



**THE GLOBAL COMPACT**  
HUMAN RIGHTS | LABOUR | ENVIRONMENT



**PROPOSED BY: THE UNITED NATIONS ORGANIZATION**



[www.globalcompact.org](http://www.globalcompact.org)

**Social Impact Report 2004  
Annual Report 2004**

**Statement of continuing support for the Global Compact from the Managing Director.**

"The Commercial Bank of Ceylon Limited Sri Lanka is committed to and subscribes to the United Nation's Global Compact programme. We uphold its ten principles pertaining to human rights, labour rights, protection of the environment and corporate governance. We would be able to foster sustainable growth by adhering to this core set of universal values which are fundamental in meeting the socio-economic needs of the world".



Amitha Gooneratne.  
Managing Director,  
Commercial Bank of Ceylon Ltd.,  
Sri Lanka.

**1. Human Rights**

**Principle I**

Business should support and respect the protection of internationally proclaimed human rights.

**Principle II**

Business should ensure that they are not complicit in human rights abuses.

**Action taken in Respect of Principles I and II**

- i. Bank has well formulated HRM, HRD Employee Relations and Industrial Relations Policies, which stress respect for human dignity and pivotal role of Human Resources in Organizational development. [View Policy sheets >>](#)
- ii. Corporate Strategies revolve around these policy statements.
- iii. A code on "Sexual Harassment is now in force"

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**2. Labour**

**Principle III**

Business should uphold the freedom of Association and the effective recognition of the right to collective bargaining.

**Action taken**

- i. In recognition of our superior HRM standards, our Bank was rated as "the Winner of the overall NATIONAL HRM AWARD - Large Services Sector" and "the Winner of the NATIONAL HRM AWARD FOR MOST INNOVATIVE HR PRACTICE - Large Services Sector" which reflects, among other things, our adherence to ILO Standards and our

impressive IR record.

- ii. Presently, there are three Associations / Unions within the Bank, which are represented by both non executive and executive staff. The Bank has an IR Policy and deals with the unions on the basis of mutual reciprocity.
- iii. The Bank collectively bargain and sign three collective Agreements with Ceylon Bank Employees Union every three years in respect of various categories of staff. (Collective agreement covering non executive grades in the Bank for the period of 2003 – 2006 has already been signed.)
- iv. There is no discrimination on grounds of holding membership and involvement in the union in the career progression, which is purely done on merit.
- v. We have embarked on an initiative of "Workplace Cooperation" with the three Trade Unions under the guidance of the ILO and Employers' Federation of Ceylon. Already a mechanism has been worked out enabling a group of representatives from the three Associations/ Unions and the Management to engage in joint initiatives towards promoting common interests.

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#### Principle IV

Business should support the elimination of all forms of forced and compulsory labour.

#### Action taken

- i. All labour is voluntary and out of free will.
- ii. In respect of non executive staff, terms and conditions of employment are negotiated and agreed upon every three years while for executive staff, regular review is being undertaken in respect of their terms and conditions of employment in line with market trends.
- iii. Bank has a well established Counselling Mechanism to assist employees (we have 21 Employee Counsellors) and also Grievance Handling Procedure setting out a process to resolve employee grievances.
- iv. In respect of outsourced staff, rates are based on market rates. An outsourcing unit has been formed to ensure that the controlling agency pays all statutory and other dues to them.

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#### Principle V

Business should support the effective abolition of child labour.

#### Action taken

- i. Minimum age limits are specified and in any event is not less than 18 years.

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#### Principle VI

Business should support the elimination of discrimination in respect of employment and occupation.

#### Action taken

- i. It is specifically stated in the Employee Guide Book that the Bank does not discriminate on ground of sex, race, ethnicity or disability. etc.
- ii. All business decisions are taken strictly on business imperatives and merit.
- iii. Our Bank is a party to the "Employer Network on Disability" which explores job opportunities in the private sector for disabled persons. This initiative is supported by the ILO and Motivation Lanka (an NGO supported by USAID). Under this initiative, the Bank employed 6 disabled persons during year 2004.

### 3. Environment

#### Principle VII

Business should support a precautionary approach to environmental challenges.

#### Action taken

- i. The Bank also falls in line with national or municipal laws or by laws dealing with environment, health and safety, in its dealings with employees, customers and general public.
  - ii. All project lending facilities are undertaken only if they satisfy "Environment Impact Assessment" studies.
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#### Principle VIII

Business should undertake initiatives to promote greater environmental responsibility.

#### Action taken

- i. The Bank has completed re-constructing three tanks in the North-Central Province under the "Dahasak Wew" Irrigation Tank Development Project. This was implemented with the objective of enhancing productivity in the agricultural sector, whilst preserving the environment. A fourth tank in the Anuradhapura District is still under re-construction. (This project includes awareness building programmes among the folks living in these areas on how to avoid polluting the Tank)
- ii. Sponsored awareness building programmes on "Marine Pollution" among the people living in coastal areas, by way of Poster campaigns and Art Competitions.
- iii. Sponsored the "Safety Bottle Lamp Project" which was launched recently in Sri Lanka.
- iv. The Bank has launched a Waste Paper Management Project in order to protect the environment. All waste paper material are collected & sent for recycling and arrangements are been made to purchase selected recycled paper items from the recycling company.

[For more Social Responsibility Details >>](#)

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#### Principle IX

Business should support encourage the development and diffusion of environmentally friendly technologies.

#### Action taken

- i. Environmentally friendly technologies are used and promoted in our own building projects
  - ii. Particular emphasis is also given for this aspect when granting credit facilities for large scale projects.
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#### Principle X

Businesses should work against corruption in all its forms, including extortion and bribery.

#### Action taken

- i. Bank believes in Good Corporate Governance.

- [Corporate Governance Statement in Annual Report 2004](#)
- [Corporate Governance Statement in Annual Report 2003](#)



Joint first runner up in the Corporate Social Responsibility award 2004 organised by the Institute of Chartered Accountants of Sri Lanka (ICASL).

- Second runner up in the Inaugural Corporate Social Responsibility award (2003) organised by the Institute of Chartered Accountants of Sri Lanka (ICASL).
- Corporate Governance Disclosures Award - 2002
- Corporate Governance Disclosures Award - 2001

- ii. Adherence to Business Ethics stressed. Bank has a Code of Ethics which is strictly adhered to. ( Every employee has been provided with an Employee Guide which has a Chapter on "[Code of Ethics](#)" ).

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