A close-up photograph of a young woman with dark hair, seen from the side and slightly from behind. She is kissing a large, detailed globe of the Earth. The globe shows continents and oceans in a natural color palette. The background is a clear blue sky.

We're committed to
delivering more than
is required



Putting into action
**all that we
promise**



Our Volunteering in 2013



3,755

Volunteer Hours



34,800

Reached



633

Volunteers Nationwide

Contents

About this report

This report covers the sustainable development of Allianz Malaysia Berhad and its subsidiaries in 2013.

Allianz Malaysia Berhad and its insurance subsidiaries are collectively referred to as "Allianz".

Allianz SE (the holding company of Allianz Malaysia Berhad) Group is referred to as "Allianz Group".

All key figures are reported as at 31 December 2013, while content reported is accurate up to 31 March 2014.

Email address for any enquiries:
Allianz4Good@allianz.com.my



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Strategy and Management



CEO's Statement

2013 marked a volatile year for Malaysia, with uncertainty in the economic climate leading to an overall hesitance amongst Malaysians. To allay the general feeling of worry, it became even more important for Allianz as a community to communicate openly and transparently to all our stakeholders.

It has been three years since we cemented our commitment to sustainable development through the setup of our own corporate responsibility brand, Allianz4Good. That same year, we released our very first Sustainability Report. It brings me great pride to see that our efforts to improve our transparency and accountability have been acknowledged. We were awarded the Top Overall Corporate Governance Award under the Mid-Cap category in the Malaysia-ASEAN Corporate Governance Index 2013 Awards presented by the Minority Shareholder Watchdog Group. Allianz Life was also selected as the "Best Insurance Provider of the Year" by readers of World Finance in the Malaysia Life Insurance category of the publication's World Finance Insurance Awards 2013. We are particularly honoured to have received both these awards, which were chosen based on public opinion.

However, this does not mark the end of our sustainability journey. Rather, it is just the beginning. It is undeniable that social and environmental conditions in society impact the business operations of a company and its long-term viability. It is in our shared interest to invest in and build the community, both to ensure our sustainable growth as a company but also as a member of the community via our stakeholders, which include our 1,828 employees, 13,554 agents and a customer base of over 2.75 million nationwide. We truly believe that we can leverage on the power and engagement of our human capital and network to make a difference in society.

As a service-based company, our performance is as good as our people. We continue to strengthen our existing workforce and agents, investing in their holistic development. 2013 saw the first anniversary of our learning and development platform, the Allianz Academy, which provides learning options for technical, service, sales, leadership and personal development. In 2014, we aim to increase the work-life balance of our employees through the organisation of activities beyond the workplace that emphasise health and wellness.

We have also stepped up our engagement with the community, not just from a business perspective but also in terms of society-building. At our Let's Get Personal events, we emphasise the importance of affordable and reliable products in helping to reduce the burden of affected persons and couple this with outreach programmes in rural areas. Our agents from the Life business initiated an 'Allianz Charity Day' where they designated 15 March 2014 as a day to give back to society, with 800 agents from 89 different agencies taking part all over Malaysia. We have also increased our communication to our customers, offering them chances to participate in our running events for health as well as our safety awareness events.

I invite you to read the following pages and find out more about us and how we are serving the community – through our business, our people and beyond.

A handwritten signature in black ink, appearing to read "Jens Reisch".

Jens Reisch

CEO, Allianz Malaysia Berhad

Strategy and Management

Managing Corporate Responsibility

We strive to build a corporate culture in which social and environmental challenges are managed as opportunities for ensuring our sustainable success as a company. We aim to achieve this by combining long-term economic value creation with a holistic approach to corporate governance, environmental stewardship and social responsibility. In Malaysia, we pursue our Corporate Responsibility ("CR") objectives through an integrated and comprehensive approach, managed by the Allianz4Good Department. This engagement encompasses our corporate volunteering activities, our philanthropic support via corporate giving and our commitment to transparency and accountability through responsible reporting.

Since 2011, we have identified four focus areas where we want to utilise our expertise as an insurance company and risk manager to affect change, namely Safety, Financial Literacy, Environment and Community. We have expanded our commitments beyond cash donations and traditional corporate philanthropy and focus on engaging our employees and business partners through various volunteering activities.

In 2013, we stepped up our engagement with the public through our road safety campaigns, our My Finance Coach classes and through our safety awareness campaigns.



Strategy and Management

Stakeholder Engagement

Stakeholders' trust is of particular importance in the financial services industry. To cultivate trusting relationships with our broad spectrum of stakeholders, we are committed to engaging them in a variety of ways.

 <p>Customers</p>	<ul style="list-style-type: none"> • Knowledge-sharing initiatives • Facebook • Website • Customer surveys 	<ul style="list-style-type: none"> • SMS • Community events
 <p>Employees</p>	<ul style="list-style-type: none"> • Employee feedback • Townhall meetings • Corporate volunteering programmes • HR-related dialogues • Monthly newsletters • Quarterly magazines 	<ul style="list-style-type: none"> • Staff activities • Training and Leadership programmes • Internal staff portal • Staff surveys • Onboarding for new employees
 <p>Agents</p>	<ul style="list-style-type: none"> • Agent Point newsletter • Quarterly magazines • Festive dinners • Quarterly Seminar and Recognition Conventions • Annual Marketing Conventions 	<ul style="list-style-type: none"> • Training sessions • Facebook • Internal Agents' portal • Corporate volunteering programmes • Corporate activities
 <p>Government Relations</p>	<ul style="list-style-type: none"> • Public partnerships • Interaction with regulatory bodies 	
 <p>Investment Community</p>	<ul style="list-style-type: none"> • Annual General Meetings • Quarterly analyst briefings • Meetings with fund managers and investors • Quarterly Reports and Annual Reports • Audited Financial Statements 	<ul style="list-style-type: none"> • Shareholders' circulars • Announcements released to Bursa Malaysia Securities Berhad • Media releases • Website • Facebook
 <p>Society</p>	<ul style="list-style-type: none"> • Partnerships for civic engagement (e.g. with NGOs) • Corporate volunteering activities • Outreach events • Career and Recruitment fairs 	<ul style="list-style-type: none"> • Social sponsorships • Community events • Facebook • Knowledge-sharing initiatives
 <p>Media</p>	<ul style="list-style-type: none"> • Press conferences and events • Media releases • Media relations • Blogger events 	

Our sustainable and profitable growth is based on our commitment to be the most reliable financial services provider. This commitment encompasses the thorough care of our customers as well as continuous engagement for financial inclusion.



Sustainability Report

Economic

We strive to be the most reliable partner for our customers and to continuously improve our products and services. As part of a service-based industry, we understand that our success as a company depends on the satisfaction of our customers. We value the feedback from our customers which enables us to assess and enhance both our products and their delivery, and to continually innovate to meet customers' expectations. We listen to our customers because we want to know what matters to them.

Feedback for Service Improvement

One mode of getting customer feedback is via the Net Promoter Score ("NPS"), which is an on-going exercise to measure customer loyalty and customer satisfaction. Top-down NPS measures us against our peers while Bottom-up NPS is used to find out how customers rate our service based on their recent experiences with us at various touchpoints. The findings from the NPS exercises have been used to improve processes in areas such as operations, customer service and call centres to provide a better customer experience with us.

Furthermore, we conduct service calls to our customers and agents to assess their level of satisfaction with our products and services and to regularly gather feedback and take remedial measures to rectify any systematic or procedural weaknesses. Welcome calls are made to new life insurance policyholders to ensure their full understanding of the policy benefits and satisfaction with the services received.

We are committed to providing high standards of service delivery to all of our customers. As part of good practice and customer management, we have established a comprehensive Complaints Handling policy and turnaround time to address any customer concerns on any aspect of our service. The policy sets out our commitment to responding and resolving feedback and complaints within a stipulated time.

We value the feedback of our customers, whether positive or negative, as an opportunity for us to address our shortcomings and to make improvements, with the ultimate goal of making every Allianz customer a satisfied one.



Building a Service Culture

Our commitment as a customer-focused company is to provide quality service delivery to our customers and thus build our reputation as a trusted and reliable service provider. The competency of our staff is the foundation to excellence in customer service. Therefore, the creation of a supportive learning environment is crucial. Customer focus training continues to be conducted nationwide and in 2013, a total of 1,614 participants were trained to adopt a culture and mindset that is committed to providing consistently excellent customer service.

Apart from the normal training courses provided by the Allianz Academy, our employees are also encouraged to pursue professional insurance knowledge so that they are better equipped with the requisite technical skills and knowledge in order to provide better customer service. We offer sponsorships to those who pass the Certificate, Diploma and Associateship exams of the Malaysian Insurance Institute. We are proud that in 2013, 174 of our employees who sat for these exams achieved Distinctions.


**We sponsored the fees of
303 EMPLOYEES
sitting for their professional insurance
qualifications**

Sustainability Report

Economic

We further promote the inculcation of a service culture via our monthly newsletter which has a section that provides motivation, tips and ideas on how to handle customers. Employees who have been commended and positively acknowledged by customers are also highlighted in the newsletter as a form of compliment as well as encouragement for other employees to follow in their footsteps. Our Quarterly Magazine for employees and agents also carries the same message to encourage and motivate them in providing the best to customers.

Besides this, our Facebook page plays a role as an additional platform to reach out to customers and the general public where they can provide their complaints, comments, suggestions and feedback to the company.

Working with Reliable Partners

We believe in strong partnerships to ensure that we provide consistently sterling service to our customers. We partner with Mondial Assistance ("Mondial") to provide roadside assistance services to our motor and personal accident policyholders while Asia Assistance Network Sdn Bhd provides our customers medical and hospitalisation services. Both organisations are well established, collectively servicing an average of 4,000 Allianz customers in Malaysia monthly.



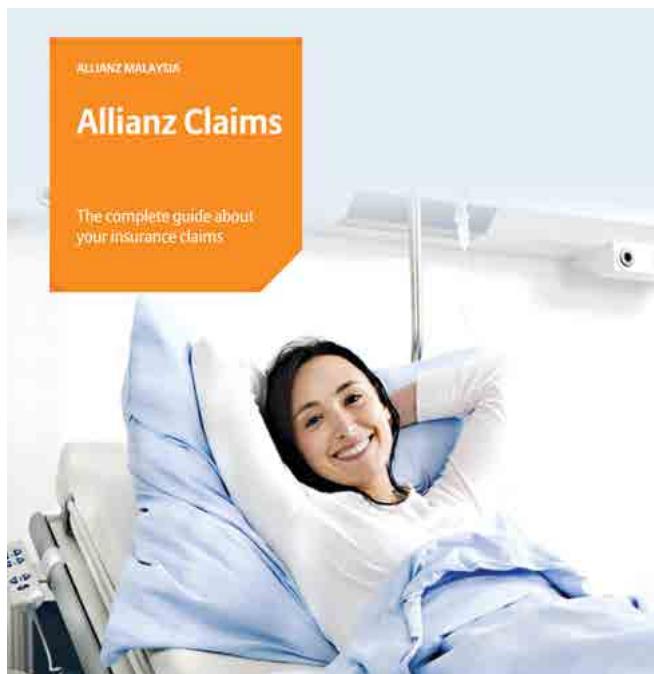
As part of our commitment to improving our service, we are currently working together with Mondial to develop a mobile application to speed up roadside assistance services that is planned for release in 2014.

Customer Growth

We are committed to delivering our promise in moments of truth. This commitment is communicated and cascaded throughout the company and guides how we conduct our business. During the year, many new initiatives were introduced and many more were improved as we strive to better serve our customers. The success of these initiatives is reflected in the strong growth of our customer base, a 9% increase over 2012 to over 2.76 million.

Putting Our Customers First

We believe that the key to being the insurer of choice for our customers is to put their needs at the forefront of our service. At the end of 2013, the East Coast of Peninsular Malaysia was hit by severe flooding brought on by the Southwest monsoon. Understanding the great hardship that affected persons would be facing, our dedicated response team expedited the claims process with an average turnaround time of 7 working days. A total of 1,388 property claims were registered in this incident alone and over RM10 million has been paid out as at March 2014.



Customers are also able to find out more about the claims process via our Claims microsite which is available on our corporate website. There, customers can download an eBook which contains information about the necessary supporting documents for different types of claims as well as the expected turnaround times. Claims procedures are also set out in the eBook. For example, customers can find out about processing of cashless windscreen claims at our panel workshops.

Sustainability Report

Economic

These are just some ways that we demonstrate our commitment to our customers to be their most trusted and reliable partner in moments of truth.

Preparing for Future Changes

In 2016, the general insurance market will be de-tariffed, affecting largely the motor and fire classes of insurance. Bank Negara Malaysia's proposed Life Insurance and Family Takaful framework, aimed at encouraging greater operational efficiency, innovation and a higher level of insurance penetration in Malaysia, is also likely to see further development in 2014. Anticipating a more open and competitive market, we have already put in place a strategy to enhance our product offerings, strengthen our existing partnerships and improve our operational performance.

Digitization

We have made the progression of technology a high priority. Digitization and innovation are consistent enablers for us. We are continually reviewing our customer service infrastructure to make sure that it reflects consumer trends and behaviours and that we remain connected with our customers and keep improving our service.

In order to provide adequate and fast response, we have embarked on various digitization projects that focus on increasing our service quality and modernising our communication channels. This includes the implementation of more automated processes and increased brand presence in digital and social media to attract and engage our customers and stakeholders in an interactive way. Besides having a corporate website, we also introduced the Allianz Malaysia Facebook page in July 2011. In 2013, the number of fans has grown to over 96,000; being one of the most "LIKED" insurance companies in Malaysia currently.



Through the Facebook page, we provide customers and fans the latest news of the company and products offered. It is also an avenue for us to engage with customers and fans through daily information and interactive contests. One such contest is 'Pathfinder', an Allianz Walk and Treasure Hunt challenge around Klang Valley for young adventure seekers. Held on 21 September 2013, 'Pathfinder' incorporated the use of social media such as Facebook and Instagram while the participants were on their adventurous hunt.

**Over
96,000
fans LIKED our
Allianz Malaysia
Facebook Page**



Besides interactive contests such as this, the Facebook page also acts as a feedback instrument where both positive and negative comments are addressed. In 2013 alone, the Company acknowledged and addressed 931 enquiries through this channel.

Recognising the success of this media, we launched our second official Facebook page, the Allianz Pacer Facebook page, to drive our running community initiatives (→Social). In addition, we have increased notifications of events, festive greetings and policy-servicing matters to our customers through emails and SMS and intend to increase engagement with customers throughout the year, for example through our public awareness talks and events.

Access to Finance

Allianz Group has identified Access to Finance as a key global issue to support sustainable development. This is in line with the Malaysian government's initiative to enhance social financial security through financial products, with a target of 75% of Malaysians insured by 2020. We believe that people should have access to reliable and affordable products, and we strive to be an innovative company that addresses current and pertinent societal issues through the development of relevant products and initiatives.

Sustainability Report

Economic

Snatch theft incidences, robberies and the incidences of homes affected by theft, fire and floods raise concerns of safety. In 2013, we launched two products - ATM Shield and Home Shield, with the purpose of providing affordable yet reliable sources of protection for homes, personal effects and persons. While these products are unable to stop the unforeseen from happening, they can play a supporting role for the insured person and his/her family to fall back on and to then move past the incident as quickly as possible.

In 2013, we provided 20,000 Malaysian customers with services during a car breakdown and settled 3,723 accident claims under the Allianz Shield policy. We realise the importance of Personal Lines insurance in people's lives and how it can and has helped to reduce the burden of those affected. Thus, in 2014, the 'Let's Get Personal' Campaign was launched with the aim of getting personal with our customers and doing that small thing that matters and can make a big difference in their lives.

Under this campaign, we will introduce a range of different products serving the previously underserved and also improve some of our current product offerings. A number of initiatives for customers and the general public are also carried out to create awareness on Personal Lines insurance and how it can help reduce the burden of those affected.

A new product called Kampungku (My Village) will be launched in April 2014 with the aim of offering entry level insurance coverage to the population in rural areas. Kampungku extends affordable property insurance coverage for *kampung* houses covering incidences of fire, floods and windstorms. The product is catered to a population that may not have had insurance coverage for their homes before, as *kampung* houses tend to be constructed out of wood. Some other outreach initiatives include free health screenings, blood donation drives and carnivals held in rural areas with the aim of engaging the community and thus raising awareness on the need for sufficient protection.

Addressing Demographic Change

There is growing need in Malaysia for early retirement planning due to increasing life spans, decreasing fertility rates and a changing social setup. To address this, we are making retirement planning a strategic priority from 2014 onwards. A brand new retirement product known as Allianz RetirePlus was introduced with the aim of helping customers instil a retirement savings habit to secure a better future.



Economic



“ As a rule of thumb, your pension income should be approximately 60-70% of your last salary before retirement. ”

Brigitte Miksa
Head of International Pensions

We have also launched two mobile applications; MyLifePlanning, which is a financial planning tool, and Life@70, a fun app to create retirement awareness. A contest called Memory Keeper was also launched on the Allianz Malaysia Facebook page to encourage Malaysians to start thinking about retirement planning early.

We see ourselves as a strong partner for retirement, having the global knowledge and local expertise in this field. In 2013, Brigitte Miksa, Head of International Pensions at Allianz Asset Management AG visited Malaysia twice to provide her insights. She is one of the leading experts on pensions worldwide.

Allianz hopes to make a positive difference in the habit of planning early for retirement among Malaysians.

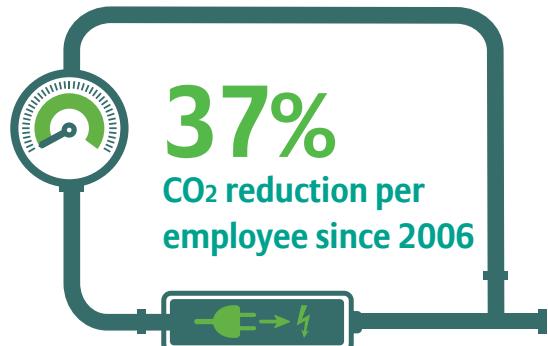
World Finance Awards 2013

It is a testament to the hard work of our employees and business partners that in 2013, Allianz Life was nominated and selected by readers of World Finance as the “Best Insurance Provider of the Year” in the Malaysia Life Insurance category of the publication’s World Finance Insurance Awards 2013. World Finance is a bi-monthly news magazine and website produced by World News Media and has been awarding best in class awards as recommended by their customers since 2007.



This award is all the more meaningful as customers and readers play an important role in deciding the participation of companies. Nominees are recommended by World Finance readers, and then evaluated by a judging panel with years of experience in financial and business journalism.

Climate change poses a major threat to the world economy and has a direct impact on our business. We are working to reduce our carbon footprint, identify new investment opportunities that contribute to a low-carbon economy and develop products to solve our customers' challenges.

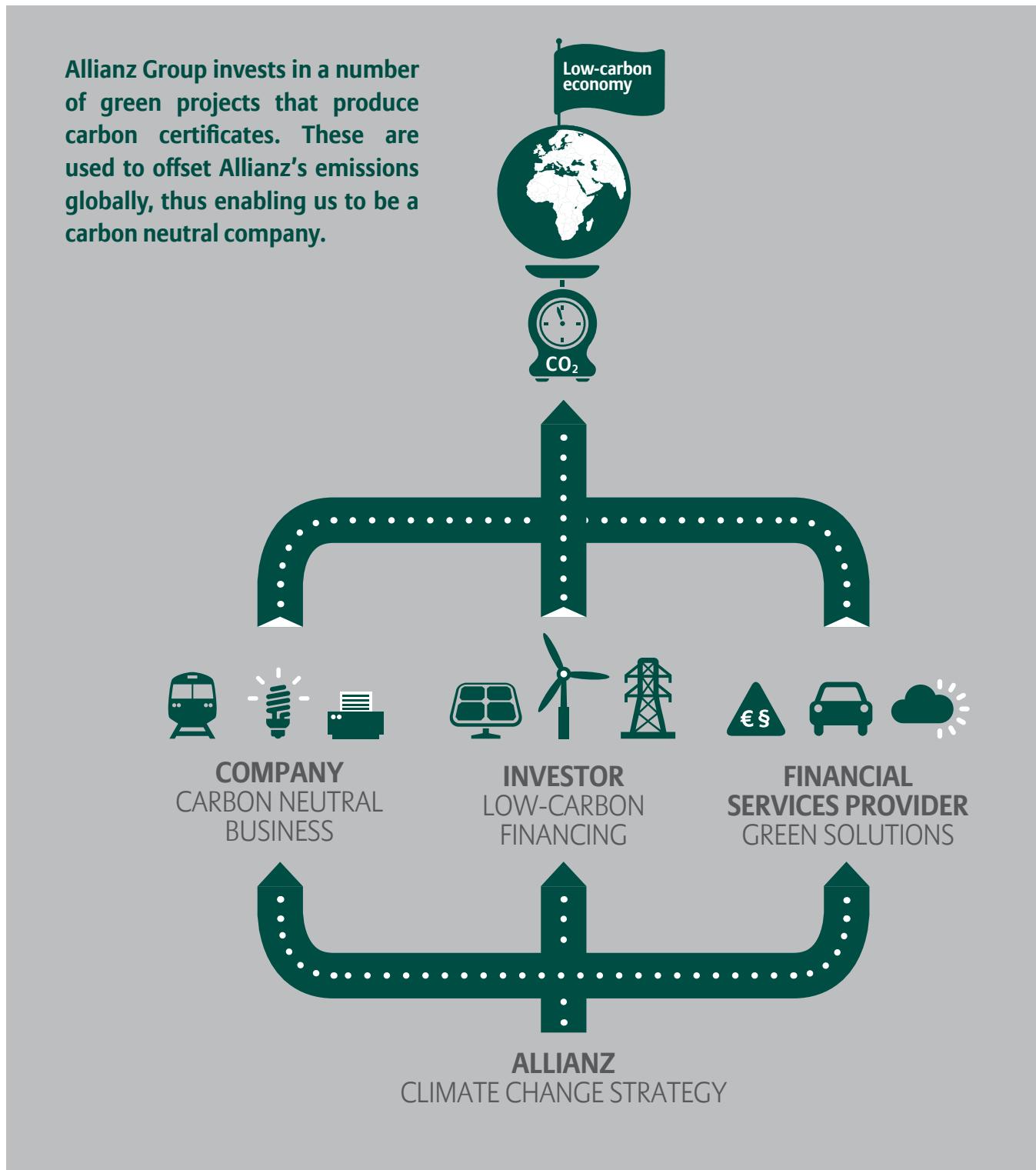


Sustainability Report

Environment

The Climate Change Strategy of Allianz Group deals with the impact of climate change on both customers and its business.

Locally, we support this strategy by avoiding or reducing carbon emissions and substituting resources with lower-carbon alternatives. Guidelines are in place to encourage a more sustainable attitude to the environment. For example, the Global Print Policy aims to reduce paper consumption; the Global Travel Regulation and the use of teleconferencing aims to avoid unnecessary business travel and promotes the use of lower-carbon alternatives and the Global IT Sourcing and Procurement Policy advocates the use of energy-efficient IT hardware.



Sustainability Report

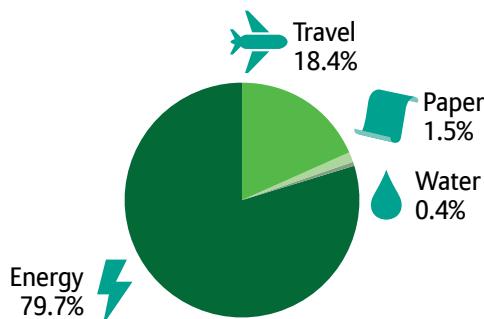
Environment

Local Carbon Reduction Strategy

On a national scale, we are escalating our efforts to "go green". Some of the initiatives that we have embarked on to reduce our environmental impact are:

- Replacement of physical documents with paperless options. For example, only soft copies of meeting papers are disseminated to our Board and Senior Management Team. We have also increased the use of email, SMS and web-based correspondence with our customers, agents and other stakeholders.
- Using climate-friendly alternatives for necessary business activities. For example, energy-efficient refitting is carried out at our branch offices to install energy-saving light-bulbs.
- Using energy-efficient IT solutions. For example, our data centre has a Power Usage Effectiveness measure of 1.57 in a tropical country. This is more efficient than the global average of 1.65 reported by the 2013 Uptime Institute Data Centre survey.
- Implementation of a recycling bin initiative in our Head Office since June 2012. In 2013, more than 3,800 kg of paper was recycled.
- We encourage the use of videoconferencing and teleconferencing as alternatives to air travel to reduce emissions, cut costs and optimise time management.
- Implementation of E-submissions for new business submissions has reduced the amount of paper used and reduces the transportation needed to bring physical hard copies of proposal forms to our office.

Allocation of CO₂ emissions in 2013

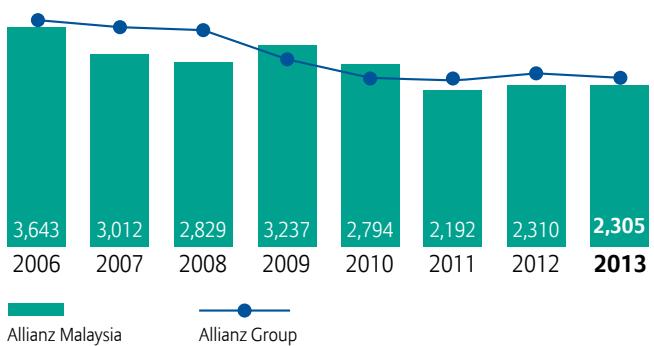


Allianz Group Target

Allianz Group set a target of 35% reduction in carbon emissions per employee by 2015 against a 2006 baseline. The scope of the carbon footprint includes energy used to operate our buildings and IT equipment; business travel by air, car and train; paper used and waste generated from our day-to-day operations; and water used in our buildings.

Given that energy usage is the largest contributor to our carbon footprint, Allianz Group has also set a specific energy target to support the overall carbon reduction target by 2015 - to reduce energy consumption per employee by 10% measured against a 2010 baseline. In Malaysia, since 2006, we have monitored and reported our energy, paper and water consumption as well as our business travel via the Group-wide Environmental Management System ("EMS"), a system introduced by Allianz Group to ensure transparency in environmental performance and to support systematic environmental data collection and control. In 2013, we saw a slight reduction in our emissions to 2,305 kg per employee as compared to 2,310 kg per employee in 2012. Our overall emissions reduction since 2006 now stands at 37% per employee, and we continue our journey to reduce the carbon footprint of our operations.

Relative CO₂ Emissions (kg per employee) 2006-2013



Allianz Malaysia Allianz Group



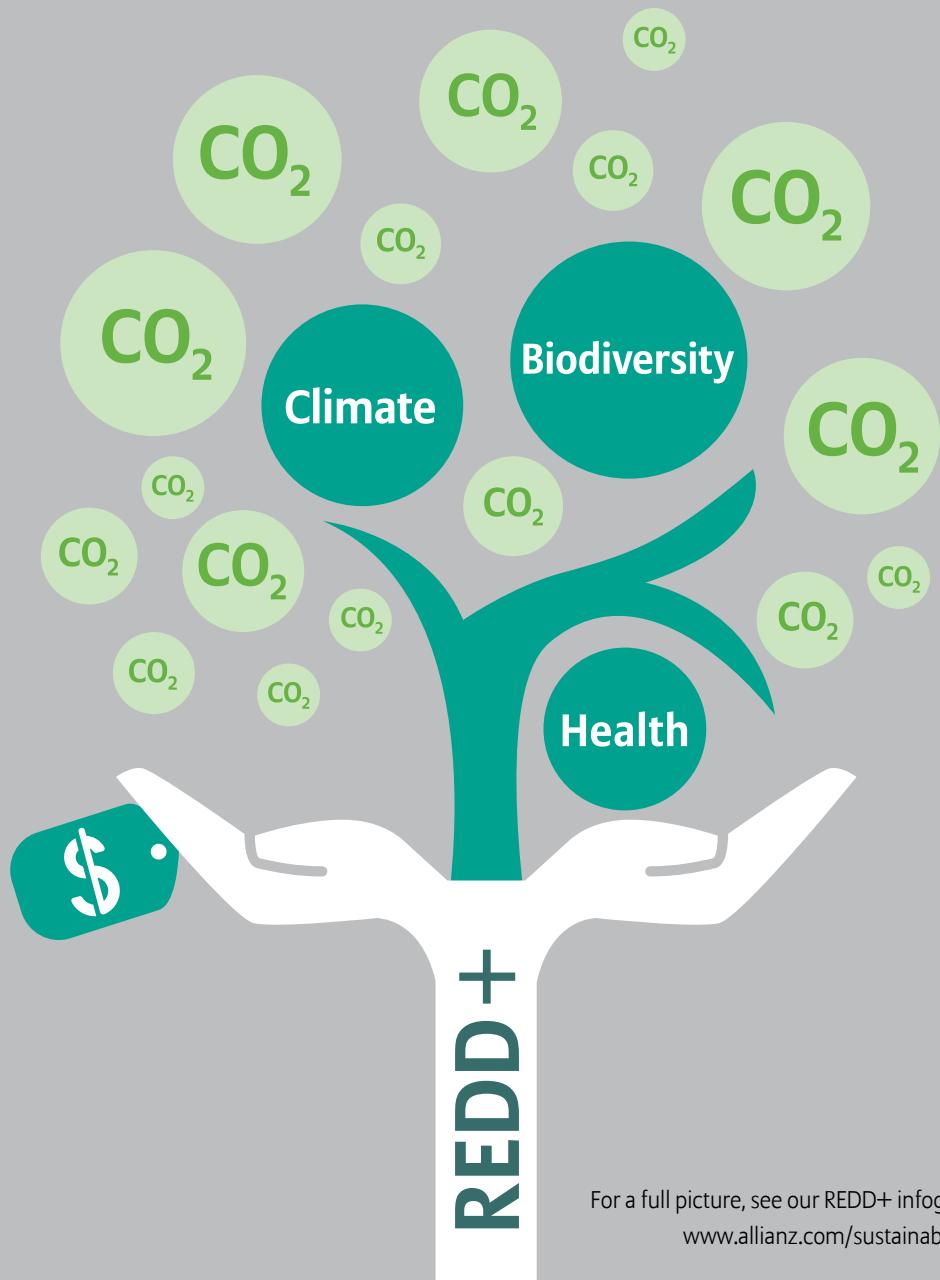
Sustainability Report

Environment

Allianz Group invests in carbon projects that finance climate protection, help to offset our emissions and benefit local communities.

A carbon project places the value of a forest not in the value of its timber, but in its capacity to store carbon. Forest protection is therefore an important part of tackling climate change. By placing a financial value on undisturbed forests, a market incentive for their protection can be created. This is what Reducing Emissions from Deforestation and Forest Degradation ("REDD") projects achieve. Through forest protection, REDD projects generate tradable carbon certificates which have a value in carbon markets. Additionally, REDD '+' projects involve local communities and ensure that the income generated by a project is invested locally.

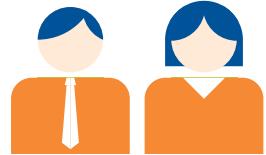
In 2013, Allianz Group invested in its second REDD project, 'Rimba Raya' (which translates to 'infinite forest') in southern Borneo, Indonesia. This investment will protect 64,000 hectares of rainforest (an area 2.6 times the size of Kuala Lumpur) from deforestation and also provides a shelter zone for an orang-utan orphanage.



Our business strategy requires the best people in place to deliver success today and over the long term. We also take our responsibility to society seriously. By offering skills, experience, time and money, we strive to advance social well-being in our local communities.



1,828



Allianz employees across Malaysia in
2013



Sustainability Report

Social

Our corporate culture is shaped around our core values of:

- Customer Focus
- Integrity
- High Performance
- Open Communication
- Corporate Responsibility

As we operate in a people-centric industry, we strive to promote a culture where every employee understands that our business revolves around our customers.

Integrity is another core value which shapes the way we deal with our customers and business partners. All business dealings must be undertaken in a professional and ethical manner.

We are constantly driving a high performance culture within Allianz. The business goals for each year are cascaded to all employees in the form of a target letter which spells out the individual targets and expectations for the year. Each employee will be given feedback on his/her performance during the review sessions. Employees who meet or exceed performance expectations will be rewarded accordingly at the end of the year.

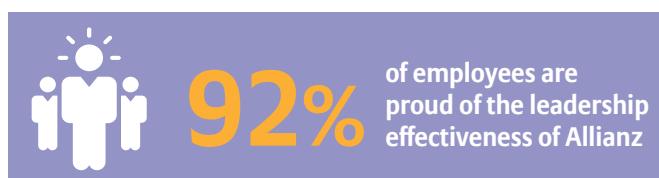
In driving high performance and employee engagement, open communication is vital. We promote a culture of openness and feedback between managers and employees as well as across different functions. Employees are encouraged to engage in open discussions on issues that affect them. They are also provided with regular updates on the business direction and company performance as well as issues that affect their work.

We play our role as a responsible corporate citizen through our various corporate responsibility initiatives which employees are strongly encouraged to volunteer in.

Employee Engagement

Employee engagement is a key focus area in Allianz as we believe that when employees are engaged, they are willing to put in extra discretionary efforts which lead to improved performance. On an annual basis, we run the Allianz Engagement Survey ("AES") where employees are encouraged to provide open and honest feedback on factors that affect their level of engagement with Allianz.

In the 2013 AES, we had a participation rate of 95% and achieved an overall Employee Engagement Index of 84%.

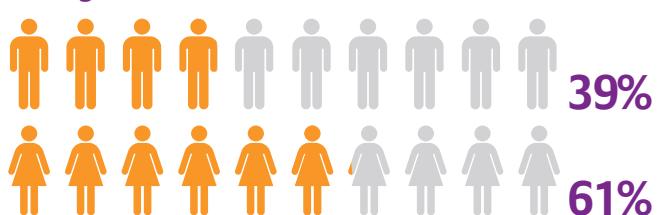


As in previous years, emphasis will be given to post-survey follow-up actions both at the corporate and department/branch levels. Discussions are held between managers and employees about the survey results which include deciding together on actions to address areas for improvement. All Heads of Department and Branch Managers are required to then develop action plans accordingly.

Diversity

We do not tolerate discrimination or harassment in the workplace based on criteria such as age, disability, ethnicity, gender, race, religion, political attitude, workers' representative activities or sexual orientation. We hire and develop based on individual skills, talent, experience and the behavioural attributes of a person.

% of Women and Men Managers in 2013



The Employee Engagement Index is a key measure of employee satisfaction, loyalty, advocacy and pride



We actively promote gender equality and are proud that in 2013, 67% of our 1,828 employees were women. Our first female Independent Director, Y.Bhg. Tan Sri Datuk (Dr.) Rafiah Salim is a champion for the cause of gender equality and women's empowerment. During a session on Achieving Impact as Women Managers, Tan Sri Datuk (Dr.) Rafiah spoke about the challenges faced by women managers and shared insights on effectively overcoming them.

Managing Talent and Careers

In Allianz, we aim to provide careers and not just jobs. Talent development and management is an important topic as we focus on attracting the right talent as well as developing and retaining them. We aim to develop our talent with the competencies required for their roles today as well as for their future roles, taking into consideration their potential and career aspiration.



79%
of our employees
attended at least
one training session
in 2013

RM3,248,106
**invested in training and
development**



Learning and Development

Through our Allianz Academy which was launched in 2012, we continue to cater to the learning and development needs of our employees with structured development programmes. These programmes are aimed at developing technical, service, sales and leadership competencies. Apart from the Academy, employees are able to nominate themselves for external training programmes that will enhance their technical skills and knowledge. At the same time, our employees are encouraged to pursue industry-relevant professional exams in order to be professionally accredited. The Allianz Academy celebrated its first anniversary in 2013 and we look forward to providing ongoing development programmes that are relevant in a fun and effective way.

In 2013 alone, 79% of our employees attended at least one training session and a total of RM 3,248,106 was invested in training and development.



“At the Allianz Academy, we promote the fun side of learning. Our Academy is also a virtual one as we believe that learning does not have to happen in one specific or confined space. It is the value and strength of the programmes which we offer that makes the Academy tangible.”

Wong Woon Man
Head of Human Resources

Allianz Toastmasters Club

Apart from organising structured programmes, we also have an active Toastmasters Club which was founded by an employee in 2003. The Allianz Toastmasters Club ("AZ TMC") provides a mutually supportive and positive learning environment for members to develop effective oral communication and leadership skills. In 2013, AZ TMC celebrated its 10th Anniversary in conjunction with the Allianz Academy's first anniversary celebration. It is clear that the AZ TMC has continued to grow, with an active team of 32 members of which a significant number are certified Competent Communicators. The club was awarded the 'Distinguished Toastmasters Club Award 2012/2013' and recognised for its 100% membership renewal in 2013 by Toastmasters International.

A great place to work

Within Allianz, we strive to care for our employees' welfare and well-being through various employee benefits and programmes. We have recently revised certain employee benefits which include three months maternity leave, enhanced loan benefits and dental and optical benefits, amongst others. For the first time, we are also providing maternity leave to female employees who adopt a child below three months of age.



150
Fire wardens appointed as emergency contact persons nationwide

The Organisational Safety and Health Committee ("OSHA") is present in our head office and at branch offices to ensure employee health and safety at the workplace. In April 2013, Legionella disease was spread through the air ventilation system in our head office. A thorough cleaning and disinfection of the office was immediately carried out and Disposable Protective Masks were distributed to colleagues to ensure that they could protect themselves from this air-borne disease. Then, in June 2013, haze level markers neared the Unhealthy Mark in Peninsular Malaysia. In response to this, OSHA purchased and supplied Disposable Protective Masks to all our employees.

OSHA is also responsible for organising Fire Safety refresher trainings for our over 150 Fire Wardens nationwide at least once a year to ensure that they are well equipped with the knowledge and skills they need to perform their tasks should the need arise.

10,500 

Disposable Protective Masks distributed in response to June 2013 haze level reading

Sustainability Report

Social

1,700
Allianz runners took
part in the PBIM

**Promoting Healthy Living**

Beyond the workplace, we also embarked on an initiative to promote living a healthier lifestyle through exercise. Since 2011, we have been actively supporting the Penang Bridge International Marathon ("PBIM") as a highlight event under this initiative. The 2013 edition of PBIM hosted a record number of 45,200 runners. Allianz alone sent a total of 1,700 runners comprising staff and agents.

In 2013, we launched the Allianz Pacer Running Community, a social running community which emphasises healthy living through running. It is a holistic campaign encompassing on-line engagement via Facebook and a mobile running app, as well as on-ground activation to support running for better health. Our first running event organised for Allianz Pacer was a 5 km fun run in Port Dickson on 2 March 2014, which was open to Allianz Pacer fans and our employees. We also sponsored 500 women runners for an International Women's Day Run held on 9 March 2014 and extended invitations to female employees, employees' family members and friends, agents, Allianz Pacer fans, business partners and customers.

In its first year, the Allianz Pacer Facebook page has garnered more than 8,400 fans.

You can join the Allianz Pacer Running Community at the Allianz Pacer Facebook page (www.facebook.com/AllianzPacer) or download the Allianz Pacer app from either Google Play or AppStore, depending on the operating system of your smartphone.

Awarding Continued Service

At Allianz, we value a working relationship that is long-lasting and built on trust. We recognise the commitment of our staff through our Loyalty and Silver Jubilee Awards. Employees receive a cash award upon reaching a consecutive period of 10 years' service and more. In 2013, 98 employees were rewarded for their long service in the company, ranging between 10 and 40 years. We continue to increase our efforts to make Allianz a great company for our staff – in the workplace and beyond.

**Corporate Volunteering**

Social engagement is a key part of our corporate responsibility. Through our focused activities, we aim to bring benefits to local communities by sharing our know-how, skills and experiences to tackle social challenges as well as create a positive impact for our business.



Corporate volunteering provides an opportunity for us to give back to society and at the same time help to create awareness for societal issues among our employees. Our employees are also able to engage with their colleagues beyond the usual work routine and this enables them to build greater work relationships. We are proud that in the last Allianz Employee Survey, 87% of our employees felt that there are sufficient opportunities to participate in social and environmental activities while 93% were satisfied with the actions we have taken to be socially and environmentally responsible.

93%

of employees were satisfied with our actions taken to be socially and environmentally responsible



To find out more about what social issues matter to our employees and what sort of initiatives they would like to be involved in, we conducted a survey specifically on volunteering for our employees nationwide. This gave us insight into the existing barriers to engagement and other topics of concern to our employees.

In 2013, we have continued to expand and improve our existing volunteering activities under Allianz4Good while embarking on new programmes and activities, particularly in the area of Community engagement. Our 633 volunteers across the country are engaged in various activities as Road Safety Ambassadors ("RSAs") and Finance Coaches and even as trainers. In 2013 alone, 3,755 business hours were dedicated to giving back to society.



In 2013, our 633 volunteers dedicated the equivalent of over 10h of volunteering EVERY DAY OF THE YEAR

Road Safety

We are constantly seeking to innovate and improve our road safety activities. We are committed to rolling out our Road Safety Advocacy Campaigns together with Jabatan Keselamatan Jalan Raya ("JKR"), which includes Road Safety Advocacy Campaigns to the public, training of our volunteers as Allianz RSAs, the distribution of road safety items, and advocacy for safe road behaviour through our awareness campaigns. We have also introduced a number of activities throughout 2013, with more in the pipeline for 2014, that engage various stakeholders and approach the topic of road safety from different angles. Apart from our Road Safety Advocacy Campaigns, our new initiatives include:

The Long Short Walk

We participated in 'The Long Short Walk' which is a global initiative led by the Zenani Mandela Campaign, the Make Roads Safe Campaign and the Road Safety Fund. The campaign was officially launched during the UN Global Road Safety Week in May 2013,

when thousands of people took to their streets on Long Short Walks calling for Safe Roads for All!

About 30 of our employees and JKIR representatives joined the event by walking around the areas surrounding our head office to distribute reflective wristbands with the slogan "Be Safe Be Seen" to pedestrians. They also carried road safety pledge boards which stated their reasons for walking, as a means of raising awareness. Pedestrians were also encouraged to state their own messages on the road safety pledge boards.



Allianz-KidZania Road Safety Workshop

We recognise that road safety education has to begin at a young age to form healthy road habits. Together with our corporate partner KidZania, we developed a unique workshop focused on providing road safety tips in an easy and interactive way. 50 children together with their parents were taught basic essentials such as the importance of using seatbelts properly, how to recognise road signs as well as etiquette that should be adopted to minimize distraction in cars.



The children were also tasked with an interactive mission, which involved taking a simulation test, obtaining a Kidzania driver's license and car insurance policy and then riding in a child-sized car before completing a quiz on road safety which tested their new-found knowledge. These participants were awarded certificates recognising them as Allianz-KidZania Road Safety Ambassadors.

Road Safety Workshop with DeCARE

We also piloted a Junior Road Safety Awareness Workshop for our employees' children in December 2013. The Workshop was conducted by DeCARE, an acronym for "Children and Adult Road Education", which is a Road Safety programme managed by the Road Safety Unit of Putrajaya Corporation. At the DeCARE circuit in Putrajaya, the children were taught basic road rules, completed a road safety quiz and got to drive various vehicles such as go-karts, mini motorcycles and bicycles to experience what real-life traffic situations are like. Based on the positive feedback received from the participants, more such programmes engaging young people are planned for the coming years.



University Road Safety Advocacy Campaigns

Road Safety Advocacy Campaigns were conducted in three universities in 2013; namely in Tunku Abdul Rahman University College, Universiti Putra Malaysia and Universiti Sains Malaysia. During these campaigns, students could attend talks and visit exhibition booths on the topic of road safety. In 2013, we engaged Sipco Sdn Bhd ("Sipco") to bring their road safety simulators to the universities. Sipco's Seatbelt Convincer allows participants to safely feel the real impact of a low-speed crash and thus realise the importance of wearing a seatbelt. Their Mindfit Simulation lets participants experience how alcohol or fatigue impairs a person's balance, vision, reaction time and judgment.

After each awareness talk, we carried out a road safety advocacy campaign together with JKJR to distribute our road safety items to the university community. We estimate that over 15,000 people were engaged through these university campaigns.

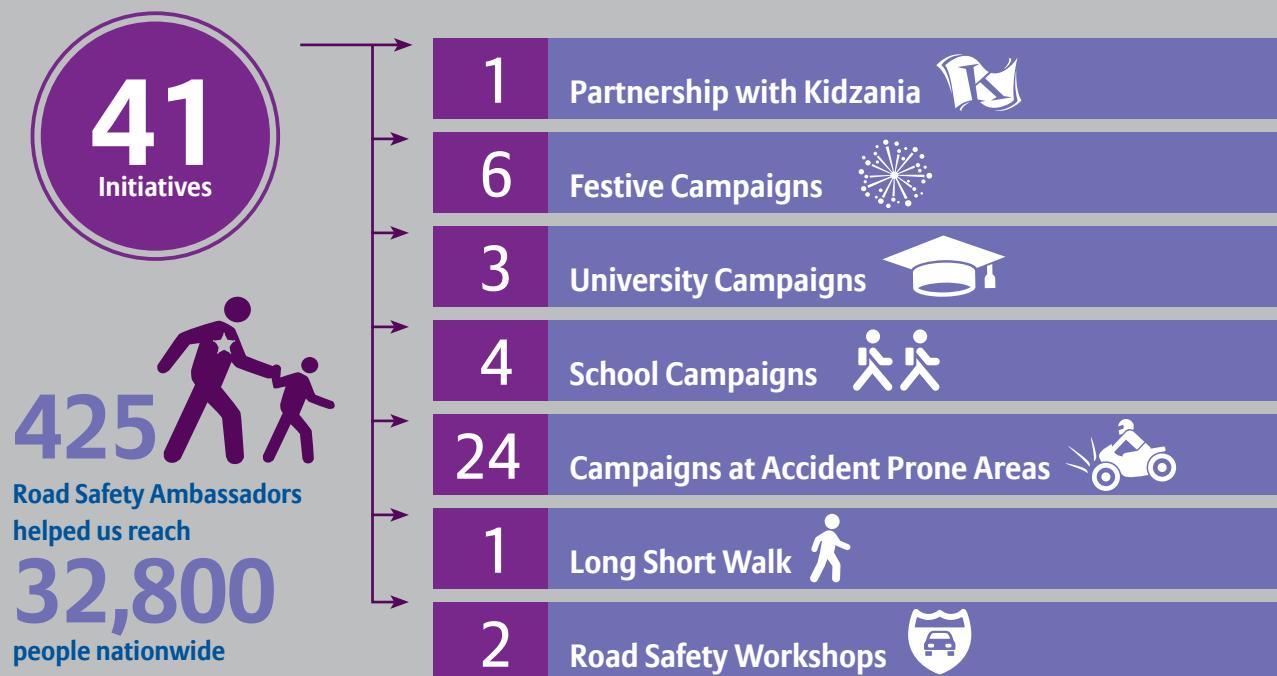


Allianz Drive Safely

We launched the "Allianz Drive Safely" campaign from March to April 2013 in Melaka and Johor Bharu respectively to promote road safety. This campaign was held in conjunction with the Formula One™ Grand Prix race in Sepang. The campaign included on-ground and Facebook contests on road safety, as well as insights into the world of Formula One™. In particular, the campaign highlighted measures taken by Formula One™ drivers to minimise their risk of road accidents and injuries while on the race course.



Sustainability Report

Social**Our Road Safety Initiatives in 2013****Road Safety Items Distributed in 2013****1,611**

Motorcycle Helmets
to replace unsafe,
non-SIRIM approved,
old or broken helmets

12,550

Reflective Wristbands
so that pedestrians
are visible in low-light
circumstances

18,900

Reflective Motorcycle Stickers
to enhance
night visibility of
motorcyclists

745

Child Safety Booster Seats
to ensure child
passengers are safely
secured while in cars

1,179

Safety Windbreakers
so that motorcyclists
can be seen in
low-light
circumstances

We distributed 10,000 reflective wristbands during the Penang Bridge International Marathon to increase the visibility of runners, particularly for participants of the full and half marathons who started their runs before sunrise.

My Finance Coach ("MFC")

The My Finance Coach ("MFC") programme was first implemented in Malaysia in 2012 with the aim of improving general financial literacy among children and young people and preventing them from falling into debt. The programme is overseen by the non-profit My Finance Coach Foundation with its head office in Germany. Since the inception of the programme in 2010, it has been recognised by the German United Nations Educational, Scientific, and Cultural Organization ("UNESCO") Committee as an official project of the United Nations Decade of Education for Sustainable Development. Malaysia is the second out of nine Allianz national entities to have implemented this international programme.

MFC relies on employee volunteers who are trained as Finance Coaches that enter into schools and non-profit organisations to coach on financial matters using the MFC materials. The methodology and materials are developed under the guidance of education and economics experts in Germany, then localised for the Malaysian context. Before teaching, all volunteers are required to sign and adhere to a Code of Conduct which strictly prohibits any commercial activity in classes and also emphasises respect for the rights of children.



	2012	2013
Number of Students reached	560	2,027
Number of Finance Coaches (cumulative)	100 trained	182 trained
Number of Volunteering Hours (approximate)	408	680

Since inception up to 2013, we have been able to reach 2,587 students through 75 classes with 29 schools and non-profit organisations as well as agents' and employees' children. To further expand the MFC coverage, we partnered with the Federation of Malaysian Consumer Associations ("FOMCA") in 2013 to roll out MFC to 14 schools, and also continued to support our adopted schools under Bank Negara Malaysia ("BNM")'s School Adoption Programme.

In 2014, we continue our partnership with FOMCA in support of their National Consumer Day competition. Through this partnership, we will roll out MFC classes in 15 schools during FOMCA's outreach sessions held in conjunction with the competition. As at 2013, 218 of our employees have signed up for the programme and 121 have taught a class.



The MFC Foundation released a Money Manager mobile application called "MFC Geld Manager" in 2013, which encourages young people to track their expenses through a budgeting application. We undertook to localise and translate the application into Bahasa Malaysia and this will be available for download in 2014.

In 2013,

- 75% of students gave the lesson a Grade A
- 95% said that the lesson was fun
- 94% said they learned new things
- 88% found the materials easy to understand
- 87% found the materials interesting and varied



Global Money Week 2014

Global Money Week ("GMW") is an event organized by the non-profit organisation Child and Youth Finance International ("CYFI") to raise awareness on the need for financial education and inclusion for young people. We were the only participating organisation in Malaysia in 2013, and we decided to continue supporting this meaningful event in 2014. Activities included an MFC class for our employees' children and educational visits to the BNM Museum & Art Gallery and Bursa Malaysia for two of our adopted schools under BNM's School Adoption Programme and for the non-profit Yayasan Chow Kit. A specially-designed Savings Planner Sheet was also sent out to our employees at the start of GMW, which they were encouraged to share with their children.

GMW engaged over 2 million children from 117 countries in 2014.



Find out more about Global Money Week at
<http://globalmoneyweek.org/>



Under BNM's School Adoption Programme, financial institutions are allocated adopted schools to promote financial education to. In our adopted schools, we have endeavoured to find educational and interactive activities to engage the students, even beyond just financial education.

BNM SCHOOL ADOPTION PROGRAMME

MFC classes in SK Jln Sungai Besi 1 and SK Desa Pandan

Kidzania tickets provided to SK Jln Sungai Besi 1

Bursa Malaysia visit for SM Sains Alam Shah

Road Safety Advocacy Campaign in SK Jln Sungai Besi 1

BNM Museum and Art Gallery visit for SK Jln Sungai Besi 1

Buku Wang Saku to students of adopted schools

In order to improve the translation and localisation of MFC teaching materials, we engaged education experts from local universities to adapt the materials to suit Malaysian students. While the overall topics, concepts and methodology from the international materials developed in Germany are relevant in Malaysia, we sought to refine them so that they are tailor-made for our students. Finance and economics are dynamic topics, thus we continue to work together with our local partners to adapt and develop the modules to ensure that they remain relevant.

Community Safety

Most recently, we embarked on community safety as a major thrust of our corporate responsibility activities. With Safety and Community as key pillars of Allianz4Good, this was a natural evolution in the topic of risk prevention and mitigation.

Personal Safety

In 2013, the government allocated a significant amount of resources to address the rising public fear of crime. In doing our part to address this social issue, we organised a series of safety programmes focusing on personal safety, especially on women's safety. The programmes covered topics such as crime patterns based on Malaysian case studies and modus operandi, sexual harassment at the workplace, violence against women, crime prevention measures and self-defence.

In conjunction with National Women's Day celebrated on 25 August in Malaysia, we held our first public Women's Safety Awareness Campaign in Kuala Lumpur, with the support of the Ministry of Women, Family and Community Development. During the campaign, various trainings and demonstrations were held to create awareness on safety among women and to equip them with some preventive measures and basic self-defence and survival skills to protect themselves and their families from the threat of crime.

We also supported International Women's Day ("IWD"), held on 8 March 2014 and celebrated throughout the world. We invited ASP Foo Chek Seng of Polis DiRaja Malaysia, to speak at a seminar held at the University of Malaya during an IWD event. He spoke about personal safety, particularly about crime prevention and women's safety, and shared crime survival strategies.

We have included women's safety as a key topic at our university campaigns. Adding on to the existing Road Safety Advocacy Campaigns, we have expanded the campaign to include women's safety as an additional aspect of Safety. The objective was to increase safety awareness and share some useful safety tips and skills for the students to take back. There were also demonstrations on the use of safety gadgets which are available in the market.

Women's Safety Awareness Campaign



Internally, we also rolled out crime prevention and survival skills programmes for our male and female employees beginning in 2012. These programmes teach participants how to detect, overcome and survive a crime situation. Having been well received by our employees, the programmes are now being rolled out at branch level to our branch staff, agents, business partners and customers.

Apart from sharing tips on crime prevention and awareness, we also started providing self-defence classes to our employees as a further preventive measure. We organised hands-on workshops for employees to equip them with basic self-defence skills and impart tips on what to do in various street crime situations. The self-defence workshops will continue to be rolled out in 2014.

Through our safety programmes, we have reached out to more than 1,400 employees, agents, business partners and customers.

Flood and Drowning Awareness

A disaster is an unforeseen and often sudden event that causes great damage, destruction and human suffering. As an insurance company, we are well aware of the economic implications arising from them.

In Malaysia, the monsoon season brings vulnerability to many people; especially due to the risk of flooding that can cause property damage and even drowning. According to the World Health Organisation, drowning is the third leading cause of unintentional injury death worldwide, accounting for 7% of all injury-related deaths. As part of our efforts to raise awareness on the precautions that can be taken to reduce risks and on how to respond to these situations, we sponsored a Flood Survival and Drowning Risk Awareness Campaign which was organised by the Malaysian Volunteer Fire & Rescue Association ("MVFRA") at the Cheras Leisure Mall, Kuala Lumpur on 24 November 2013.



During this campaign, we also sponsored MVFRA's initiative to provide 200 child life jackets to Sabah school children via Persatuan Keluarga Polis Sabah (Sabah Police Family Association). The life jackets are for the children to use while travelling to school by boat. It is hoped that through our efforts to educate the public on flood and drowning risks, we are able to equip participants with potentially life-saving skills and they are also able to take precautions to mitigate the effects of flooding.

Partners with Charity at Heart

We are proud that beyond the events organised under our structured corporate responsibility programme, we are also part of an extended family of responsible corporate citizens. For the first time in 2014, our Life agency force initiated and organised its first Allianz Charity Day nationwide. 800 agents from 89 different agencies across Malaysia were part of this initiative where each agency selected a home or activity to celebrate the day with. Among the activities carried out were donations to the homes, a blood donation drive and activities with children and senior citizens of the homes.

Disaster Response

While we work to raise awareness on disaster prevention and risk mitigation locally, disasters continue to occur worldwide, sometimes on a devastating scale. On 8 November 2013, typhoon "Haiyan" hit the Philippines with wind speeds of up to 300 kilometres per hour, causing a massive storm surge which left a trail of destruction and a large death toll.

In 2011, Allianz Group and the International Federation of the Red Cross/Red Crescent Societies established a global partnership in the fields of rehabilitation and disaster preparedness.



Sustainability Report

Social

Globally, Allianz began a fundraising campaign to help the people of the Philippines. Locally, funds were collected from our Directors, staff, customers, agents and business partners, then matched and topped up to bring the total donation amount to RM77, 910. The funds collected were channelled to the Malaysian Red Crescent Society to fund relief and rehabilitation projects for survivors of typhoon "Haiyan".

Allianz-Cancer Research Initiatives Foundation ("CARIF") Donation Drive

We collaborated with CARIF in conjunction with the Penang Bridge International Marathon to raise cancer awareness and at the same time to raise funds for CARIF through the selling of limited edition caps. 2,000 caps with the tagline, "We Run for Health" were sold to Directors, employees, agents and business partners. A booth was also provided to CARIF during the marathon to sell their merchandise.

Sponsoring Accessibility

Persatuan Mobiliti Selangor dan Kuala Lumpur ("MOBILITI") is a charitable organisation that was set up to provide door-to-door transport for wheelchair users within the Klang Valley and that we have sponsored since 2006. The vans are specially modified with hydraulic lifts and a wheelchair restraint system that enables passengers to travel comfortably around the Klang Valley. The sponsorship of these vehicles covers operational costs which include fuel, toll and maintenance.



In 2013, we increased the sponsorship for the four vans to account for rising fuel and maintenance costs. In addition, we also provided free motor insurance including free Driver and Passengers Personal Accident insurance for the four sponsored vehicles.

More than 1,200 passengers are registered with MOBILITI. In 2013, MOBILITI helped wheelchair-bound Malaysians make over 11,400 trips to hospitals, clinics, rehabilitation centres and other important places.

Under a programme initiated by the Road Safety Marshal Club, we sponsored 157 wheelchairs to be placed at traffic police stations nationwide. These wheelchairs are placed under the care of the Persatuan Keluarga Anggota Polis (Police Family Association) to ensure that they are maintained well. The objective of this initiative is to ease the burden of road traffic accident victims and pregnant, elderly or disabled persons visiting the traffic police stations to report on accidents.



KidZania

Since 2012, we have sponsored the educational theme park KidZania, where young visitors take on various career roles in a city built to scale for children, complete with buildings, paved streets, vehicles and a functioning economy. Throughout 2013, there were a total of 50,404 visitors to the Allianz establishment in KidZania. The Allianz establishment in KidZania teaches young people financial concepts such as insurance in an interactive way.

We also organised three Legacy programs where past AJFC participants were invited to attend training sessions conducted by local coaches as part of their continuing development as football players. These sessions were very well attended, with the participants benefitting from the additional coaching. Through the AJFC, participants are able to develop their talent through an exciting football adventure while experiencing a wholesome intercultural exchange.

Allianz Junior Football Camp

We continued to participate in the Allianz Junior Football Camp ("AJFC") in 2013 following the success of the 2012 instalment. Ten talented teenagers between the ages of 14 and 16 years old were selected from the total number of 2,907 submissions received. Seven were then chosen for the inaugural Asian-level Camp in Phuket and three outstanding teenagers were selected to attend the prestigious camp at the FC Bayern Munich Youth Academy in Munich, Germany.



We believe that responsible corporate governance sets the foundation for sustainable business performance. With this in mind, various corporate governance practices have been implemented to ensure that our business is conducted in a transparent manner with full accountability and integrity.



90% of our employees feel Allianz has a high level of integrity.



Governance

We recognise the importance of sound internal controls in safeguarding our assets, our customers, and our shareholders' investments. We have established various internal controls in the areas of risk management, finance, operations and compliance to ensure that our actions today are taken with long-term value in mind.

Business Ethics

We understand that our employees and intermediaries are at the frontline of the Allianz brand and the avenue through which we provide our services. We hold our representatives to high ethical standards through our policies and codes of conduct.

Our employees are required to 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, insider trading, external communication, conflicts of interest, anti-corruption and bribery, gifts and entertainment and protection of our property and natural resources.

An Allianz Code of Ethics for Senior Financial Professionals is in place and applicable to our senior management and personnel responsible for our finance, control and accounting functions. This Code governs ethical and proper conduct of such personnel in both the private and professional spheres, particularly relating to the handling of conflicts of interest and corporate disclosure. Annually, our Directors and key responsible persons are required to declare their fulfilment of criteria under the Fit and Proper Policy and Procedures for Key Responsible Persons.

Anti-Money-Laundering and Counter Financing of Terrorism ("AML/CFT") Policies and Procedures are in place to prevent and detect money laundering and terrorism financing activities. Throughout 2013, AML/CFT training sessions were held to reinforce topics such as due diligence and recognising/detection of suspicious transactions. We conduct continuous training to keep abreast with the latest requirements and to ensure that our employees fully understand this subject matter.

Our life insurance and general insurance subsidiaries are members of the Life Insurance Association of Malaysia and the General Insurance Association of Malaysia respectively. Through both associations, we actively interact with our peers on issues affecting the insurance industry. Employees of our insurance subsidiaries are required to adhere to the Codes of Ethics issued by the respective associations.

Our insurance intermediaries are guided by the Sales Policy and Sales Agent Code of Conduct which are minimum standards to

be observed by intermediaries acting on our behalf. We have established an Ethics and Compliance Committee each in our life insurance and general insurance subsidiaries to deal with intermediary behaviour that may be contrary to the said Sales Policy and Sales Agent Code of Conduct.

Business Relationships

We ensure that our contractual obligations are based on ethics and long-term. We incorporate clauses on certain subject matter like anti-bribery/anti-corruption and data protection in our contracts as we expect our partners to conform to the same high standards that we have set for ourselves.

Our Anti-Corruption Policy outlines 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 payments.

The Allianz Gifts and Entertainment Policy sets out the minimum standards for gift and entertainment handling to and from clients, business partners, government officials or relevant persons. It aims to avoid any issue of conflicts of interest or threat to our professional independence. In February 2014, we also adopted the Allianz Group's Compliance Guidance in Relation to the Allianz Gifts and Entertainment Policy: Sponsoring & Hospitality ("SH Guidance"), which is an addition to the Gifts and Entertainment Policy. The SH Guidance focuses on "corporate hospitality" i.e. invitations extended to or by Allianz employees to ensure that the principles of transparency and accountability are observed.

Benchmarking against Local and International Standards

We are not only subject to the local laws, regulations and guidelines, but are also firm followers of international codes and standards. For example, in the field of property risk assessment, our 'risk experts', comprising of a pool of Risk Engineers, analyse the risks of a client from a property point of view, cross-checking the analysis against the respective local and international codes and/or standards, to see whether appropriate property conservation is in place and carried out accordingly. Besides the local 'Malaysian Standards' ("MS") issued by the 'Jabatan Standard Malaysia', we also refer to International standards such as the FM Global Data sheets, the National Fire Protection Association, the Loss Prevention Council, British Standard, Munich Re as well as the Allianz Group Standard. Our constant revision of policies and guidelines across the business ensure that we are up to date with the latest global and local standards.

Sustainability Report

Governance

Investment with a Long-Term Perspective

Our investments are guided by the Allianz Group's Investment Manual which sets out detailed investment procedures and controls, including an Investment Code of Ethics to ensure that the Company's interests prevail over the personal interests of the employees. We also comply with Allianz Group's Environmental Social Corporate watch lists and the local restricted list including companies that are involved in sensitive areas, such as those dealing with controversial issues or which are subject to legal and ethical restrictions. Our investments are not only considered based on their financial sustainability but also on their long-term social and environmental sustainability.

A Secure Avenue for Reporting Irregularities

An Integrity Committee coordinates activities concerning fraud and the handling of whistleblowing incidents. We adopt the Allianz Group Anti-Fraud Policy which defines fraud events and their follow-up actions; and the Allianz Group Whistleblowing Policies and Procedures which describes the Allianz Group's Speak-up policy and how to handle whistleblowing incidents. Having these systems in place promotes transparency and accountability throughout Allianz.

Working with Credible Organisations

The Vendor Integrity Screening process ("VIS") aims to ensure a proper integrity due diligence before any vendor is engaged. If the screening does not reveal any negative or adverse findings, a contract may be concluded with the said vendor. 233 suppliers have been screened and this list is compiled into a Central Vendor Directory to facilitate the procurement requirements of all departments.

Similar to the VIS, the Allianz4Good Department applies an Integrity Check for Non-Profit/Non-Governmental Organisations to all potential partners from the social sector. We work with reputable and reliable partners to ensure that our social commitments are on par with the high ethical and legal standards of our business dealings.

Developing Products

We established a Product Development Management Framework in accordance with the requirements of the Guideline on Introduction of New Products for Insurance Company and Takaful Operators issued by BNM. This Framework aims to promote sound risk management practices in managing and controlling product risk by

ensuring the appropriate assessment and mitigation of risks during the development and marketing stages. Having the Framework in place also ensures that the products we develop are appropriate to the needs, resources and financial capabilities of the targeted consumer segments, thus helping us to be an innovative company that provides access to finance through relevant products.

Preparing for Regulatory Changes

We have taken steps to prepare for and comply with a number of regulatory changes impacting the industry. For example, with the enforcement of the Personal Data Protection Act 2010 ("PDPA") from 15 November 2013, all internal processes, practices and policies pertaining to the collection, processing and storage of personal data are being reviewed and the necessary steps are being taken to ensure compliance with the PDPA. We have also collaborated with other members of the industry to develop a collective draft Code of Privacy Practice for submission to the Personal Data Protection Commissioner.

Ensuring Business Continuity

We have in place a comprehensive Business Continuity Plan ("BCP") to ensure that critical functions can be recovered and restored within a predetermined time upon the occurrence of any disastrous events. A dedicated Business Continuity Management team coordinates a BCP Exercise annually and testing of our Disaster Recovery Plan twice a year in compliance with BNM's Guideline. The objective of this is to enhance the awareness of business continuity and to test the readiness of disaster plans and business continuity procedures in a simulated environment.

Recognised for Good Governance

In recent years, we have taken steps to improve our transparency through the release of our Sustainability Report and further strengthening of our governance structure. We are honoured that our efforts have been recognized as we were awarded the Top Overall Corporate Governance Award under the Mid-Cap category in the Malaysia-ASEAN Corporate Governance Index 2013 Awards presented by the Minority Shareholder Watchdog Group. The Awards were given to companies that had scored well in the ASEAN Corporate Governance Scorecard, a standardised scorecard adopted by ASEAN member countries, to assess public listed companies' adoption of and compliance with corporate governance recommended principles and best practices. This award represents a milestone in our continuing journey to sustainability and governance excellence.

For more information on our Corporate Governance practices, please refer to the Statement on Corporate Governance and the Statement of Risk Management and Internal Control presented on pages 92 to 118 of the Annual Report.

