



COMMUNICATION ON PROGRESS

Grand Guardian Insurance Public Co., Ltd.

November 2016/ November 2017

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Chairman's Statement



Dear Stakeholders,

It is my great pleasure to state that Grand Guardian Insurance Public Co., Ltd. strongly supports the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. Since joining United Nations Global Compact on 8th November 2016, we have taken extra effort in our activities to be compliant with the Principles of UNGC.

In our first Communication on Progress, we have provided details of our actions and the steps taken to continuously improve the integration of the Global Compact and its principles into our business strategies, culture and our daily operations. Our business strategies are also in compliance with the rules and regulations of Myanmar Insurance Law and the directives of Insurance Business Regulatory Board (IBRB).

GGI has always prioritized our role enhancing stability and advancing economic development in Myanmar while concurrently respecting the Ten Principles of the Global Compact. This report will be shared with our stakeholders through our primary channels of communication. We look forward to supporting the UN Global Compact in 2017 and beyond.

Sincerely,

A handwritten signature in black ink, appearing to read 'Aik Htun'. The signature is stylized and written in a cursive-like font.

Aik Htun

Company Profile:

Grand Guardian Insurance Public Co., Ltd. was permitted to do business under the License No. 002 of the IBRB on 25-05-2013. GGI officially launched its operations as a public company on 12-06-2013.

GGI is the one of the first private insurance companies in Myanmar during the 50 years. As per the paragraph 7(b) of the Myanmar Insurance Business Law and the paragraph 6 of the Myanmar Insurance Business Rules, GGI set up a paid up capital of Ks 46 billion and USD 500,000 comprising:

- (a) Ks 40 billion for general insurance
- (b) Ks 6 billion for life insurance
- (c) USD 500,000 to underwrite insurance in foreign currency.

Four Committees

Established as a public company, GGI has 97 shareholders and steered by the 15 elected members of the Board of Directors(BOD). Functions of the BOD include the adoption of policies for the sustainable development of the company's operations within the scope of entrusted rights and powers and the regulation of the company affairs. GGI has formed the following committees in implementing its task in accordance with the Myanmar Insurance Law, rules, regulation and directives and in ensuring check and balance system:

1. Audit, Compliance and Corporate Governance Committee
2. Compensation and Benefit Committee
3. Investment and Risk Management Committee
4. Remuneration Committee

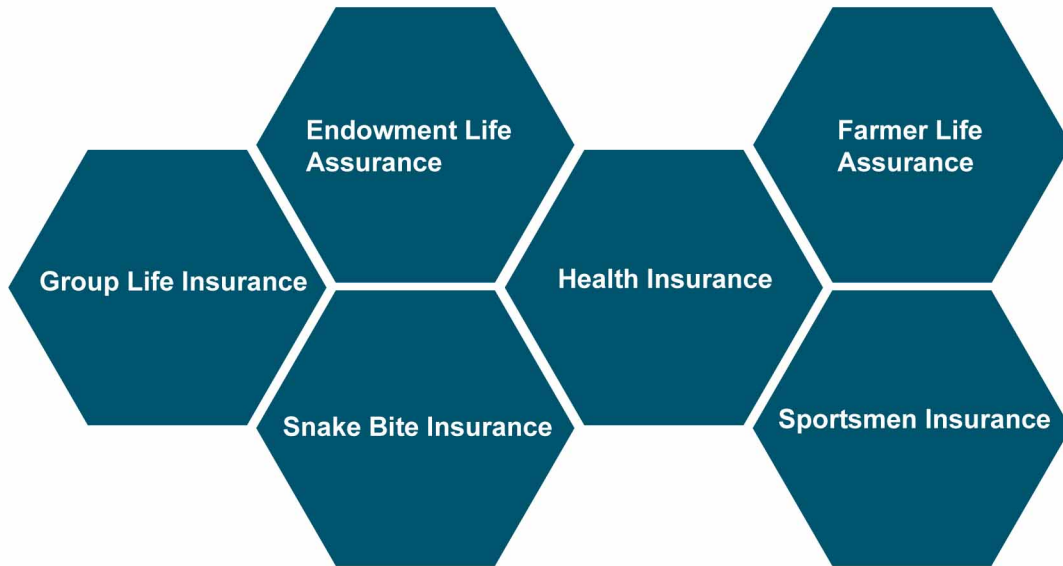
Thanks to the support of the customers, GGI enjoys annual growth, and in financial year 2016-2017, the company has become an insurance provider doing business with 12 branches under the head office and over 400 staff. Given the importance of risk management to the insurance industry, GGI has formed the Investment and Risk Management Committee which is tasked with risk data compilation, risk survey and risk management. The committee oversees the Risk Assessment Team and the Claim Adjusting Team.

GGI as a public company is always transparent in releasing information publicity about its functions, statistical reports and other data publically through proper channels. The company also gives priority to Corporate Governance and as a service provider, it sees competency as a vital requirement. In this regard, GGI annually plans Training Calendar and conducts courses such as Market and Industrial Knowledge, Skills & Efficiency Training and Capacity Building.

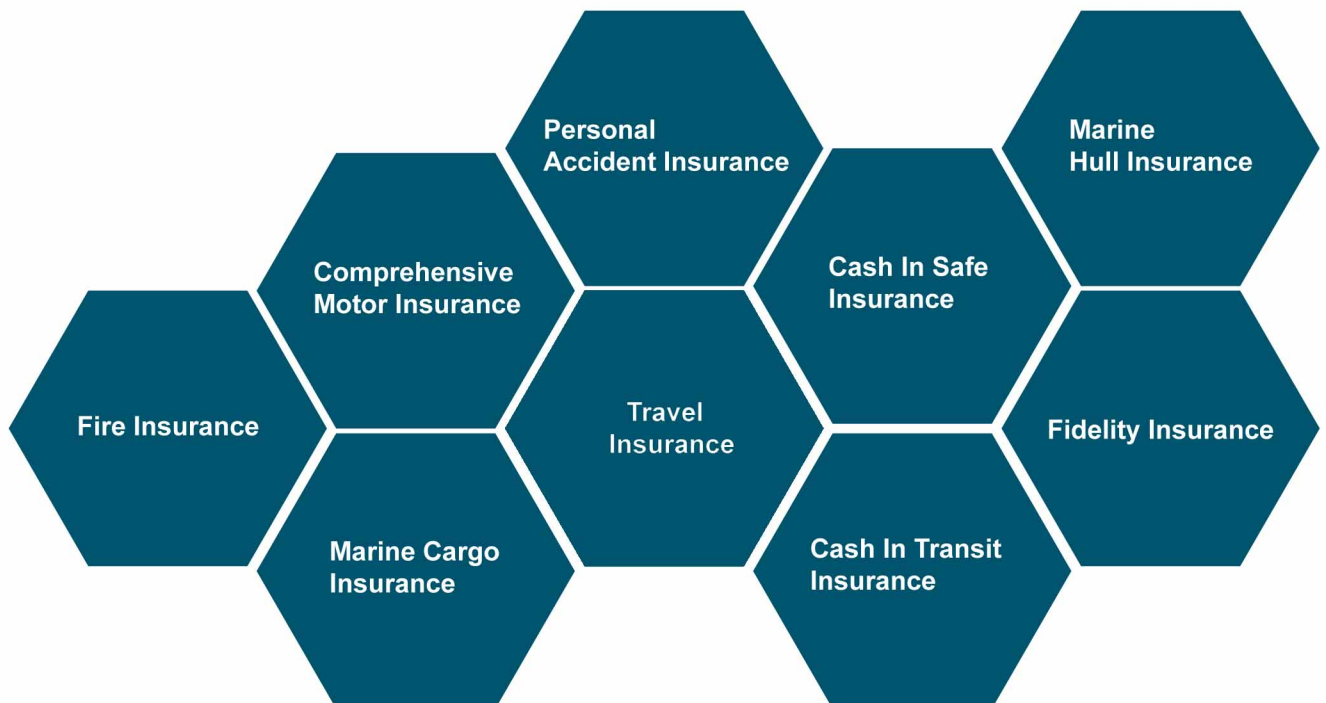
GGI Branches:

The Head Office of Grand Guardian Insurance Public Co., Ltd. is at Junction Square Compound, Pyay Road, Kamayut Township, Yangon has 12 branches opened from financial years 2013-2017. Currently, GGI provides the following 15 insurance products under the permission of Insurance Business Regulatory Board (IBRB.)

Life Insurance



General Insurance





Grand Guardian Insurance Public Co., Ltd. Head Office at Yangon, Myanmar

The Head Office was inaugurated on 12th June 2013. In the following year, Mandalay Branch was opened on 20th January 2014. Given the importance of having strong distribution channel, GGI has opened a total of 13 branches including the Head Office in various parts of the country. The Head Office of GGI, located at Pyay Road, Yangon has more than 200 employees. The following is a list of various branches of GGI in different parts of the country:



Mandalay Branch

Mandalay Branch was inaugurated on 20th January 2014.
Mandalay branch has a total of 51 employees of which 22 are males and 29 are females.



Monywa Branch

Monywa Branch was inaugurated on 11th March 2014.
The branch has a total of 15 employees of which 10 are males and 5 are females.



Nay Pyi Taw Branch

The branch was inaugurated on 1st July 2015.
The office has a total of 9 employees of which 4 are males and 5 are females.



Lashio Branch

Lashio Branch was started on 20th October 2015.
It has a total of 15 employees of which 9 are males and 6 are females.



Pakokku Branch

Pakokku Branch was inaugurated on 16th January 2016.
The branch has a total of 19 employees of which 11 are males and 8 are females.



Mawlamyaing Branch

Mawlamyaing Branch was inaugurated on 25th February 2016.
The office has a total of 15 employees of which 9 are males and 6 are females.



Malikiha Branch

Malikiha Branch, Yangon was inaugurated on 29th October 2016. The office has a total of 16 employees of which 7 are males and 9 are females.



Pyay Branch

Pyay Branch was inaugurated on 4th November 2016. The office has a total of 18 employees of which 8 are males and 10 are females



UFC Branch

UFC Branch was inaugurated on 31st January 2017. The office has a total of 20 employees of which 9 are males and 11 are females



Junction City Branch

Junction City Branch was inaugurated on 31st March 2017. The office has a total of 8 employees of which 3 are males and 5 are females.



Kwesekan Branch

Kwesekan Branch was inaugurated on 5th April 2017. The Head Office has a total of 15 employees of which 8 are males and 7 are females.



Junction 8 Branch

Junction 8 Branch was inaugurated on 28th June 2017. The office has a total of 13 employees of which 8 are males and 5 are females.

Human Rights



Principle 1: Support and respect the protection of internationally proclaimed human rights

Principle 2: Ensure GGI are not complicit in human rights abuses

ASSESSMENT, POLICY AND GOALS

We fully support the Universal Declaration of Human Rights to which every human being is entitled. The 30 Articles mentioned in the Universal Declaration of Human Rights are recognized within the company as the common standard of achievement for all peoples and all nations.

We acknowledge that the common understanding and compliance to these rights and freedom are of the greatest importance. As our aim is to inspire lives through responsible investment and sustainable development, we give particular attention to embedding Human Rights principles into our company's philosophy and day to day operations.

A guiding principle of our company is that everyone accords to others the rights that individuals claim for themselves and accept the moral and humanitarian values that this embraces. Each person has to be considered as an individual whose happiness and prosperity is a concern of all.

We want to be a good corporate citizen, caring about the community at large. We will always operate so that our corporate actions comply and encourage the respect of Human Rights. We make sure that all our policies and practices comply with the fundamental principles described in the Declaration. This includes equal chance, right to life, liberty, security of the person, as well as the freedom of thought, conscious, religion and expression. We are committed to address Human Rights risk, discover incidents of Human Rights abuse within the company and to act upon the Human Rights related issues.

We expect all our stakeholders, external and internal, to respect and comply with these core principles. We are aiming to spread this vision and become a good example for other insurance companies in Myanmar and beyond.

IMPLEMENTATION

The company encourages tolerance, mutual help, respect and team spirit. We have set up procedures to make sure that these principles are respected amongst our staff and business partners.

Insurance Awareness Programme:

As one of the country's leading insurance companies, it is our responsibility to create an awareness among the people on the importance of protecting themselves against financial and non-financial losses due to natural and artificial factors such as flood, earthquake, war, theft, fire, etc. GGI, in cooperation with Pana Harrison (Asia) Pte Ltd., a Singaporean reinsurance broker, held talks on types of insurances and services in Myanmar and the changing trend of insurance products and services of the ever advancing international insurance market at Park Royal Hotel in Yangon.

GGI representatives organized a number of seminars on how insurance can protect families in towns such as Pyay, Kyaukse, Myingyan and Pyin Oo Lwin in the financial year 2016-2017. They also travelled to other major towns such as Kyaunggon and Magway where they introduced insurance products that provide financial protection for the life and property of farmers who form a key pillar of the country's economic activity.

Insurance Expo and the role of GGI:

The Insurance Expo was held on a grand scale for the second time at the city hall in Mandalay on 26 and 27 January 2017. The expo aimed at modernizing the insurance industry, providing life and property security through the industry and further familiarizing the public with insurance.

■ Road Safety Week

An awareness programme on "Road Safety" was organized by GGI from 1st-7th April 2016. The campaign comprised the importance of having a sense of respect toward others on the road and various safety measures



■ Blood donation

GGI organized a blood donation campaign on 12th June 2016 to save precious lives. 45 generous employees stepped forward and participated in the blood donation.



■ Child Literature

"The Literature Programme" was organized by GGI Mawlamyaing Branch on 27th March 2017. The programme revived the children's desire to learn and appreciate literature .



MEASUREMENT OF THE OUTCOME

Zero case of human rights breach was reported in the financial year 2016-2017. We believe the extra effort by the management team has borne fruit and company to prevent Human Rights-related incidents.

Gender equality has been maintained during the recruitment process, at work place, in wages and training. Management has not company any incidents of harassment at work place.

The company implemented health care programmes in the form of workshops and blood donation. The blood donation program organized by GGI benefited a number of people with the lack of supply and donors in Myanmar, Blood is a scarce commodity.

Road Safety Week participated by GGI in educating public an having a sense of respect for road safety and driving responsibility. Annual people benefited from their company which is participate 6 times a year.

Labour Rights



Principle 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4: Eliminate all forms of forced and compulsory labour

Principle 5: The effective abolition of child labour

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

ASSESSMENT, POLICY AND GOALS

We support the principle of the ILO Declaration and its Articles on the Fundamental Principles and Rights at Work covering the areas of freedom of association and common bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour and the elimination of discrimination in respect of employment and occupation.

We work in full compliance with the labour laws and regulations in the area that we operate in. We aim to be an employer of choice and we provide a pro-active environment with the respect of labour rights and the improvement of working conditions. This leads us to adopt and operate a human resource strategy that goes beyond the national regulations.

We do not forbid the creation and the commitment to any trade union, and recognize the right to collective bargaining as long as it is done in accordance with the law.

The principles of non-discrimination, no forced labour, no child labour (under 18 years old) are highly respected by Grand Guardian Insurance Public Co., Ltd. We expect our business partners, shareholders and associates to respect the same principles.

We will make sure that each employee does not suffer from any kind of discrimination, feels integrated and happy within the company.

As a responsible employer, we are committed to do our utmost to enhance the live of our employees and their families.

IMPLEMENTATION

■ Comply with universal principles

We do not employ staff aged under 18 years. We are strongly against forced labour.

■ Equal opportunity employer

The recruitment of employees is based on merit, skills, experience and ability, regardless of age, race, gender, physical condition, religion or family status.

■ Work life balance programmes

We believe the place of work should also be a place for personal development. We organize a number of staff welfare activities such as monthly birthday celebration and winter sports.



Winter Sports organized by GGI



Monthly birthday celebration at GGI

■ Leave

Medical leave, maternity leave, earned leave, parental leave etc. are drawn up and included in the employees' welfare plan.

■ Overtime

Overtime allowance is paid above the legal minimum amount.

■ Bonus

Annual bonuses are paid to all employees upon announcement of the employees' performance capacity around of Myanmar's New Year (in the month of April). The amount of bonus depends on the performance of the individuals and the company's profit for the year.

■ Safety

We offer a safe and healthy working environment for our employees regardless of their designation or gender. In addition, we have equipped our offices with first aid kits and emergency toolkits in case of any emergency. Our employees are trained by the Fire Department of Myanmar on basic Fire Safety should a fire break out in the office.

■ Fire Safety Training

The Fire Service Department of Myanmar organized an awareness programme on how to tackle emergency situations should a fire break out. The participants in turn, shared their knowledge to their respective branches.

MEASUREMENT OF THE OUTCOME

■ One of Myanmar's leading insurance company

Being an employee's choice of company in the insurance industry in Myanmar, GGI employs more than 400 employees from different ethnic origins including Kachin, Kayah, Karen, Chin, Mon, Bamar, Rakhine, Shan, Indian.

■ Engage our stakeholders

In order to communicate to potential applicants our non-discrimination policy and to invite everyone to apply, every job advertisement mentions that "GGI is an equal opportunity employer".

■ A clear written policy

Every employee is asked to read carefully his/ her rights at the time of recruitment, which clearly state a set of principles that is practised and respected by the company.

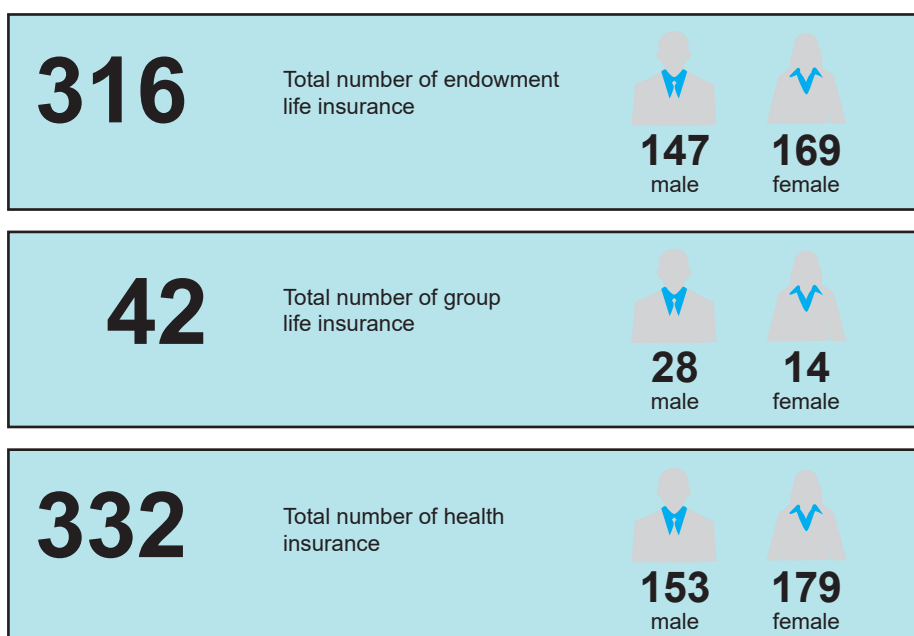
■ Men/ women equality of chances

GGI provides equal opportunity to both male and female employees including the equal opportunity to grow, be promoted and equal salary for an equal job. It has an excellent ratio at 201 males against 204 female employees across the country.

■ Insurance

Being one of the leading insurance companies in the country, and understanding the importance of insurance, GGI provides insurance for all its permanent staff. The table below shows the number of employees who have benefitted from our company.

Insurance Policy



■ Training

GGI organized a number of training programme for its employees to enhance their skills and keep updated with the demands of the industry. The following are trainings organized by GGI from 2016 to 2017.

Training	Description
Insurance Business Training (4th Batch for the Year 2016)	New employees are trained to be familiar with the business for better efficiency.
Operational Efficiency Course Training	An equal opportunity is given to all the employees so that promotion is given according to performance.
Effective Business Skills (Supervisory level, clerical level)	As a service-provider, improving business skills is necessary for the existing employees.
Customer Service Excellence Training	Excellence in provider service has been one of the reasons GGI intenship in insurance sector in the country. It is necessary to train our employees regularly.
Personal Grooming Training	Apart from technical skills, employees are trained with soft skills for overall development.
English 4 Skills Training	Opportunities in improving communication skill in English are given for the existing old and new employees.
DXC Software Training (divided into 4 batches)	To meet the latest competition in the market, GGI uses advanced technology in the business and employees are given training to use the software effectively for more efficiency.

Environment



Principle 7: Support a precautionary approach to environmental challenges

Principle 8: Undertake initiatives to promote greater environmental responsibility

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

ASSESSMENT, POLICY AND GOALS

We recognize the importance to **respect** the environment and are concerned about environmental issues. We understand the complexity of climate change challenges and the fact that government actions alone cannot provide the urgent solutions required. For this reason, we are committed to participate to in the global effort to combat climate change.

We are committed to identifying opportunities in managing our activities to deliver long term benefits to our stakeholders while responding to climate change risks.

We wholly support and comply with or exceed the requirements of current local environmental legislation and code of practice. We understand that respecting the environment can have immediate impact by improving quality of daily life and we therefore included care to the environment in our customer care principles.

We are committed to sustainably reduce our environmental impact and continually improving our environmental performance as an integral and fundamental part of our business strategy and operations. We recognize the importance of setting policies on a long term, sustainable basis. We are committed to participating in the development of green technologies and renewable resources.

We understand that our engagement can also serve our business interests, as energy and climate risks can directly impact our own operations, whether in terms of rising resources prices, operation costs or legislative changes...

Our commitment is ever more relevant in **country** like Myanmar where the access to natural resources and energies are still limited. We see this as a great opportunity to develop green technologies and environmental-friendly practices.

Our mission is to be an environmentally responsible organization. We aim to raise awareness amongst our staff, our stakeholders and the public.

IMPLEMENTATION

■ Reduce energy consumption

Office bulbs are gradually replaced with LED bulbs which have lower voltage to reduce energy consumption.

■ Buy environment-friendly products

Management has taken an extra step in buying environment-friendly products for office use such as electrical items and stationery items.

■ Green office

Branch offices across the country are built to be more green by planting trees around the office buildings to provide clean air and reduce global warming.

■ Water conservation

Management has a dedicated team of employees who are constantly taking steps in reducing “water wastage” due to carelessness or faulty plumbing.



MEASUREMENT OF THE OUTCOME

The measurement of the outcomes in terms of our environmental strategy is one of the main areas we would like to expand in the years to come. With the development of relevant measurement tools, we are committed to strengthen our evaluation techniques.

■ **Reduced energy consumption**

Since switching to lower voltage LED bulbs, the energy consumed has substantially reduced. Other alternatives like solar energy are in the process of being used in many of our branches.

■ **Reduced air pollution**

Efforts taken by management in maintaining company vehicles so that they are checked for pollution has tremendously reduced the amount of carbon dioxide, nitrogen oxide and other toxic smoke from the vehicles.

■ **Cleaner environment-friendly offices**

The hard-work in making our offices clean and green has resulted in cleaner surrounding in and around the offices and helps to promote awareness to the customers as well.



Anti-Corruption



Principle 10: Work against corruption in all its forms including extortion and bribery

ASSESSMENT, POLICY AND GOALS

We believe that business excellence is underpinned by an unwavering focus on strong corporate governance and prudent financial management. Transparency and accountability are core features of our approach and we remain focused on the highest standards of governance and ethics in all our business practices and dealings.

We believe high standards of corporate governance and transparency ensure sustainability and success for our activities as well as the safeguard of our shareholders' interests.

By inscribing corporate responsibility into our agenda, we want to send the strong signal that we recognize the private sector shares responsibility to address and counter corruption.

We observe a high standard of corporate conduct in line with local policies, as well as applicable regional laws, regulations and standards. We aim to use the ISO 26000 standards to guide us in our efforts to operate in a socially responsible manner.

We publicly state our commitment to work against corruption in all its forms, including bribery and extortion. In order to do so, we aim to implement an effective system to identify and eliminate hazards of corruption, bribery and extortion. All outcomes will be periodically measured and reviewed.

We aim to contribute positively to public policy making process by raising awareness amongst our teams and our stakeholders.

We want to build trust with our stakeholders, and make sure that they will be complying with the same principles of ethic, transparency and accountability.

IMPLEMENTATION

Our measures on anti-corruption are fully embedded into our Governance Policy. Our implementation scheme is aimed to ensure the respect of these values for the sustainable success of our company, clients and stakeholders.

■ **Code of conduct training**

The orientation training organized for newly recruited employees contains our company's "Code of Conduct" on how to fight corruption at all levels.

■ **Strict policy against corruption**

We have a zero tolerance policy in terms of corruption and we ensure that no financial or other inducements to gain or retain work are offered or accepted by or on behalf of GGI.

Any violation against corruption will lead to termination or dismissal of the employee.

Employees are encouraged to report any form of corruption to management team. A continuous control **from by** the senior management team ensures that no form of corruption is observed.

MEASUREMENT OF THE OUTCOME

We aim to gradually comply with international benchmarks in order to better assess our governance practices. Anti-corruption policies are still being drafted at a national level and we have committed to behave pro-actively to help reach the highest levels of transparency.

■ Zero case of corruption

The orientation training organized for new employees has made everyone aware of the efforts of corruption. There has been no record of corruption of any form in the financial year 2016-2017.

■ Well-informed employees

The training programmes conducted for new employees and our company's zero tolerance policy in corruption of all forms has made employees aware of the efforts of corruption.

■ Regular taxpayer

GGI and its employees have a clean record of paying tax to the Government. To date there has been no record of any breach in payment.





To build an ideal environment for the growth and protection of wealth and lives.

To deliver better products, value-added services and raise the professionalism in the industry.



COMMUNICATION ON
PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.