



*As part of the Allianz Social Innovation Fund, employee volunteers conduct engagement sessions with SOLS Academy of Innovation students throughout an 18-month duration. Find out more on the Allianz Social Innovation Fund on page 91.*

# Sustainability Report 2017



# SUSTAINABILITY REPORT

## CEO's Statement



**Zakri Mohd Khir**  
Chief Executive Officer

“ Through our offerings as well as our direct engagements with disadvantaged communities, we endeavour to ensure that the risks of life experienced by society are equalised, if not better than it was before. ”

As we take steps towards realising a sustainable world, the displacement of many from their fair share to socioeconomic security remains apparent. Despite the tremendous benefits globalisation and technological advancement continues to provide along this journey, we recognise that these economic drivers are insufficient if we are to realise a level playing field for all.

A polarity in opportunities has resulted in a fractured environment, prevailed upon by traditional institutions that struggle to provide the necessary checks and balances as populism and sensationalism threaten to dominate globally. It is under these conditions that our role as an equalising institution becomes ever more crucial, it is therefore important that we do not become weighed down by unwarranted division and our collective unease. As insurers, we are in the business of managing the risks in life faced by society. Through our offerings as well as our direct engagements with underserved communities, we endeavour to ensure that the risks of life experienced by society are equalised, if not better than it was before.

**At Allianz, we believe it is important as ever for us to uphold our responsibility towards creating a sustainable future and equity for all.** Guided by the United Nations Sustainable Development Goals and Allianz Group's Renewal Agenda, we leverage upon our industry expertise and position towards this end. With Allianz Group taking the leading position among all rated insurance companies in the latest Dow Jones Sustainability Index, integrating sustainability into our decision-making and practices ensures that we not only remain relevant in a dynamic and rapidly developing financial services industry, but it allows us to provide accessible and sustainable solutions through our offerings.

**As a restatement of our commitment to social inclusion, we harness upon our role as a responsible insurer to identify gaps in protection and develop needs-based solutions.** This year the launch of several new products, Allianz 3 High Cover and Allianz Diabetic Essential, extends our protection to customers with increasingly prevalent conditions such as high blood pressure and Type-2 Diabetes. We tailor our products to not only provide protection, but to also empower our customers to enhance their quality of life by supporting and incentivising improvements in their health. Another, Allianz Kasih Hayat, is an affordable product catered towards consumers within the B40 income bracket. As we continue to adapt to the evolving needs of society, it is our hope that such offerings will provide our customers with the accessibility and buffers necessary to protect themselves against socioeconomic unpredictability.

- OVERVIEW
- CORPORATE PROFILE
- TO OUR STAKEHOLDERS
- SUSTAINABILITY REPORT 2017
- CORPORATE GOVERNANCE AND ACCOUNTABILITY
- 2017 HIGHLIGHTS
- FINANCIAL STATEMENTS
- AGM INFORMATION

“ Our vision is firmly placed on the long-term realisation and nurturing of a genuine spirit of Malaysian unity founded upon mutual regard, trust and care. ”

We firmly believe that the capacity to innovate directly complements our sustainability strategy. Through strategic digital partnerships with leaders of innovation including fintech accelerator SuperCharger, as well as membership of the Malaysian Global Innovation & Creativity Centre Corporate Entrepreneurship Responsibility platform, Allianz is able to tap in and integrate to a thriving ecosystem of emerging technology and talent. Our customers benefit through innovative products and services with simplified processes, while our employees and agents are exposed to the skills and industrial trends of a digital economy. **As an employer of choice, we harness upon the diversity in talents of our employees and we are proud of their growth as we adapt together towards an economy of the future and long-term value creation.**

**As we look to the future, we remain committed to the equalising of opportunities for all Malaysians. Insurance is after all, the contributions of many to assist the misfortunes of a few.** Integrating sustainability in our decision-making provides us with a holistic approach to our business practices as well as our corporate responsibility initiatives, which are designed around five pillars explored in the later pages of this report. As one of five winners to receive the Allianz Group Social Innovation Fund 2017, we are excited to support the work of SOLS Academy of Innovation with a grant to fund the eighteen-month SOLS Academy of Innovation programme, which provides education to Malaysian underprivileged and indigenous youth. After twelve months of classes, students from the academy will take on a six-month internship in Allianz. Throughout its duration, employee volunteers assist in developing the life and working skills of the students.

Our collaboration with Impact Hub on the ‘Encouraging Future Generations’ Investment Ready Programme, allows us to support local social enterprises that work towards building sustainable livelihoods and the inclusion of underserved communities. Two Malaysian ventures have been selected as finalists to participate in a mentorship programme and to compete for a grant of €40,000. We further champion the efforts of such social enterprises and reiterate our commitment to social inclusion by making it mandatory company-wide to engage the catering services of social enterprises for meetings and events held in our head office.

In response to recent flooding in Penang, alongside the deployment of our Claims Caravan which expedites claims processing for affected customers, we proudly support the work of the Malaysia International Search and Rescue flood response team. We do not forget the plight of Orang Asli communities in the interiors of Kelantan facing a lack of access to food due to heavy floods, and deployed a team of employee volunteers for the delivery of 2.5 tonnes of food. It is under such unfortunate circumstances that we are reminded of the urgency in reconciling development with environmental preservation. Nevertheless, it is under such circumstances that we are able to witness the strength and resilience of Malaysians to overcome and support one another during times of need.

Our vision is firmly placed on the long-term realisation and nurturing of a genuine spirit of Malaysian unity founded upon mutual regard, trust and care. We have faith in this vision, and support it in various ways, including the continued sponsorship of Allianz Junior Football Camp Malaysia League, a grassroots platform for talented local youths to develop their football skills and a Unity Ride organised by Projek57 which saw fifty Malaysians of different walks of life embarking on a cycling trip across the country, ending symbolically on Malaysia day as a promotion of unity among Malaysians. **Moving forward into 2018 we believe it is pivotal, now more than ever, that we set aside our perceived differences in place of our common identity – that of Malaysians, first and foremost.**



Allianz employees celebrating the Unity Ride flag-off at Dataran DBKL on 6 August 2017.

# 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 2017. 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 referred to as “Allianz Group”.

## REPORTING PERIOD

1 January 2017 to 31 December 2017

## 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 (“UN SDGs”), and Allianz Group’s own Sustainability Report.

A digital version of this report is available for public download on our corporate website [allianz.com.my](http://allianz.com.my). Please consider the environment prior to printing a copy of this report.

## OUR KEY SUSTAINABILITY ACHIEVEMENTS 2017

Total number of policies  
**3.85 MILLION**

Amount spent on Employee training  
**RM3.72 MILLION**

Winner of  
**The Edge Top CR Initiatives Award 2017**

Claims paid out to KampungKu policyholders  
**RM500,000**

Women in Management Positions  
**60%**

Reduction in paper usage  
**20.6%**

Number of Users on Corporate Website  
**965,000**

Work Well Index  
**Increased to 74%**

Direct beneficiaries of our CR initiatives  
**~31,288**

- OVERVIEW
- CORPORATE PROFILE
- TO OUR STAKEHOLDERS
- SUSTAINABILITY REPORT 2017
- CORPORATE GOVERNANCE AND ACCOUNTABILITY
- 2017 HIGHLIGHTS
- FINANCIAL STATEMENTS
- AGM INFORMATION

# Sustainability Approach

“As managers of risk, insurers are attentive to the changing trends of market and consumer behaviour. This year, risks arising from the pace of technological change came to the forefront with the recurrence of major data breaches, doubling ransomware payments from the previous year at US\$2 billion.<sup>1</sup>”

As cyber hackers increase the sophistication of their attacks, the associated damages are no longer limited to purely financial losses – those affected by the WannaCry attack included the National Health Service in the United Kingdom, causing the temporary shutdown of affected hospitals and delays in patient treatments. This indicates a worrying trend in an age of data proliferation and increasing digital dependency.

Natural catastrophes ranked highly in the Allianz Risk Barometer: Business Risk 2017, echoing the reminder served by major natural disasters spanning countries globally, including Malaysia. The ratification of the Paris Agreement represented a genuine recognition of the environmental challenges requiring our urgent attention. Such concerted approaches towards sustainability enable the transformation of risk into opportunities, encouraging innovation and creativity as we explore ways to meet the demands of a changing society.

The UN SDGs continue to provide a necessary framework for industry decision-makers. Within the insurance industry, our commitment to the SDGs was affirmed through the development of the “Bonn Ambition” which harnesses on the role of insurers as risk managers, risk carriers and investors to convert the targets of SDG 11 (‘Make cities inclusive, safe, resilient and sustainable’) into “Insurance Development Goals” by June 2018.

At Allianz, we remain abreast of global risk trends and incorporate industry-wide commitments through the continual implementation of Allianz Renewal Agenda, which shapes our roles as a **responsible business, an employer of choice** and a **responsible corporate citizen**.

Through our role as a **responsible business**, we develop product and service offerings in tandem with environmental, economic and social (“EES”) considerations. We endeavour to conduct our business ethically and to address the societal concerns faced by our stakeholders, particularly accessible and inclusive protection, the prevalence of chronic diseases and natural disasters.

As an **employer of choice**, we encourage the development of our employees through learning opportunities and a working environment which encourages innovation as well as exposure to skills of a digital economy.

We honour our role as a **responsible corporate citizen** through the integration of sustainability into our business practices and a nurturing of our social responsibilities to society, focusing in particular on disaster risk reduction, financial literacy, the environment, road safety advocacy and community development.

<sup>1</sup> Ransomware Damage Report published by Cybersecurity Ventures in 2017

# Sustainability Governance

The structure of our sustainability governance remains consistent to the previous reporting year. As detailed in **Diagram 1**, our corporate sustainability strategy is overseen by the Allianz Board (“The Board”) with the support of the Risk Management Committee (“RMC”) and Sustainability Working Group (“SWG”), which is in the second year of establishment.

The Board is accountable for overall management of our sustainability strategy. Through an ongoing process of identification and evaluation, the Board establishes the direction of our sustainability strategy.

The Board is assisted by the RMC, which is chaired by an Independent Non-Executive Director and supported by members of the Board. As part of our sustainability governance, it oversees and ensures the integration of the Board-approved sustainability strategy into our business operations.

Our management process in the area of corporate sustainability, including membership and responsibilities of the SWG, is set out in the SWG’s Terms of Reference which became effective in August 2017.

The SWG is chaired by the Head of Allianz4Good and supported by other members of Senior Management and designated officers. It is responsible for the implementation of sustainability initiatives, as well as the monitoring of relevant measures and indicators which are shared in **Table 1**. The SWG provides updates on the progress of Allianz’s sustainability performance to the Senior Management Committees of the respective subsidiaries and the RMC.

**Diagram 1: Sustainability Governance Structure**



- OVERVIEW
- CORPORATE PROFILE
- TO OUR STAKEHOLDERS
- SUSTAINABILITY REPORT 2017
- CORPORATE GOVERNANCE AND ACCOUNTABILITY
- 2017 HIGHLIGHTS
- FINANCIAL STATEMENTS
- AGM INFORMATION



**Table 1: Allianz Sustainability Targets and Indicators (2017 to 2020)**

Theme	Target	Sustainability Matter 2017	Yearly Indicators	Progress in 2017
	To achieve Loyalty Leader position for both subsidiaries	Customer Satisfaction	Results of Net Promoter Score	Allianz General: ↑ 14.7%
			Number of resolved complaints	Allianz Life: ↑ 13.6%
			Average complaint processing time	582
	Adopting technological innovation	Technological Innovation	Increase in users of digital platform available to customers	Allianz General: 7 working days
			Increase in engagement rate on Allianz digital platforms	Allianz Life: 12 working days
		Business Innovation	Website: 965,000	A to Z App: 3,459
			Number of claimed cases reported via digital platform for customers	Imagine App: 86%
			Number of Allianz operations that have been digitalised	A to Z App: 1,066
			The number of digital partners on-board	5
	To develop an agile workforce that is aware of and responsive to potential risks	Regulatory Changes	No. of relevant awareness trainings conducted	(i.e. Enhanced Imagine, ePolicy, Banca eSub, AtoZ App & Expert UW)
		Ethics & Compliance	No. of relevant awareness campaigns conducted	Allianz General: 27
		Quality of Risk Management	Roll-out of awareness campaigns to workforce	Allianz General: 1,000
	Provide employee learning and development	Talent Attraction & Retention	Percentage of employees who attended at least one training session	8
			Number of training days per employee yearly	5
			Total RM spent on employee training yearly	100%
			Number of employees who completed professional examinations	48.40%
			Number of training days per employee yearly	3.7 days
			Total RM spent on employee training yearly	RM3.72 million
			Number of employees who completed professional examinations	113

**SUSTAINABILITY REPORT**  
**Sustainability Strategy**  
**Sustainability Governance**

- OVERVIEW
- CORPORATE PROFILE
- TO OUR STAKEHOLDERS
- SUSTAINABILITY REPORT 2017**
- CORPORATE GOVERNANCE AND ACCOUNTABILITY
- 2017 HIGHLIGHTS
- FINANCIAL STATEMENTS
- AGM INFORMATION

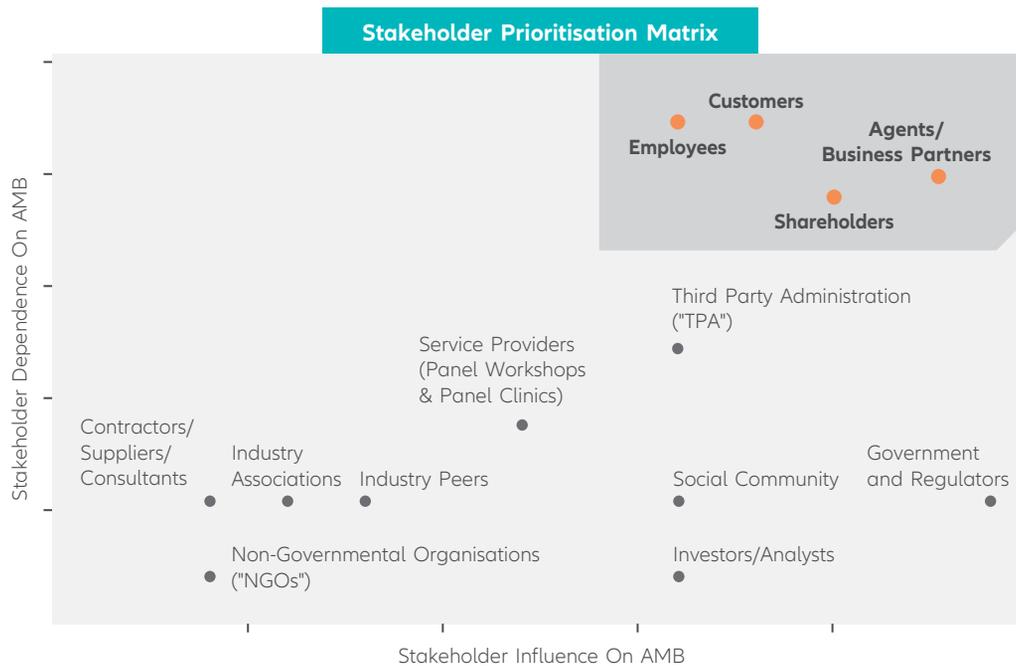
Theme	Target	Sustainability Matter 2017	Yearly Indicators	Progress in 2017
	Having fair employment practices, fostering diversity and equal opportunities	Fair Employment Practices	Employee Engagement Index	81%
			Inclusive Meritocracy Index	82%
			Employees by gender and job position	60% Female Managers
			Employees based on age groups	25 below: 5.57%
				25-34: 38.39%
				35-44: 34.47%
				45-54: 15.57%
Employees with disabilities	21 employees			
	Increasing consideration of Environmental, Social & Governance ("ESG") matters into business decisions and operations	Integrating Sustainability	Number of Sustainable Solutions offered to customers	4
			Total CO <sup>2</sup> e emissions per employee (kg)	2,879 kg
			Total water consumption (m <sup>3</sup> per year)	22,000 m <sup>3</sup>
			Total amount of electricity consumption (kWh per year)	4,435,000 kWh
			Total amount of paper consumption (kg per year)	119,216 kg
			Total amount of paper recycled (kg per year)	43,417 kg
				To reduce societal risks and equalise opportunities of underserved communities
Total volunteering man hours	1,470 hours			
Total amount allocated for beneficiaries through Corporate Responsibility (RM allocated yearly)	RM2,379,500.00			
Total amount of donations company-wide to support local communities (RM yearly)	RM562,561.27			
Total amount of sponsorships company-wide (RM yearly)	RM1,867,596.60			
Number of community partners	47			



# Stakeholders as Game Changers

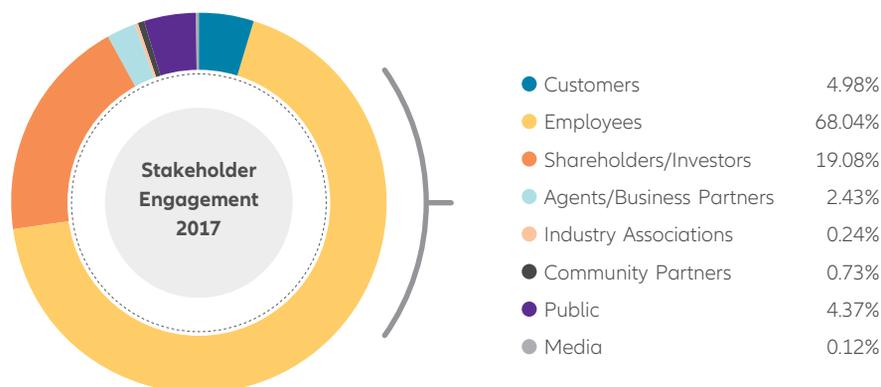
We believe decision-making built upon the inclusion of diverse views is fundamental to sustainable growth. Following an extensive stakeholder prioritisation exercise conducted by the SWG and an external sustainability consultant in the previous year, we have retained our stakeholder prioritisation for 2017. The stakeholders identified to have the most influence and dependency on Allianz are our Customers, Shareholders, Agents/Business Partners and Employees, as illustrated in **Diagram 2**.

**Diagram 2: Stakeholder Prioritisation Matrix**



The breakdown of respondents to our Sustainability Survey 2017 is indicated in **Diagram 3**. Through the various channels listed in **Table 2**, we were able to engage our identified high priority stakeholders and other stakeholder groups to gauge the EES topics they perceive as most material to Allianz. A multi-platform approach enabled a wider distribution of respondents compared to previous years. We endeavour to continually broaden our engagement in coming years.

**Diagram 3: Respondent Breakdown**



**SUSTAINABILITY REPORT**  
**Sustainability Strategy**  
**Stakeholders as Game Changers**

**Table 2: Outcome of Stakeholder Engagement**

Stakeholder Groups	Engagement Channels	Key Areas of Concern	Allianz Response
<b>Customers</b>	<ul style="list-style-type: none"> <li>Sustainability Survey 2017</li> <li>Online platform (e.g. corporate website, social media, smartphone applications and mobile messaging)</li> <li>Customer satisfaction survey (Net Promoter Survey)</li> <li>One-to-one meetings with customer mediators (e.g. Federation of Malaysian Consumers Association)</li> <li>Community events</li> </ul>	<ul style="list-style-type: none"> <li>Technological Innovation</li> <li>Business Innovation</li> <li>Ethics &amp; Compliance</li> <li>Integrating Sustainability</li> </ul>	 (Page 62 – 76)  (Page 86 – 105)
<b>Employees</b>	<ul style="list-style-type: none"> <li>Sustainability Survey 2017</li> <li>Allianz Employee Survey</li> <li>Employee on-boarding training</li> <li>Townhall meetings</li> <li>Allianz internal publications (e.g. monthly newsletters and quarterly magazines)</li> <li>Allianz staff portal</li> <li>Learning and development programmes</li> <li>Corporate volunteering programmes</li> <li>Direct employee feedback</li> <li>One-to-one Interviews</li> </ul>	<ul style="list-style-type: none"> <li>Customer Satisfaction</li> <li>Technological Innovation</li> <li>Business Innovation</li> <li>Regulatory Change</li> <li>Ethics &amp; Compliance</li> <li>Fair Employment Practices</li> <li>Quality of Risk Management</li> </ul>	 (Page 62 – 76)  (Page 77 – 85)
<b>Agents/ Business Partners</b>	<ul style="list-style-type: none"> <li>Sustainability Survey 2017</li> <li>Allianz internal publications (e.g. Agents magazine and quarterly magazines)</li> <li>Seminar and annual marketing Conventions</li> <li>Agents training sessions</li> <li>Online platform (e.g. corporate website, social media, smartphone applications, mobile messaging and Allianz agent portal)</li> <li>Corporate volunteering programme</li> <li>Corporate events (e.g. festive dinner)</li> <li>One-to-one meetings</li> </ul>	<ul style="list-style-type: none"> <li>Customer Satisfaction</li> <li>Ethics &amp; Compliance</li> <li>Societal Change</li> <li>Technological Innovation</li> <li>Talent Attraction &amp; Retention</li> <li>Community Development</li> </ul>	 (Page 62 – 76)  (Page 77 – 85)  (Page 86 – 105)
<b>Industry Associations</b>	<ul style="list-style-type: none"> <li>Sustainability Survey 2017</li> <li>Public partnerships</li> <li>One-to-one meetings</li> </ul>	<ul style="list-style-type: none"> <li>Ethics &amp; Compliance</li> <li>Regulatory Changes</li> <li>Quality of Risk Management</li> </ul>	 (Page 62 – 76)

- OVERVIEW
- CORPORATE PROFILE
- TO OUR STAKEHOLDERS
- SUSTAINABILITY REPORT 2017**
- CORPORATE GOVERNANCE AND ACCOUNTABILITY
- 2017 HIGHLIGHTS
- FINANCIAL STATEMENTS
- AGM INFORMATION



Stakeholder Groups	Engagement Channels	Key Areas of Concern	Allianz Response
<b>Investors/ Shareholders</b>	<ul style="list-style-type: none"> <li>Sustainability Survey 2017</li> <li>Annual General Meetings</li> <li>Quarterly analyst briefings</li> <li>Quarterly Reports and Annual Reports</li> <li>Shareholders' circulars</li> <li>Fund Performance Reports</li> <li>Online platform (e.g. corporate website and social media)</li> <li>One-to-one meetings with fund managers and investors</li> <li>Media releases</li> </ul>	<ul style="list-style-type: none"> <li>Customer Satisfaction</li> <li>Ethics &amp; Compliance</li> <li>Technological Innovation</li> <li>Business Innovation</li> <li>Integrating Sustainability</li> <li>Regulatory Change</li> <li>Talent Attraction &amp; Retention</li> </ul>	<ul style="list-style-type: none"> <li> (Page 62 – 76)</li> <li> (Page 77 – 85)</li> <li> (Page 86 – 105)</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>Sustainability Survey 2017</li> <li>Online platform (e.g. social media and smartphone applications)</li> <li>Corporate volunteering programmes (e.g. community events, knowledge-sharing initiatives and partnerships with Non-Governmental Organisations)</li> </ul>	<ul style="list-style-type: none"> <li>Customer Satisfaction</li> <li>Ethics &amp; Compliance</li> <li>Community Development</li> <li>Integrating Sustainability</li> <li>Technological Innovation</li> <li>Business Innovation</li> </ul>	<ul style="list-style-type: none"> <li> (Page 62 – 76)</li> <li> (Page 86 – 105)</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>Sustainability Survey 2017</li> <li>Press conferences and events</li> <li>Media releases</li> </ul>	<ul style="list-style-type: none"> <li>Customer Satisfaction</li> <li>Technological Innovation</li> <li>Business Innovation</li> <li>Regulatory Change</li> <li>Ethics &amp; Compliance</li> <li>Talent Attraction &amp; Retention</li> <li>Fair Employment Practices</li> </ul>	<ul style="list-style-type: none"> <li> (Page 62 – 76)</li> <li> (Page 77 – 85)</li> <li> (Page 86 – 105)</li> </ul>

**Legend**



Responsible Business



Employer of Choice



Responsible Corporate Citizen

# Materiality

The effective use of resources along our sustainability journey relies on continual appraisal and a prioritisation of material issues which have the most significance to our sustainability impact. Thus it is important that we not only consider our operating environment or global and industry-specific trends, but it is essential that we engage our internal and external stakeholders to identify the areas they view as most crucial.

## METHODOLOGY

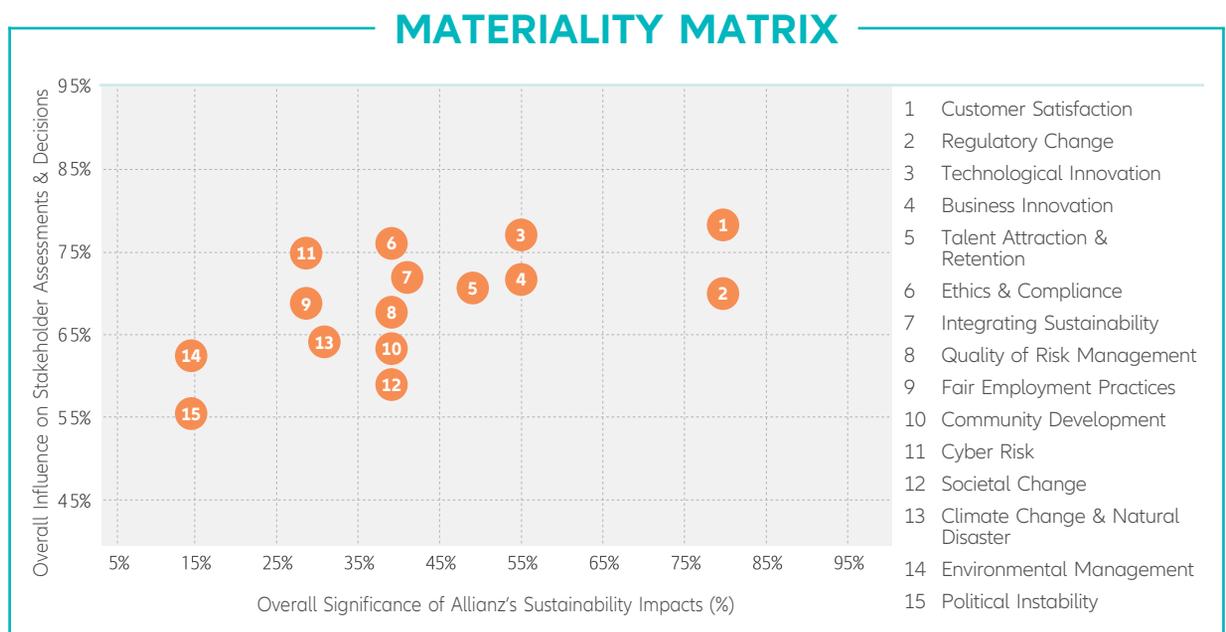
We have retained the structured materiality assessment approach developed with an external sustainability consultant in 2016 as guided by Bursa Malaysia's Sustainability Reporting Guide, the UN SDGs and Allianz Group's sustainability approach. In the previous reporting year, our materiality assessment exercise was based upon 27 sustainability matters which have been consolidated into 15 sustainability matters in 2017. By addressing overlaps in the earlier sustainability matters, our stakeholders are provided with greater clarity while also allowing us to formulate an integrated sustainability strategy.

Our stakeholder engagement process began with a 'Sustainability Megatrends and Solutions Form' distributed to shareholders during our Annual General Meeting in May 2017. Respondents were required to rank thirteen Sustainability Megatrends and eight Sustainable Solutions in order of importance and expected prioritisation by Allianz, with 149 shareholders participating in the survey. The outcome of this exercise enabled us to develop our Sustainability Survey 2017, which was approved by the SWG on 7 November 2017 and distributed to eight stakeholder groups between October 2017 and February 2018.

Through the channels highlighted in **Table 2**, stakeholder groups were engaged through interviews and an online survey to rate our identified sustainability matters 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.

A materiality matrix presented in **Diagram 4** identifies the matters of most importance to our prioritised stakeholders and to Allianz. The top ten matters listed in **Table 3**, have shaped the focus of this report and are categorised into three themes: **Responsible Business, Employer of Choice** and **Responsible Corporate Citizen**.

**Diagram 4: Materiality Matrix**





**Table 3: Top 10 Material Sustainability Matters of Allianz**

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		Technological Innovation	Digitalisation of processes, automation, using big data, online offerings	Digital by Default
4		Business Innovation	Business development into new segments/markets, emerging fintech industry, adapting to future work trends	Growth Engines
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		Integrating Sustainability	Taking environmental, social, and governance matters into consideration in business and investment decision-making, providing appropriate/needs-based insurance solutions	Growth Engines
8		Quality of Risk Management	Operational Risk, Underwriting Risk, Credit Risk controls, Market Risk	Technical Excellence
9		Fair Employment Practices	Diversity and equal opportunities, Health, safety and well-being, Open communications	Inclusive Meritocracy
10		Community Development	Corporate giving, volunteering opportunities, providing accessible and inclusive insurance solutions	Growth Engines

# Customer Satisfaction

## Living Customer Centricity



1

Allianz  
Sustainability  
Ranking 2017

With insurance being a business built upon a foundation of trust and care, our commitment to customer satisfaction underlines our company's ethos of living customer centricity. This is embodied within a core value of our Allianz Group Renewal Agenda, True Customer Centricity, which ensures that a prioritisation of customers' experience is entrenched across the organisation - encompassing our employees, business partners, service delivery and product offerings. Fundamentally, we are driven by our promise to provide assurance for our customers during their 'Moments of Truth'.

- OVERVIEW
- CORPORATE PROFILE
- TO OUR STAKEHOLDERS
- SUSTAINABILITY REPORT 2017
- CORPORATE GOVERNANCE AND ACCOUNTABILITY
- 2017 HIGHLIGHTS
- FINANCIAL STATEMENTS
- AGM INFORMATION



The adoption of our Customer Excellence ("CX") methodology in 2016 enabled us to identify customers' pain points throughout their journey in order to tailor appropriate remedies and solutions. The CX journey for Allianz continued in February 2017 with the kick-off of the 'Policy Servicing Customer Journey Mapping and Ideation' Workshop session, where participants from different functional areas mapped out customers' policy servicing requests to identify any corresponding pain points.

The outcome of the CX exercises shaped the introduction of several initiatives to improve customer experience across every touch point. The incorporation of True Customer Centricity into our employee and agent performance evaluation has returned positive results as reflected in a remarkable improvement of our Net Promoter Score ("NPS") discussed in the following section.

### UNDERSTANDING OUR CUSTOMERS

The NPS represents a crucial measure of customer loyalty and offers valuable insight on customers' interactions with us. Conducted annually, the NPS is executed in coordination with Allianz Group to ensure streamlining of methodology and standards across the group. Our NPS scores for year 2016 and 2017 are presented in **Table 4** below.

**Table 4: Net Promoter Score**

	Top Down NPS Performance 2016	Top Down NPS Performance 2017	
Allianz General	-19.3% (Market average = -22.8%)	-4.6% (Market average = -13.5%)	↑ 14.7%
Allianz Life	18.8% (Market Average = -12.9%)	-5.2% (Market Average = -10.6%)	↑ 13.6%

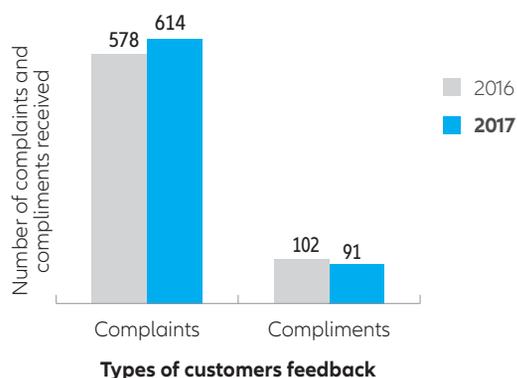


We are pleased to note that both Allianz General and Allianz Life have enjoyed an improved market position in 2017. Most remarkably, Allianz General has become the leading Loyalty Leader, with service as a key lever to this position. Allianz Life has improved to an Above Market position, with quality and value of our products as the most relevant business drivers in this segment.

### MOMENTS OF TRUTH

We are receptive to responses received through other channels of customer feedback, including our branches, corporate website, social media platforms, e-mail and customer contact centre. In line with our target to improve the quality of our complaint resolution rather than reducing the volume of complaints, company-wide training on complaint management and resolution was conducted for all employees. This has encouraged a mindset shift towards complaints among our employees, where feedback and complaints are viewed as an opportunity to do better and improve our service standards.

**Diagram 5: Number and types of customer feedback received**



This shift, in conjunction with an improvement of our customer feedback methodology adopted last year, has resulted in a slight increase in the number of customer complaints as illustrated in **Diagram 5**. However, there is a declining trend in the rate of increase in complaints, with a 5.7% increase in number of customer complaints between 2016 and 2017, in comparison to a 15% increase between 2015 and 2016. This indicates a positive trend in response to our efforts in transforming customer experience.

## ADDRESSING CUSTOMERS' PAIN POINTS

### FROM CUSTOMER SERVICE TO CUSTOMER ADVOCACY ROADMAP

Listening to customers' feedback inspires Allianz to develop pioneering solutions. The implementation of innovative approaches to customer experience alongside the introduction of value-added services has allowed us to exceed our customers' expectations.

From Customer Service to Customer Advocacy Roadmap initiative is a vehicle for our efforts to ensure customer satisfaction and a fulfilment of our promise as a reliable partner. Since 2015, this roadmap has allowed us to shift away from transactional modes of customer service traditional to the insurance industry. By leveraging upon analytics and state of the art technology, we are able to develop a greater standard of customer service in Allianz. The roadmap, elaborated in **Table 5**, is a four pillar strategy developed to realign our thinking processes and methodology when servicing our customers. It is segregated into two phases, the first being a two-year 'Back to Basics' phase which ended in 2017. Moving forward in 2018, the second phase will be a period for us to initiate a 'New Gold Standard' in customer service.

In addition to efforts towards simplifying our policies and forms, we have taken measures to standardise and personalise the way we correspond with our customers by removing words and phrases that are not easily understood. Our two-year 'Business Writing' programme is divided into four stages, the first being the development of an Allianz Standard in business writing. The second and third stage involves training of our employees alongside subject matter experts that review our existing correspondence with customers. During the final stage, all letters within the organisation are reviewed and archived within a library available for reference to all employees, which will ensure that any mistakes are avoided in future correspondence.

**SUSTAINABILITY REPORT**  
**Responsible Business**  
**Customer Satisfaction: Living Customer Centricity**



**Customer Advocacy Transformation Project:  
Case Management System**

Another element to the roadmap is the training of our customer advocacy associates towards a relationship management and advisory role based upon enhanced skills and knowledge, while freeing them of unnecessary processes that can be replaced by automation thus allowing more time to be spent on customers.

We utilise technology to map customer experience. An example is our new case management system, which is an automated platform that provides efficient workflow for our Customer Advocacy Associates and a shorter Turnaround Time ("TAT"). Both our employees and customers benefit from a response tracking and knowledge management system which tailors information according to a customers' enquiry, while eliminating the duplication of complaints or questions throughout their journey with us.

An interaction log is then generated and made available on the customers' profile for future reference. Upon resolution, customers can provide feedback on their experience via a multiplatform survey available through SMS, email or social media channels.

Following the launch of our Facebook messaging channel, customers are able to engage assistance through a live chat available on our corporate website during business hours.

- OVERVIEW
- CORPORATE PROFILE
- TO OUR STAKEHOLDERS
- SUSTAINABILITY REPORT 2017
- CORPORATE GOVERNANCE AND ACCOUNTABILITY
- 2017 HIGHLIGHTS
- FINANCIAL STATEMENTS
- AGM INFORMATION

**Table 5: From Customer Service to Customer Advocacy Roadmap**

<b>From Customer Service to Customer Advocacy Roadmap</b>	
<b>Phase 1: Back to Basics (2015 - 2017)</b>	
<b>Phase 2: The New Gold Standard (2018 - 2020)</b>	
<b>Platform</b>	<p>Customer Relationship Management</p> <ul style="list-style-type: none"> <li>An omni-channel which consolidates feedback from across all our touchpoints. This platform provides assurance to customers by ensuring continuity in our engagements and addressing of their concerns</li> </ul> <p>Customer-friendly interactive voice response</p> <ul style="list-style-type: none"> <li>Option to directly speak to friendly Customer Advocacy Associates</li> <li>24/7 self-service</li> </ul>
<b>People</b>	<ul style="list-style-type: none"> <li>Development of certification in collaboration with Human Resources department for all front-facing employees to equip them with adequate technical knowledge</li> <li>Engaging external providers to establish service-skills training for employees</li> <li>Developing 'Customer Service Personas' to tailor service experience according to expectations of different segments</li> </ul>
<b>Policies</b>	<p>Customer Policies</p> <ul style="list-style-type: none"> <li>Complaint Governance</li> <li>Civility and Mutual Respect</li> </ul>
<b>Partners</b>	<ul style="list-style-type: none"> <li>Developing mechanisms to provide support to our intermediaries in their relations to customers</li> <li>2018 onwards</li> </ul>



### CUSTOMER SERVICE INSTITUTE

The Customer Service Institute is an initiative piloted by Customer Advocacy in association with our Human Resources division in 2017. The institute comprises of classroom training, on-the-job training, certification, refreshers and communication that encompass the pillars of our From Customer Service to Customer Advocacy Roadmap. Through collaborations with other departments such as underwriting and claims, intensive training opportunities are provided to customer advocacy associates. By gaining in-depth knowledge and on-the-job experience, associates are then considered subject matter experts who are able to better understand aspects of the business relevant to their dealings with customers.

The relatively low attrition level of our contact centres, at less than 10% in 2017, ensures that we can provide consistent and high quality service to our customers via knowledgeable and experienced customer advocacy associates. In addition to improving customer experience, this supports the development of a highly skilled and capable workforce in Allianz.

### ALLIANZ ROAD RANGERS

The success of Allianz Road Rangers in the Klang Valley area, launched just twelve months earlier, has encouraged us to launch the service nationwide in January 2018. This will allow a greater number of customers to enjoy benefits of the service designed to alleviate stress faced following a motor accident.



Allianz Road Rangers introduced seven new service touch points along the motor claims journey to ensure that we are with our customers every step of the way. This includes assistance in getting their vehicle to the police station, lodging police reports, getting the vehicle to our authorised panel repairers, ride-sharing services and delivering it back to the customer.

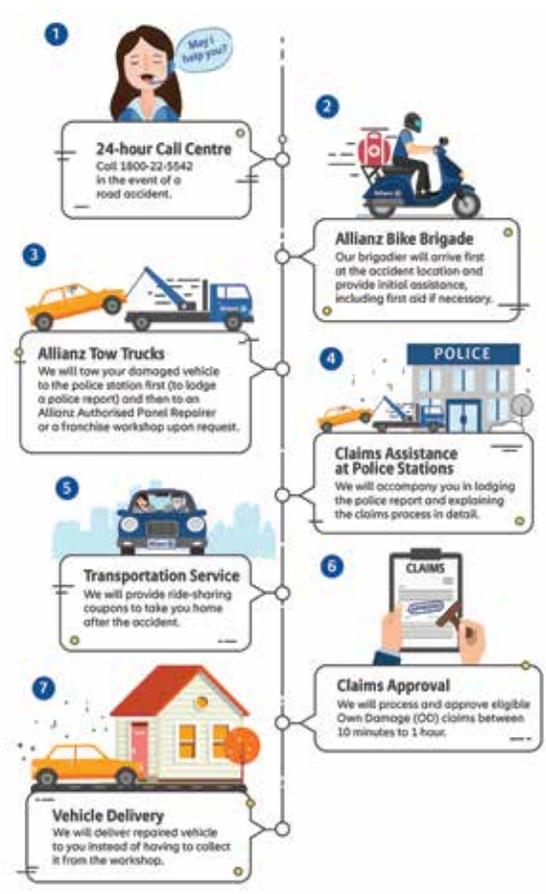
In general, customer's calls for the Allianz Road Rangers service are answered within three rings and they will be assisted by a Bike Brigade who arrives within twenty minutes. Depending on traffic conditions, the Road Ranger will arrive within 45 minutes. Additionally, the TAT for claims processing has reduced from 5 days to 60 minutes.

### My First 100 Days with Allianz

To reassure customers from the beginning of their journey with Allianz, a welcome email with information on the product purchased is sent within 14 days of a customer receiving their e-policy.

This is followed by a welcome call for customers to complete a compliance questionnaire which ensures their understanding of their product, its benefits and features and to provide an opportunity for clarification. During this call, customers are offered the option to register to our Customer Portal, which enables customers to access their information as and when they require.

Customers may also opt to receive an e-Newsletter which aims to educate on the importance of insurance protection.



SUSTAINABILITY REPORT  
**Responsible Business**  
Customer Satisfaction: Living Customer Centricity



### Agency Transformation: Customer Contact Management

We launched the first Customer NPS Online Survey on Agent Service in July 2017 with participation from 1,500 customers gaining 76% favourable comments.

Responses garnered from this exercise assist us in addressing areas of dissatisfaction more efficiently. Analysis indicated a strong correlation between high customer engagement and a positive NPS outcome.

Customer Contact Management is a mechanism for agents to track the number of policies held by their clients, and the extent to which they nurture their relationship with each customer after sales.

Harnessing upon technological advancements has allowed us to explore other methods of addressing customer pain points, to adapt to changing consumer expectations and to improve our process efficiency. These initiatives are elaborated further in the sections on **Technological Innovation** and **Business Innovation** respectively.



#### AZ CLINIC

Another initiative introduced by Allianz is the launching of our AZ Clinic located in Kepong since December 2017. The AZ Clinic is a specialised centre for medical screenings and examinations enabling a seamless and hassle-free process for customers and agents. With this, customers can enjoy faster TAT and simpler medical examinations tailored for underwriting purposes.

- OVERVIEW
- CORPORATE PROFILE
- TO OUR STAKEHOLDERS
- SUSTAINABILITY REPORT 2017
- CORPORATE GOVERNANCE AND ACCOUNTABILITY
- 2017 HIGHLIGHTS
- FINANCIAL STATEMENTS
- AGM INFORMATION



# Regulatory Changes

## Protecting our Customers



2 Allianz  
Sustainability  
Ranking 2017

Regulatory changes continue to play a tremendous role as reflected by its high sustainability ranking. The second phase of detariffication for the motor insurance industry came into effect in July 2017, with gradual tariff adjustments of our fire segment to follow. With guidance from other members operating in liberalised markets within the Allianz Group, we have benefited greatly from their experiences to equip ourselves in preparation for these changes.

Despite challenges introduced from a highly competitive environment, regulatory changes provide opportunities for us to innovate our products and services in a manner that is of greater benefit to our customer base. Bearing in mind the importance of regulatory changes in protecting and empowering customers, we welcome such opportunities to continually improve.

By leveraging upon technological and business innovation, we are able to meet such changes through the development of superior products and services, as highlighted in the **Customer Satisfaction, Technological Innovation** and **Business Innovation** sections of this report.

Following the issuance of the Life Insurance and Family Takaful Framework in 2015, the deregulation of operating cost control limits and the implementation of the Balance Scorecard framework becomes effective throughout the insurance industry in 2018. The introduction of this guideline requires system enhancements and training of our agents which complements our existing mechanisms to emphasise professional conduct among our employees, intermediaries and business partners. These are elaborated further in the **Ethics and Compliance** section of this report.

Regulatory changes extend to other areas of our operations, with the impending implementation of IFRS 9 in 2018 and IFRS 17 in 2021 as examples. Being complex accounting and financial reporting standards requiring pre-emptive preparatory steps, Allianz is committed to comply by providing in-house and external consultant training for relevant employees, as well as the establishment of a working group to address operational issues that may arise from the introduction of these complex standards.



### Out with the Old, In with the New: Increasing E-Payments

In an effort to accelerate the migration towards electronic payments as part of the Financial Sector Blueprint 2011-2020, Bank Negara Malaysia ("BNM") will begin to impose a higher cheque processing fee. BNM targets to increase the number of e-payment transactions from 4 transactions to 200 transactions per capita, and reduce cheque usage by more than half from 207 million to 100 million per year.

Following this, the e-Payment Incentive Fund ("ePIF") Framework, which is designed to phase out cheque usage in the sector, becomes effective 2 January 2018. We support this initiative which carries the aim of improving economic efficiency as Malaysia transforms into a high value-added and high-income economy. The e-payment system will further aid in mitigating occurrences of fraudulent activity.



### In the Age of Digital: European Union General Data Protection Regulation ("GDPR")

The GDPR which takes effect in May 2018 is designed to harmonise data privacy law across Europe to protect and empower all EU citizens. Due to the GDPR's extraterritorial nature, all operating entities under the Allianz Group are bound to the regulation.

In 2016, Allianz commenced a three-year programme, Allianz Privacy Renewal Programme ("APRP"), to address the requirements of the GDPR. With mandated levels of data protection and IT security, the APRP facilitates the global transfer of personal data across the Allianz Group.

The existing Data Privacy Management System under the Allianz Standard for Data Protection and Privacy is being updated to ensure compliance to the GDPR.

More on data privacy and security can be found in the Ethics & Compliance section of this report.

# Technological Innovation

## Digital by Default



3

Allianz  
Sustainability  
Ranking 2017

- OVERVIEW
- CORPORATE PROFILE
- TO OUR STAKEHOLDERS
- SUSTAINABILITY REPORT 2017
- CORPORATE GOVERNANCE AND ACCOUNTABILITY
- 2017 HIGHLIGHTS
- FINANCIAL STATEMENTS
- AGM INFORMATION

The inevitability of technological disruption has become increasingly apparent to our stakeholders, with technological innovation continuing to rank highly in our material sustainability matters, indicating a long-term trend of importance. With consideration of changing consumer behaviours and expectations, our capacity to innovate is not isolated solely to our ability to remain an economically viable business, but it provides an opportunity for us to revamp customer experiences by means of process efficiency and seamless access to our products and services across multiple channels. Our perception of technological disruption as an opportunity rather than a threat is shared with 61% of the 100 insurance CEOs surveyed by KPMG International in their 2016 report "Preparing to Disrupt and Grow".

### ENHANCING TOUCH POINTS

At present, aside from our traditional channels of engagement, customers can engage us through multiple digital platforms which include our corporate website as well as social media messaging tools such as Facebook, LinkedIn and Instagram. In 2016, we expanded our digital presence with the launch of our Allianz A to Z mobile application. Moving forward, we have made attempts to enhance the quality of our existing touch points.

### ALLIANZ ONLINE

In line with our aim to develop a digital ecosystem with seamless customer access, we have made a range of online offerings with automated purchasing processes available on Allianz Online. These presently include Enhanced Road Warrior, Smart Home Cover, Allianz Flight Care, Allianz Travel Care, Allianz i-Essential Cover and Allianz i-Hospital Cash. Customers are also able to request e-quotations for certain products and will then be serviced by an agent at the point of purchase. We have sold over 1,000 policies through the Allianz Online platform, with more products in the pipeline for distribution via this technology. Allianz Online is developed based upon Open Application Programming Interface ("API") technology for seamless integration between Allianz and our digital partners. More information on our API system can be found in the **Business Innovation** section of this report.

### TECHNICAL EXCELLENCE THROUGH AUTOMATION

There is an increasing dependency among customers on the ease of access and reduced TAT provided by automation. Our Allianz A to Z app enables customers to access information on their policies, including medical cards, search for panel clinics and hospitals as well as submission of hospital guarantee letter requests.

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. This mechanism has proven to be a success among customers, with our NPS score tripling for mobile app reimbursements. To ease usage for our customers, an Allianz A to Z app tutorial video is publicly available on YouTube. Feedback on the ease of claim submissions made through the Allianz A to Z app is detailed in **Table 6** below.

#### Facebook page

19,000 new Likes in 2017 (increase of 10%)  
9,797 comments and 19,478 shares



Our corporate website [allianz.com.my](http://allianz.com.my)

#### Website Traffic

Total sessions have increased by 50% to 2.7 million  
Number of users have increased by 13% to 965,000  
Bounce rate has reduced to 22.2%



**Table 6: Allianz A to Z app feedback**

Ease to submit claims	Feedback
Very easy	48%
Easy	50%
Difficult	2%
Very Difficult	nil

A new venture into automation is the implementation of the Expert Underwriting System (“EUW”) which delivers optimum risk selection, shorter sales cycles as well as a more efficient and diverse distribution model. The system utilises a pre-defined rule engine which enables auto-approval of simple medical cases. The EUW offers simpler and less questions, allowing customers and agents to know underwriting decisions within minutes.

Another initiative along our digital journey is the introduction of our e-Policy project which delivers policy contracts, statements and letters to Allianz Life policyholders through email. Additionally, our customer portal provides convenience for customers to access, download and print their documents at any time. Most importantly, the e-policy project provides customers with reduced TAT in delivery, while reducing unnecessary printing costs and paper usage. This system is being offered to our Allianz General policyholders in 2018.

Initiatives to improve process efficiency for our Allianz General business include the implementation of an e-Collection mechanism in our existing ALPHA system. This allows our agents to submit payments online without the need to visit a branch. In addition, the ALPHA system generates electronic statements of account by default, providing further convenience for our agents while reducing the need for unnecessary printing and bulk storage.

A significant reduction in Allianz General’s overall TAT contributed in part by automation of our processes is indicated in **Table 7**. Moving forward, we are taking efforts to further enhance the Imagine App and improve the mobile-friendliness of our ALPHA system.

**Table 7: A significant reduction in Allianz General’s overall Turnaround Times contributed in part by automation of Allianz processes**

Insurance Products	Change in Turnaround-time
Non-motor (<RM3K)	96 hours to 72 hours
Non-motor (RM3K – 20K)	23 working days to 21 working days
Non-motor (RM20K – 50K)	35 working days to 28 working days
Motor Own Damage* (<RM15K) <i>(*for private cars less than 7 years old and repaired by an Authorised Panel Repairer)</i>	5 – 7 working days to 10-60 minutes

Since May 2017, processing of Own Damage claims and payments to our workshops are automatically generated without human intervention. This has allowed the registration and payment turnaround cycle time to be reduced tremendously, as indicated in **Table 8** below.

**Table 8: Turnaround Cycle for Workshop Registration and Payment Roadmap**

Registration	Payment
20 hours to 2 hours	45 days to 14 days



**The Allianz Way of Selling: Needs Discovery**

Our Imagine mobile application (“Imagine App”), a tool developed to assist our life agents at point of sales, was enhanced in October 2017.

The Imagine App improves user experience and reduces the number of questions required to provide faster underwriting decisions.

As an added feature to the existing customer fact-finding module, the enhanced Imagine App includes an inbuilt intuitive analysis tool which identifies a customer’s needs to ensure the right insurance plan is proposed to them.

Since its launch, over 9,500 Needs Discovery journeys have been performed for a total of over 5,000 customers and prospects.

# Business Innovation

## Preparing for an Economy of the Future



4

Allianz  
Sustainability  
Ranking 2017

### STRATEGIC DIGITAL PARTNERSHIPS

Operating in a dynamic business environment requires a corporate strategy bolstered not only by technological innovation, but also a harnessing of strategic partnerships which allow us to fully realise our potential within the digital ecosystem. Allianz presently benefits from digital distribution partnerships with twenty-seven established players in the market, permitting customers access to our products and services as and when necessary. An example is our successful partnership with Speedrent, a mobile application which connects landlords directly to tenants. Insurance coverage for landlords are bundled into the Speedrent operational fee and standardised according to the monthly rental of a property, thus providing peace of mind for landlords.

Allianz is a key insurance partner in support of Malaysia Digital Economy Corporation (“MDEC”)’s 3-year plan to develop a leading financial technology hub in Southeast Asia. Together with MDEC, we have embarked on a joint partnership with Standard Chartered Bank Berhad in Asia’s leading fintech accelerator - SuperCharger FinTech Accelerator programme. This programme provides ten finalists a structured curriculum emphasising strategic relationship-building, shared learning, corporate partnerships and investment-raising.



### FinTech & Innovation Programme for C-Suite & Senior Managers

Nineteen C-suite officers and senior managers participated in a three-day FinTech and Innovation Programme offered by Singapore Management University held in November and December 2017.

The learning programme was conducted by Dan Liebau, founder of Lightbulb Capital and former COO of HSBC Securities Singapore.

A company-wide course is anticipated to take place in 2018 for all Allianz employees.

This partnership offers us access to a global network of start-ups and fintech companies, allowing us to develop targeted solutions for the improvement of four areas of identified importance: customer requisition, underwriting, claims and operations efficiency. Further to this, five members of the Allianz General Digital Innovation and Partnership team completed the SuperCharger FinTech Graduate Training Programme held from 3 to 5 November 2017. The programme was an intensive project-based workshop which concluded with presentations to four start-ups in the SuperCharger Accelerator Programme.

Allianz’s Chief Digital Officer and Allianz General’s Head of Affinity & Digital Partnerships (third and fifth from the right, second row) with ventures under the SuperCharger FinTech Accelerator Programme



- OVERVIEW
- CORPORATE PROFILE
- TO OUR STAKEHOLDERS
- SUSTAINABILITY REPORT 2017
- CORPORATE GOVERNANCE AND ACCOUNTABILITY
- 2017 HIGHLIGHTS
- FINANCIAL STATEMENTS
- AGM INFORMATION



We are further collaborating with MDEC on the establishment of e-USahawan and the Digital Free Trade Zone, which facilitates SMEs to capitalise on the growth of the internet economy and cross-border e-Commerce. Allianz endeavours to bolster insurance awareness among SMEs through online courses available on the SME-targeted learning hub, Go eCommerce.

Another significant development in our innovation journey is our Memorandum of Understanding (“MOU”) with the Malaysian Global Innovation & Creativity Centre to support the development of entrepreneurship and innovation across Malaysia under the Corporate Entrepreneurship Responsibility Circle and Activate Programmes. Through this, we are able to work closely alongside budding start-ups and assist their growth into successful enterprises.



### Usage-Based Insurance (UBI)

We believe data analytics can deliver more informed business decisions and better solutions in a liberalised market. We have integrated data science into our operations through partnerships with telematics service providers which enables the incorporation of customers’ driving behaviour into the pricing of their insurance premiums.

An MOU involving Allianz, Etiqa and Axiata has been signed with Katsana, a leading data company focusing on usage-based insurance which aims to improve driving behaviour through gamification.

### PARTNER API SYSTEM

We are continuously expanding our offering of API-enabled digital products. Aside from lower distribution costs, we are able to broaden our reach in comparison to traditional distribution channels. This system 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 Allianz product distribution.

In 2017, we launched four API-enabled products: Enhanced Road Warrior, Short Term Enhanced Road Warrior, Smart Home Cover and Allianz Travel Care. Customers that purchase Allianz products via our car-sharing service partners, such as Rideeasy or Kwikcar, enjoy auto-generated policies within two minutes.



Customers can purchase or request quotations through Allianz Online ([quote.allianz.com.my/onlinequote/](http://quote.allianz.com.my/onlinequote/))

SUSTAINABILITY REPORT

Responsible Business

Business Innovation: Preparing for an Economy of the Future

PROTECTION FROM A TO Z

Innovation at Allianz is driven by our desire to be a truly customer-centric business. Our endeavours in the digital sphere greatly support this aim; however we are cautious to not abandon the human element in our operations. Beyond the complexities of technological innovation, we believe in a 'back to basics' approach which depends on identifying and developing needs-based offerings for segments disenfranchised by existing products and services in the market.

Launched in July 2017, Smart Home Cover is a modular home insurance comprised of five components: HouseOwner, HouseHolder, Mortgage Loan Instalment Protection, Home Fix and Landlord Insurance. The first of its kind, Smart Home Cover is a flexible and easily customisable insurance which can be designed according to the needs and budget of a customer. Developed with customers' pain points in mind, this plan extends coverage to landlords and offers reimbursement of home repair services solicited via our partners, Recommend.my or ServisHero.

With an increasing prevalence of chronic illnesses, our newly launched Allianz 3H Cover and 3H Critical Cover extends our protection to those suffering from the "3 Highs" of high cholesterol, high blood pressure and high Body

Mass Index as well as four major critical illnesses linked to these conditions, which include strokes, heart attacks, kidney failure and cancer. Similarly, our Allianz Diabetic Essential plan launched in October 2017 is the first standalone medical plan designed for those with Type-2 Diabetes. These products do not only offer coverage for those usually faced with limited insurance options, but they are designed to empower customers towards improving their quality of life through in-built health management plans. Improvements in a customers' condition will be rewarded with complementary extended policy coverage or discounted premiums.



- OVERVIEW
- CORPORATE PROFILE
- TO OUR STAKEHOLDERS
- SUSTAINABILITY REPORT 2017
- CORPORATE GOVERNANCE AND ACCOUNTABILITY
- 2017 HIGHLIGHTS
- FINANCIAL STATEMENTS
- AGM INFORMATION



#StrongerTogether: The AZi Asia 2017 Conference

We hosted the AZi Asia 2017 Conference held in Kuala Lumpur on 19 July 2017. The inaugural conference was attended by 230 Allianz delegates from the Asia Pacific Region. The conference aimed to reinforce the collaborative spirit of innovation and growth in the Asia Pacific and among Allianz operating entities within the region.

Topics discussed during the one-day conference included Partnerships and People, Customer Centricity, Asia's Property and Casualty Transformation and Digital and Data Science. Guest speakers included former Group Chief Innovation Officer of Ping An Group, Daniel Tu who spoke about Digital Disruption, and President and Founder of Ogilvy Center of Behavioural Science, Christopher Graves who presented on Customer Centricity.



# Ethics & Compliance

## Ensuring Transparency & Accountability



This year, the scope of our Ethics and Compliance sustainability matter has widened to encompass transparent communications, responsible sales conduct as well as clear and accurate marketing. At Allianz, we enforce stringent ethical standards to ensure transparency and accountability through the implementation of policies and guidelines as elaborated in **Table 9**.

### TRANSPARENT COMMUNICATIONS

Through an interview with the Federation of Malaysian Consumer Associations (“FOMCA”), we discovered that convoluted and complex insurance forms remain a prevalent complaint among customers. We continue our efforts to simplify our communications with customers, particularly in the language utilised in our policies and brochures. There are certain challenges in this journey, as the use of simple wording can sometimes require lengthier explanations. Further to this, a lack of translation experts within the insurance industry can pose an obstacle towards simplification, as content simplified in English may not be as easily simplified in other languages.

Nonetheless, we have taken steps to simplify our communications through other means, such as the reduction in the number of questions asked in our forms. We have increased the availability of instructional videos, including the use of visuals and icons which improves the clarity of information available on our corporate website and other digital touch points. The use of automation and digital processes, as highlighted in the earlier section on **Technological Innovation**, further complements our efforts towards simplification without compromising the clarity of information available to our customers.

### RESPONSIBLE SALES CONDUCT

Our intermediaries must observe a minimum standard of conduct as set out in the Sales Policy and Sales Agent Code. Guided by the Sales Compliance Disciplinary Policy which defines instances of misconduct and recommended disciplinary action, an incident of misconduct by our agents is deliberated and meted out by the respective Ethics and Compliance Committees under our life and general subsidiaries.

As highlighted in the **Regulatory Changes** section, the implementation of the Balance Scorecard (“BSC”) for our life agents becomes effective in 2018. The BSC redefines

the calculation of an agent’s remuneration with the objective of professionalising sales conduct among intermediaries by emphasising 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 regulation complements our internal policies towards ethical conduct among our agents, which is an important dimension to our sustainability due to the intermediary-based nature of insurance. We ingrain the principles of customer-centric ethical selling among agents through tailored onboarding programmes, as well as ongoing learning and development opportunities.

### ATTESTATION AND AWARENESS TRAINING FOR EMPLOYEES

It is mandatory for our employees 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.

We continually reinforce these topics through compulsory awareness trainings as part of each employee’s annual e-Declaration and additional training for employees deemed as high risk due to the nature of their work. Additionally, company-wide campaigns are regularly conducted to improve employee awareness on potential risks.

Examples of awareness training and campaigns conducted throughout the year include:

- Anti-Fraud and Anti-Corruption Training for Tied Agents
- International Privacy Day on 28 January 2017
- Compliance Awareness Week 2017 held from 22 to 26 May 2017
- Minimum Standard for Antitrust Compliance Training for Senior Management and Heads of Departments on 4 October 2017
- International Fraud Awareness Week 2017 held from 12 to 18 November 2017
- International Anti-Corruption Day on 9 December 2017

**SUSTAINABILITY REPORT**  
**Responsible Business**  
**Ethics & Compliance: Ensuring Transparency & Accountability**

**Table 9: Policies, Guidelines and Codes of Ethics in Allianz**

Policy/Guideline/Code	Scope	Applicability
Allianz Group's Code of Conduct for Business Ethics and Compliance	Sets out the minimum standards of conduct for all Allianz employees worldwide.  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.	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.	Senior Management, Employees responsible for finance, control and accounting functions
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 Anti-Fraud Policy	Defines fraud events and their follow-up actions.	All Employees
Allianz Group 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.	Vendors
Allianz Non-Profit & Non-Governmental Integrity Screening	This procedure assists in managing the selection of organisations that we wish to support and to monitor such relationships over time.	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 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

# Quality of Risk Management

## Protecting our Business by Mitigating Risks

As a provider of insurance services, Allianz considers risk management to be one of its core competencies. Embedding sustainability into our business decisions and practices equips us in weathering proverbial storms; a good example is the unsustainable investing in coal-based business models which face strong regulatory and reputational risks. The high rating for 'Quality of Risk Management' among our sustainability materiality matters reflects a strong correlation identified by our stakeholders between effective risk management and a successful sustainability journey. More on our ESG investment screening process can be found in the later section on **Integrating Sustainability**.

We recognise the importance in having a robust risk management system to identify key risks and implement appropriate controls to manage such risks. At Allianz, a Risk Management Framework Manual ("RMFM") is in place for all companies. The RMFM complies with relevant Bank Negara Malaysia ("BNM") policies and outlines the guiding principles of risk management structure, roles, responsibilities and reporting requirements.

Allianz adopts 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 ("RMC"). 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.

The RMC drives the overall risk management framework of Allianz. A Risk Management Working Committee ("RMWC") established at the management level serves as a communication platform between the RMC and management on matters relating to risk strategy and management. The RMWC reports quarterly, allowing the RMC to consolidate the status of risks for presentation to the Board. More information on our key internal control processes can be found in the **Statement on Risk Management and Internal Control** of our Annual Report.



8

Allianz  
Sustainability  
Ranking 2017

### DATA MANAGEMENT AND IT SECURITY

Exposure to cyber risks surge as businesses increase their digital presence and cyber attackers intensify the sophistication of their breach attempts. We have invested substantially in cyber risk mitigation; this includes Distributed Denial of Service ("DDoS") 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. With annual IT penetration tests and round-the-clock monitoring, we did not face any significant incidents or breaches in 2017 despite numerous attempts.

We comply with both the Personal Data Protection Act 2010 ("PDPA") and BNM's Guidelines on Data Management and Management Information System Framework through the implementation of our Data Management Framework ("DMF"). The DMF is a broad framework for the management, handling and retention of electronic and non-electronic data, allowing us to incorporate best practices in data management processes across the company. The framework sets out guidelines on the roles and responsibilities of our Data Governance Council which holds an advisory role to the Board, as well as our Data Stewards who are nominated by respective Heads of Department.

Effective May 2018, the European Union General Data Protection Regulation ("GDPR") will be enforced as elaborated in the **Regulatory Changes** section. Alongside other efforts in preparation for GDPR requirements, we are presently working towards a data encryption system for implementation in 2018.

### ALLIANZ STANDARD FOR PROTECTION & RESILIENCE

The Allianz Standard for Protection and Resilience, which becomes effective in January 2018, outlines the framework, principles and procedures on establishing, implementing and maintaining a holistic approach to Protection & Resilience within Allianz Group. The new integrated framework is based on unified oversight, integrated methodologies, reporting and dedicated expert functions for each Protection and Resilience domain, of which there are nine overall: Business Continuity Management ("BCM"), IT Service Continuity Management, Protective Security Management, Global Incident Management, Crises

Management, Outsourcing, Information Security, Privacy & Data Protection, and Information & Document Management. These domains are interconnected by nature 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.

#### 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:

- The ability to compare all types of operational risks using a single methodology, which supports intelligent decision making for the allocation of limited resources towards Internal Control System ("ICS") improvements;
- 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
- Encouragement of cross-functional collaboration between the second lines 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.



Employees participating in the IT Security ARENA event

#### RISK AWARENESS AMONG EMPLOYEES

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

1. Our BCM team coordinates:
  - a) Annual Business Continuity Plan exercise and a biannual simulation of our Disaster Recovery Plan.
  - b) A Business Continuity Awareness Week was held from 14 to 25 August 2017 with several programmes aimed to create awareness among employees on business continuity management.
  - c) A BCM Awareness learning module was made available via our employee e-Learning portal with employees participating in a quiz to test their knowledge upon completion and subsequently, a desktop exercise was arranged for branch managers where they were required to respond to crisis-based scenarios.
  - d) A one-day Crisis Management Training session was conducted by Dr. Goh Moh, President of the BCM Institute, who shared his knowledge and expertise with Head Office employees which included the Incident Management team, BCM coordinators and selected branch BCM coordinators.
2. In July 2017, a Social Media and Reputational Risk Workshop was held for all communication ambassadors from our head office and branches to provide them with adequate knowledge on identifying and addressing potential reputational risks when using social media.
3. A company-wide IT Security ARENA event was then held in October 2017. The event was a compulsory educational session for all 1,100 head office employees. Employees were divided into random groups of fifteen to participate in a one hour interactive session to identify and manage cyber risks such as phishing, risky user behaviour on social media platforms, information classification and techniques to strengthen IT security.
4. An operational risk awareness program was conducted through our employee e-Learning portal in November 2017, with all employees being required to participate in a quiz to test their understanding and knowledge upon completion of the learning session. A risk management awareness program is also included in the on-boarding program for new employees.

# Talent Attraction and Retention

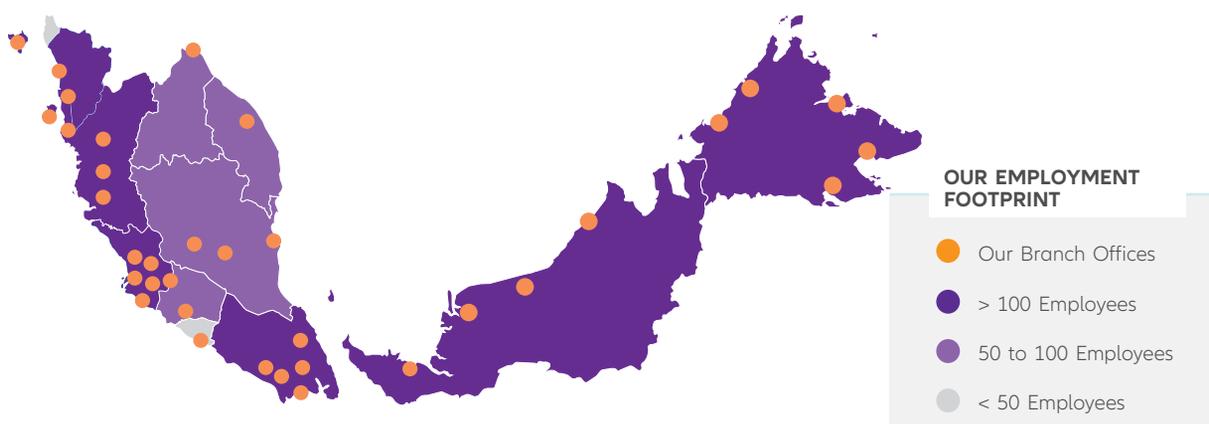
## Home to Those Who Dare



As automation and digitalisation becomes increasingly integrated into the operational functions of businesses, there is a worry that human capital will become expendable. At Allianz, we believe that we are only able to realise the full potential of such technological advancements with the support of a capable and highly-skilled workforce. In 2017, Allianz Group launched our new Employee Value Proposition, 'Allianz, Home for Those Who Dare'. This captures the essence of our working atmosphere, which encourages innovative thinking, excellence and inclusivity within an environment employees can trust and consider home.

Our employment footprint extends to over 37 offices, with job opportunities provided to over 1,900 employees across all states in the country, as depicted in **Diagram 6** below. Close collaboration between branch offices, our head office, as well as Allianz Group, is a key driver for talent attraction by providing growth opportunities and access to a wide pool of insurance professionals. Aside from full time employment, we offer part-time employment and internship opportunities for students and young graduates to gain professional experience. We believe the creation of skilled youths contributes in turn to the development of a highly skilled and employable national workforce. We had a total of 103 internships in 2017.

**Diagram 6: Our Employment Footprint**



This year introduced a restructuring of our Human Resources (“HR”) Division following the structure of Allianz Group’s One Global HR, which is comprised of the two pillars of HR Business Partners and HR Operations. This has enabled the consolidation of administrative support functions under our HR Operations pillar while building a pool of HR Business Partners (“HRBPs”) who can be regarded as internal advisors to the business.

Beginning January 2017, our HRBPs engaged partnering divisions and branches to improve the employee journey from hiring to on-boarding, priority setting, personal development, assessment and feedback, career management, and off-boarding. This required intensive up-skilling among the 10 appointed HRBPs, who had to shift away from their previous HR functional specialist roles and equip themselves with end-to-end HR and business knowledge. This was done via on-the-job learning sessions, regular HR learning sessions as well as discussion of ideas during fortnightly pulse meetings.

Each HRBP is designated to a few departments, which has proven beneficial to promote greater understanding of specific departmental functions, priorities and their corresponding needs. There has been good feedback on the new structure, particularly in increasing interdepartmental efficiency.

SUSTAINABILITY REPORT  
**Employer of Choice**

**Talent Attraction and Retention: Home to Those Who Dare**

**LISTENING TO OUR EMPLOYEES**

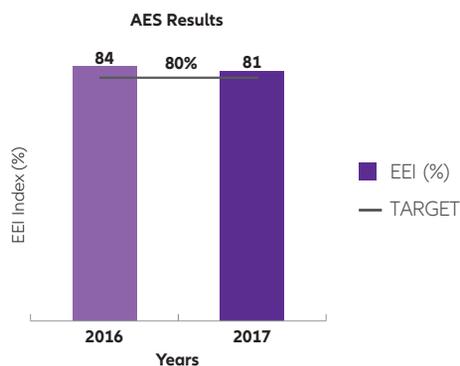
The Allianz Engagement Survey (“AES”) is conducted annually to gather employee feedback on jobs and processes, management and leadership, and the workplace environment. The importance of the AES is emphasised across the company, with results discussed amongst managers to develop appropriate action plans. The AES results are reflected in the performance evaluation of managers, ensuring that findings are met with appropriate remedies.

As such, we have retained a consistently high participation rate in the AES, with 96% of Allianz employees participating in comparison to 94% in 2016. The AES measures three areas, the first of which is the Employee Engagement Index (“EEI”) which reflects employee satisfaction, loyalty, advocacy and pride towards the company.

Allianz recorded a slight drop in the EEI dimension, from 84% in 2016 to 81% in 2017 as illustrated in **Diagram 7**. While within our target of maintaining an EEI above 80%, we are taking steps towards identifying and addressing areas of concern highlighted by employees via the AES.

Overall, the AES results for 2017 indicates that our employees feel recognised for their efforts, and are pleased by the environment of customer-centricity, collaboration and communication practiced in Allianz. However, we have identified areas of improvement to enhance the working experience of our employees, which include an emphasis on work-life and health management in response to employee feedback.

**Diagram 7: Employee Engagement Index**



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

**AWARDING CONTINUED SERVICE**

We value the long-lasting working relationships developed with many of our employees. In 2017, the average tenure of our employees was 8 years. 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.

**147**  
**EMPLOYEES**  
**RECEIVED LOYALTY AWARDS IN 2017**

**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 generated to provide structured and focused development. The opportunity to pursue fast-tracked career development is made available to high potential employees that display committed performance.

**ALLIANZ YOUNG BOARD PROGRAMME**

Launched in 2016, the Allianz Young Board Programme aims to groom high potential employees to be next generation leaders. Aside from their daily on-the-job learning, 21 Young Boards were exposed to various company-wide projects as well as a tailored Leadership Development Programme (“LDP”). The LDP is comprised of five modules, which includes Peak Performance, Effective Communication and Interpersonal Skills, Managing People as well as Driving Innovation and Change. The final module, ‘Leadership Simulation Workshop’ held on 12 June 2017 was a hands-on experiential workshop where the participants applied what they had learnt throughout the LDP.

- OVERVIEW
- CORPORATE PROFILE
- TO OUR STAKEHOLDERS
- SUSTAINABILITY REPORT 2017
- CORPORATE GOVERNANCE AND ACCOUNTABILITY
- 2017 HIGHLIGHTS
- FINANCIAL STATEMENTS
- AGM INFORMATION



### Campus Talks

We actively seek talented youths through direct engagement with university students. An example is our participation in University Tunku Abdul Rahman's Campus Talk on 19 July 2017 to promote Allianz as an employer of choice among future graduates.

The session provided 115 students with the opportunity to learn and explore career opportunities with Allianz. A representative from our HR Division, alongside our Head of Strategic Development spoke on leadership in the workplace.

Over the years, many UTAR students have completed their internship programme with us.



The winning team of the Allianz Escape 30 Challenge won RM3,000 in addition to the coveted Management Associate roles

### ALLIANZ ESCAPE 30 CHALLENGE

The Management Associate Programme targets young internal staff and external recruits, many of whom are just starting their careers. Associates undergo an 18-month development programme where they learn the fundamentals of insurance and are exposed to various functions within the company through job rotations, training and industry examinations. Thirteen participants graduated from the programme in 2017.

In 2017, recruitment for the Management Associate Programme was targeted in consideration of the company's strategy based upon innovative solutions and digitalisation. Three areas requiring specific talents were identified: Digital, Business Analytics and Life Sales. Sixty young graduates competed for coveted Associate positions through a tailored hackathon called the Allianz Escape 30 Challenge, held at Wisma Allianz in August. The event was a fusion of Internet of Things requiring participants to work in teams to plan, build, test and present electronic devices and a business proposal within 30 hours.

During that time, trial runs were continuously run, ending with a two hour Pitch-Out session for participants to present their completed innovations. Thirteen were selected based upon their time taken to complete the challenge, and for their individual leadership and creativity. Development Tracks for each Associate is tailored upon the three areas that they are respectively attached to.

### COMMITMENT TO LIFELONG LEARNING

We are committed to providing opportunities for our employees to enhance and develop their skills, particularly to ensure an agile workforce that is responsive to a rapidly changing environment. As we continue to deliver on our Renewal Agenda, the creation of learning solutions to train and up-skill our employees across all levels to prepare them for new and enlarged roles becomes a necessity. In 2017, we invested over RM3.5 million on our employees' learning and development.

### ASK ME ANYTHING SESSIONS

In order to better equip our employees with knowledge on the phased liberalisation of motor and fire tariffs as well as Life Insurance, employees from our head office were provided with an opportunity to ask questions to Allianz General's Head of Retail Business and Allianz Life's Deputy Chief Sales Officer during question and answer sessions held in June and August 2017. Both were a thirty minute educational and interactive session allowing participants to clarify and enhance their understanding of our business. A total of 63 employees participated in the sessions with more planned in 2018.

SUSTAINABILITY REPORT  
**Employer of Choice**

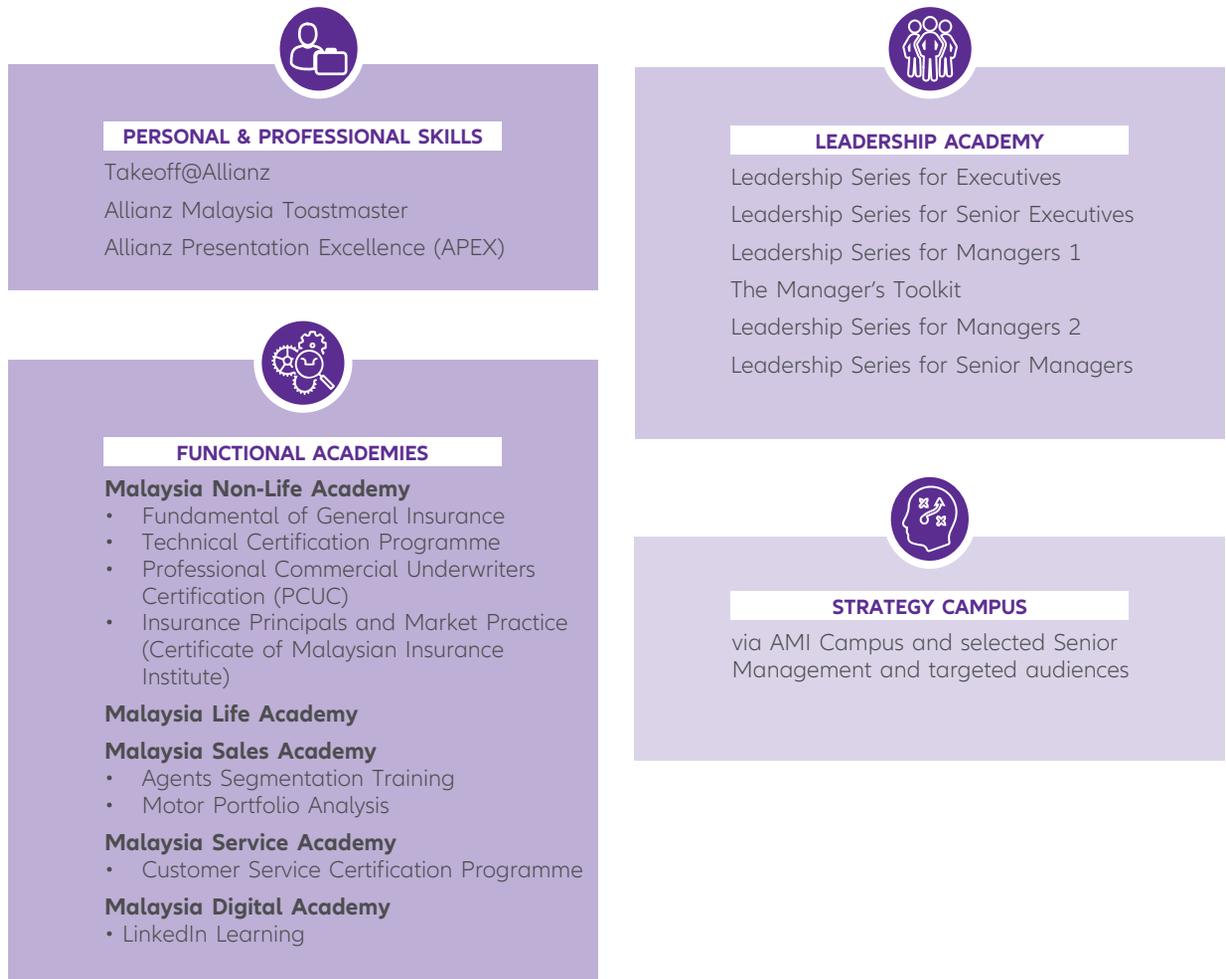
**Talent Attraction and Retention: Home to Those Who Dare**

**ALLIANZU MALAYSIA**

The Allianz Academy entered its sixth year in 2017, and was our primary learning and development platform for our employees. The Academy focused on four learning pillars: Technical, Sales, Service and Leadership which aimed to equip employees with the required skills and knowledge for their roles. Our employees participated in over 40 modules rolled out via this platform in 2017.

This platform will be re-launched in February 2018 as the Allianz Group corporate university known as AllianzU Malaysia, which is a vehicle to drive personal and professional growth 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 8**.

**Diagram 8: AllianzU Structure and Offered Programmes**



**FINTECH-INSURTECH EDUCATION**

To honour our commitment in ensuring that employees are prepared for the rapid industry changes introduced by technological disruption, we have introduced a FinTech-InsurTech education pillar within our learning and development platform. A mass online syllabus to educate our employees on the emerging FinTech-InsurTech industry will be rolled out in 2018. Employees who complete the module will receive certification in collaboration with Singapore Management University and the Centre for Finance Technology and Entrepreneurship. A hackathon and accelerator-style training will also be held for selected employees.

- OVERVIEW
- CORPORATE PROFILE
- TO OUR STAKEHOLDERS
- SUSTAINABILITY REPORT 2017
- CORPORATE GOVERNANCE AND ACCOUNTABILITY
- 2017 HIGHLIGHTS
- FINANCIAL STATEMENTS
- AGM INFORMATION



### LinkedIn Learning

Digital learning enables our employees to learn anytime, anywhere and with any device.

We are introducing LinkedIn Learning which provides a wide range of quality and unlimited learning offerings for employees. Employees will have access to a range of more than 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.

The kick-off will be rolled out to selected employees before wider implementation in 2018.

### PROFESSIONAL COMMERCIAL UNDERWRITERS CERTIFICATION PROGRAMME

This is the third year of our in-house Professional Commercial Underwriters Certification ("PCUC") programme being recognised by the Malaysian Insurance Institute ("MII"), enabling PCUC graduates to fast-track their way towards a Diploma with MII ("DMII"). We are the only insurer in the country to have our own technical qualification programme and to have an MOU with MII.

In August 2017, 99 employees graduated from various levels of MII certification, 39 of which were PCUC programme candidates. Other awardees include 7 Associateship of MII, 3 employees achieving the DMII and 50 successfully completing the Certificate of MII.

Other forms of professional qualification are also encouraged amongst our employees via sponsorship of examination and professional membership fees, examination leave, in-house training programmes, and the availability of education loans. We are firm believers that training and certification ensures continuous improvement, which assists us in serving our customers better. In 2017, 930 of our employees attended at least one training session.



*Ninety-nine employees graduated from various levels of MII certification in 2017*



### Training-Over-Lunch by the Allianz General Claims Department

This year, our General Insurance Claims Department introduced an innovative approach to learning and development.

Sessions were held over lunch using a 20:30:10 concept, with 20 minutes being allocated to eating a provided lunch, 30 minutes spent training on a highly specific topic and ending with a 10 minute Q&A session.

Participants included members of both departments under the Claims division, Motor and Non-Motor as well as the Central Region Claims Hub with each session tailored to their respective portfolios and conducted by both internal and external trainers.

Though this approach incurs higher costs, it was highly successful as employees were able to absorb much more information over a shorter period of time.

90 employees participated in five Training-Over-Lunch modules in 2017, and we hope to increase the number of available modules in 2018.

# Fair Employment Practices

## Embracing Diversity in the Workforce



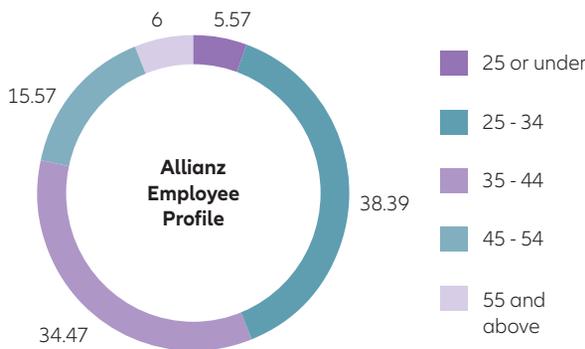
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Allianz  
Sustainability  
Ranking 2017

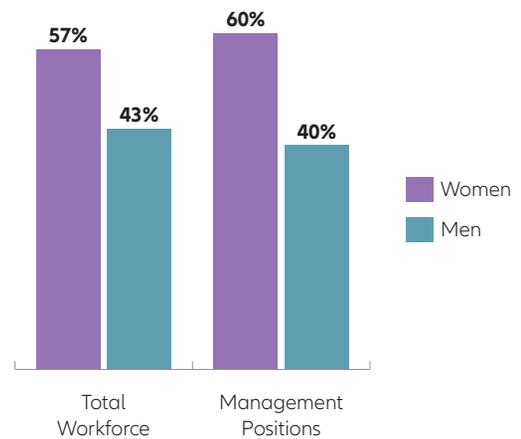
Our workforce is highly diverse, comprising of many talents, ages and skills which contributes to our sustainability strategy driven by innovation, technical excellence and inclusivity. By aligning our employment practices with the Allianz Group Renewal Agenda and the UN Sustainable Development Goals, we hope to continuously foster a working environment built upon mutual respect and trust.

**Diagram 10: Employee Profile**

**Age Structure of Employees by Age**



**Gender Distribution in Allianz**



### INCLUSIVE MERITOCRACY

In line with our core value of Inclusive Meritocracy, we have entrenched principles of non-discrimination throughout our hiring policies and employee development which are based upon individual talent, experience and behavioural attributes. 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.

With a multi-generational workforce, we are dynamic in our approach to ensure cross-generational engagement and understanding. Despite challenges, we harness upon the different values, expectations and viewpoints provided from such diversity as we continue to grow together in a rapidly changing industry environment.

We measure the progress of our organisation towards Inclusive Meritocracy, which encompasses leadership, performance and corporate culture through the Inclusive Meritocracy Index dimension of our annual AES. In 2017, we retained our target of 82% from the previous year.

Allianz received the **Supportive Employer Award** from the **Malaysian Association for the Blind** on 6 May 2017 for our hiring of four visually impaired individuals in the Customer Service department

- OVERVIEW
- CORPORATE PROFILE
- TO OUR STAKEHOLDERS
- SUSTAINABILITY REPORT 2017
- CORPORATE GOVERNANCE AND ACCOUNTABILITY
- 2017 HIGHLIGHTS
- FINANCIAL STATEMENTS
- AGM INFORMATION



### PERFORMANCE MANAGEMENT FRAMEWORK

This was the second year of our Performance Management Framework, which embeds the Allianz Renewal Agenda into the functioning of each employee by aligning individual targets to its Five Core Agenda and Four People's Attributes of Customer & Market Excellence, Trust, Entrepreneurship and Collaborative Leadership. This emphasis encompasses our recruitment process, target-setting, evaluations, discussions and employee development.

A new multi-rater feedback system has been phased in to allow for a more holistic assessment. Within this system, performance evaluation will be based on feedback given not just by managers, but also through direct reports and feedback of relevant colleagues from other departments.

### TRANSPARENT AND OPEN COMMUNICATIONS

In 2017, our Townhalls were conducted thrice, providing an opportunity for employees to be updated on Allianz performance, plans and strategies. This year, a live question and answer platform was introduced for employees to submit questions anonymously for immediate address by senior management.

In 2017, the HR Division initiated "Coffee Sessions" hosted by members of senior management to encourage the "dare to" mind set and to provide an alternative feedback channel for employees. Several sessions were held throughout the year, beginning with a session hosted by our Head of Human Resources Division, with discussions centred upon building a 'Home' environment in Allianz. The final session of the year was hosted by our Chief Operating Officer in December 2017. We believe it is important to provide such opportunities for employees of all levels to come together cross-functionally. Despite a lower turnout than targeted, we will continue the initiative to increase participation over time.

In line with the company's drive to make Allianz the Home for Those Who Dare, another informal conversational platform called "Let's Sembang" was also introduced for head office employees. The first, held in May 2017, was a session for participants to discuss ideas that could realise a work environment which employees can consider home. Another session held in December 2017, discussed the topic of Working Mothers and Breastfeeding, which allowed expecting and breastfeeding mothers to share their struggles, challenges and solutions for working mothers.



### Embracing Diversity

We embrace social inclusion in many ways, with one being the hiring and integration of Persons with Disabilities ("PWDs") in the Allianz workforce since 2015. We currently have 21 PWD employees in our head office across various departments and functions.

There has been a drop in the number of PWD employees. This is due in part to the personal circumstances of PWD employees as well as the lack of suitable roles for the available skills and capabilities. We are developing internal mechanisms to address these challenges and hope to improve our hiring outreach among PWDs in the following years.



During our final Townhall for 2017, two visually impaired colleagues, Mohd Shahir and Amira Fatinah, from our Customer Service Department took the stage to demonstrate how they use their mobile devices to take pictures and send messages.

We believe providing such platforms for PWD employees develops a workforce that is empathetic and responsive to the unique experiences and needs of society.

**EMPLOYEE HEALTH, SAFETY & WELL-BEING**

We believe that our employees are the key to our success; as such we place great priority in ensuring the well-being of our employees through a positive working environment and Work-Life and Health Management initiatives that enhance their quality of life. We aim to address the different needs of our employees and currently apply staggered working hours. This allows our employees, many of whom are working parents, to manage their personal responsibilities without worry. We also provide flexible work arrangements on a case by case basis, which includes sabbatical leave for caring of a sick family member. The Underwriting Department has a work from home policy in place and all departments are encouraged to explore how they might be able to adopt the same policy. We continually review and assess the requirements of our employees as we develop a working environment that reflects the societal changes which shape the economy of the future.

We believe these factors alongside the availability of Work-Life and Health Management initiatives elaborated below have contributed to the slight increase in our Work Well index from 73% in the previous year to 74% in 2017.

**ORGANISATIONAL SAFETY AND HEALTH ACT COMMITTEE**

The Organisational Safety and Health Act (“OSHA”) Committee oversees the safety and well-being 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.

**WORK-LIFE AND HEALTH MANAGEMENT INITIATIVES**

Work-life and Health Management initiatives are regularly conducted to ensure the availability of convenient recreational activities for our employees. These activities include Zumba, kickboxing and badminton classes, running clinics, and bowling activities. In addition to after-work activities, “How-To” sessions were introduced, allowing employees the opportunity to learn various skills. The first session, held in February 2017, taught participants to make do-it-yourself body scrubs.

In conjunction with the launch of two new products, Allianz 3H Cover and Allianz Diabetic Essential, another “How-To” session was held for our employees in October 2017, where participants learnt how to make healthy fruit juices. Health-focused activities were organised for employees throughout the month of October, beginning with the Allianz Health Carnival, where employees had the chance to check their Body Mass Index, glucose level and blood pressure. This was followed by a Fruit Market where employees could select any two fruits from the selection provided, as well as a “de-stress” room which offered a space for employees to take a break from their daily tasks with the availability of exercise bikes, hoola hoops, Pictionary and adult colouring therapy.

Our employees also enjoy access to global events, such as the World Run which was organised by Allianz Group in 2017. The #DareTo Challenge was held to kick-off the Allianz World Run 2017 on 3 May 2017 with a conga line that began from the 29th floor of our Head Office ending on the 10th floor. Gifts were rewarded to participants who succeeded in the various challenges. That evening, 100 participants joined the Allianz Blue Day Run held in Lake Gardens, Kuala Lumpur.

The Allianz World Run is a running programme in which the participants use a mobile application to track the distance that they have ran within a three-month duration. Allianz entities worldwide locally identified ten runners that ran the longest distance within the three-month duration. The top ten runners then participated in a lucky draw for selection to attend the Allianz World Run Camp, where they enjoyed the opportunity to meet with Allianz employees who are fellow sports enthusiasts. Three Allianz Malaysia employees were sent to Cannes, France for the Allianz World Run 2017.

In July 2017, fifty of our employees participated in a selection process, based upon a minimum qualification determined by Allianz Group, for the opportunity to compete in the upcoming Allianz Sports 2018 which will be held in Munich, Germany. Eight employees were selected and will be competing against representatives from other Allianz OEs around the world in Golf, Chess, Badminton and Track & Field in July 2018.

- OVERVIEW
- CORPORATE PROFILE
- TO OUR STAKEHOLDERS
- SUSTAINABILITY REPORT 2017
- CORPORATE GOVERNANCE AND ACCOUNTABILITY
- 2017 HIGHLIGHTS
- FINANCIAL STATEMENTS
- AGM INFORMATION



**Celebrating International Women’s Day**

Allianz celebrated International Women’s Day throughout the month of March 2017 beginning with the display of inspirational quotes by female leaders in Allianz.

A Netball Tournament was then held at YMCA Kuala Lumpur, with 70 female employees from our head office and Klang Valley branches participating.

This was followed by an in-house “How-To” session and movie screening.

we are able to provide opportunities for the personal growth of our employees through regular volunteering activities. These are detailed further in the **Community Development** section of this report. We are committed to inculcating a sense of collective responsibility among our workforce, with our employees and agents dedicating approximately 1,470 hours to volunteering activities nationwide in 2017.

On 13 May 2017, over 3,000 of our Life Agents from 110 agencies nationwide joined forces for the 4th annual Allianz Charity Day. As part of the event, our agency force spent a day participating in various charitable activities including conducting blood donation drives, refurbishing selected orphanages, visits to hospitals and old folks’ homes as well as donating necessities such as non-perishable food and toiletries. On the day, Allianz Life’s Chief Executive Officer, Joseph Gross spent time visiting the United Learning Centre – Hati, a volunteer-driven centre providing education to children of Myanmar refugees.

**CONTRIBUTING TO SOCIETY THROUGH WORK**

Our corporate responsibility initiatives are an essential element to our sustainability strategy, aside from allowing us to create meaningful impact for underserved communities;

CEO of Allianz Life Malaysia, Joseph Gross, alongside life agents at United Learning Centre refugee centre



# Integrating Sustainability

## Embedding Sustainability into our Business



**5** Allianz Sustainability Ranking 2017

### RESPONSIBLE INVESTMENT

At Allianz, the systematic integration of sustainability into our business considerations ensures that we are able to reduce risks and capture opportunities in our underwriting and investment management. A holistic assessment of risks, by scrutinising investment and insurance risks from an environmental, social and governance (“ESG”) perspective, is especially relevant to Allianz as a manager and carrier of risks that range from short-term events to multiple decades.

The integration of ESG considerations is carried out through group wide guidelines and processes, foremost being the Allianz Standard for Reputational Risks and Issues Management (“ASRRIM”). The ASRRIM identifies thirteen sensitive business areas which may present reputational and ESG risks to the group. Any transaction which falls within these areas requires mandatory ESG screening.

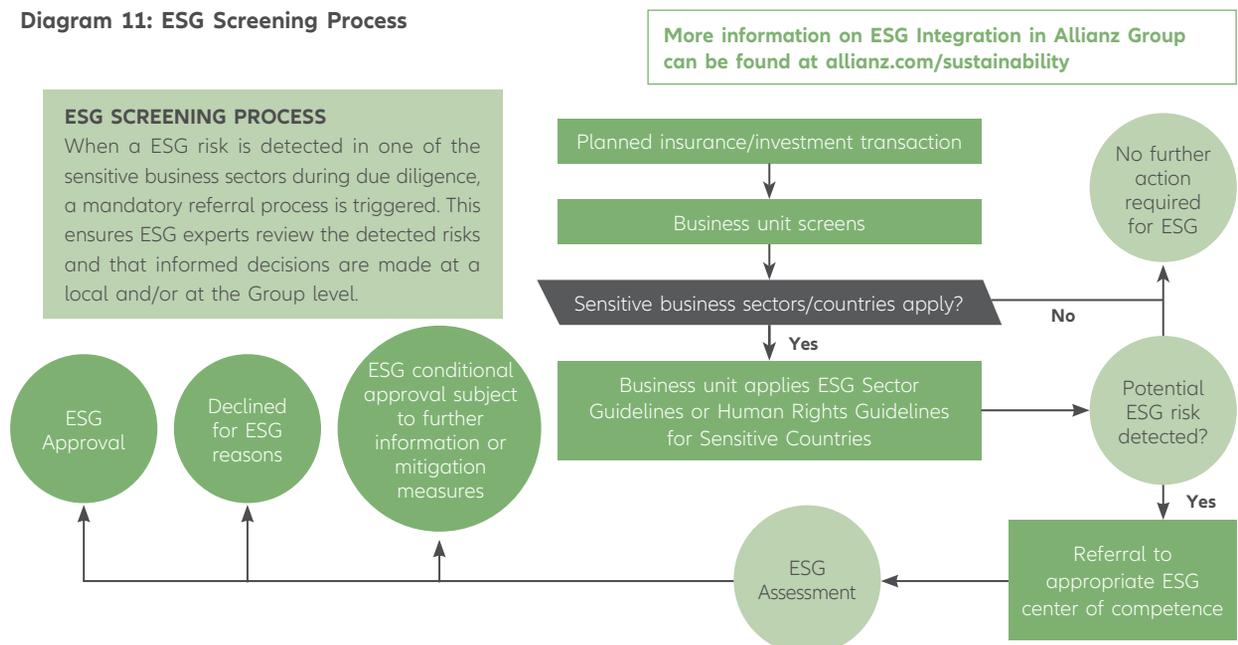
ESG screening is an integral element of our underwriting and investment standards for direct financing and risk management framework. The ASRRIM gives due consideration to potentially unmitigated ESG impacts and reputational implications in our business processes. The ESG Screening Process is depicted in **Diagram 11** below. Transactions are determined on a case-by-case basis to

ensure a detailed assessment of any potential risk and appropriate mitigations. This further allows for comprehensive and targeted management of ESG risks and opportunities.

Our ESG rating reports are generated by an external data provider, MSCI ESG Research. However, in the instance of a significant ESG risk, evaluation will be escalated to Allianz Group’s global ESG Working Group to determine acceptability. In 2017, three transactions were escalated to the global ESG Working Group for further ESG assessment with one being declined.

This is the second year of Allianz Group divesting from coal-based business models; this encompasses companies that derive more than 30% of revenue from coal mining or generate over 30% of their energy from coal. We continue our support for this initiative by restricting our investments in this sector. We have begun pursuing investments in renewable energy; nevertheless our investment opportunities in this sector are inhibited by the relatively nascent development of the renewable energy industry within Malaysia and the region. We anticipate further growth of the renewable energy sector and the deepening of our investments in this sector in the future.

**Diagram 11: ESG Screening Process**





**ACCESSIBLE SOLUTIONS**

The inaccessibility of insurance remains a hindrance to the many that perceive insurance as a service only available to urban-dwelling or high income individuals and families. We recognise that the physical distance between certain segments of society and a servicing agent can pose an additional barrier to protection.

As such, we leverage upon the nationwide presence of the national postal service through a distribution partnership with Pos Malaysia in 2005. A number of Allianz policies are available at Pos Malaysia locations nationwide, including 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 find this to be an effective distribution channel, having sold over four million policies between January 2010 and December 2017, with the highest number of policies being sold in the Central Region followed by the Perak state. In 2017, a total of 312,306 Allianz policies were distributed at Pos Malaysia outlets nationwide.

**SUSTAINABLE SOLUTIONS**

We believe that sustainability requires a meaningful convergence between our business interests and EES considerations. Our role as an insurer enables us to equalise opportunities for our customers and society, with accessible and needs-based insurance solutions being an important equalising mechanism. As previously highlighted in the **Business Innovation** section of this report, our newly launched Allianz 3H Cover and Allianz Diabetic Essential products extend our protection to those facing chronic conditions.

In addition to such offerings, we define sustainable solutions as products and services that address an underserved community through their accessibility and affordability. Under Allianz Group’s Sustainable Solutions programme, products and services from operating entities undergo a strict assessment process. This includes scoring against six environmental and social dimensions before being approved and categorised as Sustainable Solutions by the Group. The data provided through this process is subject to external assurance. Allianz currently has four products categorised as Sustainable Solutions, listed in **Table 10**, with two offerings being approved as Sustainable Solutions by Allianz Group in 2017.

**Table 10: Sustainable Solutions developed and offered by Allianz**

<b>ALLIANZ’S SUSTAINABLE SOLUTIONS</b>	
<p><b>Motorcycle + PA</b></p> <ul style="list-style-type: none"> <li>Motorcycle coverage for third-party liability and (optional) loss and damage to due to accident</li> <li>Personal Accident as semi-bundled extra offer</li> </ul>	<p><b>Allianz Ability Life</b></p> <ul style="list-style-type: none"> <li>Launched in 2016</li> <li>A life insurance plan with guaranteed yearly renewal</li> <li>Designed exclusively for PWDs</li> <li>Affordable premium rates from RM50 to RM70</li> </ul>
<p><b>Allianz Kampungku</b></p> <ul style="list-style-type: none"> <li>Launched in 2013</li> <li>Covers Class 3 property or household content against fire, flood, and windstorm risks with an affordable premium for mostly rural communities</li> <li>Emergency Relief Benefit is available to policyholders immediately following a loss</li> <li>Paid RM500,000 in claims to policyholders in 2017</li> </ul>	<p><b>Allianz Kasih Hayat</b></p> <ul style="list-style-type: none"> <li>Launched in November 2017</li> <li>Catered towards consumers with a monthly household income below RM4,000 (B40 income bracket)</li> <li>Provides life assurance up to 70 years old</li> <li>Customers within this income bracket are able to choose between two affordable plans with guaranteed renewability</li> <li>In support of Bank Negara Malaysia’s ‘Perlindungan Tenang’ initiative to offer affordable and simplified life insurance to underserved segments of society</li> </ul>

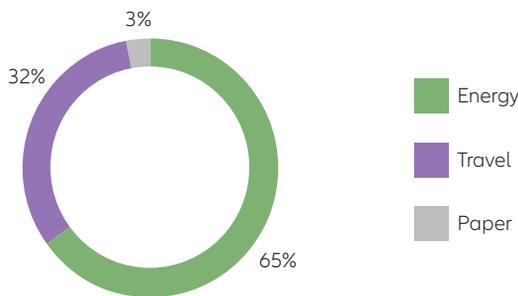
## STEWARDSHIP FOR THE FUTURE

Allianz Group adopts a Climate Change Strategy that commits operating entities to minimising our own carbon footprint and supporting the development of a low-carbon economy. Allianz has been a carbon-neutral company since 2012.

### MANAGING OUR ENVIRONMENTAL FOOTPRINT

A group-wide Environmental Management System (“EMS”) has been in place since 2006. The EMS tracks our CO<sub>2</sub> emissions and figures which are reported annually to Allianz Group, enabling us to monitor our emissions, identify areas for improvement and support Allianz Group’s calculations to offset our carbon emissions ensuring that Allianz Group remains a carbon-neutral company.

Diagram 12: Allocation of CO<sub>2</sub> emissions in 2017



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 allocation of our emissions in 2017 is illustrated in **Diagram 12**. Energy-saving fittings are prioritised in all branch office renovations.



### Energy Auditing

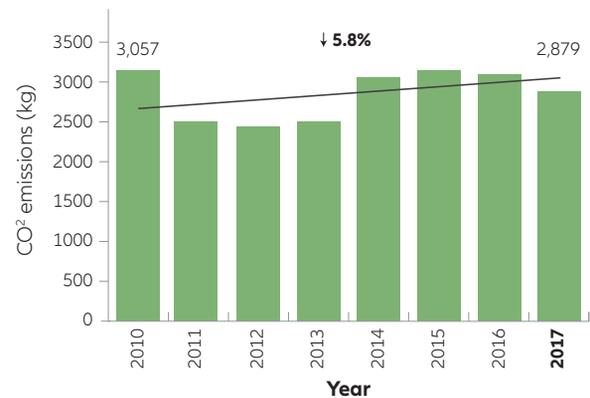
A talk was conducted by a guest speaker from the Centre for Environment, Technology and Development Malaysia to teach 35 employees at our head office on conducting an energy audit to reduce electricity consumption at home.

The session also addressed the topic of a Renewable Energy Tariff in Malaysia (Net Energy Metering), effects of pollution and examples of energy efficiency practices which can be adopted at home.

The implementation of an energy audit to reduce energy consumption at our head office is expected in 2018.

Allianz Group has set a group-wide target of a 34% reduction in our CO<sub>2</sub> emissions by 2020 against a 2010 benchmark. This year, we recorded a 5.8% reduction in CO<sub>2</sub> emissions (kg) per employee from 2010. This is illustrated in **Diagram 13** below. We hope that our initiatives in digitalisation, as discussed in the **Technological Innovation** and **Business Innovation** sections, will contribute towards this continued trend of CO<sub>2</sub> emissions reduction.

Diagram 13: CO<sub>2</sub> emissions (kg) per employee 2010-2017



### SUSTAINABLE MOBILITY

With the emergence of market disruptors such as car-sharing services and electrical vehicles, it is important as a leading motor insurer to stay abreast of such industry developments. We seize upon opportunities to innovate our offerings and practices to ensure that we cater towards such market changes.

We currently maintain three electric vehicles (“EVs”) as part of our Company Vehicle Fleet which is available to all our employees within the Klang Valley area. The availability of the EVs enables cost and energy efficient travel, while acquainting our employees and business partners with transportation of the future. Each EV is capable of travelling a distance of 150km to 180km on a single charge. This distance will increase as the number of public charging stations increase nationwide.

A report from our leasing company, Cohesive Mobility Solution (“COMOS”), indicates an increase in the EV usage since 2016, having travelled a total of 13,511km in 2017 in comparison to the 8,414.2km travelled in the year prior. This has resulted in a total cost saving of RM3,350 and avoidance of 3,135kg CO<sub>2</sub> in 2017. This is equivalent to growing 81 trees in the span of ten years.

- OVERVIEW
- CORPORATE PROFILE
- TO OUR STAKEHOLDERS
- SUSTAINABILITY REPORT 2017
- CORPORATE GOVERNANCE AND ACCOUNTABILITY
- 2017 HIGHLIGHTS
- FINANCIAL STATEMENTS
- AGM INFORMATION



Following a stipulation within our internal travel policy which places emphasis on the carbon efficiency of transportation options, employees are expected to reduce travel where possible by utilising alternative platforms such as audio, web or video-conferencing. The resulting increase in our audio conferencing requests and the corresponding reduction in business travel between 2015 and 2017 are indicated in **Diagram 14**.

**Diagram 14: Audio Conferencing Requests and Business Travel**

In 2017, 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
<b>2017</b>	<b>721</b>	<b>903,046</b>

Since 2016, the UNiRIDE car sharing programme provides university students access to 20 Energy Efficient Vehicles and 18 e-scooter units on selected university campuses in Malaysia. Allianz provides insurance coverage for the vehicles within this fleet through an MOU with COMOS and partners. The aim of UNiRIDE is to provide environmentally-friendly and affordable travel options to university students. We look forward to continuing our support as UNiRIDE expands its presence on other campuses in coming years.

**SUSTAINABLE PAPER CONSUMPTION**

We have taken steps to reduce our paper consumption in our head office and branches, which is greatly bolstered by increasing digitalisation of our processes. We make stringent efforts to reduce the total overall amount of paper used on a daily basis, with the management and paper usage of branch offices being centrally monitored. In 2017, a decrease in overall paper usage by 20.6% was recorded. Moving forward in 2018, we will be implementing an e-procurement platform to replace our current paper-heavy sourcing and procurement procedures. Such efforts ensure that we are able to meet our paper usage reduction target of 40% by 2020 against a 2014 benchmark.

With the availability of electronic tools, mobile applications, online offerings and a marked increase in automated processes, we are able to replace a significant amount of physical documents with electronic forms. The e-Policy mechanism and our Imagine App sales tool continues to generate an overall reduction in the printing of three specific forms related to customer fact-finding, policy application and change requests. This year, there was a slight increase in the number of printed forms as indicated in **Table 11**. This is due to a reprinting of forms to incorporate additional questions in accordance with the Common Reporting Standards set by the Organisation for Economic Co-operation and Development.

**Table 11: Number Of Printed Forms Since 2014**

Year	2014	2015	2016	2017
<b>Number of Printed forms (sheets)</b>	213,461	530,452	182,952	<b>224,480</b>

**SUSTAINABLE WASTE MANAGEMENT**

We maintain paper recycling bins in our head office and a number of selected branches, which began implementation in 2012. This year, we recorded a total of 43,417kg of recycled paper across our locations nationwide. 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.



**Turning Trash to Treasure**

In 2017, we began a partnership with Kloth Malaysia to place a collection bin in our head office for unwanted and old clothes, handbags, linens and soft toys. The bins are managed by Kloth Malaysia, who screens through items to ensure that nothing goes to waste.

Items collected are managed as follows:

- Useable clothes are sold in garment shops and other developing nations (such as Africa, India, Myanmar, etc.);
- Worn out/damaged clothes will be turned into industrial cleaning rags; and
- Textiles and scraps will be used as fuel for cement kilns

We have observed positive response among our head office employees, and have collected a total of 147 kg of items since implementation in November 2017.

# Community Development

## Building a Socially Inclusive World



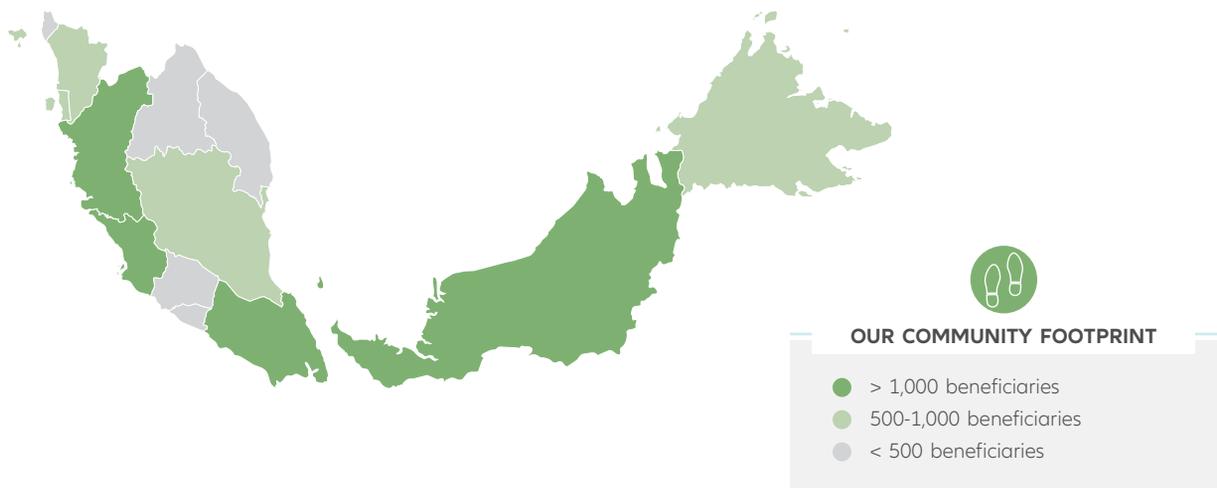
10

Allianz  
Sustainability  
Ranking 2017

As an insurer, the equalising of risks and opportunities underlines our business. Aside from integrating EES considerations into our business strategy and practices, we work alongside community partners involved in a plethora of impact-building initiatives to ensure meaningful engagement with our target beneficiaries. Our community development efforts are spearheaded by Allianz4Good, as the corporate responsibility department of our company. Our initiatives encompass monetary and non-monetary support, which includes employee volunteering sessions held throughout the year. Non-Profit and Non-Governmental Organisations engaged as our community partners undergo a stringent Integrity Check to ensure ethical and reliable partnerships.

### Diagram 15: Our Community Footprint – Direct Beneficiaries\*

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



## ENCOURAGING FUTURE GENERATIONS

At Allianz, we believe that sustainability must be built upon a strong foundation of social inclusion and an empowerment of future generations. Despite the advancements introduced in the last decades through technological development, there are many segments of society that remain displaced from their fair share of socioeconomic security and education. As the world becomes increasingly interconnected through globalisation, we are able to witness first-hand the devastating effects that such displacement can have on entire communities with particular impact on their children and youths.

As such, Allianz Group has launched the global 'Encouraging Future Generations' programme which endeavours to support the social inclusion of children and youths globally. This support is disseminated through the provision of various development programmes and funding opportunities for purpose-driven organisations or enterprises.

- OVERVIEW
- CORPORATE PROFILE
- TO OUR STAKEHOLDERS
- SUSTAINABILITY REPORT 2017
- CORPORATE GOVERNANCE AND ACCOUNTABILITY
- 2017 HIGHLIGHTS
- FINANCIAL STATEMENTS
- AGM INFORMATION



### ALLIANZ SOCIAL INNOVATION FUND

The Allianz SE Social Innovation Fund 2017 saw over thirty entrants from Allianz Group entities worldwide competing to secure €50,000 for their chosen social development project in collaboration with a social organisation partner. The fund is a catalyst for change as part of Allianz Group's global 'Encouraging Future Generations' programme. Allianz Malaysia was one of five winners of the Social Innovation Fund 2017, receiving a €50,000 grant to support the education of Malaysian underprivileged and indigenous youth.

The grant will fund the 18-month SOLS Academy of Innovation programme ("Academy") which is a collaboration with Science of Life Studies 24/7 ("SOLS 24/7"), a humanitarian organisation which educates and empowers underserved communities through education and social empowerment programmes. As part of the programme, students will attend full-day classes at the Academy and learn subjects including English, Mathematics, Information Technology, Coding, Solar Energy, Project Management as well as Personal Development.

SOLS 24/7 has successfully recruited 90 students from various areas, particularly rural villages in Gua Musang, Gerik, Negeri Sembilan and Kelantan. The inaugural intake of the SOLS Academy was successful in engaging Orang Asli youth in particular, with more than 95% of students from an indigenous background graduating from the programme. The Academy prepares graduates for jobs in the growing solar sector, office administration, and also aims to empower youth to become "community educators" that can inspire and lead younger generations in their home communities.

After twelve months of classes, the students in the Academy will take on a 6-month internship. Through this partnership with Allianz, the students will be able to gain potential internship opportunities within the company. Throughout the duration of the programme, Allianz will also engage employee volunteers to develop the students' life skills and support their holistic development.

"Before, I never spoke English and after finishing Year 6, I did not go on to secondary school. To be honest, I didn't think education was important. Since joining Sols Academy of Innovation ("SOLS .ai"), I have taken classes in English, Math, Solar Energy, IT skills and Motivation. The structured classes and exams help me better understand areas that are unclear to me. I really value education as it gives me better opportunities. I have experienced a lot more exposure to the world here at SOLs .ai – I joined a volunteering programme with Taylor's University to help at an Old Folk's Home and I really look forward to more volunteering experiences in the future.

I recently visited my village, and everyone was so impressed to see me speaking confidently and in English. They remembered me as someone who used to hang around the village. Now, they are really proud of me."



Mira Binti Jais, is a 19 year old Orang Asli Temiar from Grik, Perak who is currently studying at SOLS .ai

SUSTAINABILITY REPORT

Responsible Corporate Citizen

Community Development: Building a Socially Inclusive World

ALLIANZ AND IMPACT HUB INVESTMENT READY PROGRAMME

Allianz Group embarked on a partnership with Impact Hub to support purpose-driven social entrepreneurs working towards the empowerment and inclusion of children and youths in Brazil, Germany, Malaysia and Turkey. Two Malaysian ventures were successful in securing a place in the Investment Ready Program. This unique acceleration programme includes a six-month training programme where ventures will engage in a systematic review of their business model, strategy and team before crafting a validated growth and investment plan.

Each local Allianz entity has highlighted topics with particular local relevance. The two Malaysian finalists will champion causes such as diversity, education, health, environment, safety and protection. Both ventures will receive targeted mentoring and support from experts within the Allianz Group. Following this, finalists will pitch their ventures before a judging panel in Munich in June 2018 for the chance to secure a grant of €40,000 from Allianz.

- OVERVIEW
- CORPORATE PROFILE
- TO OUR STAKEHOLDERS
- SUSTAINABILITY REPORT 2017
- CORPORATE GOVERNANCE AND ACCOUNTABILITY
- 2017 HIGHLIGHTS
- FINANCIAL STATEMENTS
- AGM INFORMATION



Allianz's Head of Corporate Communications shares her experiences and expertise with budding social enterprises during the Allianz and Impact Hub Investment Ready Programme warm-up event

Beginning March 2018, it is mandatory for all events and meetings held at our head office to be catered by social enterprises.

This is a restatement of our commitment to integrate social awareness into the fabric of our company and a reiteration of our support for organisations that leverage upon innovative solutions to build a socially inclusive world.



## THE FIVE PILLARS OF ALLIANZ4GOOD

In tandem with our community development programmes highlighted above, we have identified five key areas where we are most able to leverage upon our knowledge and expertise as managers of risk to create and support meaningful impact. These key areas shape our ongoing community development efforts and engagements.



We are grateful to have received recognition through The Edge Best CR Initiatives (below RM10 billion cap) awarded to us in 2017



Students of SK Sokor, located in Tanah Merah, Kelantan, with the Allianz4Good team during a Hari Raya gift-giving initiative in 2017

The objectives of each pillar are presented in **Diagram 16**, while the targets and indicators of each pillar moving forward in 2018 are set out in their respective sections that follow:

**Diagram 16: Five Pillars - Allianz Corporate Responsibility Objectives**

PILLAR OBJECTIVES				
				
<b>Safety</b>	<b>Financial Literacy</b>	<b>Disaster Risk Reduction</b>	<b>Environmental</b>	<b>Community</b>
To reduce risks through awareness-raising and advocacy	To increase the financial literacy levels of children and young people	To build the resilience of vulnerable communities in disaster-prone areas	To embed environmental considerations into the company and promote environmental stewardship in the community	To serve underserved/marginalised communities

**SUSTAINABILITY REPORT**  
**Responsible Corporate Citizen**  
**Community Development: Building a Socially Inclusive World**

**PILLAR 1: SAFETY**

Three-year Targets	Indicators
<b>2018 to 2020</b>	
<ol style="list-style-type: none"> <li>To increase road safety outreach in more areas</li> <li>To develop effective road safety awareness among children</li> <li>To encourage awareness on risks of mobile distraction</li> </ol>	<ol style="list-style-type: none"> <li>Number of Road Safety Advocacy Campaigns rolled out</li> <li>Number of Road Safety Education Programmes conducted</li> <li>To collaborate with road safety agencies to conduct behavioural studies</li> <li>Development of an effective impact analysis mechanism</li> </ol>

**ROAD SAFETY ADVOCACY CAMPAIGNS**

We remain a strong advocate for road safety, having signed a Memorandum of Understanding with the road safety department – Jabatan Keselamatan Jalan Raya (“JKJR”) in 2011 which marked the beginning of our partnership for this cause. Allianz has carried out 155 Road Safety Advocacy Campaigns and programmes nationwide with more than 440 employees being trained by JKJR as Road Safety Ambassadors.

In 2017, a total of 12 Road Safety Advocacy Campaigns reaching 15,089 members of public were held nationwide with JKJR during festive seasons and school holidays, periods of high traffic and distant travel for many road users. These campaigns involve participation of our Road Safety Ambassadors whom advocate safe road behaviours to the general public and assist in distributing road safety items such as reflective windbreakers and motorcycle stickers, seatbelt shoulder pads as well as child booster seats in accident-prone areas. A total of 7,510 of these items were distributed during such campaigns nationwide.

Motorcyclists are able to exchange old helmets for SIRIM-approved ones during our Road Safety Advocacy Campaigns. This year, we began distribution of our improved motorcycle helmet which provides better protection for users due to the addition of a full face windshield visor.



Allianz employee volunteers ensure that the newly distributed helmet is safely secured

- OVERVIEW
- CORPORATE PROFILE
- TO OUR STAKEHOLDERS
- SUSTAINABILITY REPORT 2017
- CORPORATE GOVERNANCE AND ACCOUNTABILITY
- 2017 HIGHLIGHTS
- FINANCIAL STATEMENTS
- AGM INFORMATION



**ROAD SAFETY EDUCATION PROGRAMME**

We believe inculcating good road behaviour must begin from a young age and therefore target our education efforts towards primary children. A total of 979 primary students were reached through our Road Safety Education Programme in 2017.



Allianz employee volunteers conducting a Road Safety Education Programme in Children's House in Bukit Damansara

held from 3 to 6 April, 2017. The meeting was organised by the Global Alliance of NGOs for Road Safety, the Ministry of Transportation and hosted by the World Health Organisation.

Allianz sponsored a pre-meeting session on road safety education material for children where participants discussed the best practices from around the world. Supporting such platforms enables us to improve our road safety initiatives while promoting concerted efforts to address road safety.

**MOBILE DISTRACTION PLEDGE**

Aside from our external road safety initiatives, we initiated an internal Mobile Distraction campaign among our employees during our first Townhall of 2017. This campaign aims to reduce the usage of mobile phones whilst driving and walking as it poses a major risk to the safety of those distracted and others around them. During the event, 900 employees pledged to reduce their mobile usage whilst driving and walking. Moving forward in 2018, we are working together with our frequent community partner, the Malaysian Institute of Road Safety Research on external mobile distraction initiatives.



**Road Safety Education Programme**

Our Road Safety Education Programme incorporates an in-class road safety session and an interactive circuit.

The in-class sessions are one hour sessions which strengthen their individual comprehension of road rules and behaviour. Reflective wristband and a road safety tip booklet are distributed during the sessions.

The latter involves a hands-on circuit which 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.

In an effort to improve the reach of our Road Safety Education Programme, we are in the midst of developing a comprehensive Road Safety Education Module for use by educators and parents.



CEO of Allianz Life, Joseph Gross (left), makes a pledge alongside employees to avoid mobile distraction

**5TH GLOBAL MEETING OF NON-GOVERNMENTAL ORGANISATIONS ADVOCATING FOR ROAD SAFETY AND ROAD VICTIMS**

Attended by over 200 road safety NGOs and advocates from 70 countries worldwide, the '5th Global Meeting of NGOs Advocating for Road Safety & Road Victims' was

**4TH WOMEN'S STREET CRIME AWARENESS CAMPAIGN**

We have supported the Women's Street Crime Awareness Campaign organised by the Road Safety Marshal Club since 2013. This annually held campaign aims to increase awareness on street crime prevention through interactive workshops and exhibitions. The 4th edition of this campaign held in The Summit, Subang included several practical workshops that taught participants how to safely use pepper sprays, how to defend and escape if attacked among others.

**SUSTAINABILITY REPORT**  
**Responsible Corporate Citizen**  
**Community Development: Building a Socially Inclusive World**

**PILLAR 2: FINANCIAL LITERACY**

Three-year Targets	Indicators
2018 to 2020	
1. To increase the outreach of our financial literacy initiatives	1. How many teachers trained 2. How many schools reached 3. Feedback analysis on beneficiaries

As we move towards becoming a high-income nation, we believe it is of utmost importance that we do our part in ensuring a financially literate society. In 2017, our financial literacy initiatives involved a continuation of the My Finance Coach sessions and our annual Allianz Finance Challenge.

**MY FINANCE COACH**

This was the sixth year of the My Finance Coach (“MFC”) programme and the fifth year of our partnership with the Federation of Malaysian Consumer Association (“FOMCA”). The MFC programme in Malaysia is based on materials and content provided by the Germany-based My Finance Coach Foundation.

Allianz employee volunteers that are trained as Finance Coaches conduct sessions in schools and non-profit organisations to equip youths with the knowledge required for basic money management. The MFC programme is divided into two modules, Shopping and Saving, which are targeted towards primary and secondary students respectively.

**Table 12** below shows the outcome of My Finance Coach Programme for years 2014 to 2017. As illustrated, there was a marked decrease in the rollout of MFC classes compared to previous years. We were also unable to conduct classes in East Malaysia. This was due to our branches being unable to participate in conducting MFC sessions due to constraints in resources. However, there was a slight increase in the rollout of the MFC Saving (“Saving”) module.

Overall, we have received positive feedback from students participating in the Saving module. Nonetheless, there are some concerns that the concepts and material, which touches upon investment options, are too advanced for their understanding as they are not included in school syllabuses. We attempt to address this by increasing the number of Finance Coaches that conduct Saving module sessions, which enables in-depth group discussions to address any questions students may have during a session.

Beginning 2018, we are preparing to move towards teacher training programmes as a more impactful and sustainable alternative to financial literacy sessions. This will attempt to address the issues faced during the roll out of our My Finance Coach sessions, while also supporting Bank Negara Malaysia’s goal of developing best practices for financial literacy in schools.

**Table 12: Outcome of My Finance Coach Programme**

My Finance Coach Programme				
	2014	2015	2016	2017
Cumulative Number of Students reached	2,041	4,358	6,844	<b>8,333</b>
Number of Coaches trained per year	57	105	47	<b>74</b>
Total number of Coaches trained (cumulative)	239	344	391	<b>465</b>
Number of Volunteering Hours (approximate)	744	600	524	<b>316</b>



Employee volunteers contributed over 300 volunteering hours towards Financial Literacy in 2017

- OVERVIEW
- CORPORATE PROFILE
- TO OUR STAKEHOLDERS
- SUSTAINABILITY REPORT 2017
- CORPORATE GOVERNANCE AND ACCOUNTABILITY
- 2017 HIGHLIGHTS
- FINANCIAL STATEMENTS
- AGM INFORMATION



### ALLIANZ FINANCE CHALLENGE 2017



Students from SM Sains Banting releasing young River Terrapins as part of their winning project

This was the second year of the national-level Allianz Financial Challenge, our collaboration with FOMCA in conjunction with Hari Pengguna Malaysia 2017 to provide a platform for secondary school students to learn and apply their financial knowledge. The Allianz Financial Challenge ("AFC") 2017 was designed to encourage financial literacy among secondary school students, while also incorporating awareness on environmental issues occurring within Malaysia and how they could potentially develop solutions.

As part of their submission, students were required to plan an activity based on the theme 'Environmental Protection and Preservation' that would increase the environmental awareness, and protect or improve the state of the environment in a location of their choice. Each team, comprised of four students and a supervising teacher, submitted a proposal and video presentation of their project. This included thorough cost comparison research, as well as a detailed and realistic budgeting plan.

The winners of AFC 2017, a group of students from SM Sains Banting, won the opportunity to conduct their proposed programme fully funded by Allianz. Their initiative, "Save Tuntung" was successfully carried out in Kuala Terengganu in December 2017. Activities included attending an education talk by PERHILITAN, releasing young river terrapins back into the wild, and organising their own education talk and activities with students from SM Sains Hulu Terengganu.

Through the competition, students were encouraged to exercise their creative and critical thinking skills, team work as well as communication skills. We aim to expand the AFC beyond the planning and budgeting aspects of financial literacy, and target to incorporate other necessary skills such as entrepreneurship and social impact in upcoming years.



### Global Money Week 2017: "Learn, Save, Earn"

In conjunction with Global Money Week 2017, celebrated worldwide between 27 till 2 April, Allianz Life sponsored a visit for children from SHELTER Home and Yayasan Chow Kit to Bank Negara Malaysia's Museum and Art Gallery.

The children attended a talk, "Currency Education Programme", conducted by BNM's Currency Operation Management Department and enjoyed a tour of the museum and its six galleries. Through the visit, the children learned how bank notes are made, discovered the history of money and BNM, as well as gaining exposure to Malaysia's financial systems and Islamic concepts of commerce.

This event allowed us to extend our financial literacy initiatives to children from underserved communities that may not be a part of the national school system.

**SUSTAINABILITY REPORT**  
**Responsible Corporate Citizen**  
**Community Development: Building a Socially Inclusive World**

**PILLAR 3: DISASTER RISK REDUCTION**

Three-year Targets	Indicators
<b>2018 to 2020</b>	
<ol style="list-style-type: none"> <li>To form an effective employee volunteer team for relief efforts</li> <li>To increase disaster preparedness of vulnerable communities</li> </ol>	<ol style="list-style-type: none"> <li>How many volunteers trained</li> <li>How many training sessions</li> <li>Number of disaster preparedness workshops conducted</li> <li>Number of approximate beneficiaries</li> <li>Feedback analysis on products catered towards vulnerable communities</li> </ol>

This pillar is developed with the objective of improving the disaster preparedness of vulnerable communities, and a long-term target of establishing an effective disaster relief team comprised of Allianz employee volunteers. This year saw a decrease in the roll out of our disaster-preparedness programmes; this is attributed in part to the difficulty in securing sufficient manpower in areas beyond Klang Valley. Nonetheless, the recurrence of several major flooding incidents this last year is a reminder on the urgency and pertinence of disaster risk reduction. As such, we continue our efforts to build our internal volunteering capacity as we improve our approach to providing disaster-preparedness workshops in 2018.

**HOME SAFE HOME PROGRAMME**

We believe it is important to equip our employees with the necessary knowledge and skills to face emergency situations. The Home Safe Home programme was conducted for our head office employees in August 2017 by Captain K. Balasupramaniam, a safety activist and emergency survival trainer. The Home Safe Home programme focuses on fire safety in urban residential areas.

Following the success of the programme, a three-hour session was organised for residents of Kampung Padang Air, Kuala Terengganu on 30 September 2017. Held at the Dewan Terbuka of SK Padang Air, participants learnt vital fire safety tips such as smoke survival and escape, managing evacuations for those with special needs and pets, as well as the correct use of fire extinguishers.

The programme incorporated flood preparedness elements, where residents were reminded of the do's and don'ts before, during and after a flood, as well as correct flood evacuation methods.

**PROVIDING RELIEF FOR VULNERABLE COMMUNITIES**

We continue our support for the Malaysian International Search and Rescue ("MISAR") volunteer team which is dedicated towards relieving the aftermath suffered by vulnerable and flood affected communities. In 2017, a total of RM160,000 was contributed to MISAR flood relief initiatives in Kelantan, Johor and Penang. Our monetary contributions assist in the timely provision and distribution of much needed relief items, such as food, drinking water as well as hygiene items to those who are forced to evacuate their homes during heavy flooding.

Following the sudden and major flooding of several areas across the Penang state, our support for MISAR enabled flood reliefs to reach twelve areas that were badly affected including Balik Pulau, Bukit Mertajam and Simpang Ampat. Aside from the flood relief items distributed through MISAR - which included pillows, blankets, toiletries, drinking water, diapers and sanitary pads - Allianz employees and agents from our Bukit Mertajam branch contributed items on a personal basis to evacuees in Dewan Serbaguna Perkampungan Juru on 6 November 2017.

By working together with the National Disaster Management Agency and Pertubuhan Gabungan Bantuan Bencana NGO Malaysia, we were able to identify areas that were still in need of clean drinking water upon returning home from evacuation centres. Eighty packs of mineral water were distributed to flood-stricken families in Kampung Ayer Hitam and Seberang Perai. Additionally, two Allianz Claims Caravans were deployed to Bukit Mertajam and Penang to expedite claims processing for our affected policyholders. This was accompanied by upfront interim payments and premium breaks.

- OVERVIEW
- CORPORATE PROFILE
- TO OUR STAKEHOLDERS
- SUSTAINABILITY REPORT 2017
- CORPORATE GOVERNANCE AND ACCOUNTABILITY
- 2017 HIGHLIGHTS
- FINANCIAL STATEMENTS
- AGM INFORMATION



Since 2015, we have focused our efforts on building resilience and the flood preparedness of SK Tebing Tinggi in Tanah Merah, Kelantan as the school is an evacuation centre for the surrounding community. In collaboration with our community partner, Wild Asia, we equipped the school with solar power and water filtration systems to ensure that they can provide a safe haven for evacuees in the event of a flood. Twenty water filters and replacement cartridges were delivered following the installation of solar panels in March 2017.



Solar panels were installed in SK Tebing Tinggi, an evacuation centre, to ensure a safe haven for evacuees in the event of a flood

"In 2017, Allianz sponsored a solar powered generator and water filtration system to SK Tebing Tinggi to ensure that we are prepared and equipped in the event of a disaster. The solar powered generator system was installed as a back-up power system so we never have to worry about power outage at the school. The water filters provide us with clean drinking water when the school is converted into an evacuation centre during floods."

*Encik Khalid bin Daud,  
Headmaster of S. K. Tebing Tinggi, Kelantan*



### Water Security for Orang Asli Temuan

We collaborated with social enterprise, Build For Tomorrow and non-governmental organisation, EcoKnights to install a solar powered water system at Kampung Orang Asli Air Kuning located on the outskirts of Taman Botani Negara, Shah Alam.

The installation of the water system was carried out over three stages, beginning with the installation of a water pump, followed by solar panels, water tanks and distribution pipes.

Prior to this initiative, the community lacked access to a reliable source of water, electricity and sanitation. The newly installed solar-powered water system will benefit all 86 residents of the village.

The water filtrations systems have the capacity to filter up to 100,000 litres of water. The solar power system has the capacity to power eight 10 Watt LED lights, power plugs to charge telephones and laptops as well as a backup energy system for supplying electricity. In addition, a capacity building programme was delivered to provide knowledge on usage of the existing systems available to the school, namely a sand filter found on site. A tailor-made manual with explanations, maintenance and troubleshooting instructions were also provided.

Due to persistent rain and flooding in Kelantan, Orang Asli communities in Gua Musang were cut off due to inaccessible roads. A team of employee volunteers were deployed on a three-day relief mission for the delivery of 2.5 tonnes of food aid to 100 Orang Asli Temiar families from nine villages in the interiors of the Gua Musang area. Each family received a supply of dry and canned food, cooking oil as well as other basic food necessities.



Over 2.5 tonnes of basic food supplies were delivered to 100 Orang Asli families in Gua Musang

**SUSTAINABILITY REPORT**  
**Responsible Corporate Citizen**  
**Community Development: Building a Socially Inclusive World**

**PILLAR 4: ENVIRONMENT**

Three-year Targets	Indicators
<b>2018 to 2020</b>	
<ol style="list-style-type: none"> <li>To reduce the consumption of energy by 34% and paper by 40%</li> <li>To implement green guideline company-wide</li> </ol>	<ol style="list-style-type: none"> <li>EMS: Paper and Energy 2020 Targets</li> <li>Energy audit</li> </ol>

Aside from our ongoing efforts to integrate environmental stewardship into our wider business practices, we believe it is pivotal to embed environmental awareness and instil a culture of collective responsibility among our employees. Initiatives were organised throughout the year to encourage internal awareness on environmental issues. More information on our EMS can be found in the **Integrating Sustainability** section of this report.

**CELEBRATING EARTH HOUR AND WORLD ENVIRONMENT DAY**

Foremost is our support for the World Wide Fund for Nature (WWF)'s Earth Hour initiative on 25 March 2017, where Allianz operating entities across the globe participated by turning off their lights. Locally, Allianz sponsored 65 of our employees to participate in the Earth Hour Night Walk event held on the same day between 8.30 to 9.30pm in Georgetown, Penang and Petaling Jaya, Selangor.

We engaged environmental advocates, EcoKnights, to conduct a terrarium-making workshop for our head office employees on 24 May 2017. Participants were provided with necessary materials and given step by step guidance to create their own mini-ecosystem. In celebration of World Environment Day on 5 June 2017, recycling drives were conducted at our branches nationwide with 4.2 tonnes of papers being collected. Three vendors were engaged to collect paper, electronic and cloth items at our head office. Proceeds from the collection of cloth items by Kloth Malaysia were channelled to the National Cancer Council Malaysia and the Malaysian Association for the Blind.



*Our Sandakan branch employees contributed to the collection of 4.2 tonnes of recycled material*

**Water Security for Orang Asli Temuan**

We collaborated with social enterprise, Build For Tomorrow and NGO, EcoKnights to install a solar powered water system at Kampung Orang Asli Air Kuning located on the outskirts of Taman Botani Negara, Shah Alam.

The installation of the water system was carried out over three stages, beginning with the installation of a water pump, followed by solar panels, water tanks and distribution pipes.

Prior to this initiative, the community lacked access to a reliable source of water, electricity and sanitation. The newly installed solar-powered water system will benefit all 86 residents of the village.



- OVERVIEW
- CORPORATE PROFILE
- TO OUR STAKEHOLDERS
- SUSTAINABILITY REPORT 2017
- CORPORATE GOVERNANCE AND ACCOUNTABILITY
- 2017 HIGHLIGHTS
- FINANCIAL STATEMENTS
- AGM INFORMATION



## PILLAR 5: COMMUNITY

Three-year Targets (2018 to 2020)	Indicators
<b>2018 to 2020</b>	
<ol style="list-style-type: none"> <li>1. Increase public awareness on products available to PWDs</li> <li>2. To develop capacity-building for NGOs</li> <li>3. To increase employee volunteering opportunities</li> <li>4. To improve the outreach of our community initiatives</li> </ol>	<ol style="list-style-type: none"> <li>1. How many workshops/awareness campaigns conducted</li> <li>2. Number of outreach &amp; initiatives</li> <li>3. Feedback analysis on capacity-building initiatives</li> </ol>

By offering skills and resources, we strive to advance long-term social wellbeing in addition to providing financial and practical support to local communities. Guided by our priority areas of social inclusion and the equalising of opportunities, the community pillar of our corporate responsibility initiatives enables us to provide support and assistance to targeted segments of underserved communities.

### MENTOR-MENTEE NGO FORUM

We believe that ensuring the sustainability of NGOs is of equal importance to the provision of resource support. In October 2016, Allianz sponsored a two-day boutique NGO workshop organised by I First International Sdn. Bhd. which focused on the sustainability and effectiveness of non-profit sector board members and management. Following the said workshop, a half-day Mentor-Mentee Forum attended by 34 participants from various NGOs, social enterprises and foundations was held in March 2017.

### PERTUBUHAN TINDAKAN WANITA ISLAM

We continue our support for Pertubuhan Tindakan Wanita Islam ("PERTIWI"), a non-profit organisation dedicated to the welfare of marginalised groups. Established in 2010, PERTIWI Soup Kitchen focuses on food distribution to the homeless and urban poor across Kuala Lumpur. In 2017, Allianz sponsored meals and beverages for six PERTIWI Soup Kitchen sessions. Our donation of a Navarra pickup truck to PERTIWI Health Services has proven useful as it 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 currently support the yearly maintenance of the truck. We continue to receive positive and eager participation from our employee volunteers, with a total of 238 employee volunteers participating in the six PERTIWI Soup Kitchen sessions, contributing a total of 595 man hours.



*238 employee volunteers participated in Pertiwi Soup Kitchen sessions throughout the year*

### FESTIVE GIFT-GIVING

In the spirit of Ramadan, employee volunteers delivered Hari Raya goodies and basic necessities such as rice, sugar, milk, cooking oil, condiments and diapers. All items were donated by employees 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 from 19 to 22 June 2017.

Hari Raya goodies were also distributed to students of SK Tebing Tinggi and SK Sokor in Tanah Merah, Kelantan as well as underprivileged families located in Kelantan, Perak and Selangor. Several of these families have been supported by Allianz following their displacement caused by major flooding of the East Coast in 2014. Eight of our branches supported this initiative by donating and contributing Hari Raya goodies to communities within their respective locations, which include Bukit Mertajam, Kajang, Kepong, Kota Bharu, Kuala Terengganu, Kuantan, Miri and Sandakan.

SUSTAINABILITY REPORT

Responsible Corporate Citizen

Community Development: Building a Socially Inclusive World

Our second consecutive year-end gift-giving initiative was held between December to January 2018 to commemorate the end of 2017. Thanks to the eager contributions of our head office employees, gifts were delivered to 554 underprivileged children from twelve NGOs in Ipoh and the Klang Valley area.



Food was distributed to provide festive cheer for underprivileged families during Hari Raya

In January 2017, Allianz General donated RM5,000 to SK Semenyih 1 in Kajang, Selangor to help renovate its bathrooms for better accessibility for 25 PWD students at the school.

Amongst others, the donation went towards repositioning the restroom sinks to a lower height, installing handrails, and construction of a wheelchair ramp.

BREAKING BARRIERS

Persatuan Mobiliti Selangor dan Kuala Lumpur ("MOBILITI") is a charitable organisation that provides door-to-door transportation for wheelchair users within Klang Valley. Each MOBILITI van is modified with wheelchair restraint systems and hydraulic lifts to enable PWD passengers to travel within Klang Valley at an affordable fee. Since 2006, we have sponsored the operational costs of MOBILITI, which includes fuel, tolls, maintenance and salaries. Allianz also provides free comprehensive Motor Insurance and Enhanced Road Warrior insurance for four sponsored vans. MOBILITI made over 8,068 trips from June 2016 to June 2017, providing a valuable service to their 1,800 registered passengers whom rely on MOBILITI for their hospital and rehabilitation visits.

As highlighted in the earlier sections on **Employer of Choice** and **Integrating Sustainability**, we are committed to the empowerment and equalising of opportunities for PWDs. Following our title sponsorship of the Malaysian contingent to compete in the 9th International Abilympics 2016 held in France, we have donated RM100,000 to the Malaysian Council of Rehabilitation in support of the national-level competition to be held in 2018, as well as the training needs of the Malaysian contingent in preparation for the 10th International Abilympics to be held in China in 2020. The Abilympics, or Olympic of Abilities, is a PWD skills competition shaped around five professional categories: Service, Information Technology, Industry, Craft and Food which is further split into 48 different skills.

BLOOD DONATION DRIVE AND ORGAN DONATION PLEDGE

In conjunction with Malaysia Day, a nationwide Blood Donation Drive and Organ Donation Pledge was organised at six locations from 13 to 26 September, 2017. This was the fourth consecutive year of this initiative, with drives being held at public venues and branches in Kuala Lumpur, Langkawi, Melaka, Temerloh, Ipoh and Kota Bharu. The drives were done in coordination with the National Blood Bank, National Transplant Resource Center and participating hospitals in the respective states. A total of 343 people donated a pint of blood each, while 78 individuals pledged their organs. Throughout the four years of conducting this initiative, we have garnered a cumulative total of 1,832 blood donors and 585 organ pledges.

- OVERVIEW
- CORPORATE PROFILE
- TO OUR STAKEHOLDERS
- SUSTAINABILITY REPORT 2017
- CORPORATE GOVERNANCE AND ACCOUNTABILITY
- 2017 HIGHLIGHTS
- FINANCIAL STATEMENTS
- AGM INFORMATION



## CELEBRATING & NURTURING THE MALAYSIAN SPIRIT

The promotion of Malaysian unity and diversity is an important aspect to our ambition of achieving social inclusivity. The Unity Ride, organised by social enterprise Projek57, was a cycling event which took place across Malaysia beginning on 6 August and ending symbolically on 16 September. A total of fifty-five cyclists, from all walks of life, travelled throughout Malaysia to promote greater unity among Malaysians. As one of the main sponsors, Allianz was represented by a team of seven cyclists comprising of employees and agents from our Kuala Lumpur, Kota Bharu, Kuala Terengganu, Johor and Melaka branches.

The ride consisted of nine legs with pit stops organised at each leg. Activities included dialogues on the theme of 'Unity in Your Eyes', workshops with youths, and screenings of *Ola Bola* and *Road to Nationhood*, a documentary on Malaya's journey to independence. Allianz Chief Executive Officer, Zakri Khir, joined panel dialogues held on 7 and 13 August in UTAR Kampar in Perak and Ecoworld Macallister in Penang respectively. A special dialogue on 'Unity and what it means to Malaysians' was held at the head office on 23 August 2017. The panellists included Zakri Khir, Malaysian football legend Datuk Santokh Singh, human rights lawyer Siti Kasim and Projek57 founders Collin Swee and Syed Sadiq Albar.

Additionally, our employees from our head office celebrated the formation of Malaysia by reliving history through a series of activities held on 15 September, which included a screening of *Ola Bola* and the P. Ramlee classic *Madu Tiga*, wau making and batik painting. Employees from our head office and branches wore traditional Malaysia costumes to commemorate the special day. We are inspired by the enthusiasm of our employees to celebrate and foster unity among Malaysians.



Fifty-five Malaysians of various walks of life celebrated Malaysian unity on a cycling trip across the country

## FOSTERING YOUNG TALENTS

As a Platinum Partner of FC Bayern Munich, Allianz Group has organised the annual Allianz Junior Football Camp ("AJFC") since 2009. Young football talents of ages 14 to 16 years old from all over the world gather in Munich to gain exclusive experience behind the professional world of football around FC Bayern Munich. The AJFC Malaysia represents our commitment to provide a viable platform for young Malaysian talents to pursue their passion for the game while promoting grassroots development of junior football players.



Three Malaysian players joined 51 other young footballers at the AJFC Camp held in Munich

This year, 1,584 teenagers participated in the AJFC Malaysia League held in Bangi, Melaka, Kuantan, Sabah and Penang. The league format, which runs up to six weeks simultaneously across six regions, was introduced in 2015 to enable a more structured competitive environment for participating talents. Subsequent to the Grand Finals held in Stadium Universiti Putra Malaysia in July 2017, 13 players were selected to compete against young footballers from six countries in the AJFC Asia Camp held in Bali, Indonesia from 1 to 4 August 2017. Following this rigorous process, three of the best Malaysian players were selected to join 51 other young footballers to participate in the AJFC Camp in Munich.

**SUSTAINABILITY REPORT**  
**Responsible Corporate Citizen**  
**Community Development: Building a Socially Inclusive World**

During the camp, players underwent daily training sessions where they were able to refine their skills through drills that emphasised various techniques from ball control to types of passing and shooting accuracy. Players took part in numerous activities, including a session with FC Bayern's sports psychologist and a stadium tour of the Allianz Arena. The biggest highlight of the trip was the opportunity to watch FC Bayern Munich compete against Bayer Leverkusen in the opening Bundesliga match on 18 August 2017, followed by a meet and greet session with several members of the FC Bayern Munich team.

"I am very thankful that through Allianz Junior Football Camp I received many opportunities. It was through my involvement in the Allianz football programme that I received my call-up for the Malaysian under-17 team. From there I was selected to join the Selangor FA state team. Again, this is all because of Allianz."

*Eighteen year old Sharvin s/o Selvakumaran, who is currently attached to the Selangor FA Under-19 team*



- OVERVIEW
- CORPORATE PROFILE
- TO OUR STAKEHOLDERS
- SUSTAINABILITY REPORT 2017
- CORPORATE GOVERNANCE AND ACCOUNTABILITY
- 2017 HIGHLIGHTS
- FINANCIAL STATEMENTS
- AGM INFORMATION

**EMPOWERING MALAYSIANS TOWARDS A HEALTHY AND ENRICHED QUALITY OF LIFE**

The IJM Allianz Duo Highway Challenge, which attracted over 9,000 runners, was held in collaboration with IJM Corporation Berhad. Runners had the option to participate in the 13KM challenge run along the Besraya Highway (E9) on 30 July 2017 and a 21KM challenge run along the NPE Highway (E10) on 10 September 2017. The final winners of the Duo Highway Challenge were selected based on the fastest combined timing from both runs.

Additionally, the Allianz Pacesetters 4x3KM Relay Run was held on 4 November 2017 at Padang Merbok. The Allianz Pacesetters Relay is an annual event organised by Allianz in collaboration with renowned running group Pacesetters since 2014. The relay sees teams of four runners taking part in a fun 3KM race. A total of 37 corporate teams took part in the Kiwanis Pace-it-Forward category which required a minimum donation of RM1,000 per team with proceeds being channelled to the Kiwanis Down Syndrome Foundation. Since 2014, the event has raised a total of RM195,000 for Down's syndrome.

The Allianz Pacer Run held on 29 October 2017 attracted over 5,000 runners in its third year. The Pacer Run's 12KM route featured five categories – Men's Open, Women's Open, Men's Veteran, Women's Veteran and the Corporate Challenge. This year, the National Stroke Association of Malaysia was the recipient of the RM15,000 donation collected via the Corporate Challenge. Apart from the run, participants were able to obtain a free health screening conducted by Cardio Vascular Sentral. We recognise the Allianz Pacer Run as an important engagement channel with our various stakeholders; this year a total of 122 employees and 418 agents participated in the run, with over 30% of the 5,000 runners being Allianz customers.



Over 5,000 running enthusiasts participated in the Allianz Pacer Run and Allianz Pacesetters 4x3KM Relay Run in 2017



Allianz partnered with Build for Tomorrow for the installation of a solar-powered water system to provide a reliable source of water and sanitation for villagers of Kampung Orang Asli Air Kuning located on the outskirts of Taman Botani Negara, Shah Alam.