

Reporting and Self-Assessment Template

The following table sets out the reporting and self-assessment requirements for Signatories of the Principles for Responsible Banking. Signatory banks need to report on their implementation of the Principles the first time within the latest 18 months after signing and annually thereafter (in line with their annual reporting cycle).

How to use this template?

This template does NOT require your bank to produce an additional report. Rather, this template is designed for your bank to provide references/links to where in your existing reporting/public domains the required information can be found. The aim is to keep the additional reporting burden to a minimum while ensuring transparency and accountability as set out in Principle 6.

Within this reporting template, there are six areas for self-assessment that are key to showing that your bank is fulfilling its commitments as a signatory of the Principles for Responsible Banking. They are **highlighted**.

1. Impact Analysis
2. Target Setting
3. Plans for Target Implementation and Monitoring
4. Progress on Implementing Targets
5. Governance Structure for Implementation of the Principles
6. Progress on Implementing the Principles for Responsible Banking

Only for these six **highlighted** items, it is required that:

- a) An assurer provides limited assurance of your self-assessment. You can do this by including it in your existing assured reporting. Where third-party assurance is not feasible, an independent review may be conducted.
- b) You provide your bank's conclusion/statement if it has fulfilled the respective requirements.

Accommodating different starting points:

Banks have different starting points and operate in different contexts. Your bank may not be able to provide all information required in this template the first time you report. That is fine. Your bank has up to four years from signing to bring its reporting fully in line with the requirements. Feedback, support and peer learning are available to all signatory banks to help them progress with both implementation and reporting.

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/ Link(s) to bank's full response/ relevant information
<p>Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement, and relevant national and regional frameworks.</p>		
<p>1.1 <i>Describe</i> (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>Maha was founded as a subsidiary of Myanma Awba Group, one of the largest agricultural input distributors in the country currently serving approximately 3.5 million farming families. The MFI builds on Myanma Awba's established input-credit offering, strong brand recognition, and customer loyalty to address the significant and growing demand for financial services and the market constraints on traditional models. Its model is built on the following principles;</p>	<p>Maha Impact Report pg. 14</p>

	<p>A hub and poke institutional structure at Maha enable decentralized decision making through a network of hubs in rural areas. Paperless model through an integrated core banking system using tablets Efficient risk mitigation with a digitized credit scoring model Over 200 loan subtypes customized to the need of our clients Disbursement and repayment based on our in-house seasonal calendar to allow our farmers' maximum advantage</p>	
<p>1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>How Maha addresses SDG 1 No Poverty;</p> <p>The microfinance nature of Maha contributes to the SDG goal of No Poverty. Maha has contributed to the improved consumption expenditure of our customers, which indicates improved income.</p>	<p>Maha Impact Report pg. 26, 39-47</p> <p>Maha Recycling Initiative Pg. 35</p> <p>Maha Mangrove Initiative Pg. 36</p>

	<p>We also have fintech solutions embedded into this goal. Thus, we look at wellness indicators for MFI-clients and non-MFI clients to highlight the benefits of access to microfinance and fintech. Microfinance is widely seen as a key development tool to promote financial inclusion and alleviate Myanmar. Maha aims to serve this goal with its 100% rural portfolio of which over 90% are farmers – in doing so, we wish to facilitate the upliftment of rural farmers out of poverty through agricultural assistance that is afforded by our loans.</p> <p>How Maha addresses SDG 2 Zero Hunger;</p> <p>Because of Maha’s financial services, there has been improved agricultural output (in terms</p>	
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	<p>of yield per acre). We have also embedded access to fintech solutions in this goal. With our financial products helping the yields of our farmers and other clients, we actively contribute to subsistence farming and by extension the provision of food and resources vital to the well-being of these farmers. These smallholders in turn contribute to the availability of different crops, which are staples in the dietary lifestyle of Myanmar.</p> <p>How Maha addresses SDG 12 Responsible Consumption and Production;</p> <p>One of Maha's main target is recycling and the reduction of waste. Since Maha does not produce goods, we are moving towards responsible consumption with our recycling</p>	
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	<p>initiative and social performance report. We are working with Recyglo to push our recycling initiative. Recyglo provides various services for us (e.g. the measuring of the amount of waste for each recyclable waste type, keeping a record of this, performing waste audits, etc.). In short, the efforts of Recyglo combined with our own will keep us accountable for responsible consumption in general.</p>	
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Principle 2: Impact and Target Setting
We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and the environment resulting from our activities, products, and services. To this end, we will set and publish targets where we can have the most significant impacts.

<p>2.1 Impact Analysis:</p> <p>Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</p> <ol style="list-style-type: none"> Scope: The bank’s core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis. Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies. Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates. Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank’s activities and provision of products and services. (your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d)) <p>Show that building on this analysis, the bank has</p> <ul style="list-style-type: none"> Identified and disclosed its areas of most significant (potential) positive and negative impact Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts 	<p>The potential areas of negative impact are addressed through the microfinance industry initiative of Smart Campaign, “Client Protection Principles” and takes a Social Rating with uses the Social performance analysis developed by the Social Performance Task Force (SPTF). This industry gold standard highlights the positive and potential negative impact Maha may have on its clients and the mitigation strategy it has adopted. More details will be shared in the Impact report FY20/21</p>	<p>Maha Impact Report pg. 24 -25</p>
<p>Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.</p>		
<p>The yearly Impact report consists of an in-depth study to analyze the impact of Maha’s Loans on clients. Moreover, we are now certified by Smart Campaign which is the industry gold standard to assess that amicrofinance institution does not harm its clients.</p>		

2.2 Target Setting

Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services.

Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national, or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.

Show that the bank has analyzed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society’s goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.

1. Recycling Policy in collaboration with Recyglo (a local recycling company)

A key feature of this initiative is to document and collect data on waste production and recycling to address Goal 12 of the SDGs which calls for responsible consumption and production.

2. Worldview International Foundation

This initiative addressed SDG14 on life below water and includes the planting of mangroves as a target to achieving heather and sustainable ecosystems.

3. Triple bottom-line approach
The third bottom line is environmental sustainability (an addition to financial sustainability and social impact –

Maha Impact Report **pg. 31** (on target and SDG), **pg. 33** (on results of Recycling Policy), **pg. 35** mangrove planting **pg. 39-47** (on social impact)

	<p>the other two bottom-lines) Targets are mentioned Under each section as Responsibility to the client: Poverty Outreach, Client Satisfaction, and Non-Financial Services</p> <p>Responsibility to the environment: E&S Policy, Recycling, Mangrove.</p> <p>Impact Assessment which looks at the improvement in business and overall wellbeing.</p>	
<p>Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Target Setting.</p>		
<p>Maha is setting yearly social goals based on its mission and these will be reported annually in the impact report starting 2021. These goals consist of a target and indicator and are produced out of a thorough analysis of country context, client feedback through annual surveys, and the deliberation at the board level.</p>		
<p>2.3 Plans for Target Implementation and Monitoring</p> <p><i>Show that your bank has defined actions and milestones to meet the set targets.</i></p> <p><i>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</i></p>	<p>E&S Policy (Triple Bottom-Line)</p> <p>Recycling Policy</p> <p>Client Protection Principles</p> <p>Client Satisfaction</p> <p>Poverty Outreach</p> <p>Non-Financial Services</p>	<p>Maha Impact Report pg. 31</p> <p>Maha Impact Report pg. 33-35</p> <p>Maha Impact Report pg. 25</p> <p>Maha Impact Report pg.26 -28</p>

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.

Implementation and Monitoring will be overseen by the ESG Department based on the Social Goals in collaboration with other relevant departments. These will be reported to the Social Performance & Impact Assessment Committee and well as in the annual Impact Report.

2.4 Progress on Implementing Targets

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Or explain why actions could not be implemented/needed to be changed and how your bank is adapting its plan to meet its set target.

Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)

Progress on these targets at the time of time report is measured.

The next update on the progress of these targets will be shared in the Impact Report FY2021

Maha Impact Report **pg. 31**
Maha Impact Report **pg. 33-35**
Maha Impact Report **pg. 25**
Maha Impact Report **pg.26 -28**

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets

Target Setting has commenced however we are continuously working to enhance this process. Maha is approving yearly Social Goals which can be made available upon request.

Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on many programs and actions implemented (and/or planned), their scale, and, where possible, the results thereof.

Maha has been certified by Smart Campaign for Client Protection Principles which covers responsible relationship with clients and also introduced Client satisfaction surveys along with Non-financial Services

Maha Impact Report **pg. 23-28**

<p>3.2 <i>Describe</i> how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>Non-Financial Services – training on financial literacy and environmental sustainability</p>	<p>Maha Impact Report. Pg. 28</p>
<p>Principle 4: Stakeholders We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society’s goals.</p>		
<p>4.1 <i>Describe</i> which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated, or partnered with to implement these Principles and improve your bank’s impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p>	<p>Maha was founded as a subsidiary of Myanmar Awba Group. Myanmar Awba group has been responsible for approving all board decisions and providing governance support.</p> <p>Maha works with Recygro to push its recycling initiatives. Recygro. Recygro is a Yangon-based company providing environmentally friendly recycling solutions to Yangon, Myanmar.</p> <p>Worldview International Foundation to plant mangroves in Myanmar</p> <p>Creating of the Board – Level Social</p>	<p>Maha Impact Report pg. 33-36</p> <p>Board committee: https://mahamfi.com/about-us/</p>

	Performance & Impact Assessment Committee with an independent external chairperson	
<p>Principle 5: Governance & Culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking</p>		
<p>5.1 <i>Describe</i> the relevant governance structures, policies, and procedures your bank has in place/are planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p>	<p>ESG Department at the Management Level + Social Performance and Impact Assessment Committee at the Board Level.</p>	<p>https://mahamfi.com/about-us/</p>
<p>5.2 <i>Describe</i> the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures, and performance management and leadership communication, amongst others.</p>	<p>As part of Maha's philosophy and reflected in the Social Rating conducted by 3rd Party. The KPI include social goals and incentive structure is such that it promotes responsible behavior among staff members.</p>	
<p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <p>a) target-setting and actions to achieve targets set b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</p>	<p>ESG department</p> <p>In terms of the environment, the ESG department of Maha externally designs exclusion policies and write sustainable farming training for our clients. Internally, ESG</p>	<p>https://mahamfi.com/about-us/</p> <p>Maha Narrative Business Plan (FY 19-20) pg. 10</p>

	<p>organizes staff initiatives to reduce our environmental footprint. In terms of the social aspect, ESG monitors our effects on clients' lives through Impact Assessment Drop-out, and Client Satisfaction surveys, as well as testing our targets through the Progress Out of Poverty (PPI) Survey. ESG also improves our client protection procedures in line with MFI best practices. In terms of governance, ESG ensures our policies comply with the Client Protection Principles and that the process of product development puts clients' needs first at every stage. We aim to increase farmers' incomes, yields, and productivity in line with the Sustainable Development Goals (SDGs) while reducing</p>	
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	<p>our carbon footprint and helping clients adopt sustainable farming practices.</p> <p>The ESG Department is overseen by a Board Level Committee called Social Performance & Impact Assessment Committee</p>	
<p>Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</p>		
<p>We have set us a Board Committee called Social Performance & Impact Assessment Committee to oversee the implementation of Social Goals, PRB Principles, and the overall E&S bottom line.</p>		
<p>Principle 6: Transparency & Accountability We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</p>		
<p>6.1 Progress on Implementing the Principles for Responsible Banking</p> <p><i>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in a minimum of two areas (see 2.1-2.4).</i></p> <p><i>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</i></p> <p><i>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional</i></p>	<p>The Principle for Responsible Banking aligns with Maha's yearly Impact Reporting and aligns with the Social and Environmental Goals. In terms of international good practices for the sector, Maha has been certified By Smart Campaign.</p>	<p>The yearly impact report will track progress on the principles and demonstrates our progress on the principles.</p>

good practices and has made progress on its implementation of these Principles.		
Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking		

Annex: Definitions

- a. Impact: An impact is commonly understood as being a change in outcome for a stakeholder. In the context of these Principles this means (aligned with GRI definition) the effect a bank has on people/the society, the economy and the environment and with that on sustainable development. Impacts may be positive or negative, direct or indirect, actual or potential, intended or unintended, short-term or long-term.
- b. Significant Impact: Impact that in terms of scale and/or intensity/salience results in a particularly strong/relevant change in outcome for a stakeholder. In the context of these Principles, the concept of *significant* impact is used to ensure banks focus where their actions/business (can) matter most for people, economy and environment and to provide a reasonable and practical threshold for what issues need to be considered/included, similar to the concept of “materiality”.