

NTUC Income Insurance Co-operative Ltd

UN Global Compact Communication on Progress for Years 2011 - 2012

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Country : Singapore

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Number of Employees : 1600 Staff + 600 independent representing Financial Consultants

Sector : Financial Services

Nature of Business : Insurance, Financial Services & Planning

STATEMENT OF CONTINUED SUPPORT

The NTUC Income Insurance Co-operative Limited is a social enterprise established by the Labour Movement to serve the people of Singapore. NTUC Income takes our role as corporate citizen seriously and wholeheartedly embraces the 10 principles of the UN Global Compact in our business policies. Our board and management fully support our actions and commitment related to the protection of human rights, good labour practices, sustainable decisions for the future of the environment, and the fight against bribery and corruption, and endorses the future priorities and specific targets we set out in our report.

Our effort and progress on these principles are summarised in the report and we are committed to following them up with continued improvement for the future.



Lynette Ang

Senior Vice-President
Corporate Social Responsibility

1 October 2012

Human Rights Principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses (For more information on the principles, click here)

Assessment, Policy and Goals

Description of the relevance of human rights for the company (i.e. human rights risk-assessment). Description of policies, public commitments and company goals on Human Rights.

EMPLOYMENT OVERVIEW

NTUC Income has accepted Singapore's Ministry of Manpower's stand on human rights and is committed to uphold it. We have been committed to treat all employees with dignity and respect. No employee/potential employee will be discriminated against due to race, language, religion, (dis)abilities, citizenship. Employment will be based on merit and one's ability to undertake the requirements of the job s/he is employed for.

Implementation

Description of concrete actions to implement Human Rights policies, reduce Human Rights risks and respond to Human Rights violations.

Workplace Safety and Risk Management

- NTUC Income has been implementing Risk Management throughout the company with the setup of the Risk Management Committee and work groups. Section leaders of each section have been trained to assess risks in the workplace as well as design crisis management plans.
- The right to a working in a safe environment are taught.
- The building and facilities management team regularly assess the workplace for safety and work stations are designed with fire safety considerations.
- Labour law and grievance processes have been set in place with the Collective Agreement (see Labour Principles below.)

Non discrimination for employment, fair work and pay

- Pay and Work: Fair pay and work issues are addressed in the Collective Agreement
- Employment is based on merit and their ability to do the job now. No person will be discriminated on language, race, religion, gender, disabilities.

Embracing Diversity

NTUC Income supports and implements HR policies aligned with Singapore's prevailing employment legislations. These policies explicitly support the respect for nationality, religion, ethnicity, volunteerism, and community engagement.

A brief description of our Processes or Systems

- We have implemented early release for staff celebrating one or more of the 4 cultural holidays for Singapore's main ethnic groups – Chinese New Year, Hari Raya Puasa, Deepavali and Christmas.
- The groups celebrating these holidays will also be given festive advance of their salary, eg. Muslims celebrating Hari Raya Puasa or Hindus celebrating Deepavali
- During the fasting month of Ramadan, special work arrangements are made for our Muslim staff.
- A flexible benefit system is set in place to provide subsidies for a range of activities to promote healthy lifestyle, eg. gym membership, medical screening.
- 4 days of Family Care Leave can be applied on top of one's annual leave in order to care for family

members who are ill.

- 3 days of paid Volunteerism Leave can be given to staff who volunteer with approved charity organisations.

Community Development – the Right to Equal Opportunity

NTUC Income set up OrangeAid as its Social Responsibility Community Development Initiative. OrangeAid was established in 2010 as NTUC Income's flagship vehicle to Do Good. Its focus is on children and youth from disadvantaged backgrounds in Singapore between 1 and 35 years old. Even in an advanced affluent city state like Singapore, we know that there are those who are left behind. OrangeAid aims to empower these children and youth by supporting programmes that equalise opportunities and enhance their social mobility.

OrangeAid places emphasis on programmes related to skills and knowledge enhancement that develop children and youth into emotionally and economically confident individuals. We are particularly interested in early remediation and education programmes for children. We believe that the earlier the intervention, the greater impact on the child's progression and ability to get ahead. This includes, but is not limited to, programmes such as:

- Helping children at risk of literacy delays or with learning difficulties;
- Providing entrepreneurial and technological knowledge and skills, and vocational training programmes to improve social mobility; and
- Equipping caregivers and youth workers with knowledge and skills to professionalise caregiving.

NTUC Income pools our annual financial contribution and generates one-time and regular donations, big and small to collectively form a large fund.

Apart from fund-raising, NTUC Income recognises the importance of encouraging our staff to share our social purpose in a personal way; to share our skills and talents in service to others, especially, to the children and youth of our adopted charities under OrangeAid.

Measurement of outcomes

Description of how the company monitors and evaluates performance.

Workplace Health and Safety

- The Workplace health and Safety plans and design are presently very new and the plans have just been completed. Coaching and training/dissemination is currently underway.

Employment by Merit

- There used to be a diversity employment policy but that has been superseded by the policy of employment by Merit.

Community Development – the Right to Equal Opportunity

More children and youth lives have been impacted positively in 2012. Even more will be when OrangeAid extends its partnerships and deepens its developmental efforts. Community partners are strategically sought upstream at a younger age in order to address downstream problems faced by older children and youth.

A report on OrangeAid's inaugural year can be accessed at:

<http://www.income.com.sg/aboutus/SocialResponsibility/Report/2011.pdf>

Labour Principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation

(For more information on the principles, click here)

Assessment, Policy and Goals

Description of the relevance of labour rights for the company (i.e. labour rights-related risks and opportunities).

Description of written policies, public commitments and company goals on labour rights.

NTUC Income recognises the trade union of employees' choice to represent staff. Good industrial relations climate exists in our co-operative.

The Collective Agreement

In support of collective voice of staff, NTUC Income has a Collective Agreement that covers the locally engaged monthly-rated employees and financial consultants of INCOME but exclude managerial, executive and confidential staff; employees on probation under clause 9*; and temporary employees who are engaged for continuous periods of less than six months or in special cases or circumstances for continuous periods in excess of six months in any one year, subject to mutual agreement.

OBJECTIVES of Collective Agreement

(1) The objectives of this Agreement are to

- (a) Ensure good industrial relations in order to promote efficiency and high productivity in INCOME;
- (b) Set forth the full and complete agreement on the terms and conditions of employment for all employees and Financial Consultants represented by the Union for the duration of this Agreement; and
- (c) Provide a peaceful and orderly means of resolving any dispute or grievance.

(2) It is under such a relationship of mutual respect and sincerity that INCOME, its employees and the Union shall be able to work together with the closest cooperation.

(3) In this spirit of cooperation, the employees pledge their support for the accomplishment of the objectives set out in the Mission Statement of INCOME.

Workplace Health and Safety

Singapore law requires employers to ensure that workers work in a safe environment. Employers are required to take steps to minimise risks.

Implementation

Description of concrete actions taken by your company to implement labour policies, reduce labour risks and respond to labour violations.

Support for Unions and collective voice

- Union Briefings are held during orientation for all new employees who are eligible to join the union.
- Staff who are eligible are encouraged to join the Singapore Insurance Employees Union. (<http://www.sieu.org.sg/index.htm>)
- Union committee members are active in communicating staff issues and rights. They are easily reachable.
- Advice is easily sought by unionised staff.
- An online Workplace Advisory has also been set up by Singapore's National Trade Union Congress for 24/7 support: <http://www.ntuc.org.sg/wps/portal/up2/home/askiris>
- Staff who hold committee appointment in the union are allowed to attend meetings and other union activities.
- Monthly Dialogues are held with the union representatives

Workplace Health and Safety

- The Workplace Health and Safety committee looks into the Health and Safety for all employees.
- Fire Safety regulations are applied from workspace planning to crisis response and evacuation.
- Safety is a high priority with 38 staff trained in Occupational First Aid in 2012. Every section, physical office floor/level and staff to first-aider ratio has been calculated to ensure that crisis management systems are in place. This is part of the overall Risk Management System.

Measurement of outcomes

Description of how the company monitors and evaluates performance.

Staff-Management Dialogue

1. There have been no violations of Labour Principles as our company practices good Industrial Relations. This co-operative was also founded by unions.
2. Focus Group Discussions and staff briefings are regularly held to address needs and concerns before they become problems.
3. In cases of personal grievances, staff will seek the union for assistance for mediation and resolution.

Staff Engagement and Holistic Welfare

A member of the senior management is assigned the care of policies and procedures supporting labour principles. Another Senior management member is assigned to oversee staff engagement and welfare.

There is a Staff Recreation Club that is an independently registered organisation. It is made up of a committee represented by members of the Staff. NTUC Income contributes a substantial amount of money to this club to enable staff work-life balance through recreation activities. (Staff family and friends are welcomed at these activities.)

Workplace Health and Safety

Fire drills are integrated with Crisis Management plans. Drills are carried out periodically. Reports are submitted to relevant government authorities.

Environmental Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies

(For more information on the principles, [click here](#))

Assessment, Policy and Goals

Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities). Description of policies, public commitments and company goals on environmental protection

Investments

NTUC Income's Investment Department has started to explore the use of ESG and SRI principles in its investment criteria.

Operations

1. As an insurance company, paper is the main item of certification and records.
2. NTUC Income has a policy of encouraging policy holders to choose electronic statements and documentation.
3. Environmentally friendly principles are highly encouraged in the day-to-day operations.

Implementation

Description of concrete actions to implement environmental policies, reduce environmental risks and respond to environmental incidents

Investments

1. NTUC income also invests in commercial real estate. One of the preferred criteria considered when buying buildings is a Green Mark award.
2. In the ownership of older buildings without Green Mark awards, there are plans for retrofitting for Green Mark awards.

Operations

1. When Financial Consultants collect client information it is recorded electronically and paper is reduced in the transaction.
2. For renewals of motor policies, a most recent effort in 2012, has been to encourage policy holders to choose to receive their renewed policy documents electronically.
3. Duplex printing in the office is a default for all printers equipped with duplex printing.
4. The preferred choice of paper for office printing is on paper from 100% renewable fibre and/or FSC certified paper.
5. Paper recycling is carried out in all the 6 office locations throughout Singapore.
6. When organising food and beverage catering, measures have been set to encourage the offer of business to vendors who use biodegradable disposable cutlery.
7. Older incandescent light bulbs have been replaced with energy saving bulbs. Walls are painted light coloured/white in order to reflect light better and reduce the power needed for illumination.

Measurement of outcomes

Description of how the company monitors and evaluates environmental performance

Investments

NTUC Income has completed the retrofitting of two large commercial retail and office complexes - Parkway Parade and Capital Square. The two have been awarded Platinum and Gold Green Mark Awards respectively.

Underway: Two other commercial buildings are currently being retrofitted: Prinsep House and East Point Mall.

Operations

The exercise to encourage motor insurance policyholders to receive their renewed policy documents electronically has been overwhelmingly positive. A very successful 90% of the policy holders who renewed chose to receive the electronic version! They only receive a one-page physical Insurance Certificate to keep in their vehicle.

There are still many challenges have staff adopt green practices and imbue them as a way of life. We are positive that with encouragement and education change will come.

Examples

- Information about how your company deals with incidents
- Investigations, legal cases, rulings, fines and other relevant events related to environmental principles
- Specific progress made in the area of the environmental protection during the last reporting period
- Periodic review of results by senior management
- External audits of environmental performance

Anti-Corruption Principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery (For more information on the principles, [click here](#)).

Assessment, Policy and Goals

Description of the relevance of anti-corruption for the company (i.e. anti-corruption risk-assessment).

Description of policies, public commitments and company goals on anti-corruption.

Description of Policies

1. Our commitment to excellence and quality is achieved by providing a high standard of leadership and integrity. Ethical and honest business conduct will earn the trust of our policyholders, employees, business partners, shareholders and regulators.
2. Our Code of Business Conduct outlines the main principles and ethical values that will enhance our corporate reputation. It is aligned to Income's vision, mission and values. Details of expected conduct & responsibilities of Income's employees are set out in this Code:

Code of Business Conduct & Ethics (points related to anti-corruption)

Compliance with laws

3. We conduct all business activities in a lawful, efficient and fair manner.

Conflict of Interest

4. Our decisions and actions are based on the best interests of Income and not on personal interest or relationship. If any action involves a conflict of interest, the employee must disclose such interest to his/her Department Manager, the Human Resource Department or the CEO/Board.

All employees are expected to avoid having contractual/business relationship with or significant financial interests in Income's customers, suppliers, business partners or competitors if such relationship/interests could influence or perceived to influence their decisions and performance of their duties on behalf of Income.

Regardless of whether it is a volunteer position or paid position that an employee serves as a director, officer or consultant with any company/organisation which does business with Income, he/she must disclose this information to the Human Resource Department.

An employee who fails to disclose any information as required in this clause may be subject to disciplinary and legal action.

Gifts or Payments from others

5. We avoid accepting gifts, payments from others, receiving entertainment which is lavish, excessive or of a nature that appear improper. All employees are expected to disclose to the Human Resource Department, any gift, favour or entertainment (excluding business meals) that has a value of \$50 or more.

Fraud free environment

6. We are committed to prevent report and manage fraud and corruption. Acceptance of cash payment, kickbacks or secret commissions from suppliers and others are strictly prohibited.

Confidentiality

7. We safeguard all confidential and proprietary information of Income. We will never disclose it, intentionally or inadvertently. We take special care to handle the confidential information of others responsibly, as it may be a trade secret or protected intellectual property.

Corporate funds and other assets

8. We take care to ensure that corporate funds and other assets are not misappropriated, loaned to others, or sold or donated, without appropriate authorization.

Infringement of intellectual property laws

9. We will never make or use illegal or unauthorized copies of any software whether in the office, at home, or on the road, since doing so constitutes copyright infringement and may expose ourselves and Income to potential civil and criminal liability. This policy extends to copying and distribution of publications or printed work which constitutes copyright infringement.

Maintaining Accurate Records

11. We keep accurate and timely records of our business activities, and retaining them according to the corporate retention policy. We must not make false records or misleading entries. All financial or similar reports and statements must be accurate, reliable and timely.

Communications

12. We are truthful and forthright in all interactions and communications with our colleagues, customers, business partners, regulatory agencies and other parties with whom we have dealings with. We must not make false advertising, engage in deceptive marketing practices or other misleading representations.

Whistle-Blowing Policy

A confidential whistle blowing avenue for staff has been set up. The NTUC Income Whistle Blowing Policy is communicated right at the beginning of a staff's career with NTUC Income, during the fortnightly New Employees' Orientation Course.

Anti –Money Laundering Policy

NTUC Income has an internal Anti-Money Laundering Policy which has been set up in line with the requirements of the Monetary Authority of Singapore.

Implementation

Description of concrete actions to implement anti-corruption policies, reduce anti-corruption risks and respond to incidents.

Communicating and Practicing Positive Corporate Values

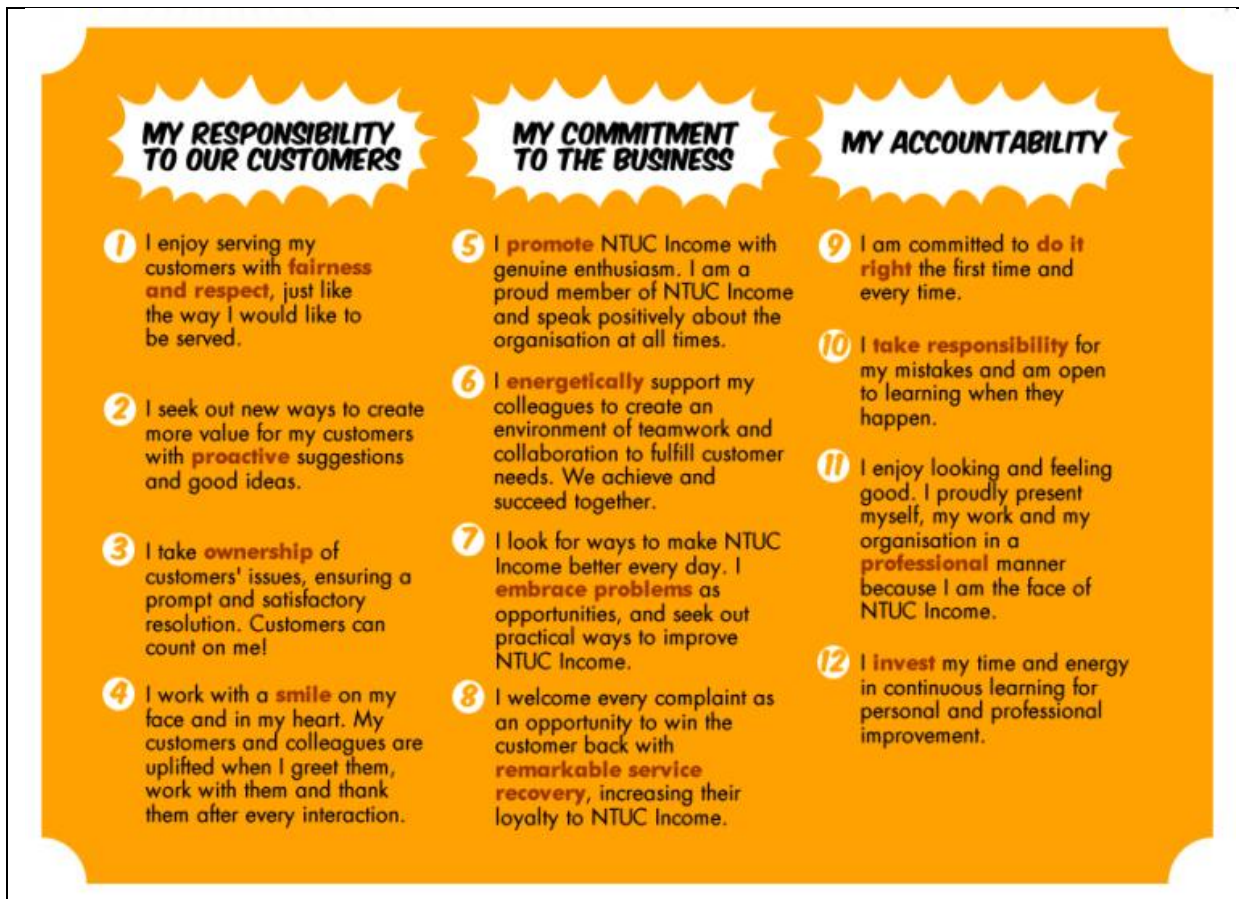
The corporate programme of professional values at work is embedded in the principles of "Service Alive". It is a holistic values-driven set of principles that embodies an integrated attitude of integrity, professionalism, ownership and responsibility. This is first delivered at orientation and principles are addressed by department heads every month. (See the 10 Principles of Service Alive on the following page.)

Staff Orientation

Reminder through "Service Alive* Monthly Activities (a set of corporate values to be practised by staff throughout the year- see screenshot below)

Internal Audit

All Staff must take an annual online test on money laundering and corruption set by the Monetary Authority of Singapore.



Measurement of outcomes

Description of how the company monitors and evaluates anti-corruption performance.

1. The money laundering and corrupt practices test scores are submitted to the Monetary Authority of Singapore. NTUC income has scored much higher than the minimum standards.
2. Periodic review by senior management and board of directors on areas related to financial and investment
3. Internal Audit answers to the Board of Directors and scheduled audit of all departments' practices.

Prepared by

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 October, 2012