



Sustainability Report

2018

Guided by the United Nation's Sustainable Development Goals and Allianz Group's Renewal Agenda, we continually identify gaps in protection and develop needs-based solutions. This includes providing access to clean drinking water for underserved communities.



CEO's Statement



ZAKRI BIN MOHD KHIR

Chief Executive Officer of
Allianz Malaysia Berhad

“It is our hope that sustainability does not only provide a catalyst for transformation in the ways of doing business, but also in the ways we can work together in conceiving an inclusive and sustainable world for all.”

The path of progress is often paved with unpredictability. As we strive towards realising a truly sustainable world, we find that a necessary constant is a meaningful recognition of the hard work required. A cursory review of 2018 reminds us that sustainability is not a distant goal to aspire towards but rather a non-negotiable commitment demanding urgent action. It is unfortunate that as we move towards 2019, the world remains strife with socioeconomic division and inequalities, reinforced by increasingly recurrent reminders on the environmental pressures our planet is facing.

Undeniably, ingenuity and collective action has resulted in remarkable progress thus far, allowing for socioeconomic development and technological advancements enveloping our daily lives that surpass the imaginations of our forefathers. Yet, despite such advancements, society has found more cause in divisiveness than unity. While the proliferation of digital platforms has enabled change in many fronts that would otherwise be unimaginable, it has also birthed an atmosphere of increased disconnect and distrust. It is apparent that we are living in a time of paradox, where our continued societal progress is seemingly inhibited by the very tools designed to enable it. Inevitably, under these conditions, progress will remain inequitable and out of reach for those requiring it the most.

At Allianz, we continue efforts to integrate sustainability across functions whilst recognising the need for honest appraisals of our larger institutional role in society and the challenges that come with such responsibility. An era of disruption has introduced a new social contract, one where we remain pressingly cognizant of the environmental and social consequences of our actions. We take pride in the achievements we have accomplished in the last year, including recognition as the leading insurer in the Dow Jones Sustainability Index for the second year and the introduction of new sustainable solutions such as the Allianz Solar PV Insurance, a first of its kind in the market.

Sustainability Statement



Allianz Malaysia's Chief Executive Officer, Zakri Khir, with students of SOLS 24/7's Academy of Innovation which has been supported by Allianz since 2017. The academy equips underprivileged youths with skills and knowledge in the areas of personal motivation, English, IT, solar energy and coding to enhance their employability. Read more on our support for SOLS 24/7 in the **Integrating Sustainability** section of this report.

Guided by the United Nations Sustainable Development Goals and Allianz Group's Renewal Agenda, we continually identify gaps in protection and develop needs-based solutions. This is achieved through strategic philanthropy as well as our impact-driven engagements with underserved segments of society led by Allianz4Good and shared in this report. As a business model fundamentally based upon people, we have taken initiative to invest in our employees and agency force by leveraging upon digitalisation and innovation as we embark on a long-term transformational roadmap built upon simplified processes and efficiency to enable a seamless experience for our customers.

Nonetheless, we are ever mindful that there is more work to be done. As an organisation in the business of protecting society from unpredictability, we recognise that a vast majority of Malaysian society still lacks the necessary sense of vulnerability crucial for an industry inherently concerned by uncertainties of the future. We believe this requires increasing the accessibility to protective tools available while instilling a sense of proactive ownership over one's own protection and care.

As part of our own commitment to accessibility, our Allianz KampungKu product which extends protection to wooden 'kampung' homes has begun distribution via Pos Malaysia outlets nationwide. While our three-month Allianz Discover A to Z campaign, which reached 20,000 participants across Klang Valley, allowed us to engage the public to discover their insurance needs and raise awareness on the importance of protection.

Through concerted efforts in closing the protection gap from within the industry, across institutions and individuals, accessibility in insurance can encompass not only the availability of affordable protective tools, but also in instilling awareness on the importance of protection and care against the progressively interconnected risks faced by society. It is here that we find that collective action is most equipped in fulfilling demonstrable progress. We must overcome the pervasive environment of disconnect and distrust. We must return to collaborative action to further the goal of societal betterment. It is our hope that sustainability does not only provide a catalyst for transformation in the ways of doing business, but also in the ways we can work together in conceiving an inclusive and sustainable world for all.

About this Report

SCOPE

This report encompasses the sustainable development of Allianz Malaysia Berhad and its subsidiary companies, Allianz General Insurance Company (Malaysia) Berhad (“Allianz General”) and Allianz Life Insurance Malaysia Berhad (“Allianz Life”) in 2018. Allianz Malaysia Berhad, Allianz General and Allianz Life are collectively referred to as “Allianz”. Allianz SE (the holding company of Allianz Malaysia Berhad, its subsidiaries and associated companies) is collectively referred to as “Allianz Group”.

REPORTING PERIOD

1 January 2018 to 31 December 2018

REFERENCE AND GUIDELINES

The report was developed with reference to Bursa Malaysia Securities Berhad (“Bursa Malaysia”)’s Sustainability Reporting Guide, Sustainability Reporting Awards (MaSRA) Guidelines for Malaysian Companies, the United Nations Sustainable Development Goals, and Allianz Group’s Sustainability Report.

A digital version of this report is available on our corporate website allianz.com.my. Please consider the environment prior to printing a copy of this report.



Sustainability Approach

In a time of unprecedented transformation, we must ensure that we are attentive to the challenges and opportunities that shape our operating environment. With risk management being at the core of our business, we believe that agility and responsiveness in the face of change is a responsibility we must fulfil as part of our commitment to sustainability.

The Allianz Risk Barometer 2019 provides a timely reminder on the need for concerted and holistic action in sustainability. Upon gathering views from 2,415 respondents, it revealed that Business Interruption due to exposure to other risks – including technological failures, political uncertainty and environmental devastation – remains a top threat for companies globally.

Cyber risk retains prominence among all emerging global risks, intensified by heightened proliferation and consumption of digital platforms and tools across society. While technology plays a significant role in our efforts towards innovation-led sustainability in Allianz, it is not through technology alone that we innovate – but also through a transformation in the way we think and do business.

In 2018, the “Bonn Ambition” launched the ‘Insurance Industry Development Goals for Cities’ which set out ten goals that cover actions from within the industry towards realising the United Nations’ Sustainable Development Goal (“SDG”) 11 to ‘Make cities inclusive, safe, resilient and sustainable’. Alongside the UN’s SDGs and Allianz Group’s Renewal Agenda, such industry-specific commitments have provided us with an effective roadmap for harnessing our expertise and optimising our resources towards long-term value creation and impact.

Admittedly, we are operating within an environment of continued socio-political divisiveness and persistent economic inequalities globally. We believe such realities cannot be ignored, but must be regarded as opportunities to leverage upon creativity and innovation in the face of diverse and complex risks. Through our roles as a **responsible business**, an **employer of choice** and a **responsible corporate citizen**, we endeavour to continually honour our commitment to sustainability in a holistic manner, addressing the concerns of our stakeholders in tandem with business considerations and our societal responsibilities.

OUR KEY SUSTAINABILITY ACHIEVEMENTS 2018

Gross
Written Premium

+5.1%

Amount spent on
Employee training over

RM3 Million

Winner of

**LOMA’s Excellence in
Education Award**

Claims paid out to
Kampungku policyholders

RM669,190

Women in
Management Positions

60%

Reduction in
paper usage since 2017

34.2%

Number of Users on
Corporate Website

1.4 Million

Work Well
Index

74%

Direct beneficiaries of
our 2018 CR initiatives

49,591

Sustainability Statement

Sustainability Governance

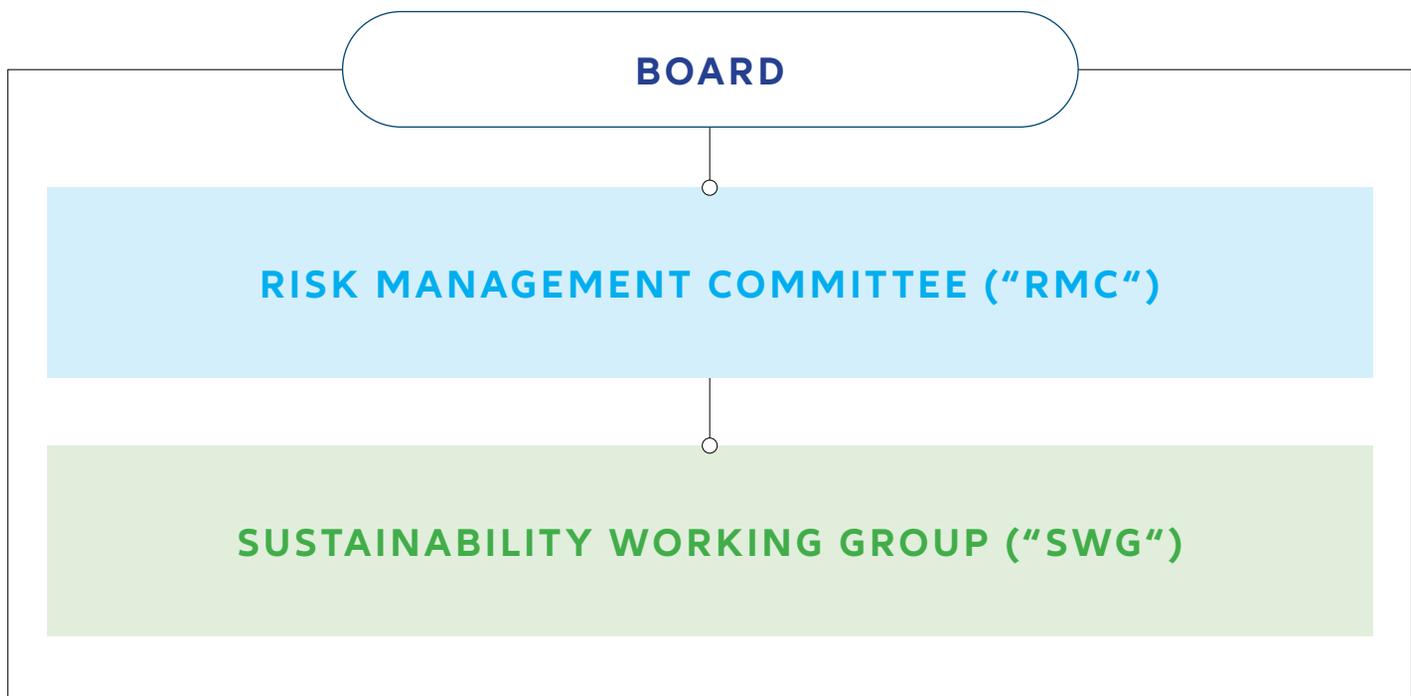
Our sustainability strategy is overseen by the Allianz Board ("Board"), supported by the Risk Management Committee ("RMC") and Sustainability Working Group ("SWG") as indicated in **Diagram 1**. The RMC and SWG are chaired by an Independent Non-Executive Director and the Head of Allianz4Good respectively, with support from members of Senior Management from both subsidiaries and other designated officers. The structure of our sustainability governance ensures that our sustainability initiatives are effectively integrated, implemented and monitored across our organisation.

Our sustainability strategy is shaped through continual assessments by the Board through the RMC, based upon prevalent sustainability concerns and Allianz's overall business strategy.

The SWG is responsible for driving efforts to realise sustainability targets as well as monitoring the relevant measures and indicators. This is the second year of our 3-year Sustainability Targets and Indicators established in 2017, the progress of which is disclosed in **Table 1**.

In order to effectively drive initiatives in our sustainability focus areas of Environment and Social Inclusion, we are in the midst of establishing two subcommittees with broader participation from within our workforce to provide a platform for cross-functional ideation and solutions.

Diagram 1



Sustainability Statement

Table 1: Allianz Sustainability Targets and Indicators (2017 to 2019)

Theme	Target	Sustainability Matter 2018	Yearly Indicators	2017	2018
	To achieve Loyalty Leader position for both subsidiaries	Customer Satisfaction	Results of Net Promoter Score ("NPS")	Allianz General: ↑14.7%	Allianz General: ↑5.5%
				Allianz Life: ↑13.6%	Allianz Life: ↑17.4%
			Number of resolved complaints	582	519
			Average complaint processing time	Allianz General: 7 working days	Allianz General: 10 working days
				Allianz Life: 12 working days	Allianz Life: 16 working days
	Adopting technological innovation	Technological Innovation	New users of digital platform available	Website ¹ : 184,360	Website: 187,460
				A to Z App: 3,459	A to Z App: 8,680
				Imagine App: 86%	Imagine App: 95%
		Business Innovation	Number of claim cases reported via digital platform for customers	A to Z App: 1,066	A to Z App: 2,654
			Number of Allianz operations that have been digitalised (cumulative)	5	9
				(i.e. Enhanced Imagine, ePolicy, Banca eSub, A to Z App & Expert UW)	(i.e. e-communication, Service Request System, Recruiting Monitoring Form Digital, Needs Discovery Performance Management)
			The number of digital partners on-board	Allianz General: 27	Allianz General: 41 Allianz Life: 1
	Number of policies distributed/sold through digital platforms (Allianz Online)	Allianz General: 1,000	Allianz General: 11,207		
	To develop an agile workforce that is aware of and responsive to potential risks	Regulatory Changes	No. of relevant awareness trainings conducted	8	7
		Ethics & Compliance	No. of relevant awareness campaigns conducted	5	5
		Quality of Risk Management	Roll-out of awareness campaigns to workforce	100%	100%
	Provide employee learning and development	Talent Attraction & Retention	Percentage of employees who attended at least one training session	48.4%	34.4%
			Number of training days per employee yearly	3.7 days	3.1 days
			Total RM spent on employee training yearly	RM3.72 million	RM3 million
			Number of employees who completed professional examinations	113	94

¹ The 2017 figure is restated following implementation of a new tracking tool in 2018. This is detailed further in the **Technological Innovation** section of this report.

Sustainability Statement

Theme	Target	Sustainability Matter 2018	Yearly Indicators	2017	2018
	Having fair employment practices, fostering diversity and equal opportunities	Fair Employment Practices	Employee Engagement Index	81%	79%
			Inclusive Meritocracy Index	82%	81%
			Employees by gender and job position	60% Female Managers	60% Female Managers
			Employees based on age groups	25 below: 5.57%	25 below: 5.0%
				25-34: 38.39%	25-34: 37.95%
				35-44: 34.47%	35-44: 33.50%
				45-54: 15.57%	45-54: 18.06%
				55 and above: 6%	55 and above: 5.49%
Employees with disabilities	21 employees	23 employees			
	Increasing consideration of Environmental, Social & Governance ("ESG") matters into business decisions & operations	Integrating Sustainability	Number of Sustainable Solutions offered to customers	4	5
			Total CO ₂ e emissions per employee (kg)	2,915kg ²	2,613kg
			Total water consumption (m ³ per year)	22,000m ³	18,466m ³
			Total amount of electricity consumption (kWh per year)	4,435,000kWh	4,039,361kWh
			Total amount of paper consumption (kg per year)	119,216kg	78,453kg
			Total amount of paper recycled (kg per year)	43,417kg	26,596kg
	To reduce societal risks and equalise opportunities of underserved communities	Community Development	Total number of beneficiaries	~31,288	~49,591
			Total volunteering man hours	1,470 hours	3,474 hours
			Total amount allocated for beneficiaries through Corporate Responsibility (RM allocated yearly)	RM2,379,500	RM1,845,540
			Total amount of donations company-wide to support local communities (RM yearly)	RM562,561.27	RM279,945.01
			Total amount of sponsorships company-wide (RM yearly)	RM1,867,596.60	RM2,067,030.00
			Number of community partners	47	58

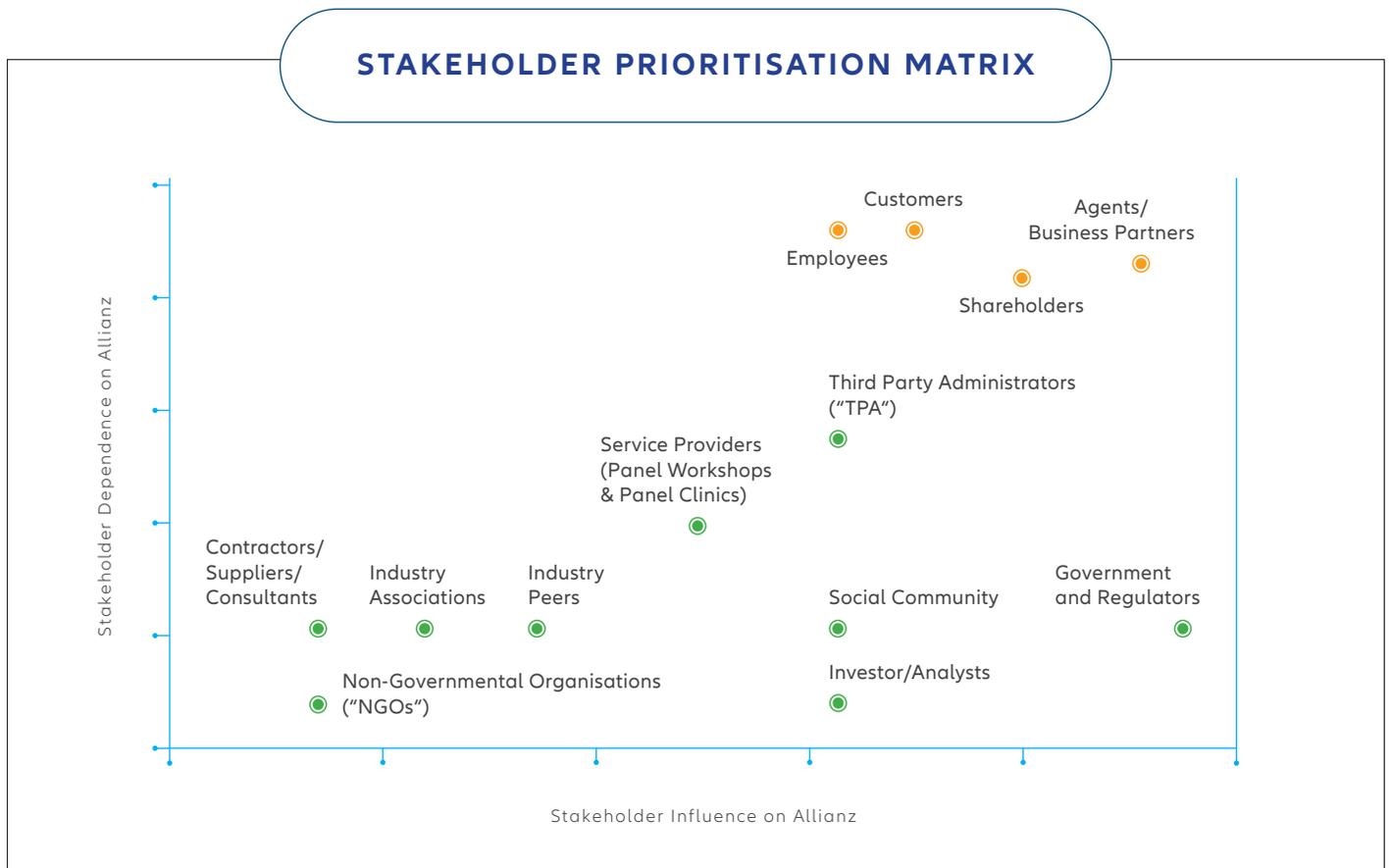
² The 2017 figure is restated following implementation of a new conversion factor by Allianz Group in our Environmental Management System ("EMS"). Both figures reported here reflect this change. More information on our EMS can be found in the **Integrating Sustainability** section of this report.



Our Game Changers

Our key stakeholders, identified through a stakeholder prioritisation exercise to have the most influence and dependency on Allianz, are indicated in **Diagram 2**. Our stakeholder engagement exercise focused in particular on these high priority stakeholders to gauge their feedback on the Economic, Environmental and Social (“EES”) topics they view as most material to Allianz. The outcome of this engagement exercise, identifying the material sustainability matters according to stakeholder group, can be viewed in **Table 2**. While the material issues relating to key drivers and core to our business remain highly ranked across all stakeholder groups, we note that Cyber Risk is emerging as a significant material issue due to increasing cyber exposure in the market.

Diagram 2: Stakeholder Prioritisation Matrix



Sustainability Statement

Table 2: Outcome of Stakeholder Engagement

Stakeholder Groups	Engagement Channels	Key Areas of Concern	Allianz Response
Customers	<ul style="list-style-type: none"> Sustainability Survey 2018 Online platform (e.g. corporate website, social media, smartphone applications & mobile messaging) Customer satisfaction survey (Net Promoter Survey) Community events (i.e. Allianz Pacer Run 2018, Allianz Pacesetter 2018 and Allianz Rocks 2018) 	<ul style="list-style-type: none"> Ethics & Compliance Customer Satisfaction Regulatory Change Quality of Risk Management Talent Attraction & Retention 	 Page 60 - 77  Page 78 - 85
Employees	<ul style="list-style-type: none"> Sustainability Survey 2018 Allianz Employee Survey Employee on-boarding training Townhall meetings Allianz internal publications (e.g. monthly newsletters & quarterly magazines) Allianz staff portal Learning and development programmes Corporate volunteering programmes Direct employee feedback One to One Interviews 	<ul style="list-style-type: none"> Customer Satisfaction Ethics & Compliance Cyber Risk Business Innovation Quality of Risk Management Integrating Sustainability 	 Page 60 - 77  Page 86 - 103
Agents/ Business Partners	<ul style="list-style-type: none"> Sustainability Survey 2018 Allianz internal publications (e.g. Agents magazine & quarterly magazines) Seminar & annual marketing conventions Agents training sessions Online platform (e.g. corporate website, social media, smartphone applications, mobile messaging & Allianz agent portal) Corporate volunteering programme Corporate events (e.g. festive dinner) 	<ul style="list-style-type: none"> Customer Satisfaction Business Innovation Technological Innovation Regulatory Change Ethics & Compliance 	 Page 60 - 77
Industry Associations	<ul style="list-style-type: none"> Sustainability Survey 2018 Public partnerships One-to-one meetings 	<ul style="list-style-type: none"> Ethics & Compliance Regulatory Changes Quality of Risk Management 	 Page 60 - 77

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Stakeholder Groups	Engagement Channels	Key Areas of Concern	Allianz Response
Investors/ Shareholders	<ul style="list-style-type: none"> • Sustainability Survey 2018 • Annual General Meetings • Quarterly analyst briefings • Quarterly Reports and Annual Reports • Shareholders' circulars • Fund Performance Reports • Online platform (e.g. corporate website & social media) • One-to-one meetings with fund managers and investors • Media releases 	<ul style="list-style-type: none"> • Business Innovation • Ethics & Compliance • Customer Satisfaction • Technological Innovation • Cyber Risk 	 Page 60 - 77
Community	<ul style="list-style-type: none"> • Sustainability Survey 2018 • Online platform (e.g. social media & smartphone applications) • Corporate volunteering programmes (e.g. community events, knowledge-sharing initiatives & partnerships with Non-governmental organisations) 	<ul style="list-style-type: none"> • Customer Satisfaction • Ethics & Compliance • Cyber Risk • Business Innovation • Quality of Risk Management • Integrating Sustainability 	 Page 60 - 77  Page 86 - 103
Media	<ul style="list-style-type: none"> • Sustainability Survey 2018 • Press conferences and events • Media releases 	<ul style="list-style-type: none"> • Customer Satisfaction • Technological Innovation • Ethics & Compliance • Cyber Risk • Societal Change 	 Page 60 - 77  Page 86 - 103

Legend:



Responsible Business



Employer of Choice



Responsible Corporate Citizen

Sustainability Statement

Materiality

As a reflection of our commitment to transparency and accountability, the progress of our sustainability strategy disclosed within this report is shaped around the sustainability matters identified as most material by our stakeholders. These material matters are determined via our annually conducted materiality assessment exercise which is developed with guidance from Bursa Malaysia’s Sustainability Reporting Guide, the UN SDGs, global risk trends and Allianz Group’s sustainability strategy.

Our material analysis is comprised of one-to-one interviews and our Sustainability Survey 2018, which was circulated to eight stakeholder groups beginning January 2019. In an effort to continually improve, we have further reduced the number of our sustainability matters to 14, by consolidating the matters ‘Community Development’ and ‘Integrating Sustainability’. We believe this provides for better clarity as ‘Community Development’ overlaps with our social-focused initiatives as part of ESG integration in our business decision-making. This consolidation was approved by the SWG and RMC in February 2019.

Our stakeholder groups ranked each sustainability matter on a scale of importance from Low Importance (1) to High Importance (4). This was followed by a sustainability risk assessment exercise, based on our existing internal risk assessment criteria, to determine the probability of occurrence and level of impact each sustainability matter has on Allianz. The resulting materiality matrix and Top Ten Sustainability Matters are indicated in **Diagram 3** and **Table 3** respectively.

Diagram 3: Materiality Matrix

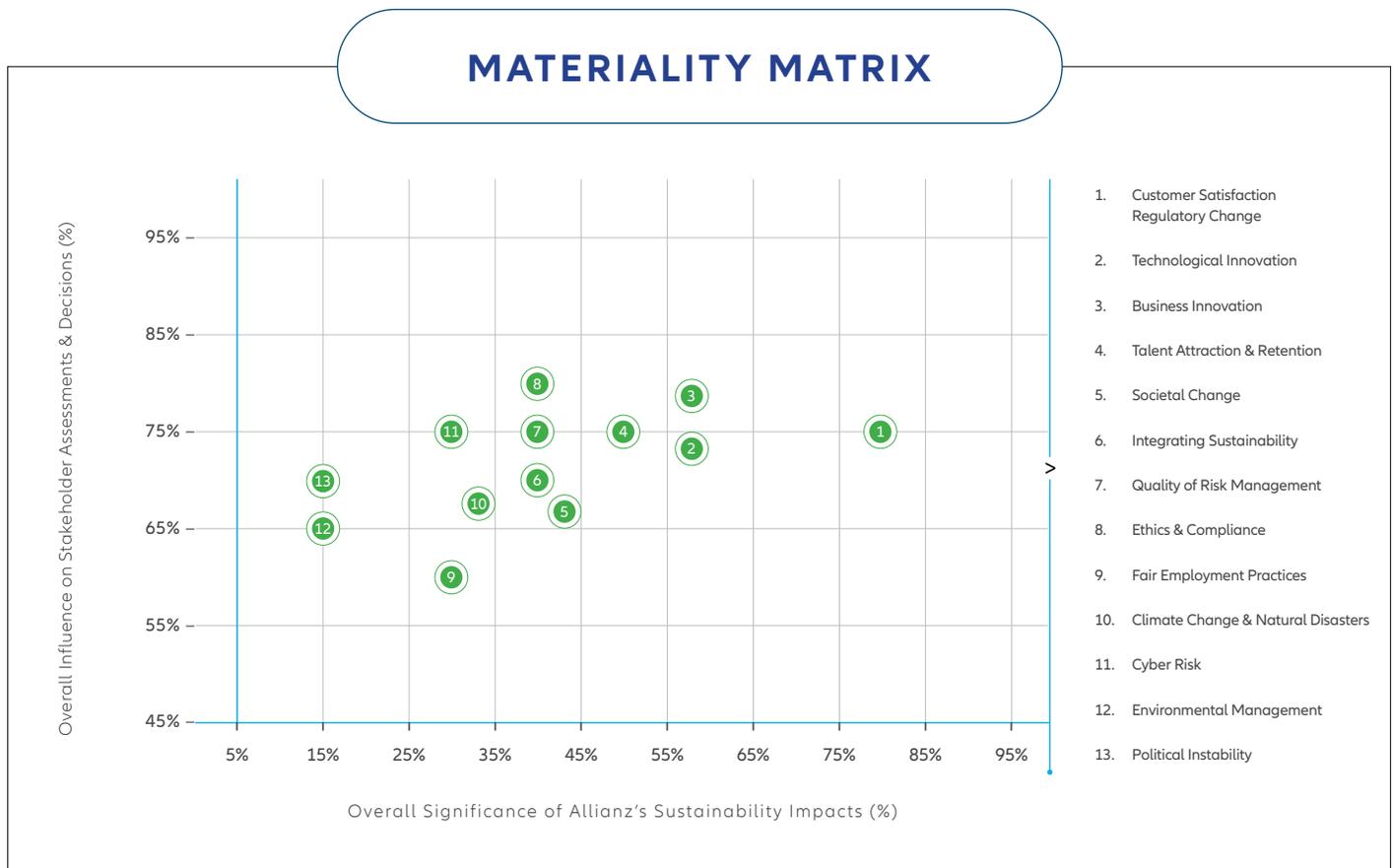


Table 3: Allianz Top 10 Material Sustainability Matters 2018

Rank	Themes	Material Aspect	Scope of Sustainability Matter	Renewal Agenda
1		Customer Satisfaction	Customer-centric decision-making, relevant and timely support, value-added services, responding to customer feedback	True Customer Centricity
2		Regulatory Change	Detariffication, increasing market competition due to industry changes, introduction of new laws and policies	Technical Excellence
3		Business Innovation	Digitalisation of processes, automation, using big data, online offerings	Growth Engines
4		Technological Innovation	Business development into new segments/markets, emerging fintech industry, adapting to future work trends	Digital by Default
5		Talent Attraction & Retention	Learning and development, rewards and remuneration, career opportunities, workplace satisfaction	Inclusive Meritocracy
6		Ethics & Compliance	Transparent communications, good corporate governance, responsible sales conduct, clear and accurate marketing	Technical Excellence
7		Quality of Risk Management	Operational Risk, Underwriting Risk, Credit Risk controls, Market Risk	Technical Excellence
8		Integrating Sustainability	Taking ESG matters into consideration in business and investment decision-making, providing appropriate/needs-based insurance solutions	Growth Engines
9		Fair Employment Practices	Diversity and equal opportunities, Health, safety and well-being, open communication	Inclusive Meritocracy
10		Cyber Risk	Data Privacy & Security, risks due to emerging technologies, reputational risks related to digital media	Technical Excellence

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Customer Satisfaction

Customer satisfaction continues to take the lead among the Top 10 sustainability material matters identified by our key stakeholders. At Allianz, we are committed to providing holistic protection and services to meet our customers' ever-evolving needs. In a time of rapid change, the role of insurers is steadily evolving beyond that of a passive guardian and towards one of an activist protector.

As the ultimate shared value industry, we believe in shedding the reputational passivity characteristic of legacy industries such as insurance by becoming an approachable and reliable partner to our customers. Our decision-making is shaped by our core value of True Customer Centricity, which has inspired us to embark on long-term transformational journeys across our organisation to ensure that we provide simplicity and the highest standard of care at every touch point along our customers' journey.

OUR INSURANCE FOOTPRINT



UNDERSTANDING OUR CUSTOMERS

The annually conducted Net Promoter Score ("NPS") is an important measure of customer loyalty while offering insight on a customer's interactions with us. This exercise is undertaken in coordination with Allianz Group to ensure streamlining of methodology and standards across the group. Our NPS scores for years 2017 and 2018 indicated in **Table 4** below, reflects the continued improvement achieved by both Allianz General and Allianz Life. In 2018, the latter achieved a strong Above Market position, with quality and value of products and service being the most relevant business drivers in this segment.

Table 4: Net Promoter Score

	Top Down NPS Performance 2017	Top Down NPS Performance 2018	
Allianz General	-4.6% (Market average = -13.5%)	+0.9% (Market average = +2.4%)	+5.5%
Allianz Life	-5.2% (Market Average = -10.6%)	+12.2% (Market Average = -0.9%)	+17.4%



From Customer Service to Customer Advocacy Roadmap

In 2018, we commenced the second stage of our 'From Customer Service to Customer Advocacy Roadmap' to develop a 'New Gold Standard' in customer service, as part of our long-term transformational journey to become a truly reliable partner to our customers. The four pillar strategy allows us to enhance our methodology and address specific aspects of servicing our customers in a targeted manner. Since the commencement of the roadmap in 2015, we have invested significantly in our technological capabilities and digital assets thus allowing an improvement of our customer insights and their pain points.

IMPROVING OUR CUSTOMERS' JOURNEY

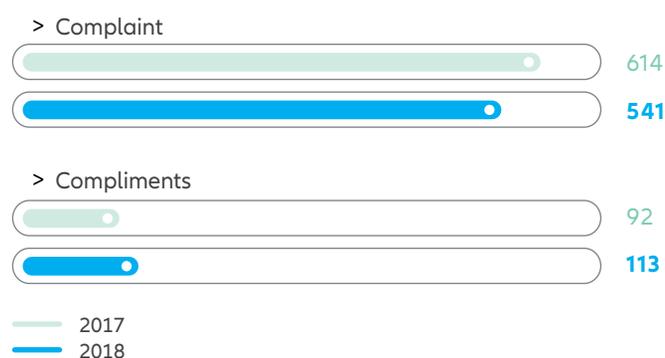
In 2018, we accelerated our Digital by Default agenda through the introduction of omni-channel customer touchpoints, namely social media and live-chat functionalities – promoting alternatives to customers in addition to the readily-available telephone and email channels. The awareness on agility propelled us to embrace and implement technological advancements in the channels made available to our customers. This resulted in an increase in our interactions by over 600% via live-chat, which saw a climb to over 1,200 digital interactions.

In addition to improving and enhancing our customers' overall interaction and experience with us, we are also deeply committed to drawing insight from the voice of the customer and turning them into actions that will ultimately garner their long term support and loyalty as we continue to transition from a transactional to a relationship and advisory role. This year we launched the Allianz Customer Satisfaction Survey to allow our customers to share feedback on our service standards. After each phone, email, chat or social media interaction, customers receive a unique survey link via email to rate their experience with our Customer Advocacy Associates. A similar survey is also sent to customers upon closure of complaint cases to ensure their issues were resolved in a timely and professional manner.

We continue to enhance the channels available for customer feedback and endeavour to provide the same level of service across all touch points. This includes the launch of our Live Chat, available Mondays to Fridays from 8:45am to 5:45pm, which was developed in consideration of customers' increased preference to communicate via email and chat. Another effort to ease communication and accessibility for our customers is the extension of our Allianz Contact Center business hours from 8am to 8pm. This was implemented to accommodate customers who are not able to reach us during usual business hours.

Between April to July 2018, twenty-five sessions of the Complaint Management Annual Refresher Course were conducted to educate over 800 employees on understanding and addressing customers' complaints effectively. We believe a decrease in complaints and the corresponding increase in compliments from our customers, indicated in **Diagram 4**, can be attributed in part to such efforts to embed customer understanding across the organisation. This year also saw a decrease in the number of Allianz General complaints escalated to Bank Negara Malaysia compared to 2017. We believe this demonstrates progress made as part of our commitment to resolve customers' problems and in providing an excellent customer experience especially during their Moments of Truth.

Diagram 4: Number and types of customer feedback received



Responsible Business

ALLIANZ CUSTOMER SERVICE INSTITUTE

Beginning 2017, our Customer Advocacy and Human Resources divisions collaborate to pilot the Customer Service Institute, a platform to enhance the knowledge and expertise of our customer advocacy associates through one-to-one and classroom training with various subject matter experts from our underwriting and claim departments. By identifying and addressing areas of weakness, we are able to equip our associates with the knowledge necessary to effectively support and assist our customers.

V

ALLIANZ RECEIVES RECOGNITION FROM THE NATIONAL CONTACT CENTRE AWARDS 2018


The introduction of our Customer Relationship Management system in 2017 continues to provide an efficient workflow for our Customer Advocacy Associates and a shorter Turnaround Time ("TAT") for our customers. The system has an in-built response tracking and knowledge management system which is tailored to a customer's enquiry and generates an interaction log on the customer's profile to avoid duplication and for future reference.

This system, as part of our efforts in developing a 'New Gold Standard' in customer service were recognised at the National Contact Centre Awards 2018, taking home three awards. Allianz won silver in the Best Customer Relationship Management for Contact Centre and merit for Best Innovative Adoption Award, while employee Ivy Erny Ibrahim won silver for Best Contact Centre HR Support Specialist.

The National Contact Centre Awards 2018 is an annual event by the Contact Centre Association of Malaysia which honours members of the Malaysian Customer Relationship Management and Contact Centre industry who strive to bring customer experience to the next level.

In addition to these recognitions, Allianz did well in the recent Customer Satisfaction Index commissioned by Bank Negara Malaysia with the cooperation extended by Nielsen, LIAM and PIAM. These pinnacle achievements speak volumes about Allianz commitment towards creating a second to none customer experience.

ENHANCING CUSTOMER EXPERIENCES

Allianz Road Rangers

Allianz Road Rangers is part of our motor claims transformation journey to ensure customers experience a seamless journey when making accident claims. It is designed to address specific stress points usually encountered by customers following a motor accident.



The Allianz Road Rangers video campaign set out to create awareness on a customer's journey following a breakdown or accident



Following the successful nationwide launch of our Allianz Road Rangers service in January 2018, a video awareness campaign highlighting its seven touch points – encompassing our 24-hours Accident Call Center, Allianz Bike Brigades, Allianz Tow Trucks, claims assistance, ride-sharing services, Allianz motor ODX claims and vehicle delivery – of the Allianz Road Rangers customer journey was launched on social media platforms such as Facebook and YouTube in June 2018.

The Allianz Road Rangers: 24-Hour Call Centre advertisement, as part of this video awareness campaign, nabbed the award for Top Ad in Financial Services and Institutions at the YouTube Malaysia Awards 2018. The award-winning video reached 2,959,772 views as of December 2018, indicating that the content resonated with viewers while furthering our goal of enhancing awareness among consumers on the motor accident claims process.



ALLIANZ DISCOVER A-Z CAMPAIGN



The Allianz Discover A-Z Campaign was held from 1 July to 23 September 2018 to encourage Malaysians to learn more about insurance protection and demystify the perception that insurance plans are complex and full of technicalities. Over 20,000 members of public participated via its online platform at discoverallianz.com.my and interactive activities held in five selected malls across Klang Valley. By utilising quizzes, games and contests that came with attractive prizes we were able to reward Malaysians for taking the initiative to learn more about insurance and the many benefits of having a complete insurance coverage.

Participants also had the opportunity to take up complimentary health screenings as well as experience our Needs Discovery Tool, which provides a quick glance at one's financial situation, while identifying gaps in insurance coverage. Find out more on Needs Discovery in the **Technological Innovation** section of this report.



Responsible Business

V

REWARDING OUR CUSTOMERS AND PARTNERS WITH ALLIANZ ROCKS



Papa Rock Datuk Ramli Sarip gave Allianz customers and partners a night to remember when he brought the house down at the Allianz Rocks Concert held on 23 November 2018. Held at Panggung Anniversari, the concert was an exclusive event organised by Allianz for our customers and partners.

Local band Ruhh opened the show and got the crowd amped up with classic rock hits such as Queen's We Will Rock You and Guns 'n' Roses' November Rain. The band then played one of Ramli's classics Kamelia to huge roars from the crowd before the former frontman of Sweet Charity hit the stage himself to finish the song sending the close to 1,800 strong crowd into a frenzy.

A customer campaign that ran from October to November 2018 gave away 150 pairs of tickets. Tickets were also distributed through Sinar FM's on-air and online contests, as well as to our partners, customers, employees and members of public.



Fully operational under Allianz Life since October 2018, our CHA team operates as the company's MCO which was previously managed by third party administrators

Customer Healthcare Administration

Fully operational under Allianz Life since 16 October 2018, Customer Healthcare Administration ("CHA") is our in-house Third Party Administrator and Managed Care Organisation ("MCO") to deliver hospital cashless arrangements for customers. In the first phase of the operations, CHA's services will focus on in-patient health claims by providing customers with a 24-hour helpline to assist with cashless hospital admission, processing of claims and managing Allianz's panel network of medical providers.

CHA aims to keep customers engaged throughout their healthcare journey using SMS, and promises to deliver a turn-around-time of one hour for hospital guarantee letter requests, eliminate delays by removing third party confidential referrals as well as providing balance limits (lifetime and annual) information to better manage admission deposits.

Another perk of having our very own MCO is the New HealthCare system which will enable us to better support our medical partners, corporate clients and customers in managing claims. CHA currently has a medical provider network of 133 panel hospitals nationwide – 77 independent commercial hospitals and 56 hospitals that are part of some of the largest healthcare groups in the country.

In line with Allianz Group's Renewal Agenda to become digital by default, advancements in technology has enabled us to innovatively meet the rapidly developing preferences of our customers while addressing their pain points through increased simplicity and efficiency. This underlines our organisational transformation projects currently undertaken by both Allianz General and Allianz Life which leverages on digital tools for seamless customer experiences and resource optimisation. Such initiatives are explored further in the sections on **Technological Innovation** and **Business Innovation** respectively.



Regulatory Changes

Insurance regulation is an important component of a fast developing marketplace saturated with innovation and technology. As we progress along a host of transformational journeys, adhering to regulatory expectations provides us with useful parameters to ensure that our customers are continually empowered and protected at the highest standard.

Unsurprisingly, most of the significant regulatory changes in the last year introduced controls relating to technology and our implementation of these are elaborated further in the section on **Cyber Risk**. The deregulation of operating cost control limits and the roll-out of the Balance Scorecard Framework came into effect in 2018 as part of the Life Insurance and Family Takaful Framework. Its implementation is detailed in the sections on **Ethics & Compliance** and **Technological Innovation**.

The International Financial Reporting Standard (“IFRS”) Project is a multi-year project in collaboration with Allianz Group, Insurance Management Asia Pacific (“AZAP”) to enable us to comply with the two new accounting standards, IFRS 9 “Financial Instruments” and IFRS 17 “Insurance Contracts”. The implementation of IFRS will bring significant implications to our data information system, business operations, product and pricing strategy. A steering committee was formed for both Allianz Life and Allianz General with the objective of monitoring the implementation process and ensure a smooth transition towards the new standards.

The e-Payment Incentive Fund (“ePIF”) Framework, which is designed to accelerate the migration towards electronic payments to drive the displacement of cheques and mitigate risk of insurance agents misappropriating premium collection, became effective in 2018. Nonetheless, BNM has provided the industry with a grace period before mandatory implementation of the framework, though payments using an intermediary’s credit card have begun strict enforcement. In the meantime, we continue to identify mechanisms and controls for ePIF implementation.

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IN THE AGE OF DIGITAL



The proliferation of digital assets and solutions across the market, alongside increasing controversy and awareness on the protection of consumer data following significant breaches in recent years, has introduced a plethora of technology-focused regulation.

These include:

- a. Personal Data Protection Act 2010
- b. European Union General Data Protection Regulation

Our compliance and implementation of these guidelines, along with other controls we have put in place on the topic of technology is shared in the section on **Cyber Risk**.

Responsible Business



Business Innovation

As the world moves steadily towards the Fourth Industrial Revolution – a period of unavoidable and rapid disruption - we recognize the importance in evolving in revolutionary times. We are of the firm belief that our capacity for innovation and agility is crucial to ensure a sustainable business. In Allianz, we continue our journey to expand our digital footprint in the evolving marketplace, and attempt to revamp customer experiences by means of seamless access to our products and services across multiple channels.



This is our second year as the key insurance partner in the SuperCharger FinTech Accelerator Programme alongside MDEC which provides access to a global network of innovation and solutions

COLLABORATION WITHIN A DIGITAL ECOSYSTEM

As of 2018, Allianz General has established forty-one digital distribution partnerships which enable us to enhance our presence in an increasingly digital economy. Our partnership with insurtech company, PolicyStreet, focused on introducing a complete insurance portfolio to online consumers. Four Allianz digital products were offered on PolicyStreet, an online curated platform which aims to provide simple and affordable insurance solutions. Similarly, we have embarked on a partnership with the online marketplace 11street as another step forward in making purchasing insurance even more convenient and seamless by offering three comprehensive products to suit customer needs.

This is our second year as the key insurance partner in the SuperCharger FinTech Accelerator Programme, alongside with the Malaysia Digital Economy Corporation. With over 200 companies from over 32 countries submitting applications, the final ten local and international companies selected for the SuperCharger KL 2018 Cohort represent sub-sectors of financial technology such as InsurTech, Reg Tech, payments, wealth management, artificial intelligence ("AI") and compliance.

This partnership provides us access to a global network of innovators and solutions which allow us to enhance and simplify our processes. The 12-week programme enables local and international scale-ups to quickly establish their operations in Malaysia and expand in the region by engaging multiple key stakeholders to lend their support and expertise.



MEET AIDA

Following the first SuperCharger Malaysia programme in 2017, we were able to partner up with cohort finalist Pand.ai who developed the industry's first customer-facing artificial intelligence chatbot, AIDA.

AIDA, which stands for Artificial Intelligent Digital Assistant, is a robo-customer service representative designed to answer queries related to our modular home insurance product, Allianz Smart Home Cover.

Customers can engage AIDA at any time of the day via the Allianz Smart Home Cover product page on our corporate website for enquiries or to partake in light banter.

AIDA is the first of its kind in Allianz and we expect to expand its capabilities in 2019.

PARTNER API SYSTEM

In Allianz General, we currently have four API-enabled digital products such as Enhanced Road Warrior, Short Term Enhanced Road Warrior, Smart Home Cover and Allianz Travel Care, the highest selling digital product.

In 2018, Allianz life has successfully embarked on the first digital partnership utilising the Partner API platform with RinggitPlus. Through this partnership, we are currently distributing our Allianz i-EssentialCover product which is an affordable life insurance plan that covers death and total permanent disability up to sum assured of RM500,000.

This platform provides the capacity to expose our core products and services to external parties without tailoring an API for each partner, while speeding up the development of digital platforms for product distribution and broadening our reach.

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ALLIANZ DIGITAL ACADEMY



16 members of the Allianz General and Life digital teams received certificates of completion for the Hong Kong University ("HKU") FinTech Massive Open Online Course ("MOOC").

The MOOC was a two-month course comprising of six modules that covered topics of Artificial Intelligence, Blockchain, FinTech regulations and the Future of Data Driven Finance.

THE ALLIANZ WAY OF DOING BUSINESS

Sustainability, being a transformational journey, requires embracing a change in our operational and thinking processes as a corporate entity. While technology plays a significant role in our efforts towards innovation-led sustainability in Allianz, it is not through technology alone that we innovate – but also through a transformation in our business decisions and the way we develop insurance solutions to close the protection gap.

These values underline our long-term organisational transformation journeys currently undertaken by both Allianz General and Allianz Life - though leveraging upon digital automation to streamline processes – represent a fundamental shift to realign and segment work processes to optimise productivity and foster an agile workforce and agency force. This year, we have taken significant steps to nurture an economically viable and sustainable foundation for our business model, founded upon quality servicing and comprehensive insurance solutions that can truly address the needs and pain points of our customers.

Responsible Business



The Allianz Special All Risk Solar PV Insurance was launched by YB Yeo Bee Yin, the Minister of Energy, Science, Technology Environment in October 2018

Protection from A to Z

Our modular home insurance product, Allianz Smart Home Cover, is a customisable plan comprised of five components: HouseOwner, HouseHolder, Mortgage Loan Instalment Protection, Home Fix and Landlord Insurance. Presently, only 25% of Malaysian households are insured. Smart Home Cover is designed to overcome the rigidity and high-cost which inhibits homeowners from insuring their homes.

We have partnered with igloohome, a start-up which creates smart digital door locks, to bundle their products with the Smart Home Cover insurance plan as an additional layer of protection for homeowners. Our customers now have the option to upgrade their existing locks to igloohome's digital door locks depending on their preference and security needs. It is perfect for homeowners to short-term rentals and offers them added convenience, security, and peace of mind knowing their homes is well and truly protected.

We have also launched the Allianz Solar PV Insurance, a special all risk solar insurance policy which addresses issues including the lack of support services, high-cost of maintenance and lack of compensation for damages faced by residential and commercial Solar PV owners. The Solar PV Insurance's comprehensive protection covers loss or damage to the Solar PV system due to any malicious damage, theft or lightning as well as damage from aircraft aerial devices or articles dropped, fire, explosion, earthquake and any other natural disasters, flood, landslides, burst water pipes and overflowing water tanks, and more. More information on this product can be found in the **Integrating Sustainability** section of this report.

Another example of our commitment to comprehensive protection, our newly launched Allianz Prime Care+ is the first Critical Illness policy in the market to cover more than 150 critical illnesses, which include Kawasaki Disease with Heart Complications, Severe Rheumatoid Arthritis, Severe Ulcerative Colitis and Early Melanoma.

Prime Care+ offers a living benefit in which a policyholder will be provided with a lump sum payment upon claims which can act as an income replacement during and post-recovery. This is to ensure our customer's quality of life, and assist with the cost of long-term care and financial commitments. The policy also offers additional payout under the Diabetes Recovery Benefit, Cancer Recovery Benefit, and Catastrophic Critical Illness Coverage.

Allianz Prime Care+ complements our existing portfolio of health insurance solutions designed to extend protection to those in need of it the most and would otherwise face limited insurance coverage. This includes our Allianz Diabetic Essential Plan, the first standalone medical plan designed for those with Type-2 Diabetes, which also empowers our policyholders to manage their conditions through incentives such as extended policy coverage and discounted premiums.

Another recent launch is the Allianz i-Cancer Care, a comprehensive plan that provides a financial buffer for those diagnosed with Early Stage or Advanced Stage cancer. There are three plans designed to suit different levels of cancer protection needs as well as a lump sum health care allowance upon diagnosis.

Another initiative as part of our commitment to being digital centric and service-oriented is our partnership with telehealth provider, DoctorOnCall, to provide convenient healthcare solutions to our corporate partners. Our Employee Benefits service is the first in the market to offer this digital healthcare proposition. DoctorOnCall provides convenient access for Allianz corporate partners to qualified registered doctors through text chat, phone call or video call.

As Malaysia's first telehealth provider, DoctorOnCall's services also extend to include prescriptions, medical referrals, and nationwide medication delivery with same-day delivery service currently offered in the Klang Valley, Penang, and Johor Bahru. These services are also expected to result in improved and cost-effective management of chronic illnesses such as diabetes, cholesterol or hypertension which require constant monitoring and continuous assessment of prescriptions for long-term medication.



Technological Innovation

Technological disruption has transitioned beyond inevitability into a lived reality. The pace of technological innovation, where novelty is very quickly established into a 'new normal', has motivated the enhancement of our digital assets and capabilities as shared in this section. We are still on a learning curve in the area of technological innovation, but our exposure has increased significantly since we commenced our efforts towards becoming digital by default in 2015 and continue to explore new solutions as opportunities in the technological sphere grow.

ALLIANZ ONLINE

As part of our efforts to provide seamless access to our customers, several of our offerings are made available on Allianz Online. These products are developed using Open Application Programming Interface ("API") technology which also allows for us to integrate with our digital partners as shared in the section on **Business Innovation**. This year, over 11,000 policies were purchased through this platform, marking an exponential leap from the year before.

Our Allianz General products available on Allianz Online include Enhanced Road Warrior, Smart Home Cover, Allianz Flight Care and Allianz Travel Care. Customers are also able to request e-quotations for certain products and will then be serviced by an agent at the point of purchase. Three Allianz Life products are fully purchasable through Allianz Online; these are Allianz i-Essential Cover, Allianz i-Hospital Cash and the newly launched Allianz i-Cancer Care which extends comprehensive coverage for early stage or advanced stage cancer. More information on Allianz i-Cancer Care can be found in the section on **Business Innovation**.

We have also improved our tracking tools in the last year, which allows us to more accurately measure engagements on our corporate site, Allianz Online as well as our social media touch points. We are pleased to note increased engagement by our agents and business partners, indicating that our corporate site and Allianz Online are becoming integral sales tools.

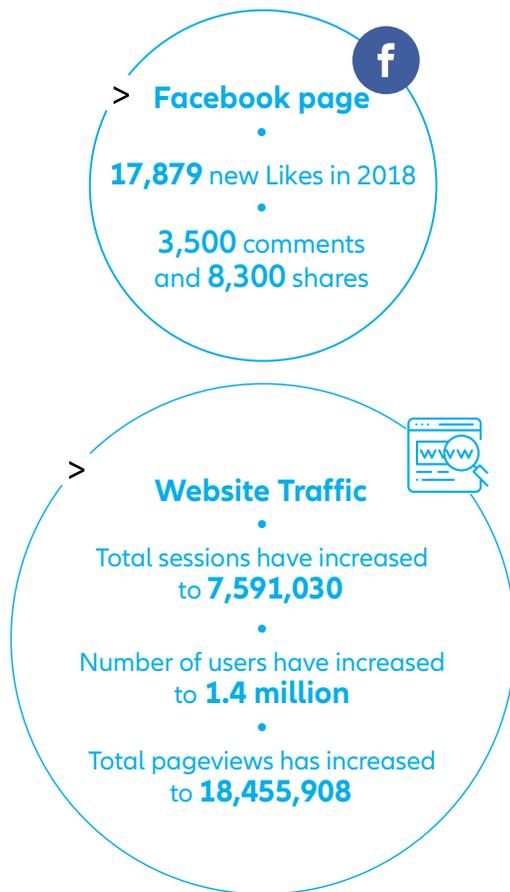
We have begun using unique links for use by our agents and partners; this allows them to post their unique link on any social media platform or website which will lead traffic to Allianz Online and thus enable customers to self-purchase online while ensuring that the commission and production is still allocated to the agent.

We have also improved our tracking tools in last year, which allows us to more accurately measure engagements on our corporate site, Allianz Online and social media channels.

The screenshot displays the Allianz Online website interface. At the top, there's a navigation bar with 'Allianz' logo and links for Personal Insurance, Business Insurance, Allianz, Customer Service, and Online. Below this is a main banner for 'Allianz Smart Home Cover' with a 'More' button. A secondary banner for 'Allianz Online' features a 'Claims' button. The main content area is divided into several product tiles:

- Early & Advanced Cancer Stage Protection:** Highlights early diagnosis and prevention services.
- Comprehensive Motor Coverage:** Offers protection for cars, including theft and damage.
- Affordable Life Insurance Plan:** Provides life insurance with a low premium and high coverage.
- Road Assistance Program:** Includes services like towing, breakdown, and emergency medical.
- Daily Hospital Income Plan:** Offers daily cash payments during hospital stays.
- Travel Coverage:** Protects against travel-related risks like accidents and cancellations.
- Flight Delay Coverage:** Compensates for flight delays and cancellations.
- Customisable Home Protection:** Covers risks like fire, theft, and water damage.
- Personal Accident Coverage:** Provides compensation for accidents and injuries.
- Insure against Snatch Theft:** Protects against theft of personal items like bags and wallets.

Responsible Business



TECHNICAL EXCELLENCE THROUGH DIGITAL TOOLS

Our Allianz A to Z app provides customers with easy access to information on their policies, including medical cards, search for panel clinics and hospitals as well as submission of hospital guarantee letter requests. Policyholders may also use the platform to submit their medical claims (“eClaims”), with receipts being necessary only for claims above RM300. A total of 2,654 claims were submitted through the app in 2018. The A to Z app has increased to 8,680 registered users, particularly among our Employee Benefit customers.

Additionally, customers are able to digitally submit their medical claims at any time through the Allianz A to Z app utilising photos of their medical bills. To ease usage for our customers, an Allianz A to Z app tutorial video is publicly available on YouTube.

The Allianz A to Z App can also be used to call Roadside Assistance by relevant Allianz General policy holders, where they may also check on the status of the Roadside Assistance service as well as their motor policy’s No Claims Discount, and motor claims.

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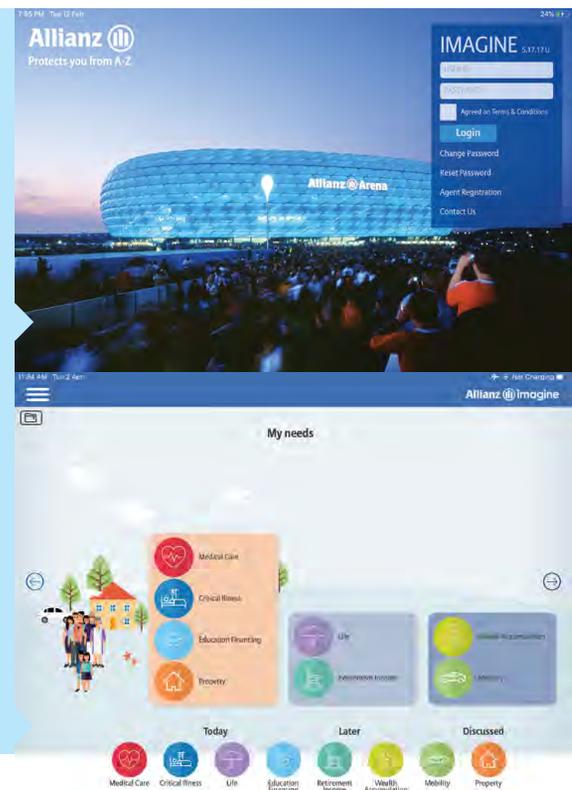
AGENCY TRANSFORMATION JOURNEY: IMAGINE APP



We continue to enhance our Imagine app to become a more extensive and overarching single platform tool for pre and post-sales servicing. By equipping them with the right digital tools, we are able to further professionalise our agency force and ease their sales journey. As of December 2018, eSubmission usage by our agents hit 95%, translating to significant reduction in paper and operational costs.

The Needs Discovery feature - which is an inbuilt intuitive analysis tool to identify customer’s needs and their insurance gaps – utilises gamification and UI/UX for a more interactive and user-friendly experience. Needs Discovery generates a summary gap analysis to highlight a customer’s existing policies and recommend products they may purchase to ensure they are adequately protected.

By focusing on needs identification, the intermediary process is made more transparent. Another additional feature is the embedding of both Allianz Life and Allianz General products in the needs identification process. This allows a complete snapshot of the customer’s insurance gaps, and seamless access to our products across both subsidiaries.





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AiRIS FOR RISK SURVEYORS

The Allianz Risk Assessment Information System (“AiRIS”) was built as a property risk survey tool for Allianz General. This was initiated in 2015 and has become fully operational for our branches and head office, assisting decision makers to efficiently decide appropriate terms for property insurance business proposition.

AiRIS was designed in an effort to go paperless, where the cost of printing and our environmental impact is minimised. The standardised system is accessible anywhere and anytime to assist surveyors via structured and guided questions, while also enabling quicker submissions.

AiRIS is a user-friendly system, requiring only 4-steps for survey submission. The method begins with identifying cases and accessing the site survey, followed by performing the survey via a questionnaire and submission.



AiRIS

Last year, Allianz Life ventured into underwriting automation through the Expert Underwriting System (“EUW”) which utilises a pre-defined rule engine to enable auto-approval of non-complex medical cases alongside simpler and less questions to allow for faster underwriting decisions and better competitive edge for our agency force through shorter sale cycles. As of 2018, 60% of our cases are automated through EUW allowing our underwriters to focus on more complex cases.

We have enhanced our e-Policy project to be available for both Allianz Life and Allianz General policyholders; which has reduced customers TAT by delivering policy contracts, statements and letters to policyholders through email. It has contributed significantly to a reduction in paper usage and printing costs. Additionally, our customer portal provides convenience for customers to access, download and print their documents at any time.

Following a pilot test involving 60 agent leaders and agents in August 2018, we have successfully operationalised our Agent Service Request System (“SRS”). SRS is a new sales and service platform – which is consolidated within our Imagine app sales tool and integrated into our Customer Management (“CM”) system – that acts as a primary communication channel to escalate requests, enquiries and feedback directly to subject matter experts with real time response. This is an effort towards an accessible, simple and user friendly experience for our agents to grow their productivity while simultaneously reducing workloads at our branches for simple requests such as changing addresses.

Another digital transformation initiative is the launching of our new Recruiting Monitoring Form Digital (“RMFD”) app which acts as a scheduling assistant and rolodex for our agents that is available around the clock. RMFD is a web-based application accessible through all devices, which provides our agents with a flexible platform for fast, easy and frictionless management of recruitment initiatives. The app features an agent profile page, contact list to schedule meetings, a recruitment report to gauge a prospect’s receptiveness and a progress chart.

Responsible Business



Ethics & Compliance

Ethics and Compliance retains importance among our key stakeholders this year, we believe this is attributed in part to a steady increase in awareness on consumer protection and the introduction of several new guidelines in light of increased digital exposure. This topic is explored further in the sections on **Regulatory Changes, Quality of Risk Management** and **Cyber Risk**. We continue to abide by the most stringent standards and enforce strict policies in the areas of ethics, transparency and accountability. Our existing internal controls, encompassing policies and guidelines are detailed in **Table 5**.

RESPONSIBLE SALES CONDUCT

As an intermediary-based business, we place utmost importance in ensuring an ethical and professional agency force which underlines our Agency Transformation Journey. The Sales Compliance Disciplinary Policy defines instances of misconduct and corresponding disciplinary actions to be instituted. Any instance of misconduct by our agents is deliberated and meted out by the respective Ethics and Compliance Committees under our life and general subsidiaries. All intermediaries observe a minimum standard of conduct as set out in the Sales Policy and Sales Agent Code.

The Balanced Scorecard (“BSC”) – which forms part of the Life Framework – came into effect in 2018. The BSC aims to professionalise intermediary sales conduct by redefining the calculation of an agent’s remuneration according to their performance in ethical and needs-based selling. A penalty system is activated in the event of a complaint being lodged against an agent, which may result in monetary impact and disciplinary action.

This BSC shifts the focus of an agent’s performance beyond the quantitative, by utilising qualitative indicators across five dimensions to measure an agent’s quality of service. One dimension is Customer Fact Finding which aims to nurture needs-based selling; this feature is embedded within our Imagine Application, a sales tool discussed in greater detail in the **Technological Innovation** section.

As part of our Agency Transformation Journey, we are continually developing and enhancing our sales tools, while instilling customer-centric ethical selling through tailored on-boarding programmes and training. As part of our wider effort to continually professionalise and improve the competency of our agency

force, we will soon embark on providing online learning and development opportunities to ease and facilitate an agent’s access to training. By harnessing digital tools, we hope to enhance their learning experience by enabling collaborative learning to ensure they are motivated and well-supported during and after a training session. The online learning platform will also ease registration and progress tracking for our agents.

ATTESTATION AND AWARENESS TRAINING FOR EMPLOYEES

All employees are required to annually attest that they understand and adhere to various guidelines and policies, which set the standards for business conduct covering the topics, inter alia, non-discrimination and harassment, dealing with confidential information, fraud detection, insider trading, external communication, conflicts of interest, anti-corruption and bribery, gifts and entertainment, and protection of our property and natural resources.

These areas underline our compulsory awareness trainings as part of each employee’s annual e-Declaration and targeted training for high risk employees. Campaigns on specific topics are annually conducted to ensure employee awareness on potential risks.

Examples of awareness training and campaigns conducted throughout 2018 include:

- Annual training session on Anti-Fraud and Anti-Corruption Training for High Risk Employees on 27 November 2018
- Compliance Awareness Week 2018 held from 13 to 20 December 2018
- International Fraud Awareness Week 2018 held from 11 to 17 November 2018
- International Anti-Corruption Day on 9 December 2018

Table 5: Policies, Guidelines and Codes of Ethics in Allianz

Policies/Guidelines/Codes	Scope	Applicability
Allianz Group's Code of Conduct for Business Ethics and Compliance	<p>Sets out the minimum standards of conduct for all Allianz employees worldwide.</p> <p>It provides a framework for daily practice which emphasises personal responsibility in adhering to it and that each manager is obliged to ensure that employees fulfil this minimum standard of conduct.</p>	All Employees
Allianz Code of Ethics for Senior Financial Professionals	Governs ethical and proper conduct of employees in both private and professional spheres, particularly in the handling of conflicts of interest and corporate disclosure.	<p>Senior Management</p> <p>Employees responsible for finance, control and accounting functions</p>
Allianz Fit and Proper Policy and Procedures for Key Responsible Persons	Aimed at ensuring that key responsible persons have the integrity and competence required to perform their roles.	Directors, CEO, Key Personnel Employees
Allianz Whistleblowing Policies and Procedures	Describes Allianz Group's Speak-up policy and management of whistleblowing incidents.	All Employees
Allianz Group's Anti-Fraud Policy	Defines fraud events and their follow-up actions.	All Employees
Allianz Group's Anti-Corruption Policy	Outlines the existing controls and behavioural guidelines on the risk areas of dealing with government officials, business courtesies, hiring of representatives, political contributions, joint ventures and outsourcing agreements, as well as facilitation of payments.	All Employees
Allianz Vendor Integrity Screening	Sets out the procedure to screen and ensure the integrity of our business and community partners to ensure strong and lasting working relationships with our partner organisations. This procedure assists in managing the selection of organisations that we wish to support and to monitor such relationships over time.	Vendors
Allianz Non-Profit & Non-Governmental Integrity Screening		Non-profit and Non-Governmental Organisations
Allianz Anti-Money-Laundering and Counter Financing of Terrorism Policies and Procedures	Implements and enforces effective anti-money laundering/ counter terrorism financing measures.	All Employees
Allianz Group's Gifts and Entertainment Policy	Sets out the procedures and requirements of offering, giving, promising or authorising any Gifts/Entertainment to clients or business partners or to receive the same from them.	All Employees
Allianz Antitrust Standard	Outlines the core set of principles and measures to ensure Antitrust compliance in all Allianz companies.	All Employees
Allianz Antitrust Code	Forms part of the Allianz Antitrust Standard and sets out four Rules of Conduct when dealing with competitors, customers and business partners.	All Employees
Bank Negara Malaysia's Guideline on Employee Screening	Aims to promote an ethical workforce within the financial sector by strengthening the screening practices for recruitments and improve conduct histories of prospective employees for informed hiring decisions	Hiring of employees; and engagement of commissioned representatives



Quality of Risk Management

Risk management is at the core of our business as insurers. While our industry is highly dependent on historical data, we are attentive to the emerging risks and opportunities which continually shape our operational landscape and the long-term sustainability of our business. Our risk management system is outlined within the Allianz Risk Management Framework Manual, which is compliant to all relevant policies and guidelines from Bank Negara Malaysia (“BNM”).

We adopt the three lines of defence risk management model. The first rests upon our business managers who are responsible for both risk and returns of their decisions. Our second line of defence is comprised of oversight functions comprising of Legal, Compliance and Risk Management, with the latter two reporting to the Risk Management Committee, who are responsible for driving the overall risk management framework of Allianz.

Additionally, the actuarial function also constitutes the second line of defence in their role to assess and manage risks in line with regulatory requirements. Lastly, the third line of defence is assumed by our Internal Audit department who are responsible for assessing and monitoring the controls, procedures and highlighting significant risks impacting the company. More information on our key internal control processes can be found in the **Statement on Risk Management and Internal Control** of our Annual Report.

ALLIANZ INTEGRATED RISK AND CONTROL SYSTEM

Allianz introduced an integrated risk and control system (“IRCS”) to replace the risk control self-assessment process in 2017. Fundamental to the IRCS is the concept of an integrated approach. While there are several different sources of operational risks (i.e. reporting risks, compliance risks, IT risks), the process towards their management follows the same formula; significant operational risks must be identified, assessed and prioritised for improved management and it must be ensured that the controls underlying their management are effective. This is the basic premise behind establishing an integrated approach, which in turn provides the following benefits:

- a. The ability to compare all types of operational risks using a single methodology, which supports intelligent decision making for the allocation of limited resources toward Internal Control System (ICS) improvements;
- b. The use of a single common language when discussing the ICS with both business process owners and management, which reduces confusion and thereby improves their understanding of operational risk management; and
- c. Encouragement of cross-functional collaboration between the second line of defense, which allow these functions to report to management as a unified voice while still meeting their responsibilities to oversee the management of specific types of operational risks.



ALLIANZ STANDARD FOR PROTECTION & RESILIENCE

The Allianz Standard for Protection and Resilience came into effect in January 2018 and defines the framework, principles and procedures on establishing, implementing and maintaining a holistic approach to Protection & Resilience within Allianz Group which has been localised for adoption and integrated into our processes. The new integrated framework is based on unified oversight, integrated methodologies, reporting and dedicated expert functions for the nine Protection and Resilience domains: Business Continuity Management (“BCM”), IT Service Continuity Management, Protective Security Management, Global Incident Management, Crisis Management, Outsourcing, Information Security, Privacy & Data Protection, and Information & Document Management. These domains are intrinsically connected to ensure a culture of organisational Protection & Resilience in preparation for sudden disruptions to Allianz business IT and non-IT operations, personnel and physical assets.

EMBEDDING RISK AWARENESS IN OUR WORKFORCE

We also conduct risk management and response awareness among our employees through training sessions and briefings. Besides those highlighted in the **Ethics & Compliance** section of this report, the following have been conducted:

In 2018, our BCM team coordinated the following exercises:

- a. Annual Business Continuity Plan (“BCP”) exercise and a biannual simulation of our Disaster Recovery Plan which aims to familiarise key personnel on recovery procedures of critical business processes.
- b. A BCP test for our Inbound Call Centre was conducted on 31 March 2018 to simulate call diversion to an alternate site.
- c. A Business Continuity Awareness programme was held from 9 to 30 April 2018 with several programmes aimed to create awareness among employees on business continuity management.
- d. A BCM Awareness learning module was made available company-wide via our employee e-Learning portal.
- e. A desktop exercise was conducted for Allianz General and Allianz Life branch managers.
- f. A half-day Crisis Management Training session was conducted for the BCM core team and selected coordinators. This session covered crisis management and its related support functions, as well as developing the capability for risk management and fostering a positive involvement in execution of crises management.
- g. A company-wide call tree exercise was initiated on 18 October 2018 for all employees at the Allianz Head Office and Plaza Sentral office.

Risk management awareness forms part of our existing on-boarding programme for new employees. A Risk Awareness on Retail Risk programme was conducted through our employee e-Learning portal in August 2018, with all employees being required to participate in a quiz to test their understanding and knowledge upon completion of the learning session.

Responsible Business



Cyber Risks

Cyber-attacks are an ever present and growing risk to an increasingly connected society. This is apparent to our stakeholders, as indicated by its high rank and first-time entry as a Top 10 sustainability matter. It is predicted that by 2021 the annual global cost of cybercrime will be in excess of \$6 trillion and it is considered “one of the biggest challenges that humanity will face in the next two decades³”. Widespread exposure grows as consumer demand for Internet of Things-enabled devices persists; with particular consequence to the insurance industry will be the increased risk exposures relating to cyber security in the automotive industry and road safety through the inevitable mass market introduction of autonomous vehicles in the not-so-distant future.

We are alert to the increased sophistication of cyber-attacks and the growing access for individuals around the globe to both internet connection and technology. Of particular concern is the proliferation of cyber-attack tools available on the unregulated dark web, making it possible for a regular individual to gain access to poorly protected systems. Thus it is important, more than ever for businesses to move away from legacy systems that provide minimal protection and a host of attack vectors that cyber criminals can exploit.

IT SECURITY AND DATA MANAGEMENT

We continue to invest substantially in cyber risk mitigation; this includes Distributed Denial of Service protection, an advanced malware prevention system and a multi-tier firewall system which protects our internet-facing touch points such as our corporate website and applications. Following annual IT penetration tests and round-the-clock monitoring, we did not face any significant incidents or breaches in 2018.

By continually ensuring the alignment of our IT security standards with Allianz Group, we are able to incorporate the most stringent practices and standards of cyber security and data protection. This includes the successful implementation of our data encryption system across our digital assets and implementation of a privilege access management solution to manage IT administrator’s privilege access and secure Allianz’s IT system from identity theft and data leakage, as well as two-factor authentication (2FA) implemented when remote users are accessing Allianz’s internal system from the internet.

We are in stringent compliance with the Personal Data Protection Act 2010 (“PDPA”). Additionally, Allianz Life and Allianz General are also bound to follow the Code of Practice on Personal Data Protection for the Insurance and Takaful Industries in Malaysia that is drafted pursuant to PDPA.

The European Union General Data Protection Regulation (“GDPR”) came into force in May 2018 to protect the information and privacy of European citizens. Due to the GDPR’s extraterritorial nature, all operating entities under the Allianz Group are bound to the regulation. The three-year Allianz Privacy Renewal Programme (“APRP”) which commenced in 2016, was a global regulatory change programme that comprised more than eighty sub-projects spread over 700 companies across the Allianz Group.

³ <https://www.herjavecgroup.com/wp-content/uploads/2018/12/CV-HG-2019-Official-Annual-Cybercrime-Report.pdf>



Following this, the Allianz Group received approval of its Binding Corporate Rules (“BCR”), which allows multinational corporations to make intra-organisational transfers of personal data across borders in strict compliance with EU Data Protection Law. Obtaining this approval entailed European data protection authorities scrutinising the internal governance setup and implementation of the BCRs, as well as how the Group embeds requirements into organisational processes, including training and audit programmes.

Allianz Group has its own privacy standard, the Allianz Privacy Standard, which sets out the global minimum requirements applicable within the Allianz Group for the processing and transfer of personal data across the Allianz Group which includes the duty to conform to the GDPR as well as local privacy laws.

We are currently conducting gap analysis in preparation for the upcoming implementation of BNM’s Exposure Draft on Risk Management in Technology (“RMiT”) guideline which is expected to come into effect in June 2019. RMiT is part of a wider effort to enhance technology risk management programmes and capabilities as the financial services sector becomes increasingly saturated with digitalisation and product innovation.

DEVELOPING A WORKFORCE ATTENTIVE TO CYBER RISKS

The methods used by cyber criminals are evolving and increasingly “target the human layer - the weakest link in cyber defense - through increased ransomware, phishing and social engineering attacks as a path to entry⁴”. As such, we are diligent in equipping our workforce with knowledge on mitigating and effectively responding to cyber risks.

Cyber Risk forms part of our BCM under the Allianz Standard for Protection & Resilience. Based upon a blueprint cascaded from Allianz Group, we have localised six cyber-related crises scenarios and plans relevant to our operating environment in Malaysia. These include among others, a Crisis Scenario Plan (“CSP”) for Ransomware Attack, CSP for Leak of Personally Identifiable Information and CSP for Pandemic. As part of our BCM Awareness Month in 2018, highlighted earlier in the **Quality of Risk Management** section, a cyber-attack scenario was simulated involving our Incident Management Team. This is the second cyber-related simulation since an exercise for our C-Suite executives was conducted in 2016. The Crisis Management training session also incorporated cyber risk within its scope.

A mandatory e-Training programme on the topic of EU GDPR was rolled out company-wide in October 2018 to promote understanding on the changes introduced by GDPR among our workforce. The online training programme was comprised of six modules that included interactive audio and video material.

A ‘Cyber security & you’ talk was also held on 29 November 2018 to provide employees a better understanding of cyber security threats, trends and regulations in Malaysia. The talk was conducted by Wong & Partners, a member firm of Baker and McKenzie International. One of our security awareness programmes includes the Security Arena event which was successfully held in our head office. It is a compulsory educational session where employees are divided into groups to participate in a one-hour interactive session to strengthen their awareness and responsiveness to cyber risks such as phishing and information classification.

A phishing simulation exercise is performed quarterly to continually enhance the awareness level of employee on cyber-attack via emails. This exercise involves simulation emails with fake website links being sent to employees, where an educational message will display if an employee clicks on the fake website link. We continue to celebrate International Privacy Day on 28 January 2018, which provides us a platform to bring awareness on privacy rights and highlight the various regulatory guidelines and data protection policies to our workforce nationwide.

⁴ <https://www.accenture.com/us-en/insights/security/cost-cybercrime-study>

Employer of Choice

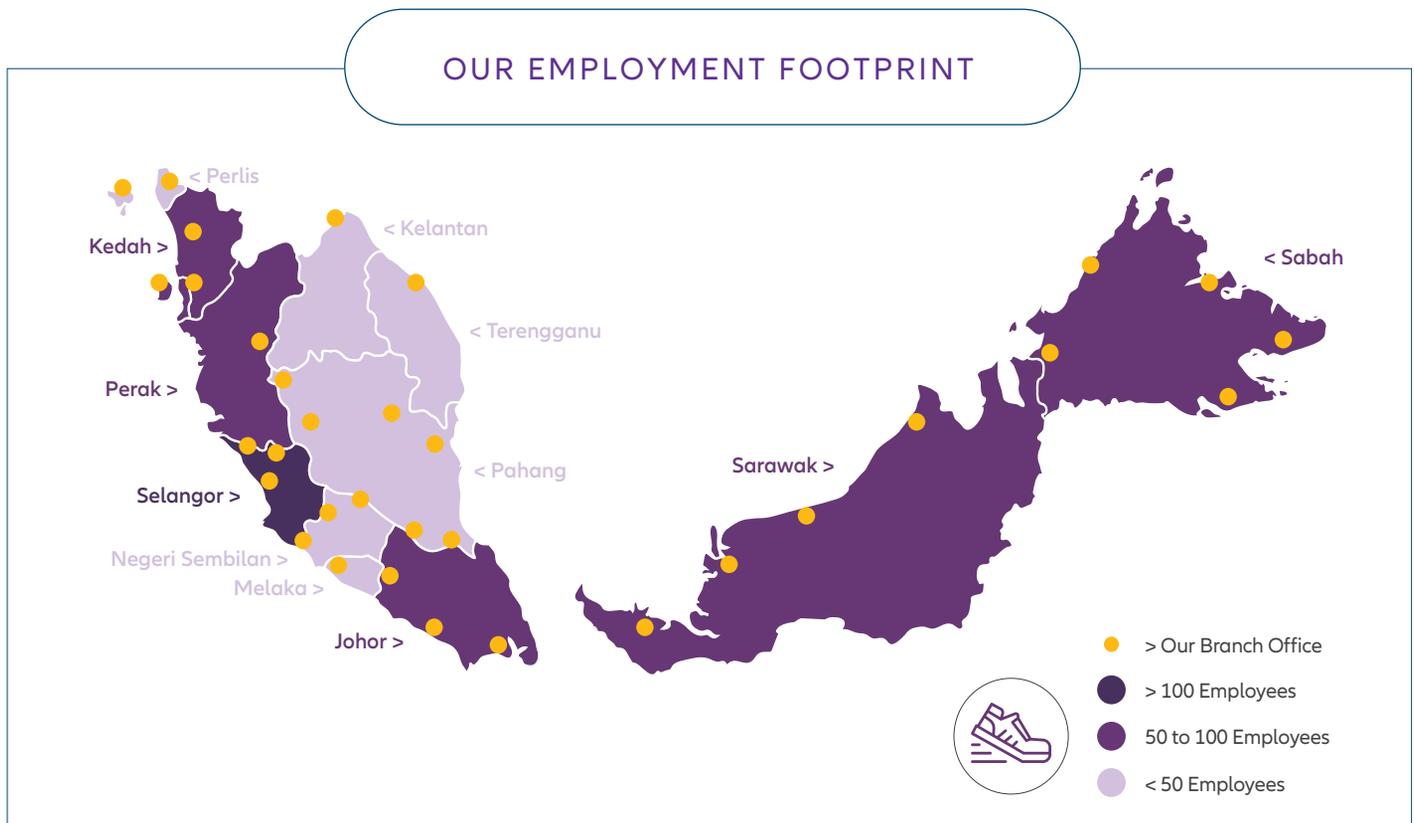


Talent Attraction and Retention

A capable and skilled workforce is an important driver of our business strategy as we embark on transformational journeys across our organisation. While automation becomes more relevant to our own operations, we view this as an opportunity for our workforce to acquire new and different skillsets as they will be increasingly able to offload manual-based tasks in place for more complex areas of business.

As of 2018, our employment footprint stretched across 13 states via our 33 branches located nationwide. Our workforce totals over 1,800 employees as indicated in **Diagram 5**, encompassing full time and part-time employment, as well as internship opportunities for young talent which totalled 111 this year alone.

Diagram 5: Our Employment Footprint



LISTENING TO OUR EMPLOYEES

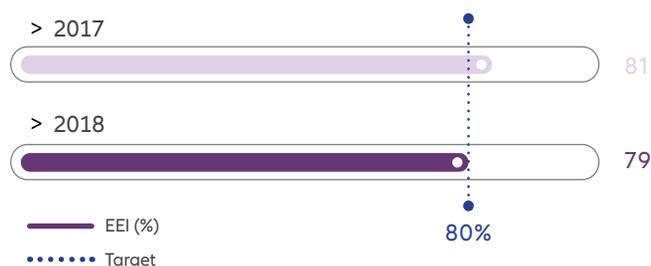
Our annually conducted Allianz Engagement Survey (“AES”) allows us to gauge employee experience in the areas of workplace environment, job satisfaction as well as management and leadership. We retain a high participation rate in the AES, with 94% of Allianz employees participating in 2018. This exercise is extended to all our permanent employees who have been in the company for at least six months, providing us valuable insight into areas of potential improvement and the development of necessary remedial measures. The AES results serve as a key indicator of our employee engagement, leadership culture and workplace wellness which are measured as part of overall company performance.



The Employee Engagement Index (“EEI”) is a leading indicator of employee satisfaction, loyalty, advocacy and pride towards the company. As indicated in **Diagram 6**, the EEI recorded a slight drop to 79% in 2018. This can be attributed in part to the workload and transitional shifts characteristic of organisations undergoing transformational change. Nonetheless, we are confident that this period of future-proofing will ease into a long-term improvement in the working experience of our workforce and endeavour to address the areas of employee concerns.

The two remaining dimensions of the AES – Inclusive Meritocracy Index (“IMIX”) and Work Well Index (“WWi”) – are discussed in the **Fair Employment Practices** section.

Diagram 6: Employee Engagement Index



AWARDING CONTINUED SERVICE

We recognise the commitment and contribution of long-serving employees through our Loyalty and Silver Jubilee Awards, where employees receive a cash award upon reaching certain milestones, beginning from a consecutive period of ten years’ service and greater. A total of 130 employees received Loyalty Awards in 2018, with the average tenure being 9 years.

ALLIANZ DEVELOPMENT CENTRE

Guided by the Four People Attributes, we aim to develop the best people within our organisation. High-potential employees are assessed by our Allianz Development Centre to identify learning and development gaps. A Personal Development Plan is then designed to provide structured and focused development. The opportunity to pursue fast-tracked career development is made available to high potential employees who display committed performance.

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ENGAGING THE TALENTS OF THE FUTURE



As part of our efforts to engage and attract talent, we continue to participate in career talks and fairs held in various tertiary institutions. In March 2018, we conducted in a career and enrichment talk in UCSI University and UTAR Kampar led by Allianz Life’s Head of Strategic Development who spoke on effective leadership and communication. We also participated in Universiti Tunku Abdul Rahman’s career fair at their Sungai Long campus, where students were able to explore career opportunities in Allianz.

Three careers talks were also conducted at New Era Institute of Vocational & Continuing Education, New Era University College and TAR University College throughout October 2018. The talks were again led by Allianz Life’s Head of Strategic Development along with the Head of Learning and Development, covering the topics of customer service and the 7 Habits of Highly Effective People.

COMMITMENT TO LIFELONG LEARNING

In the highly dynamic environment of a fourth industrial revolution, functions are continually evolving in response to changing consumer behaviours and technological disruption. We aim to nurture an adaptive and highly-skilled workforce by equipping them with the necessary knowledge and skills through continual learning and development opportunities. Over RM3 million was invested in employee learning and development in 2018.

We also offer sponsorship of examination and professional membership fees, examination leave, in-house training programmes, and the availability of education loans to encourage our workforce to pursue professional qualifications and other training. In 2018, 770 of our employees attended at least one training session.

This year, our efforts in this area received recognition, with Allianz Life being awarded the Life Office Management Association’s (“LOMA”) Excellence in Education Award and the Educational Achievement Award in the Asia Pacific Regional Category. The awards reflect Allianz Life’s exceptional completion rate, high enrolment and ongoing support that proactively utilises LOMA’s Education and Training programmes. As an added incentive, Allianz employees whom complete certain levels of LOMA courses receive a cash reward. In 2018, 55 employees received LOMA certifications.

Employer of Choice

ALLIANZU MALAYSIA

Our primary learning and development platform, Allianz Academy, was re-launched as AllianzU Malaysia in February 2018 as part of Allianz Group's corporate university. This platform serves to drive the professional growth and personal development of our employees. Its ultimate aim is to offer blended learning through traditional classroom and digital learning tools. AllianzU is divided into four parts: Strategy Campus, Leadership Academy, Functional Academies, Personal and Professional Skills. An overview of the AllianzU structure and offered programmes are illustrated in **Diagram 7**. In 2018, the Leadership Series for Executives and Managers 1 received positive feedback. Moving forward, we are enhancing the Leadership Series for Senior Management with the topic of driving and leading change.

Diagram 7: AllianzU Structure and Offered Programmes



STRATEGY CAMPUS

Via AMI Campus and selected Senior Management and targeted audiences



LEADERSHIP ACADEMY

Leadership Series for Executives
The Manager's Toolkit
Leadership Series for Senior Executives
Leadership Series for Managers 2
Leadership Series for Managers 1
Leadership Series for Senior Managers



FUNCTIONAL ACADEMIES

Malaysia Non-Life Academy

- Fundamental of General Insurance
- Technical Certification Programme
- Professional Commercial Underwriters Certification (PCUC)

Malaysia Life Academy

Malaysia Non-Life Academy

- Agents Segmentation Training
- Motor Portfolio Analysis

Malaysia Non-Life Academy

- Customer Service Certification Programme

Malaysia Non-Life Academy

- LinkedIn Learning



PERSONAL & PROFESSIONAL SKILLS

Takeoff@Allianz
Allianz Malaysia Toastmaster
Allianz Presentation Excellence (APEX)

LINKEDIN LEARNING

Digital learning enables our employees to learn anytime, anywhere and with any device. This year, we introduced LinkedIn Learning to provide a wide range of quality and unlimited learning offerings for employees. Through this, employees have access to over 10,000 online courses and video learning content.

There are six predefined learning paths divided into Fundamentals and Advanced Methods, with the former including Digital Foundation, Collaboration & Co-creation and Creativity & Entrepreneurship; and Agile Methodologies, Design Thinking and Big Data & Analytics in the latter.



FINTECH-INSURTECH EDUCATION

A mass online syllabus to educate our employees on the emerging FinTech-InsurTech industry was rolled out in 2018 to employees from our digital transformation teams from Allianz Life and Allianz General. Employees who completed the module received certification in collaboration with Hong Kong University and Asia's leading FinTech accelerator SuperCharger.

Twenty of our senior management team completed the FinTech-InsurTech & Innovation Training, the first masterclass FinTech training series for Allianz, certified by the Singapore Management University in 2018.



PROFESSIONAL COMMERCIAL UNDERWRITERS CERTIFICATION PROGRAMME

This was the fourth year of our in-house Professional Commercial Underwriters Certification (“PCUC”) programme, the only in-house technical programme certified by the Malaysian Insurance Institute (“MII”). We remain the only insurer in Malaysia to have our own technical qualification programme and to have an Memorandum of Understanding with MII. This enables PCUC graduates to fast-track their way towards a Diploma with MII (“DMII”).

Designed with industry practices in mind and aligned with Allianz Group’s Standard in Underwriting Guidelines, our modules are now accredited by MII and incorporated into the DMII programme. In 2018, Allianz General’s Chief Underwriting Officer and a Technical Trainer were awarded the Fellowship of the Malaysian Institute of Insurance (“FMII”). To date, 52 diploma holders have successfully completed the programme.



Allianz Life’s Deputy Chief Sales conducted an Ask Anything session on the importance of life insurance in March 2018

ASK ANYTHING SESSIONS

An Ask Anything session was conducted in March 2018 by Allianz Life’s Deputy Chief Sales Officer to highlight the importance and benefits of subscribing to life insurance. These educational and interactive sessions are organised with the intention of providing a platform for employees to engage directly with our internal subject matter experts on topics relevant to our business.

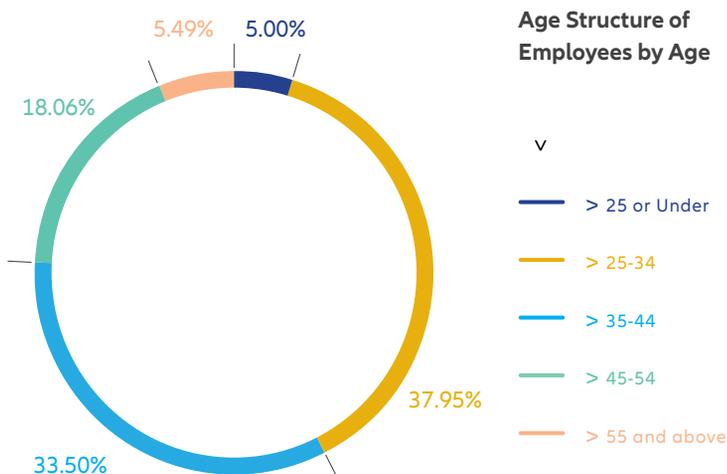
Employer of Choice



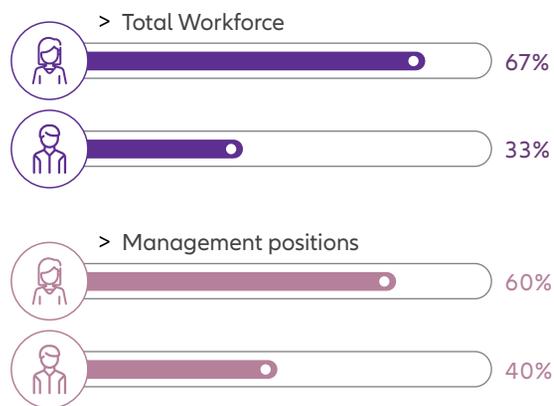
Fair Employment Practices

We align our employment practices with the Allianz Group Renewal Agenda and the UN Sustainable Development Goals in order to continuously foster a highly diverse and inclusive working environment. We are committed to providing a positive workplace environment built upon diversity and inclusion, which in turn strengthens and broadens our understanding of our customers and the development of our offerings.

Diagram 8: Employee Profile



Gender Distribution in Allianz



INCLUSIVE MERITOCRACY

We have entrenched principles of non-discrimination throughout our hiring policies and employee development, which is based upon an individual’s talent, experience and behavioural attributes. As indicated in **Diagram 8**, we are a multigenerational and diverse workforce, including our employment of Persons with Disabilities in our head office totalling 23 employees as of 2018. The year also introduced the appointment of our first female Chairman of the Board and two female directors, as part of our commitment to diversify our board’s gender composition.

Our progress toward Inclusive Meritocracy is measured through the Inclusive Meritocracy Index (“IMIX”) during our annual AES. IMIX encompasses dimensions of leadership, communication, performance and corporate culture. In 2018, we achieved an IMIX of 81%.

PERFORMANCE MANAGEMENT FRAMEWORK

We strive to promote a culture of high performance through our performance management framework. At the corporate level, key objectives are set and measured. At the individual level, every employee is expected to deliver on the “WHAT” and “HOW” targets. “WHAT” targets refer to key performance indicators related to one’s role and are expected to be delivered throughout the year. The “HOW” component refers to desired behaviours as outlined by our Four People’s Attributes of Customer & Market Excellence, Trust, Entrepreneurship and Collaborative Leadership. These components also guide our recruitment process, target-setting, evaluations, and employee development.

Regular and open performance feedback is key to driving a high performance culture. All employees are encouraged to engage in regular one-to-one feedback sessions in addition to the mid-year and year-end performance reviews.

We have also introduced a multi-rater feedback system for key managers, who will receive feedback on their leadership behaviour from their own managers, direct reports and peers from other departments and functions.



EMPLOYEE HEALTH, SAFETY & WELL-BEING

The Work-Well Index (“WWi”) dimension of our AES measures the stress level and work-related strain of our employees. In 2018, we retained a result of 74%. We are cognizant of the need to adapt work cultures to the evolving functions and circumstances of our employees. Following a company-wide feedback survey, we have recently introduced various Flexible Work Arrangements, including enhanced FlexiHours and an option to Work from Home. These initiatives aim to facilitate healthy work-life balance and accommodate to the different needs of our employees. We have also extended an optional Corporate Casual dress code, which was previously limited to Wednesdays only. These initiatives have returned positive results and we are confident that they, alongside our other Work-Life and Health Management activities, will contribute to our employees’ long-term wellbeing and a positive working environment.

ORGANISATIONAL SAFETY AND HEALTH ACT COMMITTEE

The Organisational Safety and Health Act (“OSHA”) Committee oversees the safety and wellbeing of all our employees in our head office and branches. The OSHA committee organises annual Fire Safety and Emergency trainings for our fire wardens at our locations nationwide. This ensures that assigned wardens are well equipped with the required skills in the face of an emergency. As highlighted earlier in the section on **Quality of Risk Management**, disaster simulations are conducted biannually to ensure that employees are familiar with disaster recovery procedures.

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EMBRACING DIVERSITY



We embrace social inclusion in many ways, since 2015 we have provided employment opportunities and integrated Persons with Disabilities (“PWDs”) in the Allianz workforce. We currently have 23 PWD employees in our head office across various departments and functions, a reflection of our commitment to equalise opportunities for all segments of society.

23 Employees



We provide employment opportunities and integrate PWDs in the Allianz workforce since 2015

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MALAYSIAN HISTORY ON WHEELS



A ‘Know Your Country Better’ contest was held as part of our annual Malaysia Day celebrations, which provided an opportunity for our fifty-eight employees to earn a ticket to a 6-hour hop-on hop-off excursion, led by Allianz CEO Zakri Khir, around Kuala Lumpur’s historical landmarks such as Parliament Malaysia, the Kuala Lumpur Railway Station and Dataran Merdeka.

Besides the tour, employees also participated in a host of activities including a ‘Sayangi Malaysiaku’ branch decoration contest and hidden talent (sketching) contest and also received a goodie bag with childhood treats. Find out more on our efforts to advocate Malaysian unity in the **Integrating Sustainability** section of this report.



Employer of Choice

WORK-LIFE AND HEALTH MANAGEMENT INITIATIVES



Employees participated in Let's Sembang sessions held throughout the year

Sessions of our informal conversational platform called "Let's Sembang" were held throughout the year. Topics discussed during Let's Sembang in 2018 included tips for solo-travelling as well as an introduction to board games held over lunch. Sports and recreational activities are regularly held to provide employees with convenient options, including Zumba, Kickboxing, Badminton, Yoga, Football and Bowling. Aside from after-work sports and recreation, we continued to host "How-To" sessions which was introduced as a platform for participants to acquire fun and creative skills. In 2018, a How-To session was organised to usher in the Lunar New Year; participants had the opportunity to learn to make Origami dogs and Koi fish from angpao packets, together with lanterns made from recycled toilet paper rolls and angpao pockets.



Employee participants learnt to make Origami dogs and Koi fish from angpao packets during a How-To session held in 2018

The Allianz Health and Wellness Day was conducted at our head office and central region branches, which included massage sessions by masseurs from the Malaysian Association for the Blind. Other activities included a session on Aikido safety tips, stress management games, an eye check and physiotherapy consultation, a health talk by medical practitioners and a booth that promoted healthy eating.

We have also partnered with telehealth provider DoctorOnCall ("DOC") as part of our Allianz employee benefits, where consultations with qualified registered doctors can be done through text chat, phone call or video call. DOC's services also extend to include prescriptions, medical referrals and nationwide medication delivery with same-day delivery service currently offered in the Klang Valley, Penang and Johor Bahru.

Another effort to promote work-life balance was the launching of the 20-week Springday Wellbeing Programme that ran from April to September 2018. The gamified programme, tracked through the Springday app, aimed to improve the overall wellbeing of employees through a healthier and active lifestyle incentivised with weekly rewards. It also included a 4-week Activity Team Challenge where employees competed in teams to achieve the highest step record.

Our employees also enjoy access to global events, such as the Allianz Sports 2018 held once every four years. In 2018, the event was held at Olympia Park in Munich, where eight employees had the opportunity to compete against representatives from other Allianz OEs around the world in Golf, Table Tennis, Track & Field, Chess and Badminton. Two representatives from Allianz managed to secure the Gold and Bronze medal, for the Golf Individual Tournament and Track & Field respectively.



Employees represented Allianz Malaysia during the group-wide Allianz Sport 2018 held in Olympia Park, Munich

Moving forward in 2019, we will expand our Work-Well initiatives to include mental wellness awareness and talks.



CONTRIBUTING TO SOCIETY THROUGH WORK

Corporate responsibility (“CR”) allows us to create impact and support underserved communities, while also providing a platform for our employees and agency force to contribute their time and resources towards social good. Our CR initiatives and regular volunteering opportunities allow us to inculcate the values of empathy, societal awareness and collective responsibility across our organisation, which we believe contributes to the overall personal and professional development of our workforce. Our employees and agents dedicated approximately 3,474 volunteering hours in 2018 alone. This is detailed further in the **Integrating Sustainability** section of this report.

Over 2,000 of our Life Agents from more than 100 agencies nationwide joined the fifth edition of the annual Allianz Charity Day held on 5 May 2018. Our agency force participated in various charitable activities, including hosting blood donation drives and visits to orphanages, hospitals and old folks’ homes, as well as donating necessities such as non-perishable food and toiletries.



Allianz Life’s Deputy Chief Sales Officer joined agents for a visit to the Sau Seng Lum Dialysis & Stroke Rehabilitation Centre



CELEBRATING INTERNATIONAL WOMEN’S DAY 2018



Allianz celebrated International Women’s Day through a Netball Tournament held at YMCA Kuala Lumpur, with 40 female employees from our head office and Klang Valley branches participating. The aim of the tournament was not only to empower women through sports but also to encourage them to let their stories be heard.

Leading up to the day, female employees were invited to share their real-life stories of empowerment, struggles and triumphs on our social media channels.



Responsible Corporate Citizen



Integrating Sustainability

This is the first year following our consolidation of two previously separate sustainability matters, Integrating Sustainability and Community Development. This decision was made to demonstrate our commitment to truly integrate ESG into our core business and corporate responsibility considerations. It is also in recognition of the increasingly interconnected risks and opportunities that we must consider as an insurer and responsible corporate citizen.

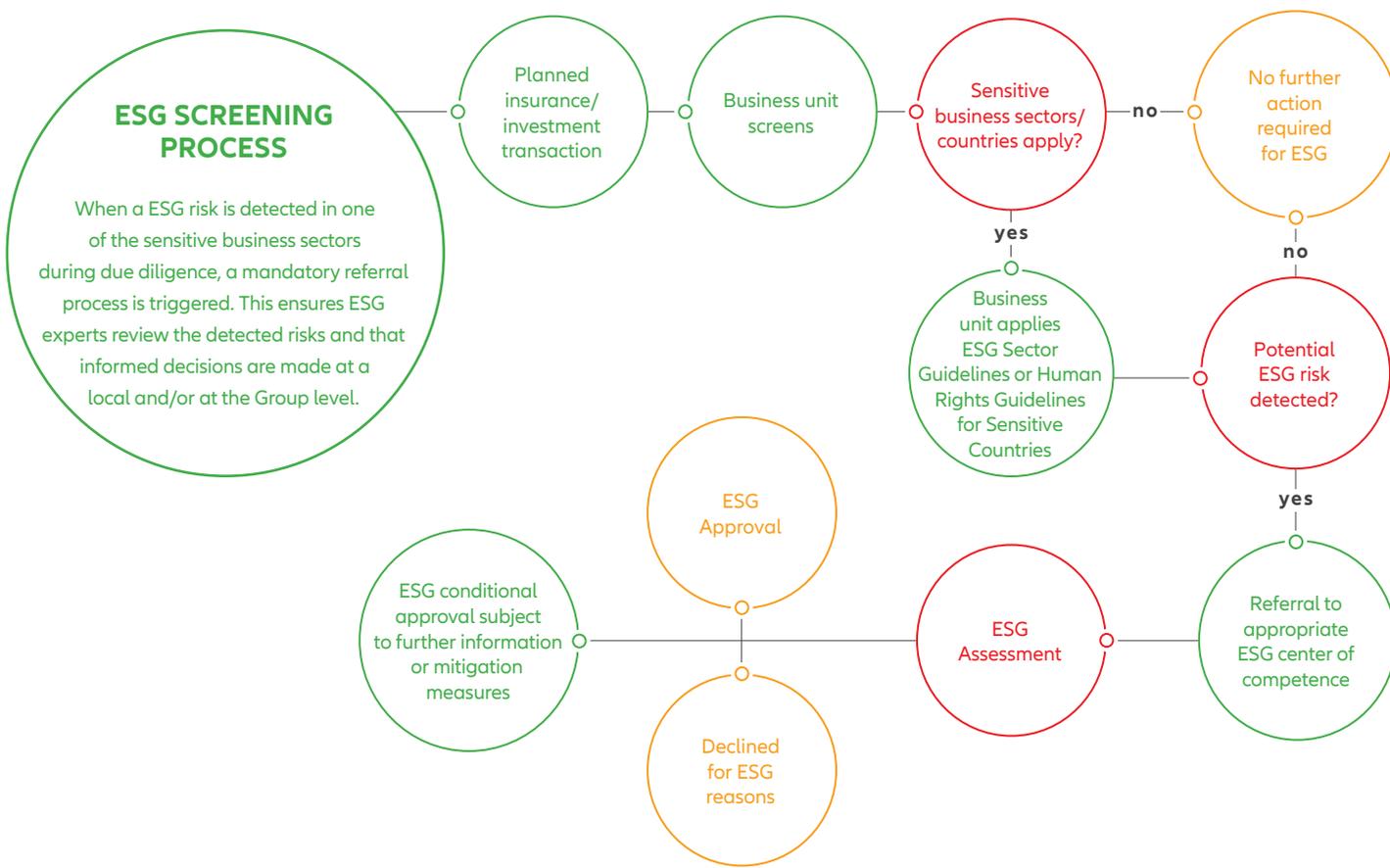
STEWARDSHIP FOR THE FUTURE

Responsible Investment

Our investment and insurance decisions are scrutinised from an ESG perspective to ensure that we are continuously apprised of the risks and opportunities that may impact our business and our stakeholders. The Allianz ESG Integration Framework was updated in 2018, providing further transparency and a robust guideline for deeper ESG integration into our business processes.

The Allianz Standard for Reputational Risks and Issues Management (“AS RRIM”), which represents the cornerstone of the overarching ESG approach across Allianz Group, sets out thirteen sensitive business areas which may present ESG and reputational risks. Any insurance or investment decision that falls within these areas will trigger a mandatory ESG Referral Process, depicted in **Diagram 9**. The Allianz Standard for Underwriting and the Allianz ESG Functional Rule for Investments also form part of our functional rules for ESG integration.

Diagram 9: ESG Referral Process





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More information on ESG Integration in Allianz Group can be found at allianz.com/sustainability

This process ensures that we are holistically evaluating investment and insurance risks from both a local and global level, with consideration of any unmitigated ESG impact and implications from our decisions. ESG rating reports are generated by an independent data provider, MSCI ESG Research, with flagged transactions being escalated to Allianz Group’s global ESG working group for further assessment. Transactions are reviewed on a case-by-case basis to enable detailed assessment and the opportunity to identify possible mitigation measures. Two transactions were escalated in 2018, with none being declined.

The primary objective of Allianz’s investment approach is to achieve stable investment returns for customers in the long-term. In this respect, it is becoming increasingly important to take environmental, social and governance risks and opportunities into consideration early on in the investment process, as these may impact financial performance in the mid and long-term.

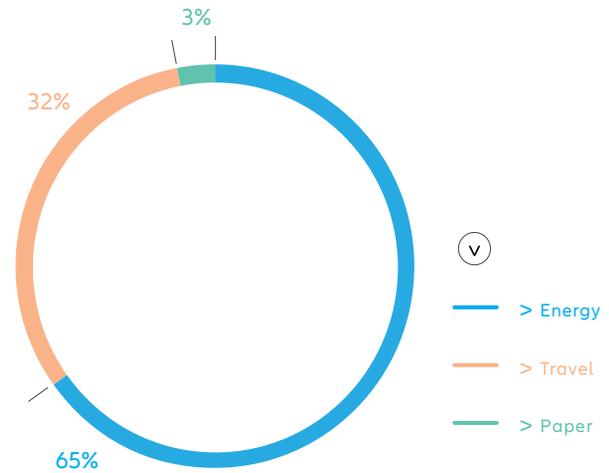
In response to transition risks, Allianz Group stopped financing predominantly coal-based business models since 2016; this encompasses businesses that derive more than 30% of revenue or energy from coal. We continue to restrict our investments in this area and make effort to pursue investments in the emerging renewable energy sector where viable, in line with the long-term targets of Allianz Group and our local government.

Managing our Environmental Footprint

The Allianz Group’s Climate Change Strategy represents our group-wide commitment as a leading global player to developing a low-carbon economy. In line with this commitment, our Environmental Management System (“EMS”) tracks our CO² emissions for annual reporting to Allianz Group. This enables us to continually improve our energy efficiency, while also ensuring that we remain a carbon-neutral company through carbon-offsetting.

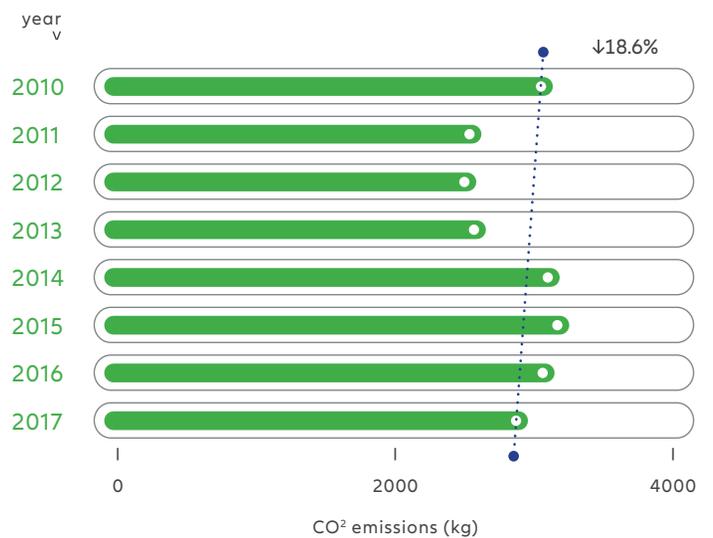
The current scope of the EMS includes energy used to operate buildings and IT equipment, business travel by air, car and train, and paper usage. The emissions allocation is indicated in **Diagram 10**. In 2018, we engaged a consultant to conduct an eco-efficiency audit of our head office. Following this, 17 recommendations were made to enhance our energy efficiency, with 10 being implemented in 2018. These include, but are not limited to, replacing our existing T8 fluorescent tubes with LED tubes, keeping the lights off in all coffee dispensers, labelling light switches on all floors, and setting the air-conditioning temperature to 24°C. The remaining 7 recommendations are pending implementation in 2019 following the completion of a feasibility study.

Diagram 10: Allocation of CO² emissions in 2018



Allianz Group has set a group-wide target of a 34% reduction in our CO² emissions by 2020 against a 2010 benchmark. This year, we recorded a 18.6% reduction in CO² emissions (kg) per employee from 2010, illustrated in **Diagram 11**.

Diagram 11: Allocation of CO² emissions in 2018



Sustainable Mobility

We continue to maintain three electric vehicles (“EVs”) as part of our Company Vehicle Fleet, which are available to employees within the Klang Valley area. The EVs enable cost and energy efficient travel, with each being capable of travelling a distance of 180km on a single charge.

Responsible Corporate Citizen

We have recorded a continued increase in the EV usage, with the three EVs having travelled a total of 17,945km in 2018 in comparison to 13,511km travelled in previous year. This has led to a cumulative total of 40,056km since we included EVs as part of our company vehicle fleet in 2016, and an avoidance of 4,163kg CO² and a saving in fuel costs amounting to RM2,593 in 2018 alone. The amount of CO² avoided is equivalent to the amount of CO₂ sequestered or absorbed by growing 108 trees in the span of 10 years.

Through an MOU with Cohesive Mobility Solution and partners, we have been supporting the insurance coverage for the vehicle fleet of the UNiRIDE car-sharing programme since 2016, which provides environmentally-friendly and affordable travel options for students across five university campuses in Malaysia. The UNiRIDE vehicle fleet currently includes 20 Energy Efficient Vehicles and 18 e-scooter units.

We continue to emphasise a preference for carbon efficient transportation options within our internal travel policy and encourage the use of audio, web or video-conferencing where possible. This has resulted in a sustained reduction in our short-haul business travel indicated in **Diagram 12** below.

Diagram 12: Audio Conferencing Requests and Business Travel

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In 2018, we recorded an increase of 64% in our audio conferencing requests while the accumulated distance required for business travel reduced by 5%.

Year	Audio conferencing usage (number of requests)	Business Travel by Air (km)
2015	186	1,027,953
2016	256	947,345
2017	721	903,046
2018	556	828,346

Sustainable Paper Consumption

Digitalisation has enabled us to greatly reduce our paper consumption, a decrease in overall paper usage by 34.2% was recorded in 2018, with an overall drop of 45% against a 2016 baseline. The successful implementation of our e-procurement platform in 2018, where all sourcing and procurement requests and approvals are performed digitally, has contributed to this drop. Aside from automating our processes, we continue efforts to reduce the total overall amount of paper used daily by centrally managing and monitoring the paper usage of our branch offices nationwide.

The digital projects undertaken as part of our operational transformation journeys, highlighted in the sections **Business Innovation** and **Technological Innovation**, will continue to generate a sustained reduction in the printing of physical forms and documents.

This year, we recorded a significant decrease in the printing of three specific forms related to customer fact-finding, policy application and change requests following increased usage of the e-Policy mechanism and Imagine App sales tool. As indicated in **Table 6** below, we experienced a 60% decrease from the previous reporting year.

Table 6: Number of printed forms since 2014

Year	2014	2015	2016	2017	2018
Number of Printed forms (sheets)	213,461	530,452	182,952	224,480	84,913

Sustainable Waste Management

In 2018, we recorded a total of 26,596kg of recycled paper across our locations nationwide. This marks a 38.7% decrease from last year, which we attribute to the overall reduction in paper usage. Since 2015, an e-waste bin to ensure the safe and sustainable disposal of electronic-related material has been provided for our head office employees, with 246.6kg of e-waste collected in 2018 alone. While a collection bin for unwanted old clothes, handbags, linens and others is maintained in our head office since 2017. This is a partnership with the social enterprise, KLOTH Malaysia, which collects and manages the items for upcycling and recycling. A total of 451.2kg of such items have been collected at our head office since the implementation of this bin.



BUILDING A SOCIALLY INCLUSIVE WORLD

Accessible Solutions

We continue our distribution partnership with the national postal service, Pos Malaysia, which permits greater access to our products and services for rural segments nationwide. Allianz policies available at Pos Malaysia locations include comprehensive or third party private car and motorcycle insurance, Personal Accident, as well as roadside assistance products such as Road Warrior, Enhanced Road Warrior and Motorcyclist PA.

We have recently begun distributing the Allianz KampungKu product, which extends protection to wooden 'kampung' homes through this channel. Our reach through this channel continues to increase, with a total of 331,171 of our Allianz policies being distributed at Pos Malaysia outlets nationwide in 2018.

Sustainable Solutions

Allianz Group has created a category of products called 'Sustainable Solutions' to identify the insurance and assistance services that we offer group-wide to improve peoples' lives, make a positive environmental impact or address climate-related concerns. Under this programme, products and services from operating entities undergo a strict assessment process which includes scoring against six environmental and social dimensions before being approved and categorised as a Sustainable Solution. The data provided through this process is subject to external assurance.

Five of our locally developed products have been categorised under Allianz Group's Sustainable Solutions Programme, listed in **Table 7**, with one offering, the Allianz Solar PV Insurance product being approved as a Sustainable Solution by Allianz Group in 2018. Find out more on the Allianz Solar PV Insurance in the **Business Innovation** section.

Two of our Sustainable Solutions, Allianz Kampungku and Allianz Kasih Hayat, are also products developed as part of BNM's affordable insurance scheme, Perlindungan Tenang, which is aimed at reaching the B40 consumer segment to narrow the national insurance protection gap.

Table 7: Sustainable Solutions developed and offered by Allianz



ALLIANZ'S SUSTAINABLE SOLUTIONS



Allianz Solar PV Insurance

- Special all risk solar insurance which addresses issues including the lack of support services, high-cost of maintenance and lack of compensation for damages faced by residential and commercial Solar PV owners



- Comprehensive protection covers loss or damage to the Solar PV system due to any malicious damage, theft or lightning as well as damage from fire, explosion, earthquake and any other natural disasters, flood, landslides and more

Motorcycle + PA

- Motorcycle coverage for third-party liability and (optional) loss and damage to due to accident
- Personal Accident as semi-bundled extra offer

Allianz Ability Life

- Launched in 2016
- A life insurance plan with guaranteed yearly renewal
- Designed exclusively for PWDs
- Affordable premium rates from RM50 to RM70

Allianz KampungKu

- Launched in 2013
- Covers Class 3 property or household content against fire, flood, and windstorm risks with an affordable premium for mostly rural communities
- Emergency Relief Benefit is available to policyholders immediately following a loss
- Paid RM669,190 in claims to policyholders in 2018

Allianz Kasih Hayat

- Launched in November 2017
- Catered toward consumers with a monthly household income below RM4,000 (B40 income bracket)
- Provides life assurance up to 70 years old
- Customers within this income bracket are able to choose between two affordable plans with guaranteed renewability
- In support of Bank Negara Malaysia's 'Perlindungan Tenang' initiative to offer affordable and simplified life insurance to underserved segments of society

Community Development

At Allianz, efforts towards community development are led by Allianz4Good, as the corporate responsibility arm of our company. Our corporate responsibility is shaped around strategic and sustainable philanthropy, as well as impact-driven engagements with our community partners and target beneficiaries. We are driven in particular by social inclusion and the equalising of opportunities in society, which shapes our focus on groups we identify as most displaced such as Indigenous people, Refugees, Persons with Disabilities ("PWD") and the B40 segment. Having served close to 50,000 beneficiaries in 2018 alone, we continually aim to balance our monetary and non-monetary support in areas of immediate and long-term impact.

Responsible Corporate Citizen

Diagram 13: Our Community Footprint – Direct Beneficiaries*

* defined as beneficiaries with direct exposure to Allianz programmes involving Allianz employees and volunteers



ENCOURAGING FUTURE GENERATIONS

In 2018, we continued our local support for Allianz Group’s global Encouraging Future Generations programmes which provide support and funding opportunities for impact-driven organisations, focusing in particular on youth employability and social inclusion for underserved youths and communities.

Allianz Social Innovation Fund

In 2017, our entity secured a €50,000 fund for SOLS 24/7’s Academy of Innovation as part of the Allianz Social Innovation Fund. The grant funded the 18-month education and boarding programme, which ran throughout 2018, providing education and empowerment opportunities to underprivileged Malaysian youths. As part of the programme, students attended 12 months of full-day classes in the areas of English, Mathematics, IT, Coding, Solar Energy and Personal Development as preparation for general employment and in the growing solar sector.



Employee volunteers, including CEOs Zakri Khir and Joseph Gross, facilitated in sessions with SOLS 24/7 students as part of the Allianz Innovation Fund throughout 2018



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In support of their holistic development, Allianz employee engagement sessions were conducted throughout this 12-month duration, spanning involvement from high-level management including our CEOs Zakri Khir and Joseph Gross, both of whom gave motivational talks to the students in separate sessions, as well as our employees who conducted and facilitated in workshops with the students on the topics of Human Rights, Financial Literacy and Human Resource skills throughout 2018.

105 students were trained using innovative techniques that not only improved students' English competency but also gave fundamental knowledge on IT skills and offered them highly valuable market skills, such as coding and digital skills. Out of the 105 students, 90.7% of them are Orang Asli students who were recruited from rural villages in Gua Musang, Gerik, Negeri Sembilan and Kelantan. All students undertake a 6-month job placement as the final stage of the programme, with internship opportunities within our company being available through this partnership. 87 students are on track to complete graduation and many have started their jobs and apprenticeships in the first quarter of 2019.



Employee volunteers, including CEOs Zakri Khir and Joseph Gross, facilitated in sessions with SOLS 24/7 students as part of the Allianz Innovation Fund throughout 2018



The Picha Project secured the first global 'Allianz Future Generations Award' worth €40,000 in 2018

Allianz and Impact Hub Investment Ready Programme

In 2018, The Picha Project, a Malaysian social enterprise which empowers refugee families through a sustainable food catering and delivery business secured the first global 'Allianz Future Generations Award' worth €40,000. This unique acceleration programme was delivered in partnership with Impact Hub to support purpose-driven entrepreneurs aiming to foster social inclusion of children and youth in Brazil, Germany, Malaysia and Turkey.

Its aim was to enable the founders to develop a validated growth plan and attract investments via a 6-month training programme, with support from high-level Allianz mentors and content experts. To secure the grant, The Picha Project team pitched to a five-member jury represented by experts of the not-for-profit and youth organisations Rock4 Life, Phineo, Impact Hub and Allianz, as well as to a broader audience at the Allianz headquarters in Munich.

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COOKING WITH HEART



Another success in our efforts to promote social inclusion across the company, it was made mandatory for all events and meetings held at our Head Office to be catered by social enterprises that are working towards providing equal opportunities to marginalised communities.

This initiative helps generate profit for the social ventures and their beneficiaries, while also providing them with a platform to raise awareness on their respective social causes among Allianz employees and agents.

Over RM129,000 has been channeled towards our social enterprise and NGO catering partners since commencement of this initiative.



AJFC is a global football event organised annually by Allianz Group as a Platinum Partner of FC Bayern Munich, with 7,432 young aspiring footballers participating since 2012

Fostering Young Talents

The Allianz Junior Football Camp ("AJFC") is a global football event organised annually by Allianz Group as Platinum Partner of FC Bayern Munich since 2009. The football camp is an opportunity for young football talents between ages 14 to 16 years old to showcase their skills and gain an exclusive insight to the behind the scenes world of professional football. AJFC Malaysia is part of our commitment to provide a platform for grassroots development of talented Malaysian youths. As part of this event, we have thus far witnessed the talents of 7,432 young aspiring footballers since 2012.

The league format, which runs up to five weeks simultaneously across six regions, was introduced in 2015 to enable a more structured competitive environment for participating talents. The AJFC Malaysia League 2018 drew participation from 1,692 teenagers, with 10 players being selected to compete in the AJFC Asia 2018 against 47 other teenagers from China, Indonesia, Sri Lanka, the Philippines, Laos, Singapore, Taiwan and Thailand. The two best players, Daniel Phoon Chun Tuck and Kumaran Raman, were selected to represent Malaysia at AJFC Camp in Munich.

THE PILLARS OF ALLIANZ4GOOD

As firm advocates of sustainable impact through strategic philanthropy, we have identified and focus on delivering in five core areas of corporate responsibility. By focusing on these areas, we are able to optimise our resources to create meaningful impact for our target beneficiaries by utilising our expertise and knowledge as risk managers, while also supporting and collaborating with our manifold community partners.

The objectives of each pillar are presented in **Diagram 14**, while the three-year targets and indicators for each pillar are set out in their respective sections that follow:

Diagram 14: Five Pillars – Allianz Corporate Responsibility Objectives



PILLAR 1 : SAFETY

2018 to 2020

Three-year Targets

1. To increase road safety outreach in more areas
2. To develop effective road safety awareness among children
3. To encourage awareness on risks of mobile distraction

Indicators

1. Number of Road Safety Awareness Campaigns rolled out
2. Number of Road Safety Education Programmes conducted
3. To collaborate with road safety agencies to conduct behavioural studies
4. Development of an effective impact analysis mechanism

Road Safety Awareness Campaigns

We continue our partnership with Jabatan Keselamatan Jalan Raya (“JKJR”) in 2018 to support the advocacy of safe road behaviour. This support includes engaging our employee volunteers as Road Safety Ambassadors who assist during JKJR’s road safety advocacy campaigns. This year, we conducted 12 Road Safety Advocacy Campaigns involving participation from our Road Safety Ambassadors whom advocate safe road behaviours to the general public and assist in distributing road safety items such as seatbelt shoulder pads, reflective windbreakers and motorcycle stickers. Motorcyclists may also exchange their old helmets for SIRIM-approved ones. A total of 7,588 of such items were distributed in 2018.

This year, we sponsored a research project by the Malaysian Institute of Road Safety Research (“MIROS”) to measure a driver’s level of distraction when using a mobile phone via a driving simulator. In 2018, our various safety initiatives encompassed Road Safety Advocacy Campaigns held in collaboration with our branches nationwide, Road Safety Education Programme classes and safety-related workshops reached a total of 5,220 beneficiaries.



Allianz General’s Head of Risk Management assists a motorcyclist to secure his new helmet

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ROAD SAFETY EDUCATION PROGRAMME



Road Safety Education Programmes were held in Sekolah Jenis Kebangsaan (Tamil) Ladang Bukit Jalil and Sekolah Kebangsaan Batu Muda in 2018

We believe inculcating good road behaviour must begin from a young age and therefore target our education efforts toward primary school children. A total of 360 primary school students were reached through our Road Safety Education Programme in 2018, held in Sekolah Jenis Kebangsaan (Tamil) Ladang Bukit Jalil and Sekolah Kebangsaan Batu Muda.

The Allianz Road Safety Education Programme incorporates an interactive circuit and an in-class road safety session which involves a hands-on circuit that mimics real-life road scenario through a miniature zebra crossing and traffic lights. Along the circuit, students participate in small groups as they go through several stations – a road sign station, seatbelt station and helmet station – which are designed to emphasise their understanding and usage in those areas.

The in-class sessions are one hour sessions which strengthen their individual comprehension of road rules and behaviour. Reflective wristbands and road safety tip booklets are distributed at the end of every session. In an effort to improve the reach of our Road Safety Education Classes, we have developed a comprehensive Road Safety Education Module for use by educators and parents.



PILLAR 2 : FINANCIAL LITERACY

2018 to 2020

Three-year Targets

Indicators

- | | |
|--|---|
| <ol style="list-style-type: none"> To increase the outreach of our financial literacy initiatives | <ol style="list-style-type: none"> How many teachers trained How many schools reached Feedback analysis on beneficiaries |
|--|---|

My Finance Coach

This My Finance Coach ("MFC") programme in Malaysia is based on materials and content provided by the Germany-based My Finance Coach Foundation. Allianz employee volunteers are trained as Finance Coaches to conduct sessions in schools and non-profit organisations. The content of the programme is localised and designed to be easily understood and equip youths with fundamental money management skills. The MFC programme adopted here in

Malaysia is comprised of two modules, Shopping and Saving, which are targeted toward primary and secondary students respectively.

In collaboration with Federation of Malaysian Consumer Association, we reached a total of 332 students across three schools in 2018. Participating schools included Sekolah Kebangsaan Methodist Petaling Jaya, Sekolah Kebangsaan Taman SEA and Sekolah Kebangsaan Damansara Jaya 1. **Table 8** below shows the outcome of My Finance Coach Programme for years 2014 to 2018.



Allianz employee volunteers trained as Finance Coaches have contributed a total of 2,236 volunteering hours since 2014

Table 8: Outcome of My Finance Coach Programme

Year	2014	2015	2016	2017	2018
Cumulative Number of Students reached	2,041	4,358	6,844	8,333	8,665
Number of Coaches trained per year	57	105	47	74	7
Total number of Coaches trained (cumulative)	239	344	391	465	472
Number of Volunteering Hours (approximate)	744	600	524	316	52

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Teachers from seven government schools and three NGOs attended our Pilot Teacher Training session to prepare them for roll-out in their institutions

Allianz Pilot Teacher Training Programme

As illustrated, there was a continued decrease in the rollout of MFC classes compared to previous years, as we are phasing out the MFC programme in place for our in-house Allianz Pilot Teacher Training Programme as a more impactful and sustainable alternative to financial literacy sessions while also supporting Bank Negara Malaysia's goal of developing best practices for financial literacy in schools. The module, FinWise Kids, was developed with EdSpace Projects and consists of a Teacher Guide, Participant Workbook, Teaching Aids and other learning materials.

This programme aims to elevate financial literacy levels among primary school students by equipping teachers with the necessary skills and knowledge to integrate key financial education topics into their extracurricular activities, and to modify the lessons according to their respective needs while achieving measurable impact. Eleven teachers from seven government schools in Kuala Lumpur and Kelantan, as well as five educators from three NGOs attended a training session which commenced a nine-month long programme for roll-out in their respective institutions.

We also supported the celebration of Child and Youth Finance International's annual Global Money Week with participation of 70 underprivileged students from Pusat Kebajikan Anak Yatim Mary and Lighthouse Children's Welfare Home. The children enjoyed an educational talk on "Apa itu Wang" and participated in the 'Si Kijang Puzzle Race' game, before going on a tour around the Bank Negara Museum and Art Gallery.



70 underprivileged students from Pusat Kebajikan Anak Yatim Mary and Lighthouse Children's Welfare Home visited Bank Negara Museum as part of Global Money Week 2018

PILLAR 3 : DISASTER RISK REDUCTION

2018 to 2020

Three-year Targets

1. To form an effective employee volunteer team for relief efforts
2. To increase disaster preparedness of vulnerable communities

Indicators

1. How many volunteers trained
2. How many training sessions
3. Number of disaster preparedness workshops conducted
4. Number of approximate beneficiaries
5. Feedback analysis on products catered toward vulnerable communities



A Flood Preparedness Programme was conducted by MISAR for the flood-prone communities of Tanah Merah, Kelantan

Capacity-building for Vulnerable Communities

Our efforts in Disaster Risk Reduction in 2018 included organising Flood Preparedness Programmes together with Malaysia International Search and Rescue ("MISAR") for flood-prone communities in Tanah Merah, Kelantan. The initiative, which was held at Sekolah Kebangsaan Tebing Tinggi and Sekolah Kebangsaan Sokor, was attended by over 264 residents of the area. During this programme, a talk was also conducted by our Kota Bahru branch to highlight our Allianz Kampungku product to the communities there. We also contributed to support MISAR's relief efforts in Kuantan following heavy flooding.

Significantly in 2018, Allianz endowed a grant to MISAR for the research and development of a Disaster Aid Capsule which has the capacity to house a shelter for 120 persons, 3 mobile toilets, a complete hygiene kit, as well as a built-in digital communication tool that runs on internet connection and is powered by solar energy. The communication tool will be able to provide a live feed of the situation on-ground during times of disaster emergencies, which is considered valuable data and information as it will allow the relevant agencies and NGOs to respond more effectively and efficiently.

Additionally, a Psychological First Aid Training programme was organised to equip 30 employee participants with the basic knowledge and skills required to conduct 'Psychological First Aid'. This training is part of our effort to realise a long-term objective of developing an effective employee volunteer team for deployment in disaster relief.



A training session was organised to equip thirty employee participants with the basic knowledge and skills required to conduct 'Psychological First Aid'

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PILLAR 4 : ENVIRONMENT

2018 to 2020

Three-year Targets	Indicators
<ol style="list-style-type: none"> To reduce the consumption of energy by 34% and paper by 40% To implement green guideline company-wide 	<ol style="list-style-type: none"> EMS: Paper and Energy 2020 Targets Energy audit

Under the Environment pillar, we promote environmental awareness primarily to our employees while also developing environmentally-related needs-based solutions for our community partners. In 2018, Allianz commenced a two-year long energy audit in partnership with Wild Asia Foundation to increase energy efficiency in our head office which will assist in reducing our operational costs and carbon footprint. Allianz4Good closely collaborates with the Local Environmental Officers (“LEO”) to monitor the company’s emissions (water, energy and waste) with the aim of improving our efficiency and reducing our carbon footprint. We have also engaged Wild Asia Foundation to develop a green guideline for implementation companywide before 2020.



Three environment-related workshops were held in 2018, benefitting the 58 employees that attended – including an organic soap-making session



A ‘Teh Tarik Session’ held in collaboration with the climate change youth organisation, PowerShift Malaysia, focused on the theme of “New Malaysia – ideas for a sustainable city”



Fifteen employees participated in the Bonus Fun Walk River 2018 where trees sponsored by Allianz were also planted

Celebrating Earth Hour and World Environment Day

In order to inculcate awareness over environmental issues among our workforce, we organised several awareness programmes on the topic throughout the year. In 2018, we supported the World Wide Fund for Nature’s Earth Hour movement by encouraging employees nationwide to switch off their lights in the office for an hour during lunch for a week in March 2018. This initiative was a resounding success, with 85% of lights being switched off during lunch hour for the Earth Hour week.

Three workshops, benefitting a total of 58 employees that attended, were held in our head office including a talk by the Zero Waste Malaysia founder and a hands-on soap-making workshop using recycled cooking oil for our employees led by Barakah Organics. A ‘Teh Tarik Session’ held in collaboration with the climate change youth organisation, PowerShift Malaysia, focused on the theme of “New Malaysia – ideas for a sustainable city”. While the Bonus Fun Walk River 2018 – co-organised by EcoKnights, Local Agenda 21 and Dewan Bandaraya Kuala Lumpur – drew participation from fifteen employees where trees sponsored by Allianz were also planted.



Allianz employees from the Kluang branch contributed to 3,600kg of paper collected during the nationwide recycling drive

Later in the year, a nationwide recycling drive collecting papers, clothes, electronic waste (e-waste) and books was held in November 2018. By involving fifteen of our branches nationwide, Allianz successfully collected over 3,600kg of paper, 180kg of clothes as well as 62kg of e-waste and books. The collection of paper and e-waste was given to Infodel and UrbanR Recycle+, while the books went to the Malaysian Insurance Institute's book donation campaign.

The collected clothes were passed on to Kloth, a local fabric recycling enterprise, while second-hand working clothes of good condition were donated to students of the learning centre SOLS 24/7 Academy of Innovation in preparation for their entry into the working world.

Developing Sustainable Solutions for our Beneficiaries

Nine employees volunteered with our community partner, Build for Tomorrow, to complete the installation of a solar powered water system to benefit the 86 residents of Kampung Orang Asli Air Kuning located on the outskirts of Taman Botani Negara, Shah Alam. The set-up of the water system, which was supported by Allianz, was carried out over three stages, beginning with the installation of the water pump, solar panels, water tanks and distribution pipes.

We partnered again with Build for Tomorrow to conduct an eco-efficiency audit of the premises of United Learning Centre, a centre which provides education for refugee children that was financially burdened by mounting utility bills. Following this audit, Build for Tomorrow outlined the scope of retrofitting required including, but not limited to, providing a water filter to provide clean drinking water to the occupants, insulation of classroom ceilings and gable vents to increase efficiency of building heat management, installation of energy efficient lightings, and an awareness program to reduce wasteful practices within the centre. The recommendations were successfully implemented in 2018 with support from Allianz.

Further to our engagement to SOLS 24/7, we installed a water filtration system to improve the academy's facilities and ensure a more conducive environment for the students. Find out more on our support for SOLS 24/7 Academy in the section on **Allianz Social Innovation Fund**.

Another community initiative was our support for Build for Tomorrow's installation of a water filtration system for the Orang Asal communities in Long Perluan, to replace the communal water filter which previously provided drinking water for all thirty families in the village before being burnt down in a fire. Prior to the installation, the villagers were dependent on bottled water as the nearby river was polluted due to upstream sewage and logging activities.

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PILLAR 5 : COMMUNITY

2018 to 2020

Three-year Targets	Indicators
<ol style="list-style-type: none"> 1. Increase public awareness products available to PWDs 2. To develop capacity-building for NGOs 3. To increase employee volunteering opportunities 4. To improve the outreach of our community initiatives 	<ol style="list-style-type: none"> 1. How many workshops/awareness campaigns conducted 2. Number of outreach & initiatives 3. Feedback analysis on capacity-building initiatives

Our Community initiatives are guided in particular by the topic of social inclusion by focusing on social groups we identify as most displaced, such as Indigenous people, Refugees, Persons with Disabilities (“PWD”) and the B40 segment. Our CR initiatives under this pillar encompass addressing immediate needs and long-term capacity building efforts.

Breaking Barriers

In 2018, we continued our sponsorship for Persatuan Mobiliti Selangor dan Kuala Lumpur (“MOBILITI”) who provides transportation services for wheelchair bound PWDs. We have supported their indispensable service since 2006, by sponsoring the operational costs that include comprehensive Motor insurance and Enhanced Road Warrior for four of their vans, as well as the fuel, maintenance, tolls and salaries of their staff. In 2018 alone, MOBILITI served over 2,159 passengers across 10,752 trips.

We are also proud to support the Malaysian Council for Rehabilitation, which supports and highlights PWDs through the Abilympics National and International competitions, a PWD

skills competition shaped around five professional categories: Service, Information Technology, Industry, Craft and Food which is further split into 48 different skills. Following the national-level competitions held in July and October 2018, 15 competitors have been selected to represent the Malaysian contingent for the upcoming 10th International Abilympics to held in Russia in 2020.



We are proud to support the Abilympics competition, a skills-based competition for PWDs, since 2016

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A DAY AT THE ORCHESTRA

We had the opportunity to bring 69 students of United Learning Centre and Dignity for Children Foundation to the Malaysian Philharmonic Orchestra’s concert titled Upin and Ipin in October 2018. Many of these children were of refugee and underprivileged backgrounds and never had the opportunity to attend a concert in the MPO.





Corporate Giving and Employee Volunteering



158 employee volunteers served over 2,000 urban poor and homeless during PERTIWI soup kitchen sessions in 2018

In 2018, 158 employee volunteers continued to eagerly contribute their time to serve over 2,000 urban poor and homeless during Pertubuhan Tindakan Wanita Islam's ("PERTIWI") soup kitchen sessions throughout the year. Established in 2010, PERTIWI Soup Kitchen focuses on food distribution to the homeless and urban poor across Kuala Lumpur. A Navara pickup truck donated to PERTIWI Health Services continues to serve as a mobile clinic for use by their medical team of volunteer doctors to address medical concerns faced by the homeless and urban poor community. We continue to support the yearly maintenance of the truck.

Allianz employees donated items in-kind for our festive giveaways held during Hari Raya and the year end which reached a total of 816 beneficiaries, of which 350 were children of underprivileged backgrounds cared for by non-governmental operated homes. Items donated by our employees were distributed to Lembaga Pelawat Rumah Ehsan in Kuala Kubu Bharu, Pusat Pemulihan Dalam Komuniti Rawang (PDK Rawang), Pusat Pemulihan Dalam Komuniti Sg. Choh (PDK Sg Choh), Selangor Cheshire Home and Dignity for Children Foundation in June 2018.



Employees contribute items in-kind for our festive-giving initiative to provide basic food items for families in need

Throughout 2018, we also provided other forms of direct support for those whom need it most. These include contributing items and basic necessities during Hari Raya and towards the year end such as rice, sugar, milk, condiments and cooking oil to 21 various NGOs and homes. Hari Raya goodies were also distributed to students of Sekolah Kebangsaan Tebing Tinggi and Sekolah Kebangsaan Sokor in Tanah Merah, Kelantan as well as underprivileged families located in Kelantan, Perak and Bangi.

This year we also made a contribution of eight electric beds and 100 tins of adult nutrition products to Lembaga Pelawat Rumah Ehsan, a home which provides care for 105 elderly folk in September 2018. During the delivery of this contribution, Allianz employee volunteers collaborated with indigenous students from SOLS 24/7 Academy of Innovation to regale the old folks with some light entertainment of music and dancing.

Celebrating & Nurturing the Malaysian Spirit



Allianz employees and agents participated in Unity Ribbon making workshops held from June leading to Malaysia Day 2018

This year, Allianz took the opportunity to organise a series of unity-themed activities as part of our continued commitment to drive the message of Malaysian unity among our workforce and society. This commenced with a post-GE14 forum with CEO Zakri Khir on what the new wave of change following the historic general elections would mean to us as a corporate entity comprised of Malaysians.

In an effort to promote interfaith understanding among our employees, a dialogue session was held with the Islamic scholar and member of G25, Encik Nik Abdul Aziz Nik Hassan, where the topic of Islam in society and governance was discussed among the 60 employees that attended. Another session held as part of this CEO's Unity Dialogue series included a dialogue in August 2018 on the topic of Malaysian history with participation from invited speakers, publisher and unity advocate Anas Zubedy, documentary filmmaker Norhayati Kaprawi as well as environmental consultant and historian, Dr. G. Balamurugan.

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Participants with the Islamic scholar and member of G25, Encik Nik Abdul Aziz Nik Hassan during a Unity Dialogue session held in 2018

Among the other activities was our Unity Ribbon campaign in partnership with social enterprise, Projek 57. The campaign entailed Unity Ribbon-making workshops involving our employees, directors and agents, but also students from our beneficiary and adopted schools across Malaysia who received Unity Ribbons or participated in a Unity workshop. This initiative was particularly meaningful due to the important message it promotes, while also supporting the education and empowerment of Orang Asli youths in Malaysia through the sale of every ribbon.

The Unity Ribbon also made an appearance at the Life Sales Action Group Meeting in Penang where 1,200 Allianz Life agents in attendance showed their overwhelming support for the initiative. Aside from that, CEO Zakri Khir was also a panellist at the Unity Ribbon Launch by Projek 57 alongside Deborah Henry and Brigadier-General Datuk Goh Seng Toh.



#STANDUP4HUMANRIGHTS FESTIVAL



We had the honour of sponsoring and participating in the #StandUp4HumanRights Festival organised by the Human Rights Commission of Malaysia.

The event was held in Padang Timor, Petaling Jaya and gave an opportunity for us to highlight our efforts towards upholding human rights in Malaysia through our inclusive protection solutions, employment practices and community development projects.

Our booth also featured a safety net which indicated words that represent the themes of Human Rights advocated by Allianz, namely inclusion, visibility, accessibility as well as protection and care.



We had the honour of sponsoring and participating in the #StandUp4HumanRights Festival organised by the Human Rights Commission of Malaysia



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We have garnered a cumulative total of 2,095 blood donors and 637 organ pledges since 2014

Blood Donation Drive and Organ Donation Pledge

In conjunction with Malaysia Day 2018 and in collaboration with the National Blood Centre and National Transplant Resource Centre, we organised the annually held Blood Donation Drive and Organ Donation Pledge campaign which was held at our head office as well as in Kedah, Johor and Sabah. The year's campaign was held from 6 to 27 September 2018 with four locations being open to public. A total of 263 blood donations and 52 organ pledges were successfully collected. Since 2014, we have garnered a cumulative total of 2,095 blood donors and 637 organ pledges.

Empowering Malaysians towards an Enriched Quality of Life

The IJM Allianz Duo Highway Challenge 2018, which attracted over 9,000 runners, returned in collaboration with IJM Corporation Berhad following the success of last year's event. Runners had the option to participate in the 13km challenge run or 6km fun run along the Besraya Highway (E9) on 29 April 2018 and a 21km challenge run along the NPE Highway (E10) on 29 July 2018, which gave participants the opportunity to run along the new Pantai Sentral Park Interchange. The final winners of the Duo Highway Challenge were selected based on the fastest combined timing from the 21km and 13km at the NPE and Besraya Highway Challenge respectively.

The fourth edition of the Allianz Pacer Run was held on 18 November attracting 6,000 runners to the streets of Precint 3, Putrajaya. The race format was revamped with new distances – 16km and an 8km fun run. This year's participants featured close to 2,000 of our customers, 433 Allianz agents and 400 employees. The race kicked off with a fun Zumba warm-up session, with the 16km race for Men's Open, Women's Open, Men's Veteran and Women's Veteran categories being flagged-off in front of the Palace of Justice. Following the run, participants enjoyed the festivities at the Allianz Runners Village, where they took part in an inflatable obstacle course and interactive booths which focused on health education, healthy living and nutrition.

The Allianz Pacesetters 4x3km Relay Run 2018 was held on 3 November 2018 at Perdana Botanical Gardens, Kuala Lumpur. This is the fifth year for Allianz as the title sponsor. The Allianz Pacesetters Relay is an annual event organised by Allianz in collaboration with renowned running group Pacesetters since 2014. This year, a total of 256 teams competed in five different categories: Women's Open, Mixed Open, Kiwanis Pace-it-Forward (Mixed), Men's Open and Under 26 (Mixed). One of Allianz's own teams managed to secure the third prize in the Kiwanis Pace-it-Forward (Mixed) category. Since 2014, the event has raised a total of RM222,000 for Down's syndrome.



The Allianz Pacesetters 4x3km Relay Run has raised a total of RM222,000 for Down's Syndrome since 2014



The fourth edition of the Allianz Pacer Run was held on 18 November, gathering over 6,000 running enthusiasts in Putrajaya