



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 lays out how we have proudly integrated our process and procedures with Global Compact Principles. We have worked rigorously to incorporate 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 for ourselves at CB Bank but also 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 expanded our commitment to support the Ten Principles of the UNGC.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'K. Lynn', with a stylized flourish at the end.

Kyaw Lynn

Executive Vice Chairman & CEO

CB Bank



Our Journey

CSR, Implementation, and Campaigns

In 2018, CB Bank was actively involved in sponsoring/fundraising for various organizations and events related to wellness, and disability. To celebrate our 26th anniversary, we have organized a blood donation drive, growing trees, and donations 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 and putting up signs around the head office for recycling awareness.

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 May 2019, CB Bank employs over 9000 employees from across the country. While the **overall** gender ratio is around **48 percent Male and 52 percent female**, in higher positions, the numbers of female staffs constitute almost twice the number of males. For **mid-management**, the ratio stands at **30 percent Male and 70 percent female**. For **senior management**, the ratio is **60 percent male and 40 percent female**.

CB Bank has also started recruiting disabled employees into our workforce as part of our mission to promote disability 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 disabilities.



During the last March, 2019, a second multi-stakeholder forum on promoting employment of persons with disabilities in Myanmar was held by ILO (international labor organization) and Myanmar Centre for Responsible Business, CB Bank was mentioned for our support to disabled in the workplace.

In April 2018, CB Bank was the main sponsor for "Nyein Chan Yay Twe Lat Myar" event "where Wheel Chair Ya Htar", disabled participants participated in the cross country ride on wheel chairs. The purpose of the event is to promote peace and to stop wars. We provided different types of support for the event including wheelchairs and cheers at our bank branches throughout the country. Participants journeyed from Kawthaung to Yangon totaling 22 cities and our branches along the route provided refreshments and warm welcome.

Human Rights

Assessment, Policy, and Goals



CB Bank strongly believes in protecting and supporting internationally proclaimed human rights and ensuring that we are not complicit in any form of human rights 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 rights violations and abuses. We strive to corporate responsible banking in line with ESG.

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 human rights and give equal opportunities for all our employees
- To Investigate all alleged violation and take appropriate corrective action(s)

Implementation

- We have published our human rights policy, and it is part of employee orientation and training.
- We have strongly encouraged our suppliers and partners to adapt our policy and share the best practice processes and procedures with them regularly.
- The bank will create human rights awareness program for the suppliers and conduct an inspection on our supplier for their compliance.
- We will update and amend the human rights policy and whistleblower policy as necessary.
- We will establish process and procedure around human rights grievances and how to take swift against alleged violations.
- We increased financial inclusion efforts by expanding our network and introducing new affordable banking tools to the underprivileged
- We will circulate an internal human rights memo to serve as a reminder to all departments

Measurement of outcomes

- All CB Bank employees are required to familiarize themselves with Human rights policy and report any suspected human right violations through proper channel.
- The bank will conduct a 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 rights grievance at a management meetings.
- Our Internal audit will regularly perform observation and perform anonymous interviews to access Human Rights implementations

Labor

Assessment, Policy, and Goals

With around 9000 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 a customer-oriented



workplace with an 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 the customer by being a family-oriented corporation.

Our policy is

- 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 a 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 a 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 banking business. We consider our employee as a family and effectively strive to create a fun and rewarding work environment. Our goal is to form a safe 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 rights and responsibility, compensation and benefit, and other social and welfare assistance policies.

CB Bank's comprehensive employee benefits cover much more beyond what required by Myanmar labor laws. We have created a fund to assist employees on need bases such as financial assistance for expecting mothers and students. We have also established a venue to promote teamwork and family culture by having a social fund for an event such as wedding gifts and employee social events.

CB Bank heavily focuses on trainings and regular trainings 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 child employment and developed a strict hiring policy to avoid recruiting of underage staff. We regularly educate our partner and vendor to avoid using child labor and have a firm policy in place not to associate with suppliers 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

CB Bank is keenly aware of the importance of reducing our indirect effect on environmental challenges. We strongly support and promote an environmental friendly approach to our daily operation while educate and encourage our customer and supplier to adopt green technologies and less wasteful use of natural resources.

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

Towards ESG

Under the four year project funded by the European Union (EU); collaborated by World Wildlife Fund (WWF), Myanmar Food Processors and Exporters Association (MFPEA) and the Savings Banks Foundation for International Cooperation (SBFIC), a new initiative named “Tha Ba Wa” is launched. The project goal is to support cleaner production practices in the F&B sector. We deployed the Green Financing project in our SME department in support of “Tha Ba Wa”.

We work closely with our Green Financing loan borrowers and assist on how to sustain and achieve their businesses’ development objectives.

Implementation

CB Bank is first in Myanmar to have e-saving accounts which reduce the paper usage of the bank passbook for its customer. We have a strict policy to use double-sided printing whenever possible. We discourage printing by having a reminder posted in various places such as at the end of emails and every print station. CB Bank plans to substitute plastic bag with brown recycled paper bags wherever



appropriate. We have also started using bio-degradable products into our daily operations as much as possible.

We have plans to invest the use of solar power for our ATM machine and branches operation wherever possible. CB Bank employees 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 a carpool system and implements a smart transportation (Routing) system for our fleets to reduce the use of diesel and gasoline. While focusing on the safety and comfort of our employee, we have adopted the best practice to reduce fuel consumption. We have a policy to give incentive for employees who use public transportation system and carpool 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 the electronic banking system. CB Bank regularly conducts an inspection on our vendors and suppliers of their compliance with 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 a policy in place to take immediate action on wasteful usage. The 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 a gift from anyone and have a procedure to report them to the 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 a 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 funds 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 suppliers from making deal involved with the unfair practice.

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

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

CB Bank has a whistleblower protection policy and established an 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 Facebook post or office gossip.

Measurement of outcomes

CB Bank is strictly reviewing all expenses to monitor irregular payments and has a procedure in place to take action swift action against it. Internal audit teams monitor and enforce the reporting of any gifts received by an employee, and review regularly to ensure that they are within the acceptable guidelines. The internal audit will also monitor any reports of wrongdoing and misconduct related to anti-corruption.