



UNITED NATIONS GLOBAL COMPACT (UNGC) – COMMUNICATION ON PROGRESS
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LETTER OF COMMITMENT FROM MANAGING DIRECTOR, AYA BANK

AYA Bank embarks on the 3rd 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 3rd 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 will under any circumstance, not be aiding and abetting or accessory to any form of human rights violation. AYA Bank announces its human rights policy and code of conduct and accessible at www.ayabank.com ▪ Work Place Ethic and Employee Hand Book are in place. ▪ The bank will continue to promote and advocate human rights norms and respect to fundamental human rights to our external stakeholders: customers, suppliers and partners. ▪ As the bank expand it retail network, we will excel our advocacy effort to all across nation. 	<ul style="list-style-type: none"> ▪ Human rights policy published on the www.ayabank.com ▪ A segment of human rights policy will be incorporated in the staff orientation and trainings. ▪ The bank has will encourage the suppliers to follow suit. ▪ The inspection will be conducted on supplier. ▪ The hotline has been established for human rights grievances. ▪ Delivered work place ethic, non-discrimination policy at trainings ▪ Conduct monthly review on grievance at the committee. ▪ Amend the employee hand book annually. ▪ SOP on how to deal with human rights violations has been established.
<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>	<ul style="list-style-type: none"> ▪ More than 4600 employees drive our business and AYA Bank fully takes pride in being one of the “Employers of Choice” in the country. ▪ We believe in creating a conducive and rewarding work environment for our employees. ▪ AYA Bank places importance on being transparent in our procedures and processes when catering to our 	<ul style="list-style-type: none"> ▪ With more than (120) branches as at 11 August 2015 (AYA’s 5th Anniversary) and counting, our human capital is one of the driving force in making it happen. ▪ All AYA Bank branches and Head Office units are built to ensure that we offer a conducive working environment to all our employees. ▪ AYA Bank has purchased Group Life Insurance Policies for all our employees to ensure that there is certain coverage for any incidents. ▪ AYA focuses on capacity development and we have catered to more than (70) capacity development programmes across our staff at all levels to ensure our staff development.

<p>6 - Eliminate discrimination in respect of employment and occupation.</p>	<p>employees.</p>	<ul style="list-style-type: none"> ▪ AYA Bank is also continuously improving our Policies to ensure we are able to have clear and transparent guidelines. We have also come up with a revised Employee Handbook with new rules and regulations, revised staff benefits, etc, so as to ensure that all our employees are aware. ▪ AYA Bank has internal Human Rights policy and also checks our vendors to ensure that they also follow our terms and conditions, such as Anti-Corruption, No Child Labour Policies.
<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 recognizes, understood and place emphasis on the environmental impact causes by the rapid growth of businesses and industries. The AYA Bank actively promotes the rules and norms with objective of reducing the negative impacts on the environment internally, as well as to the stakeholders. ▪ The banking and financial business rarely cause direct environmental degradation to large extend. We aim to reduce it further. ▪ All AYA Bank suppliers and vendors have to sign a mandatory SCP agreement prior to entering any form of business relationship. Within this SCP, the Supplier Code of Conduct serves as a controlling mechanism to prevent and reduce negative environmental impact. ▪ AYA Bank has amended and 	<ul style="list-style-type: none"> ▪ To utilize solar energy generated ATM all across the nation/ The AYA Bank has conceptual plan to utilize the solar energy to power our ATMs all across the nation. (Future Plan) ▪ The monitoring mechanism is installed, to enforce the rules and regulations on environmental impact. The Corporate Affairs is acting as a lead department. ▪ The rules and regulations to reduce the negative impact in the environment are being incorporated into our training programs, and staffs orientation. Similarly, such trainings and orientation will be delivered to our suppliers and vendors at no cost or encourage follow AYA' example. ▪ The unscheduled inspection visit will be made to all suppliers sites and companies, with the purpose of conducting due diligence. ▪ If there is a violation or misdemeanor, likely to cause negative environmental impact, the AYA Bank will notify a supplier or vendor to investigate. Depending on the impact, it may result in a termination of contract and discontinuation of the services. ▪ Within AYA Bank the following are mandatory: <ul style="list-style-type: none"> ▪ Double Sided Paper Printer ▪ "Think before Print" sticker on all AYA Bank printers ▪ Recycling garbage at all AYA Bank branches: Paper, Plastic, Can trash bin. (Future Plan)

	<p>implemented the rules and regulations internally to reduce the usages of paper, petrol, and other natural resources. In addition, the waste management system has been implemented.</p> <ul style="list-style-type: none"> ▪ The awareness sharing tools are in place. The AYA Bank is picking up the momentum in promoting the awareness of environmental impact to all stakeholders, partners and suppliers. 	<ul style="list-style-type: none"> ▪ Substitute plastic bag with brown paper bank in all AYA Bank branches. In order to attract customers to volunteering switch from the plastic bag to paper bag, AYA Bank will incentivize with point system. A customer who chose to use a paper bag will revive point(s), redeemable for Gift Items. ▪ The Car Pooling system will be implemented. ▪ Encourage and remind all staffs to turn off light and Air Condition units after work.
<p>ANTI-CORRUPTION 10 - Businesses should work against all forms of corruption, including extortion and bribery.</p>	<ul style="list-style-type: none"> ▪ AYA Bank included in our AYA Anti-Corruption Policy that The Reputation of AYA Bank is our greatest Asset. Under the law of Anti-Corruption 2013 by National Parliament, AYA Bank strictly against to all kind of corruptions and will take necessary action to ensure that corruption does not occur in AYA Bank’s business activities. ▪ AYA Bank declares that Anti-Corruption is wrong and has zero tolerance. ▪ AYA Bank strictly prohibits all of our employees from individual or group, direct or indirect involvement or agreement in corruption. 	<ul style="list-style-type: none"> ▪ AYA Bank has written several policies and disciplinary actions with regards to corruption such as whistle blowing policy, anti-corruption policy are clearly communicated to employees and suppliers via standard internal communication tools. ▪ AYA Bank has proper Guidelines and Committees to ensure increased anti-corruption efforts along the supply chain. ▪ AYA Bank will also raise the awareness and comprehensiveness of our employees toward anti-corruption by deploying training and case study. ▪ 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 organization at any touch point. ▪ We have internal audit team to practice regular auditing and AYA Bank has no record of irregular payment amount been found. ▪ AYA Bank is strictly monitoring the behavior of our employees and suppliers towards corruption and if any violation found, we will take necessary action according to the policies stated.

	<ul style="list-style-type: none">▪ In coming year, there will be awareness program for AYA Bank's employees and suppliers on Anti-Corruption Policy and how to handle the corruption case.	
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