

1. Human Rights

Assessment, Policy and Goals

- Yoma Bank (YB) supports the Universal Declaration of Human Rights (UDHR), International Finance Corporation's (IFC) Performance Standards, and the ten Principles of United Nations Global Compact (UNGC).
- As the Responsible Bank, it is our mission to bring responsible banking to the country with a strong emphasis on good corporate governance, environment, and social standards.
- The HR Manual and its Policies embody the fundamental conditions of service and the basic rights, duties and obligations of Yoma Bank employees.
- Our policies are as follow:
 - To treat our staff equitably at all times;
 - To reward them fairly, taking into account their individual performance, the performance of our Bank as a whole and our competitive position;
 - To communicate our business strategy to them and to seek their input;
 - To keep them apprised of proposed changes that might affect them and to discuss any such changes with them;
 - To give them every opportunity to raise any grievances they may have and to deal with these grievances in an equitable and transparent manner; and
 - To observe all the requirements of labour law.

Implementation

- YB Code of Conduct and Business Ethics provide basic guideline to all employees and is the standard that we uphold in our relationships with customers, suppliers, employees, government and regulators.
- All YB employees are required to report any suspected breach, or potential breach, of our Code of Conduct and Business Ethics. We will investigate reports and take action when necessary. We will not tolerate harassment or retaliation against anyone who seeks advice, raises a concern or reports a suspected breach. A dedicated email address, speakupyoma@gmail.com, has been created for employees to submit their reports to the Head of HR.
- YB Bullying and Harassment Policy ensures that all employees deserve an environment free from bullying and/or harassment in which to perform their duties. All employees will be expected to comply with this Policy and management will take appropriate measures to ensure that bullying and/or harassment is minimized. Appropriate disciplinary action, including dismissal for serious offences, will be taken against violators of this Policy. The Policy applies to employees both in the workplace and at professional events such as meetings, conferences and work related social events, whether on premises or offsite. The Policy applies to bullying and/or harassment not only by fellow employees but also by clients, customers or other business contacts to which an employee might reasonably expect to come into contact with in the course of his/her employment
- Employment Rules and Standards of Conduct are essential to maintain the integrity of Yoma Bank. All employees are required to familiarize themselves and follow the rules and standards faithfully in the performance of their duties. Employees who deviate from these rules and standards will be subject to corrective action, up to and including termination of employment.

Measurement of outcomes

- YB received and solved complaints through proper delegated channels

2. Labor

Assessment, Policy and Goals

- YB fully supports the International Labor Organization's (ILO) Core Convention, and IFC's Labor and Working Conditions Standards.
- Employment Contract stating the terms and conditions will be issued by HR to the new employees together with the HR Manual for reference.
- YB is in compliance with the minimum wage standards.

Implementation

- The Recruitment and Appointment policy provide equal opportunities to all employees. Each employee experiences equality of opportunity regardless of factors such as his/her religion, sexual orientation, marital status, age, family commitments, disability, creed, color or ethnic background. Selection for all positions will be based on merit, that is, on the performance, capability and suitability of the individual. Selection will take place on the basis of fair and objective selection processes.
- The Training, Development, and Career Planning policy provides training for the ongoing development of the employees. We will align training to our Bank's business needs with an innovative approach. We recognize that our employees have individual abilities and talents and YB will provide them with opportunities to realize their full potential to the extent of its capacity to do so.
- The Health and Safety Policy ensures that the health, safety and welfare of colleagues, contractors, customers and any other persons affected by our business activities are protected.
- The Attendance and Leave Policy ensures that all employees are expected to keep punctual working hours and are entitled to leave without compulsory labor.
- It is YB's Promotion Policy to appoint the most suitable employees to fill vacancies and all employees will be given every opportunity for career growth within the bank. Employees will be considered for promotion if he/she is suitably qualified and deserving of such promotion. Once promoted, staff would receive a salary increase. At any time an employee may be eligible for promotion, change of job or transfer, which would typically require a salary review.
- Employees supervisors are required to fill in Key Performance Indicator form annually, which will be reviewed by HR department for salary and promotion appraisal.

Measurement of outcomes

- YB has not received any labor related complaints

3. Environment

Assessment, Policy and Goals

- The Environmental and Social (E & S) Policy is designed to help our customers overcome the challenges of operating and competing in a climate of enhanced environmental and social responsibility. Incorporating international standards and best practices while being sensitive to the unique realities of Myanmar, the E & S Policy assists our customers to put in place more responsible practices to adapt and operate successfully in a new environment.
- The E&S Policy consists of Risk Assessment and Control Measures for Fire, Visual Display Unit (VDU), Manual Handling Work, and Office Equipment Hazard.
- The results of borrower-specific E&S due diligence and portfolio performance monitoring will be periodically aggregated and summarized for senior management of the Bank. The Environment Social Management System Officer, in coordination with Chief Compliance Officer, will prepare periodic reports on key E&S issues surrounding the Bank's portfolio.
- The E&S Policy also includes IFC Environment, Health, and Safety (EHS) Guidelines which focus on key areas of Environmental, Occupation Health and Safety (OHS), Community Health and Safety, and Construction and Decommissioning. The EHS Guidelines are technical reference documents with general and industry-specific examples of Good International Industry Practice (GIIP). It contains the performance levels and measures that are generally considered to be achievable in new facilities by existing technology at reasonable costs.
- The Bank actively seeks to minimize the adverse impacts of its lending activities on human health, the environment, workers and affected communities on a daily basis.
- IFC's *Investment/Legal Agreement(s)* requires YOMA BANK to prepare a comprehensive Annual Environmental and Social Performance Report (AEPR) describing (i) the implementation and operation of the Environmental and Social Management System (ESMS), and (ii) the environmental and social performance of the sub-borrowers/clients of the Financial Institution. This document comprises IFC's preferred format for E&S performance reporting.

Implementation

- YB will only invests in business activities that: (i) comply with all applicable environmental, health, safety, and labor laws and regulations of Myanmar and local authorities; (ii) apply technically and financially feasible resource efficiency and pollution prevention principles and techniques (i.e., GIIP) that are best suited to minimize adverse impacts on human health and the environment; and (iii) operate consistent with labor and working condition requirements of ILO Conventions.
- For loans above 1 billion kyats, risks and impact are first evaluated by a set of questionnaire (prepared by E&S). If the loans are deemed as high risk, then an external third party will be involved for further evaluation.

Measurement of outcomes

- YB limits exception list to 5% of the total portfolio.
- Our customer's ability to successfully adapt to new climate will determine whether they succeed or fail. The Bank seeks to help customers successfully manages these risks. To the extent that some of our customers may face difficulties in the future, staffs need to be aware of how best to protect the Bank from credit losses. Although E&S risk management is primarily the responsibility of our customers, we need to understand these risks to properly manage Bank exposure. It will also help protect the Bank from losses resulting from customer pollution or labor problems and from potentially larger cleanup liabilities which banks could face due to legal uncertainties in Myanmar. Accordingly, the information contained in the E&S policy is intended to incorporate E&S risk management into lending analysis and decision-making, and to help our customers establish responsible practices. We have continued to monitor and review customer business interests to ensure compliance with our E&S policy and to mitigate the risks associated with E&S

4. Anti-Corruption

Assessment, Policy and Goals

- YB Code of Conduct prohibits employees from being involved with bribery, corruption and acceptance of gifts.
- First Myanmar Investment (FMI) is a public company and the parent company of YB. Therefore, YB has a high level of transparency and operates ethically and has zero tolerance for corruption, bribery and extortion.

Implementation

- In assessing YB's Money Laundering and Financing of Terrorism Program, we have consulted Transparency International Corruption Perceptions Index (2014)
- The Bribe and Corruption Policy in HR Manual also states that YB does not tolerate any form of bribery or corruption. We do not accept or grant any improper advantages (inducements) of any kind, irrespective of whether the person offering or demanding such advantage is working in the public or private sector or given in good faith (such as after the event). We are careful in our selection of business partners, advisors, intermediaries and all other parties supporting us in doing business. We also ensure that such parties do not pay or accept bribes or facilitate payments within the scope of their business relationships with Yoma Bank.

Measurement of outcomes

- YB has continued to grow its Internal Audit function, along with its Audit Committee, to ensure full oversight on YB's financial controls, with particular emphasis on: (1) the integrity of internal controls and financial reporting; (2) the performance of the internal auditors; (3) the qualification and independence of external auditor; (4) the performance of internal audit function and external auditor; and (5) compliance with legal and regulatory requirements.