

UNITED NATIONS GLOBAL COMPACT (UNGC) – COMMUNICATION ON PROGRESS
AUGUST 2014

LETTER OF COMMITMENT FROM MANAGING DIRECTOR, AYA BANK

AYA Bank embarks on the 2nd year on the journey of being a committed organisation to the UNGC. With the opening up of the country and new developments in the country's financial sector, AYA Bank reaffirms our support to the Ten Principles of the United Nations Global Compact in the areas covering Human Rights, Labour, Environment and Anti-Corruption issues.

AYA Bank, in working towards achieving its mission to be a leading bank in the country, does not neglect the fact that it is important to work responsibly and thus embed the UNGC Principles into our bank's practices, policies and operations.

In this 2nd Communication on Progress Report, we highlight a summary of our progress in adhering to the Ten Principles during the year. Additionally, we commit to share this information with our stakeholders using our primary channels of communication.

Yours sincerely,

Phyo Aung
Managing Director
AYA Bank Limited

UNGC Principle	AYA Bank's Position	AYA Bank's Implementation & Achievements
<p>HUMAN RIGHTS</p> <p>1 - Businesses should support and respect the protection of internationally proclaimed human rights.</p> <p>2 - Make sure Businesses are not complicit in human right abuses.</p>	<ul style="list-style-type: none"> ▪ AYA Bank's commitment to respect the fundamental human rights of our employees and our customers reflects our slogan of "Your Trusted Partner" and always strive to unleash the full potential of our employees. ▪ AYA Bank practices fair employment including the right to equal opportunity and non-discrimination, and we are also committed to ensuring that all our employees receive fair treatment and respect. ▪ AYA Bank in its mission to be a leading bank in the country; strives towards creating the service accessible to every human. 	<p>AYA Bank has our own Employee Handbook detailing our employees' rights and resources within the organisation. The Employee Handbook is reviewed, revised and fine-tuned on a regular basis to ensure that we take into consideration of the organisation's growth and reflects any encountered experiences to help maintain timely and accurate provisions for the protection of stakeholders. AYA Bank's recruitment policy also stresses on fair employment and does not discriminate in employment based on gender and race.</p> <ul style="list-style-type: none"> ▪ AYA Bank stresses on the importance of equality at workplace and encourages freedom of speech and diversity in the workplace. All our employees can raise an objection or make a complaint about any incidences of human right violations towards any of their colleague. In order to facilitate such cases, the company has created a special mail box, staffcommittee@ayabank.com.mm; whereby all requests, feedback, questions and cases of grievances, if any are addressed. ▪ In adopting the UNGC principles into the Bank's business strategies, AYA Bank reaches out to schools by holding seminars on financial services and co-branding their Student Cards (issuing our ATM Cards) so that they can start saving from young and at the same time, get to contribute to the country's economy. For this year, we managed to reach out to (6) universities in the country, opening a total of almost 3000 card accounts for the tertiary students.

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<p>LABOUR STANDARDS</p> <p>3 - Businesses should uphold freedom of association and effective recognition of the right to collective bargaining.</p> <p>4 - The elimination of all forms of forced and compulsory labour.</p> <p>5 - The effective abolition of child labour.</p> <p>6 - Eliminate discrimination in respect of employment and occupation.</p>	<ul style="list-style-type: none"> ▪ More than 3,000 employees drive our business and AYA Bank fully takes responsibility to create a conducive and rewarding work environment for our employees. ▪ AYA Bank emphasizes on transparency and offers all our permanent employees with an Employment Agreement that states the terms and conditions of employment, rights and disciplinary procedures, etc. 	<ul style="list-style-type: none"> ▪ AYA Bank has (75) branches across the country, as at 12 Aug 2014, and our employees come from various backgrounds. The Bank believes in continuous improvements and provides continued Developmental programmes across the country for all our employees so that they can advance in their careers. ▪ AYA Bank also plans to establish a form of Code of Conduct on our vendors to promote human right policies, especially in our bank construction sites – to ensure that we have no instances of child or forced labour.
<p>ENVIRONMENT</p> <p>7 - Businesses should support a precautionary approach to environmental challenges.</p> <p>8 - Undertake initiatives to promote greater environmental responsibility.</p> <p>9 - Encourage the development and diffusion of environmentally friendly technologies.</p>	<ul style="list-style-type: none"> ▪ AYA Bank is committed to using innovative ways improve efficiency in the organisation and in reaching out to our customers. This also allows the organisation to reduce forms of negative impact on the environment. 	<ul style="list-style-type: none"> ▪ AYA Bank is the first bank in the country to have implemented the 1st Centralized Core Banking System in its operations – greatly reducing the use of fax machines as a means of communication, thus reducing paper usage in carrying out banking operations. ▪ As at 1 July 2014, AYA Bank after adding some modules to its current Centralized Core Banking system; is able to reduce manual ledger recording, improving efficiency by 16%.

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<p>ANTI-CORRUPTION</p> <p>10 - Businesses should work against all forms of corruption, including extortion and bribery.</p>	<ul style="list-style-type: none"> ▪ AYA Bank places a great importance to the transparency of relationship between staff, customers and third parties, in particular, to the integrity of its staff. Bribes are not accepted or solicited or mediated for a third party. Gifts may not be accepted or given in connection with the performance of work. 	<ul style="list-style-type: none"> ▪ AYA Bank creates a corporate culture based on honesty and openness. Policies and disciplinary actions with regards to corruption cases are clearly communicated to employees via standard internal communication tools. ▪ The Bank also has effective communication system in place for Complaints/ Suggestions to allow for communication between the Top Management and the Staff and also consults staff on a continuous basis. ▪ AYA Bank Corporate Affairs Team also works closely with the Management and the Internal Audit Team to carry out Flying Squad (Surprise Audits) to ensure that there are no cases of fraud or forms of corruption within the organisation at any touch point. ▪ AYA Bank has proper Guidelines and Committees to ensure increased anti-corruption efforts along the supply chain.