



CB Insurance[®]

Citizen Business Insurance Public Ltd.

နိုင်ငံသားစီးပွားရေးအာမခံ (အများပိုင်) လီမိတက်

COMMUNICATION ON PROGRESS 2018



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Managing Director's Statement

I am pleased to confirm that CB Insurance Public Ltd continues its support for the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

We have now become the member of UNGC on the Participant Level. We uphold the values outlined in the principles and continue to include them in our workplace practices and procedures. Since August 2016, we have been actively following the UNGC principles in every aspect of our operation. This is our second annual Communication on Progress (COP), and here we will describe our actions taken to integrate the principles of the Global Compact in our business strategy, workplace culture, daily operations and in the decision making process.

We are also committed to share this information with our stakeholders using primary channels of communication and help educate as many stakeholders as possible for a greater global impact.



Yours Sincerely,

U Thaung Han
Managing Director

2. Company's Profile and Its Approach to UNGC Principles

CB Insurance was established in 2012 to operate as a public life insurance company in Myanmar market. Being a part of long established CB Group, CB Insurance has been building its strong brand name in market over the years.

It has been a member of UNGC Global Network since August 2016. Regardless of our relatively new operation tenure in Myanmar Insurance Market, we have been such an active company that pursues the international standard in every aspect of our operation.

As of financial year 2017-2018, we are the only life insurer, engaging in UNGC Global Network on the *Participant Level* besides one composite insurer in emerging Myanmar Insurance Market.

We have incorporated these principles into planning our strategies, policies and procedures to uphold our responsibilities and values for our customers, employees and all stakeholders. We will discuss in further details regarding our specific procedures and policies that are currently being embedded with UNGC principles in four areas of human rights, labor, anti-corruption and environment.

3.1 HUMAN RIGHTS

CB Insurance strongly encourages diversity in terms of age, gender, ethnicity, race, culture, and religion. Its product lines are designed and developed in a way to be easily accessible to all levels of living standards.

As a fairly new life insurance company in a country where the culture of collectivism and conformity is valued, CB Insurance stands for what it believes to be supporting the human right principles of UNGC as follow;

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

Principle 2: make sure that they are not complicit in human rights abuses.

3.2 Policies, Procedures & Implementation

Human Rights Laws Applicable to CBI	Policies/ Activities Implemented in CBI
<p>Equal Opportunity Policy</p>	<p>1. As a UNGC member, CBI strongly believes that supporting human rights requires us to create new products that should be accessible to all levels of living standards.</p> <p>Compared to the neighboring countries, Myanmar is still a developing country where life insurance is considered a luxury product that seems to serve only the upper middle class or higher income group.</p> <p>Our micro-insurance products are mainly designed for the purpose of serving the poor farmers and their families living in rural areas where regular insurance products do not seem to be a good fit for their needs.</p> <p>These special micro-insurance products are offered with the micro-finance products offered by Central Cooperative Society to help raise the living standards of the rural farmers.</p>
<p>Equal Opportunity Policy</p>	<p>2. We incorporate the principles and laws of human rights in our corporate policies and employee handbooks so that our strong belief in human rights would be embedded in every aspect of our operation.</p> <p>Specific examples would be allowing female employees to thrive at the workplace as</p>

	<p>much as allowing male employees.</p> <p>Our employee portfolio is made up of 70% female and 30% male. This high ratio of female employees proves that we are a company that encourages gender equality and women empowerment.</p> <p>Also our management team is comprised of 50% male and 50% female. This reflects our progressiveness in allowing women thrive at the workplace and our compliance with the international human rights despite operating in a country where male dominance is still very prevalent.</p>
	<p>3. Another specific example would be encouraging diversity at the workplace.</p> <p>CB Insurance is an organization that is made up of people from different ethnic backgrounds, countries of origins, religious faith and social status.</p> <p>As of now, our employee portfolio consists of Burmese, Kachin, Kayin, Rakhine, Mon, Kayar, Chinese, and some other expatriates as well. We also have zero discrimination against our employees of different faith or religion.</p>

3.3 Outcome Measurement

Due to our consistent pursuit of human rights in our operation, strategies and policies, CBI has been able to maintain its employees for many years. After the evaluation of our workforce, we see that majority of our current employees have been working for CBI since the early establishment of our company. This is the outcome of our commitment towards implementing human right policies in our strategies.

4.1. LABOR

CB Insurance is one of the early adopting life insurers of UNGC Labor Principles in a frontier insurance market like Myanmar. We place a high priority in the wellbeing and development of our employees. We wholeheartedly believe that we are a strong advocate for UNGC Labor 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 labor;

Principle 5: the effective abolition of child labor; and

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

4.2. Policies, Procedures & Implementation

We are in compliance with Myanmar Labor Laws such as followings;

- 1. Shops and Establishment Law (2016)**
- 2. The Minimum Wages Law (2013)**
- 3. The Employment and Skill Development Law (2013)**
- 4. The Social Security Law (2012)**
- 5. The Payment of Wages Law (2016)**
- 6. The Labor Organization Law (2011)**

Labor Laws Applicable to CBI	Implementation Policies/Activities in CBI
<p>1. Shops and Establishment Law (2016)</p>	<p>1. Our HR policy which is in compliance with Shops and Establishment Law requires our employees to work for no more than 48 hours a week. As an organization who is strongly committed to the labor law, CBI currently has the weekly working hours of 37.5 compared to other life insurers in Myanmar.</p> <p>In addition, CBI HR policy allows the employees to have two full weekends per work week.</p> <p>2. Our HR policy restricts hiring any employee who is under 18 years of age.</p> <p>3. We also provide special facilities and trainings for the wellbeing and safety of our employees such as</p> <ol style="list-style-type: none"> 1. In-office doctor Available during office hour 2. Annual Emergency Evacuation Drill (fire, storm, etc) 3. Easy access to first aid kits
<p>2. The Employment And Skill Development Law (2013)</p>	<p>1. We provide internal training to our employees based on their skill needs.</p> <ol style="list-style-type: none"> 1. Weekly Business English Training 2. Personal Presentation and Confidence training 3. Life Insurance knowledge sharing sessions 4. Knowledge sharing sessions for professional insurance exams/certificates. <p>2. We also sponsor our selected employees for special external training held by international insurance companies, and professional association from the industry.</p>

<p>The Amended Leave for the Leave and Holiday Law (2014)</p>	<p>1. We are in compliance with this law , providing our employees with special leaves in the event of the death of someone related to them</p>
<p>The Minimum Wages Law (2013)</p>	<p>1. Our HR Policy makes certain that minimum wages for our employees must stand above the minimum wage set by the law. 2. Also we compensate our employees for their overtime fees according to the law.</p>
<p>The Payment of Wages Law (2016)</p>	<p>1. According to CBI HR policies, employees are provided with a opportunity to be compensated for their monthly salary few days before their actual pay day. Earlier access to cash not only helps them handle their personal responsibilities more efficiently but also lower their financial stress.</p>
<p>The Social Security Law (2012)</p>	<p>1. We provide our employees social security benefits through our organization according to the law. We contribute to the social security funds of our employees based on the percentage set by the law. 2. We even provide special benefits to our employees on certain occasions that are outside the scope of social security law such as marriage, giving birth and death of a close relative.</p>
<p>The Labor Organization Law 2011</p>	<p>1. As of now, CB Insurance does not have any specific policy in place to enforce the Labor Organization Law 2011. According to this law, companies are require to allow their employee to join any type of labor organization that has been set up according to the law.</p>

4.3. Outcome Measurement

We measure the outcome of our implementation activities through our annual performance review and employee feedback. We provide our employees an opportunity to express their concerns and feedback regarding our current HR policies and procedures that are directly applicable to them. This can not only improve our implementation strategies but also modify the current policies or strategies that are not aligned with the international labor standard.

5.1. ANTI-CORRUPTION

As a participant member of UNGC Global Network, CB has its strong commitment towards UNGC Anti-corruption principle;

“Business should work against corruption in all its form including bribery and extortion.

5.2. Policies, Procedures & Implementation

As a committed member of UNGC, CB Insurance is currently in compliance with two local laws

- 1. Anti-Corruption Law (2013)**
- 2. Money Laundering Eradication Law (2015)”**

Laws Applicable to CB Insurance	Implementation Policies/Activities In CBI
<p>Anti-Corruption Law (2013)</p>	<p>1. CBI corporate policy strongly prohibits bribery or extortion or any seemingly activities that can imply bribery.</p> <p>For example, in compliance with The Insurance Business Law CBI prohibits our agents from receiving any type of gifts or cash bonuses paid from customers either due to their strong personal relationships or any other intentions.</p> <p>2. We also participate in industry wide or anti-corruption issue-specific initiatives as a UNGC member organization.</p> <p>For example, we have participated as a UNGC Participant Member in “Business Against Corruption” seminar held by Myanmar Anti-Corruption Commission on July2, 2018.</p>
<p>Money Laundering Eradication Law (2014)</p>	<p>1. We also have our corporate training for employees to raise the awareness about money laundering in insurance industry.</p> <p>For example, we include the topic of Anti Money Laundering into the curriculum of our new employees onboard training to raise the awareness about money laundering activities and their impact on the organization, customers and all the other stakeholders.</p> <p>2. In the Agency Department, we have put the standard operating procedure in place in order to reduce the risk of money laundering within CBI.</p>

For example, our corporate policy regarding agency department requires all our agents to use their temporary receipt books with much care. They are required to make sure all the information written in there are to be free of error and corrections.

3. Another implementation would be performing detailed internal audit on operating activities of higher risk exposure such as premium collection process, department wise expenses claiming process etc.

4. Another policy of CBI would be taking corrective action or penalizing the committed person if he has attempted to commit any type of frauds, corruption, money laundering or misuse of company's funds.

For example, we terminate the contracts with our employee who is found guilty of committing any type of fraud and take an immediate action for his wrongdoing. This proves our commitment towards reducing money laundering and set a good example in encouraging the other employees to refrain themselves from such activities.

5. CB Insurance always maintains a proper record of the instances of corruption so that the management can improve their corruption related risk management techniques and strategies.

5.3 Outcome Measurement

Due to our consistency in implementing our strong corporate policies for anti-corruption, we have zero record of corruption cases happened during 2017-2018 financial year.

In addition, we are able to accomplish our anti-corruption goals mentioned in 2016-2017 Communication On Progress Report.

6.1 THE ENVIRONMENT

Due to lax government environmental policies and low incentives to use environmentally friendly products and procedures to conduct business, we recognized that we were behind in this area among the four.

However, since our commitment to follow the UN Global Compact Principles, we are now addressing this issue with as much importance as any others.

6.2 Policies, Procedures & Implementation

Environmental Law Applicable to CBI	Policies/ Activities Implemented in CBI
<p>The Environment Conservation Law (2012)</p>	<p>As of now, we do not necessarily have specific policy in place that is directly in compliance with the Environment Conservation Law.</p> <p>However, CB Insurance put certain policies in place that may indirectly encourage the environmental conservation.</p> <p>For example, we encourage less paper usage for the operational activities. We provide each department with budgeted paper usage.</p> <p>Also we make sure the company restrooms are provided with both paper rolls and water. Providing water simultaneously can somehow reduce the paper consumption as well.</p> <p>3. We also hold short meetings on educating the employees to be prudent with their paper consumption at least once a year.</p>

6.3 Outcome Measurement

Measuring the outcome of our stated above implementation shows some improvement in less paper consumption.

Our measurement is by keeping track of the paper consumption individually and departmentally.

There is a procedure in place for an employee to ask for more papers for their daily tasks rather than readily using the available paper stack as they would like.