

NON-FINANCIAL ACTIVITIES

1. CUSTOMER HEALTH AND SAFETY

Given the nature of our banking operations, the products we offer to customers generally have a minimal adverse impact on their health and safety. Considering the ongoing COVID-19 situation, we maintained precautionary measures throughout FY 2023, including the encouragement of face mask usage, hand sanitization, and availability of leave for employees with COVID like symptoms. Throughout FY 2023, there were no recorded instances or complaints of customer injuries. To improve customer safety, security guards at our premises receive regular reminders to uphold security measures, and security cameras are routinely monitored. In the event of an accident, we promptly report it through the Bank's Operational Incident Reporting system, and necessary actions are taken in a timely manner.

2. CARING FOR THE PEOPLE AND THE ENVIRONMENT

We remained true to our dedication and supported customers in need and their seamless and safe access to financial services and solutions. As we adapt to the economic realities in the last 3 years, we placed emphasis on preserving employee well-being and productivity in the face of the pandemic and its associated impact. We ensured everyone was connected, engaged, and aligned to keep the business moving forward. Caring for our people during uncertainty is important as we tide through the difficult time together. At uab, we believe in giving back to the community we serve. Through our uab Foundation, we are committed to providing financial assistance and support to underserved and impacted communities in times of need. In our effort to protect and care for the environment, uab bank is committed to reduce the use of energy, carbon emissions, paper consumption, water discharge et al. and is moving towards optimizing its digital platform to this end. Additionally, in our lending and financing activities, we have established an exclusion list to avoid supporting sectors and activities that may have negative environmental impacts. We strive to make meaningful positive impacts on the environment and the people, and will continue to do so in the future.

3. INTERACTION WITH COMMUNITIES

Communities are one of the principal stakeholders of our business and in our materiality assessment for the Bank's sustainability, the views of the community are important. We have adopted four (4) of the seventeen (17) UN Sustainable Development Goals.

Financial Inclusion (SDG 8)	<ul style="list-style-type: none">● Enabling Homeownership Through Home Loans As of 31st March 2023, the home finance portfolio made up 4.89% of the total loan portfolio. A total of MMK 84.6 bil in home loans with 557 loan accounts were financed (compared to 292, in FY 2022).● Providing Digital Solutions uab bank's digital app (uabpay) was successfully launched in 2020 and it is being developed into a Super app, enabling Customers to conduct their business without being at the Bank branch. The following features have been developed:<ul style="list-style-type: none">- opening a digital wallet- payments to merchants through QR code- access to all bank accounts- access to all credit and prepaid cards- wallet-to-wallet and account-to-account transfers- Interbank transfers
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	<ul style="list-style-type: none"> - Bill payments - Mobile top-ups - Cardless deposits and withdrawals - Gold Investment platform <p>Apart from the uabpay app, the uabpay+ was also launched specifically targeted to agents and merchants and this app enables them to receive and reconcile payments.</p> <p>Inter-wallet operability is an on-going process and fund transfers may be made to Citizens Pay, MPT Pay and Mandalay Smart Pay.</p> <p>International Money transfers can be received from RIA Money Transfers.</p> <p>Cash deposits and withdrawals through agents (apart from bank branches) through uabpay+ was successfully developed and launched in 2022.</p> <p>uab Marketplace can be accessed directly on the uabpay app allowing consumers to shop for consumer items online.</p> <p>Digital Gold Investment feature was developed and successfully launched in March 2023 with the aim of allowing small retail investors to make investments in gold easily through a few simple steps.</p> <ul style="list-style-type: none"> ● Financial Literacy <p>During the FY 2022-2023, financial literacy outreach was continued to educate people on savings and inward remittances. This was successfully undertaken in 15 villages in the Tatkon/ Naypyidaw area, 8 villages in Kyaukpadaung area and 6 villages in the Pokkoku area.</p> <p>At each village, between 10 to 30 villagers attended the sessions and about 625 people were reached through the program.</p> <p>From April 2022 to March 2023, uab bank collaborated with the Ministry of Labour to organize Financial Literacy and Financial Inclusion educational seminars, conducting a total of 16 sessions in Yangon and 38 sessions in Mandalay. These seminars were engaged by a significant total of 29,390 attendees, contributing to their financial empowerment and inclusion.</p>
<p>Job Creation and Enterprise Development (SDG 9)</p>	<ul style="list-style-type: none"> ● Financing SMEs <p>As of 31st March 2023, SME financing accounted for 8.76% of the total loan portfolio. Within the SME financing category, 16.78% was facilitated through the JICA 2-step loan program, which offers</p>

	<p>preferential interest rates to lower borrowing costs for these SMEs.</p> <p>We provided financing to 1,286 SMEs in FY 2023 (compared to 1,180 in FY 2022) which not only enable enterprises to thrive but also create job opportunities.</p> <ul style="list-style-type: none"> Developing Products For Cash Flow Management Supply Chain Financing product has been launched enabling customers to discount their invoices whilst waiting to receive payments from buyers. A Cash Management solution is presently being developed. Payable Finance Solution and Receivable Discounting Solution are the products offered to both Buyers and Suppliers with the opportunity to improve and protect their working capital. Opening New Bank Branches To Improve Access To Financial Services As of 31st March 2023, the Bank expanded its activities by opening 5 new branches in the following regions: <ul style="list-style-type: none"> - Shwe Bo - Myeik - Kale - Mawlamyine - Thanlyin uab bank's branch network reached a total of 83 branches in FY 2023. This growth in the Bank's branch network highlights our diligence to provide accessible financial services across multiple locations nationwide in Myanmar. The bank plans to open 24 new branches in the upcoming financial year.
<p>Training and Talent Management (SDG 4)</p>	<ul style="list-style-type: none"> Regular Training To Employees For FY ending 31st March 2023, a total of 60,596 man-hours of training was conducted. Trainee Schemes During the FY 2022-2023, 65 new Relationship Bankers were onboarded and trained for skills in Sales and Banking services. Scholarship and Bursary Support For Children of Employees Providing Internship Opportunities For Students In FY 2023, a total of 23 students were provided with valuable work experience through internships, and 17 were interned in FY 2022.
<p>Customer Satisfaction (SDG 3)</p>	<ul style="list-style-type: none"> Appropriate and Suitable Products Developing Bancassurance

	<p>uab bank has partnered with Manulife to offer life insurance protection through the Bank's bancassurance product. This is with effect from January 2021. As a 2nd phase, the Bank is finalizing the negotiation with a General Insurance provider to offer general insurance products through a bancassurance scheme.</p> <p>As at March 2023, bancassurance products offered by the partnership includes:</p> <ul style="list-style-type: none"> - Manulife Education Life - Manulife Protector - Manulife Credit Life Protector - Manulife Critical Illness Care <ul style="list-style-type: none"> ● Transparency The GRI and SASB Index has been successfully published by the Bank. The Bank's Annual Reports and Sustainability Reports are now publicly available on the Bank's website. The Bank also has voluntarily subscribed for Pwint Thit Sa (Transparency in Myanmar Enterprises) reviews conducted by the Myanmar Center for Responsible Business to ensure transparency. uab bank received 1st place ranking at the 2020 Pwint Thit Sa Report. Again in 2022, the bank was ranked No.1 amongst Myanmar banks and No. 2 amongst 271 Myanmar companies that were reviewed. ● ESG Policy
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Moreover, in December 2017, uab bank initiated the "Be The Change Myanmar" program, and in 2020, established the **uab Foundation** to launch impactful CSR initiatives.

The Bank's philanthropic contributions have been reported in our section on Non-Financial KPIs and over the period from 1st April 2022 to 31st March 2023, the Bank has contributed a sum of **MMK 434 million** to this end.

4. ENVIRONMENTALLY-FRIENDLY VALUE CHAIN

At sourcing level

uab bank relies on a number of vendors to deliver the end services. The services provisioned by vendors may not be visible at the end user level however, services are essential for us in order to ensure we continue to give world class service to our customers. We understand relying on third parties exposes us to certain risks that might be contrary to our views and beliefs. Thus, to ensure, values and beliefs of the vendors are aligned with our values and belief, uab bank has adopted Vendor Code of Conduct. Vendor Code of Conduct requires vendors to have policies and mitigating measures for negative environmental impacts from their operations, products and services. Vendors are also subject to the Bank's Code of Conduct.

At the bank level

uab bank is committed to reduce the use of energy, carbon emissions, water discharge et al. Reducing paper consumption is a major project and the bank is moving towards optimizing its digital platform to this end. Our energy, carbon emission and water discharge numbers have been reported in the Nonfinancial KPIs above.

At customer level

As the Bank primarily engages in lending activities, we recognize that some customer activities may have negative environmental impacts. To strengthen our commitment towards sustainability, we have implemented an **EXCLUSION LIST**, which lists down sectors that do not fit our beliefs and values. By excluding these sectors from our lending and financing activities, we aim to minimize the negative environmental impacts associated with them. The following are the list of sectors that have been listed in **exclusion list**:

- Production, trading and maintenance of weapons and munitions of any kind
- Trade in or unauthorized catching of wildlife or wildlife products
- Production or trade in any product or activity deemed illegal under Myanmar laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances.
- Hunting marine mammals and shark finning
- Using of dynamite and poison in fishery practices
- Activities involving harmful or exploitative forms of forced labour or harmful child labour
- Activities involving people smuggling of any kind

By delineating these sectors in our exclusion list, we ensure that our lending and financing activities are in line with our commitment to sustainability and responsible banking practices.

5. SUPPLIER/CONTRACTOR SELECTION AND CRITERIA

uab bank's **Vendor Code of Conduct** describes the uab banks' expectations of how its vendors conduct the business. All the vendors (including subcontractors) who provide products and/or services are expected to act in accordance with the Code. uab bank assesses the prospective Vendors against their compliance with our Codes before they are selected to provision services/products to the Bank. uab bank has circulated the Vendor Code of Conduct to all the vendors.

The Bank's "**Basic Procurement Guidelines**" sets the procedures for vendor selection when a purchase order is required to be issued and it provides the Bank's Management the assurance that due care has been taken for each order made.

Due to the nature of the activity conducted, a major portion of the Bank's sourcing cost is directed towards stationery. We lay emphasis on sourcing locally and encourage small and medium enterprises. Out of 150 vendors (as of 31st March 2022), who are currently associated with us, 90% of them are small or medium enterprises. Further, **Anti-Bribery and Corruption Policy, Gift Guidelines** have been formulated and rigorously implemented to ensure transparency during the vendor selection process.

Incidents of non-compliance to Codes and Policies involving vendors and suppliers are reported via the **Operational Incident Reporting mechanism** (see Item 7).

6. ETHICS AND INTEGRITY

The Board has established a Code of Conduct, setting out the standards of behavior that are expected of all employees of uab as well as the Board in terms of engagement with customers, business associates, regulators, colleagues and other stakeholders. Further, the Code of Conduct provides guidance in areas where employees may need to make personal and ethical decisions. In addition to providing guidance, the Code of Conduct makes references to specific Group Policies and Procedures relating to conflicts of interest, bribery, corruption, money laundering/counter-financing of terrorism, customer management, whistle blowing and fraud management.

The risk and compliance culture is also driven by a strong tone from the top which serves as the foundation upon which robust enterprise wide risk management structure and governance are built. This is to ingrain the expected values and

principles of conduct that shape the behavior and attitude of employees at all levels of business and activity across the Group. Risk management is a core responsibility of the respective businesses and operating units. More so, it is the responsibility of every employee.

For the uab bank's Code of Ethics, please visit:

<https://www.uab.com.mm/governance/code-of-ethics>

Key policies adopted by the Bank include:

- Code of Ethics
- Whistle Blowing Policy
- Conflict of Interest Policy
- Anti-Bribery and Corruption Policy
- Anti-Money Laundering Policy
- Human Resources Policy
- Corporate Governance Framework & Policy
- Gift Guidelines
- Dividend Policy

Details on each of our governing policies can be found on our website:

<https://www.uab.com.mm/governance/governing-policies>

7. OPERATIONAL INCIDENT REPORTING MECHANISM

During FY 2023, the Bank's Disciplinary Committee addressed **33 cases** involving disciplinary actions resulting from complaints and violations of the Code of Ethics and other Bank policies.

Our Approach to Monitoring and Reporting Incidents, Complaints, and Policy Breaches:

- Compliance Officers are designated at all branches and head office departments. Their responsibilities encompass monitoring and adherence to all Bank policies and procedures.
- The Bank has implemented an Incident Reporting process, aligning with the recommendations of the Basel Standards. This process mandates that Compliance Officers and Section Heads report all operational incidents and policy breaches to the Risk & Compliance Department and Operations Department at Head Office within 24 hours. Incidents are then subsequently escalated to the relevant supervisors.
- In addition, the Bank provides various channels to receive complaints from customers and stakeholders, including the
 - Call Centre
 - Email: info@uab.com.mm
 - Facebook Messenger
 - Branch counters, and
 - Whistleblowing email wb@uab.com.mm or SMS on 09880911271
- Each incident reported through these channels is captured within the Incident Reporting mechanism.
- Reported incidents are escalated to the relevant supervisors, and if they involve breaches of the Code of Ethics or misconduct, they are handled by the Disciplinary Committee.
- The Risk & Compliance Department, through the Bank's Compliance Officer, reports all incidents to the Management Committee and the Board Risk Committee. The closure of all reported incidents is also monitored.
- Employees are encouraged to report incidents through open communication channels to their supervisors, department heads, or Human Resources Business Partners.
- The Bank ensures confidentiality and provides whistleblowing protection to employees in accordance with the Whistleblower Protection Policy.

What happens after reporting a concern?

Incident reports are reviewed and analysed by the Compliance Team. If there is a legal or policy violation, then the person is reported to Human Resources Department for review by the Disciplinary Committee. The Disciplinary Committee may request the Internal Audit Team to further investigate the matter if further analysis or evidence is required. Breaches of the Code of Ethics or Bank Policy may also be found during the course of an internal audit and these may also be reported by the Internal Audit Team directly to the Human Resources Department. These matters will also be assessed by the Disciplinary Committee. The person who breaches the Code or Policies of the Bank is subject to appropriate discipline, which may include termination of employment, forfeiture of benefits and/or legal action by way of civil/criminal prosecution.

How do we implement the Code of Ethics?

Implementation of the Code in the day-to-day business of the Bank is made by the following means:

- All new hires will receive a copy of the Code and must receive training on this Code during their Orientation and onboarding programme.
- All the employees, officers and directors may receive training on this Code and refresher reminders are made at Town Halls and refresher sessions.
- The latest issue of the Code is available on the Bank's website and on our SharePoint intranet
- Where there is an update to the Code of Conduct, it must be issued to all employees by way of office letters, emails and uabian Facebook Community posting.
- The Compliance Officer together with the Head of Human Resources will review the effectiveness and relevance of this Code yearly. The conclusions will be shared and reviewed with the Management Committee and shared with the Board of Directors.

Any breach of the Code will result in disciplinary action.

8. ANTI-CORRUPTION PROGRAMMES AND PROCEDURES

The Anti-Bribery and Corruption Policy has been devised and implemented by uab bank, encompassing all activities of the Bank, its subsidiaries, and third-party service providers. With our strong commitment to **ZERO TOLERANCE** for corruption, we have taken the following steps:

- Raised awareness about these issues in various forums, highlighting their potential impact on the reputation of uab bank.
- Circulated the Anti-Bribery and Corruption Policy and Gift Guidelines to all employees.
- Developed and implemented a Conflict of Interest Policy.
- Established a reporting mechanism, including the implementation of a Whistleblower reporting channel.

Training and awareness programs on the Anti-Bribery and Corruption Policy are conducted during orientation sessions and various training sessions organized by the Bank.

Reports of incidences are made through the **Operational Incident Reporting mechanism** (see Item 7).

9. CREDITOR'S RIGHTS

uab bank's Code of Conduct mandates conducting all business dealings in a fair and equitable manner.

The Bank endorses integrity in its operations and establishes a transparent information disclosure system that treats all creditors equally and without discrimination. By providing comprehensive information through channels such as the

Bank's annual reports, website, social media platforms, agreements, statutory reports, and brochures, the Bank ensures that creditors have access to relevant information to make objective decisions.

To safeguard creditor rights, the Bank enters into agreements with both parties, ensuring contractual compliance and performance of its obligations to prevent any potential loss or inconvenience. The Bank is careful to ensure that creditor's rights are fulfilled, and trust is maintained.

All complaints from Creditors and incidences are reported via the **Operational Incident Reporting mechanism** (see Item 7 below).

10. CENTRAL BANK OF MYANMAR DIRECTIVES

uab bank strives to fulfill all requirements outlined in the Financial Institutions Law and directives issued by the Central Bank of Myanmar. In cases where a stipulation or directive cannot be met, the Bank communicates with the Central Bank, requesting either a waiver or additional time for compliance.

Furthermore, the Bank undergoes inspections conducted by the Central Bank of Myanmar, and the findings of these inspections and audits are reported to the Bank's Board of Directors. Management provides responses and proposals for rectification in response to these findings.

Both external auditors and internal auditors report on the Bank's compliance with laws and regulations, with their findings also reported to the Board of Directors.

To ensure transparency, the Bank submits daily, weekly, monthly, quarterly, semi-annual, and annual statistical reports to the Central Bank, providing an overview of its compliance level.

The financial statements of the Bank are published on its website, allowing stakeholders to access and review them.