



CO-OPERATIVE BANK LTD.

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Statement of continued support for the UN Global Compact

Dear stakeholders,

It is my honor and great privilege to inform that CB Bank is committed to support the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

Our "Communication on Progress (COP)" report lay out how we have proudly integrated our process and procedures with Global Compact Principles. We have worked rigorously to corporate its principles into our Core Mission, Vision, business strategy as well as our daily operations. Furthermore, we have focused our effort into education and training while having grievance procedures in place for every aspect of our operations.

We have made this commitment not only to ourselves at CB Bank but also try to assist and facilitate our vendors and supplier to get onboard with UNGC initiative. We will regularly make progress report to share how we have maintained and expand our commitment to support the Ten Principles of the UNGC.

Yours sincerely,

Kyaw Lynn

Executive Vice Chairman & CEO

CB Bank

28.2.2018

Our Journey

CSR, Implementation, and Campaigns

In 2017, CB Bank was actively involved in Sponsoring/fundraising for various organization and events related to wellness, migrant workers, AIDS, and disability. To celebrate our 25th anniversary, we have organized blood donation drive, growing trees, and donation at prison, hospital and school for the blind. Our other notable campaigns include reducing paper usage through our awareness for the paper usage banner incorporated in all the Bank's emails.

We have continuously accessed our policies and adherence to UN's ten principles as well as consistently implemented procedures and campaigns to promote the principles whenever possible.

Our Diverse Workplace

Female Empowerment, Non-discrimination against disability

As of February 2018, CB Bank employs over 8000 employees from across the country. While the **overall** gender ratio is around **48 percent Male and 52 percent female**, in higher positions, the number of female staffs constitute almost twice the number of males. For **mid management**, the ratio stands as **34 percent Male and 66 percent female**. For **senior management**, the ratio is **37 percent male and 63 percent female**.

CB Bank has also started recruiting disabled employees into our workforce as part of our mission to promote inclusion in the workplace and provide equal opportunity for all. We have partnered with AAR (Association for Aid and Relief Japan) to employ employees with disability.

Human Rights

Assessment, Policy and Goals

CB Bank strongly believes in protecting and supporting internationally proclaimed human right and ensuring that we are not complicit in any form of human right abuses.

It is our policy to ensure that all our employees, business partners, vendors and suppliers respect the fundamental human rights standards. CB Bank will not be aiding and abetting or act as an accessory to any form of Human right violations and abuses. We will strive to corporate responsible banking with good corporate governance, environment and social standards.

Our Goal is –

- To continue conducting due diligence for our suppliers, merchants and business partners.
- To incorporate feedbacks from related communities as our corporation grow.
- To protect the human rights and give equal opportunities of all our employees
- To Investigate all alleged violation and take appropriate corrective action(s)

Implementation

- We have published our human rights policy on our corporate website, and it is part of employee orientation and training.
- We have strongly encouraged our supplier and partner to adapt our policy and share the best practice process and procedure with them regularly.
- The bank will create the human rights awareness program for the suppliers and conduct inspection on our supplier for their compliance.
- We will circulate internal human rights memo to serve as reminder to all departments

- We will update and amend the human rights policy and whistle blower policy as necessary.
- We will establish process and procedure around human rights grievances and how to take swift against alleged violation.
- We will increase financial inclusion efforts by expanding our network and introducing new affordable banking tools to the underprivileged

Measurement of outcomes

- All CB Bank employees are required to familiarize themselves with Human right policy and report any suspected human right violations through proper channel.
- The bank will conduct regular inspection to our suppliers to measure how they respect and protect human rights and how much they have incorporated CB Bank policy.
- CB Bank conducts regular review of Human right grievance at management meeting.
- Our Internal audit will regularly perform observation and perform anonymous interviews to access Human Rights implementations

Labor

Assessment, Policy and Goals

With around 8000 staffs as of February 2018, CB Bank ensures to comply with Myanmar Labor law and international employment standards. CB Bank is well positioned to create customer-oriented workplace with emphasis on teamwork and collaboration by our employee. We have an open-door policy between management and staff while focusing on transparent policy around hiring practices and Human Resource Management. All employees at CB Bank work toward efficient banking experience for customer by being a family-oriented corporation.

It is our policy

- To uphold freedom of association and respect the right to collective bargaining
- To eliminate any form of discrimination against disability, gender, marital status, age, religion, sexual orientation, political beliefs.
- To provide hazard free work environment and open-door policy regarding workplace abuses
- To eliminate forced and compulsory labor
- To eliminate child labor
- To establish the zero-tolerance policy on workplace harassment and eliminate nepotism
- To establish equal opportunity for all employee without bias toward disability, gender, marital status, age, religion, sexual orientation, political beliefs
- To establish comprehensive HR policy based on sound economic and best international practice including maternity leave and bereavement leave

Our most valued assets are our employees and this human capital is the major driving force for our success in the business. We consider our employee as family and effectively strive to create fun and rewarding work environment. Our goal is to form hassle-free work environment with respect to international labor standards and Myanmar labor laws through best HR practices.

Implementation

CB Bank's labor policies are well published and part of the employee orientation. Our employee handbook includes employee right and responsibility, compensation and benefit, and other social and welfare assistance policy.

CB Bank's comprehensive employees benefit cover much more beyond what required by Myanmar labor laws. We have purchased Group Life insurance policy for all employee and they also have access to discounted insurance products. We have created fund to assist employee on need basis such as financial assistance for expecting mother and students. We have also established venue to promote teamwork and family culture by having social fund for event such as wedding gifts and employee social events.

CB Bank heavily focuses on training and regular training are conducted for all level of CB Bank employee. We also encourage and send our staff to both internal and external training courses.

We have successfully eliminated the child employment and developed strict hiring policy to avoid recruiting of underage staff. We regularly educate our partner and vendor to avoid using child labor and have firm policy in place not to associate with supplier who cannot comply with our labor policy.

Our new initiatives for 2018 include:

- Emergency First Aid kit for every department
- Over the counter medicines for employees
- Give more training to promote safety and workplace security
 - First aid training to security guards and other employees
 - Anti-Sexual harassment training to new recruits
 - Fire-safety, emergency evacuation training to new recruits
 - Workplace safety training to new recruits

Measurement of outcomes

We conduct regular training and communication system in place to ensure all our employees are aware of existing policies. We also conduct regular inspection to our vendor and supplier on how they comply with no-child labor and anti-discrimination policies. Our internal audit will review grievance reporting to monitor labor related grievance cases.

Environment

Assessment, Policy and Goals

As banking business is office-based customer service industry, CB Bank's carbon foot print and impact on environment is relatively minimal. Nonetheless, CB Bank is keenly aware of the important of reducing our indirect effect on environmental challenges. We strongly support and promote environmental friendly approach to our daily operation while educate and encourage our customer and supplier to adapt green technologies and less wasteful use of natural resources.

CB Bank has published very strong environment friendly policy

- To strictly monitor and reduce the electricity and water usage to minimum
- To streamline the process to reduce paper usage
- To invest energy efficient technologies and products
- To execute effective waste management system along with implement recycling policy
- To promote, educate and encourage customer to use e banking system and available technology to have less impact on environment
- To monitor and conduct inspection on business partners and suppliers of their commitment to environmental friendly approach

CB Bank primary goal for environment is to have minimum carbon foot print in our daily operation by reducing the use of paper and investing into new renewal technology. We have invested heavily into e-banking, ibanking, and streamline most of our operation to handle electronically. It has been CB Bank senior leadership ambition and goal to set example and to be industry leader in the use of green energy and efficient recycling system to reduce overall daily operation expenses.

Implementation

CB Bank is first in Myanmar to have e-saving accounts which reduce the paper usage of bank passbook for its customer. We have strict policy to use double sided printing whenever possible. We discourage printing by having reminder posted in various places such as at the end of emails and every print station. CB Bank plan to substitute plastic bag with brown recycled paper bags wherever appropriate. We have also started using bio degradable products into our daily operation as much as possible. This year, we are launching an internal campaign towards setting up various posters and signs to reduce energy consumption such as signs for using less water in restrooms, signs to turn off air conditioning and lights when not in use.

CB Bank will introduce separate waste bins for recyclable and non-recyclable waste to promote the idea of recycling. There will be special bins for water bottles, aluminum cans and recycled papers.

We have plans to invest the use of solar power for our ATM machine and branches operation wherever possible. CB Bank employee are required to turn off all non-essential power at the end of the work day while limiting the use of power to minimal during operation hours. We have planned to invest and replace water saving appliances throughout our branches.

CB Bank promotes car pool system and implements smart transportation (Routing) system for our fleets to reduce the use of diesel and gasoline. While focusing on safety and comfort of our employee, we have adapted the best practice to reduce fuel consumption. We have policy to give incentive for employees who use public transportation system and car pool system.

To raise awareness about climate change and to lessen the impact of global warming, CB Bank will invite our business partners and customers to join our regular tree planting programs.

CB Bank educates, encourages and has incentivized our business partners and loan customers to adopt the use of electronic banking system. CB Bank regularly conducts inspection on our vendors and suppliers of their compliance to our Environmental friendly policy to reduce our indirect impact to the environment.

Measurement of outcomes

CB Bank closely monitors the usage of fuel, electricity, water and paper in all the branches and offices, and review regularly. CB has policy in place to take immediate action on wasteful usage. Internal auditor will be assigned and authorized to monitor the level of waste being recycled as well as track the success of other initiatives.

Anti-corruption

Assessment, Policy and Goals

CB Bank has zero tolerance when it comes to anti-corruption policy for all CB employees, business partners and suppliers. CB Bank closely monitors all direct and indirect activities to prevent any form

of bribery, corruption and favoritism; and promptly investigate any alleged scandals from all sources of information.

It has been CB Bank unweaving strict policy against giving or receiving of bribe any of CB associate. CB Bank anti-corruption policy

- To not be directly or indirectly involved with giving or receiving bribe for any part of business transaction
- To not accept any form of gift from anyone and have procedure to report them to appropriate management body
- To conduct all business dealing with transparent and auditable procedure
- To train and refresh all Employee regularly on anti-corruption policy
- To strict enforcement of this policy apply to all of CB Bank customers, partners, supplier and vendors (direct involvement) as well as their customers, partners, suppliers and vendors (indirect involvement)

CB Bank goal is to have high level of transparency in business transaction and conduct operation ethically and have zero tolerance for corruption and extortion. CB Bank not only complies with Myanmar anti-corruption law, rule and regulation; but also adapt to higher internationally accepted standards.

Implementation

CB Bank closely monitors and audits any expense claim to prevent misuse of fund and gift giving. Internal audit team regularly examines all the business transaction to prevent any inappropriate dealing. There is a strict policy in place to prevent consultants and third-party supplier from making deal involved with unfair practice.

CB Bank has comprehensive policy in selecting vendors and suppliers; and use well established tender bidding process to award the Purchase Order or service contract. Strong audit team is in place to review and accept deliverable according to contract stipulated in timely manner.

CB Bank also have well published hiring procedure which has emphasis on objective review process to avoid corruption in hiring. Furthermore, standard performance review process is in place to ensure all employees receive fair and impartial review regularly.

CB Bank has whistle blower protection policy and established anonymous procedure to encourage reporting of issues involving bribery, corruption and extortion. CB Bank anti-corruption team investigates any alleged incidents whether it was reported or discover through other sources such as face book post or office gossip.

Measurement of outcomes

CB Bank is strictly reviewing all expense to monitor irregular payments and have procedure in place to take action swift action against it. Internal audit teams monitor and enforce the reporting of any gifts received by employee, and review regularly to ensure that they are within acceptable guideline. The internal audit will also monitor any reports of wrong doing and misconducts related to anti-corruption.