2017, Feb 2018) of the Exec Director (Petter Matthews) of the [Construction Sector Transparency Initiative \(CoST\)](#) to discuss with central Government, Yangon Regional Government, Parliament, Anti-Corruption Commission, business, media and development partner

stakeholders whether multistakeholder CoST approach would be useful in Myanmar. This has led to agreement between CoST and the Ministry of Construction on a pilot project.

- Highlighting [corruption related risks of corporate donations](#) in a variety of publications, [presentations](#) and forums
- Submission of letters to the office of the State Counsellor, and to the Anti-Corruption Commission in January 2017, following the observation of continuous sand mining on the beaches around Ngwesaung Yacht Club in December 2016/January 2017, in return for unofficial payments to local officials. This resulted in a [discussion with Patheingyi General Administration Department \(GAD\)](#) and other officials on the problems of beach sand mining in Ngwesaung in June 2017.
- Stimulation of media coverage and advocacy by Chambers of Commerce and Development partners on the draft Foreigners Law, in view of the red tape/corruption risk it posed, successfully leading to it being reconsidered.
- Delivering talks on corruption and corporate governance, including at [Parami Institute](#) of Liberal Arts and Sciences, [Myanmar Development Summit](#), [Yangon Stock Exchange](#), Myanmar Institute of Certified Public Accountants (MICPA), New Zealand Chamber of Commerce and through Responsible Business training for a variety of stakeholders including students and CSOs

MCRB also participated in the regional conference on “[Fast-tracking Implementation of the United Nations Convention against Corruption \(UNCAC\) for Economic and Social Development in Southeast Asia](#)” in February 2017, and in the seminar hosted by the new Anti-Corruption Commission in January 2018, and is in regular contact with the new Commission as it steps up its engagement with business.

INTERNAL IMPLEMENTATION

MCRB’s [internal Code of Conduct on Anti-Corruption](#), translated into Burmese, is published on the website.

In its ‘Responsible Business’ training for Myanmar companies, MCRB highlights importance of paying tax according to the law, given significant tax evasion in Myanmar. It also included publication of taxes paid as a point for scoring company performance in the Pwint Thit Sa/TiME report. As MCRB does not sell services or make income, MCRB does not pay income tax. However, in 2016/2017 and 2017/2018 MCRB collected on behalf of its staff and paid a total of USD \$ 77,603 income tax.

MEASURABLE OUTCOMES

- A [mid-term review \(MTR\)](#) of MCRB was completed in October 2015 and an independent 2018 evaluation is ongoing by 'Social Terrain'. Evaluators completed the initial assessment of MCRB documents and spent two weeks in Myanmar (May/June 2018) interviewing relevant stakeholders. The full report is expected to be published on MCRB website in Q4 2018.
- In 2017-2018 MCRB conducted an internal review of the impacts of the ICT, Tourism and Oil and Gas **SWIAs** through in-house and in-person external stakeholder interviews, document and academic literature review and budget analysis. The aim of the review was to assess the effectiveness of the SWIAs, efficiency of the SWIA methodology and the impact of the assessments on different sectors and stakeholders in Myanmar, including uptake of recommendations. The review also looked at whether SWIAs can be used as an assessment tool in other countries.
- To obtain quantitative feedback, MCRB conducts annual online **stakeholder surveys** (Feb 2017, July 2018). The surveys are designed to find obtain feedback on MCRB's impact on stakeholders' activities, including views on the usefulness of MCRB tools and publications.
- MCRB collects feedback from participants after major workshops and uses these to improve workshop design; these generally reported that >80% of participants had their expectations met/exceeded. And were used to apart future meeting/workshop programmes. (NB although beneficiary/participant data is disaggregated by gender, feedback is not). In some cases, MCRB does a follow up survey to check how participants are using the knowledge that they acquired from the training in their organisations.
- MCRB has a database of almost 10,000 contacts from a variety of stakeholder groups. This is used for meeting invitations and distribution of newsletter and publications. MCRB calculates gender disaggregated figures for event participation.
- MCRB carries out in-house media monitoring which is used to track news/events relevant to the Centre's work although this is less effective for Burmese language media
- In addition to the above monitoring/review initiatives, on an ongoing basis MCRB:
 - Convenes a monthly Steering Group call to review progress
 - Submits quarterly activity reports and annual reports to donors against its logframe; and holds by-annual Donor Group meetings
 - Maintains a monthly team calendar of activities, updated on a daily basis
 - Compiles meeting reports, which are generally published on MCRB's website and circulated to stakeholders
- To provide data on the use of MCRB's written products/knowledge, MCRB tracks website hits including by country, and downloads of key reports on a quarterly basis (see Annex). MCRB also tracks growth in Social Media followers

Report Downloads (cumulative): *(as of 30th June, 2018)*

OIL AND GAS SWIA	Full report	2255
Oil and Gas SWIA	Executive summary and recommendations	814
Oil and Gas SWIA	Burmese translation of main extracts	N/A
TOURISM SWIA	Full report	3540
Tourism SWIA	Executive summary and recommendations	3180
Tourism SWIA	Executive summary and recommendations (Burmese)	2614
ICT SWIA	Full report	1987
ICT SWIA	Executive summary and recommendations	1019
ICT SWIA	Executive summary and recommendations (Burmese)	621
MINING SWIA	Full report	445
(3 months only)		
Mining SWIA	Executive summary and recommendations	280
Mining SWIA	Executive summary and recommendations (Burmese)	167
BRIEFING PAPERS		
Children	English	254
	Myanmar	30
Discrimination	English	259
	Myanmar	108
Indigenous Peoples	English	1246
	Myanmar	662
PWINT THIT SA/TRANSPARENCY IN MYANMAR ENTERPRISES		
Pwint Thit Sa 2014		1433
Pwint Thit Sa 2015		1683
Pwint Thit Sa 2016		2855
Pwint Thit Sa 2018	English	969
(3 months only)	Myanmar	95