

Society

Our commitment to being a responsible corporate citizen is driven by our conviction that this is not just important, but paramount to our sustainable future as a business.



Scan here to watch a video on Allianz's initiatives for society.

OVER

RM280,000

INVESTED IN FLOOD RELIEF EFFORTS AND

11.5 TONNES

OF ITEMS DONATED IN AID OF EAST COAST FLOOD VICTIMS





Allianz4Good in 2014



VOLUNTEER HOURS

3,053

OVER

17,600

PEOPLE
REACHED THROUGH VOLUNTEERING



VOLUNTEERS NATIONWIDE

417



SUSTAINABILITY REPORT CONTENT

About this report

This report covers the sustainable development of Allianz Malaysia Berhad and its subsidiaries in 2014.

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".

Unless otherwise stated, all key figures are as at 31 December 2014 and content reported is for the financial year ending 31 December 2014.

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SUSTAINABILITY REPORT

STRATEGY AND MANAGEMENT



"Our commitment to being a responsible corporate citizen is driven by our conviction that this is not just important, but paramount to our sustainable future."

Zakri Khir

CEO's Statement

2014 has been a difficult year. From major national air tragedies, to the capping of the year with devastating floods, our country has had its share of adversity. It has been difficult as a nation to comprehend – why us? It will definitely take time for the scars of these tragedies to heal and it will be sometime before we can fully accept that this has happened to us. Our thoughts and prayers continue to go out to those affected.

However, I also believe that such trials are opportunities for us to show our mettle. As an industry, the response to the air disasters was swift – we honoured the claims, as the affected families have enough grief to deal with already. Allianz in particular, was involved in the tragedies and it was a chance for us to show that we can and will make a difference in a time of need.

In the aftermath of the East Coast Floods at the end of 2014, we expedited the claims for affected persons and relaxed repayment requirements for certain policies. This is standard practice for us in response to a major flood. However, I am prouder still of our humanitarian response. Our employees, agents, friends and family stepped in not only to donate items to affected communities, but also to clean up flood-affected schools. It did not matter that the flood survivors were strangers. As Malaysians, we are all in this together.

And that, precisely, is the spirit we are building in Allianz Malaysia. Earlier in 2014, the Allianz Academy celebrated its third year anniversary in KidZania. The entire company was split into four teams and employees from different parts of the country - of varying ages, backgrounds and professions - most meeting for the first time, had to work together to compete for the top team ranking. The quick sense of camaraderie and the opportunity to work together beyond work led to an almost palpable excitement surrounding those few weeks. Themed around the topic of service excellence, colleagues became familiar with skills necessary to enhance their performance as cogs of a large, cohesive Allianz machine.

In 2015, Allianz celebrates its 125th anniversary worldwide. Two emerging megatrends have been identified as key topics during the global celebrations, namely Environmental Change and Demographic Change. In Allianz Malaysia, we are commemorating this event by having a year-long focus on Environmental Change which, in the wake of the floods, is extremely relevant and timely. Risk is an inherent part of our business and in our corporate responsibility efforts, we address and try to reduce risks, both current and emerging. Our corporate volunteering activities revolve around four main topics – financial literacy, to reduce financial risk in the long-term; road safety, to reduce risks on the road; environment, to reduce emerging risks related to climate change; and finally community – particularly in the areas of crime prevention and fire and flood safety.

I invite you to read the following pages to find out how our corporate responsibility encompasses not only societal risks, but also ethics and innovation in our business and the way we deal with our stakeholders. Our commitment to being a responsible corporate citizen is driven by our conviction that this is not just important, but paramount to our sustainable future.

Zakri

SUSTAINABILITY REPORT
STRATEGY AND MANAGEMENT

Managing Corporate Responsibility

At Allianz, 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. This is achieved through combining long-term economic value creation with a holistic approach to corporate governance, environmental stewardship and social responsibility. You can see an example of this in the first ever Innovation Incubator workshop, which aimed to address a societal issue, namely the lack of accessibility for Persons with Disabilities, through the development of a viable business solution (→ Social).

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. We also embed values such as diversity, fair treatment and equality into our practices.

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.

2014 saw the further development of existing activities, with experience helping us to refine our approach. For example, we developed our very own road safety educational booklet for children. For the first time, in the beginning of 2015, we were heavily engaged in disaster relief in response to the flood situation affecting the East Coast of the country. Our employees and agents contributed generously to provide relief to flood-hit areas and also volunteered to assist in clean-up operations. With the effects of climate change becoming more apparent, we anticipate the necessity for more such disaster relief and response initiatives, and will work to build this into our corporate responsibility portfolio.



SUSTAINABILITY REPORT 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 • Smartphone applications
 <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 • Learning and development programmes • Internal staff portal • Staff surveys • Onboarding for new employees
 <p>Agents/ Business Partners</p>	<ul style="list-style-type: none"> • Agents Point magazine • Quarterly magazines • Festive dinners • Seminar and Recognition Conventions • Annual Marketing Conventions • Training sessions • Facebook 	<ul style="list-style-type: none"> • Agents' portal • Corporate volunteering programmes • Corporate activities • Majalah Pantai Timur • Mobile messaging (e.g. SMS, messaging applications)
 <p>Government Relations</p>	<ul style="list-style-type: none"> • Public partnerships • Interaction with regulatory bodies 	
 <p>Investment Community/ Shareholders</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 • Shareholders' circulars 	<ul style="list-style-type: none"> • Announcements released to Bursa Malaysia Securities Berhad • Media releases • Website • Facebook • Fund Performance Reports • Investor Relations
 <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 • Smartphone applications
 <p>Media</p>	<ul style="list-style-type: none"> • Press conferences and events • Media releases 	<ul style="list-style-type: none"> • Media relations • Blogger events

SUSTAINABILITY REPORT ECONOMIC



Our sustainable and profitable growth is based on our commitment to be the most reliable financial services provider. We strive to anticipate the needs of our customers and to be innovative in developing affordable and appropriate solutions.



We had **2.8** MILLION customers in 2014

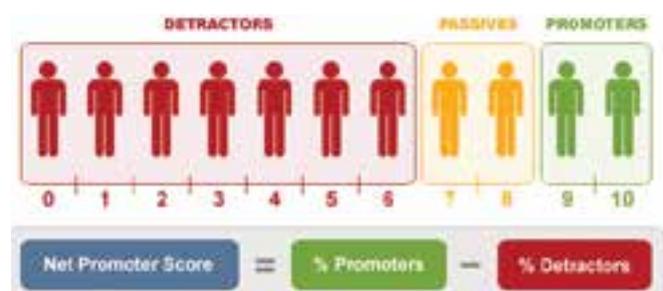
As a financial services provider, we strive for service excellence to achieve our aim of being the most reliable partner for our customers. We value feedback from our customers which enables us to assess and enhance both our products and their delivery and to continually innovate to meet customers' expectations. We listen to our customers because it is important for us to know what matters to them.

Feedback for Service Improvement

As an insurance company, it is important that our products and services are meeting the needs of our customers and remain relevant in a rapidly changing consumer environment. We strive to ensure our customers are well informed about their policies they have with us. With that in mind, we consistently conduct welcome calls to our new life policyholders to gauge their satisfaction and understanding of their new policies. At the same time, we take the opportunity to inform them that we are always here to assist on any policy-related matters. Agents are our primary conduits between our customers and us. We conduct service calls to our agents to determine if there are gaps in our service delivery as well as to gauge the relevance of our products and services in the marketplace.

We gather the voice of our customers through the Net Promoter Score ("NPS") survey which measures customer perception and customer experience. Top-down NPS tracks our performance relative to our industry peers while Bottom-up NPS assesses our customer's recent service experience at key touch points. This feedback provides valuable insights into areas where we must improve and also serves as validation of whether processes implemented are achieving their desired results.

Our active use of feedback to improve our services has seen the number of complaints lodged against the Company decrease by 22% compared to 2013. We are also committed to improving our turnaround time to better serve our customers. Over 30% of our customers own more than one Allianz policy, which is testament to the confidence and trust they have in our products and services.



What is the 1 Thing that Matters?

In 2014, Allianz Group launched a campaign asking people what is the '1 Thing That Matters' to them. Malaysia, along with other Asian counterparts such as Thailand, Indonesia and Taiwan, were part of this campaign, which aims to increase our dialogue with the public to understand what their individual priorities are. Through this interaction, we are then able to focus on areas that really matter to people.

From the feedback received, health is clearly a priority, followed by family and quality time. This is very much in line with Allianz's own emphasis on the importance of adequate protection for individuals as well as long-term savings and retirement planning.

Top 3 'Things that Matter'

1  Health

2  Family

3  Quality Time

Health

We support the adoption of a healthy lifestyle through, for example, our Allianz Pacer Running Community initiative, raising awareness via our press releases and encouraging health checks. However, our core purpose in the area of health is to provide meaningful and appropriate products that relate to health coverage.

In order to meet the changing needs of our customers and the inevitable rise in medical costs, we continuously review our products to ensure that our customers are always sufficiently protected. In 2014, we conducted a revamp of our medical products to address the current and future needs of our customers. We also keep our customers and the general public abreast of developments in this area through our various media channels.

Allianz Booster Care, a top-up medical insurance plan, was developed in 2014 to provide additional medical cover at an affordable rate. We understand that most people already have existing medical coverage. However, many are unaware that this coverage has a limit and could result in a situation where the existing coverage is insufficient for the treatment required. The Allianz Booster Care does not apply for medical expenses incurred below a pre-determined sum, but would cover any costs over and above this. Such situations are more likely to happen in cases of serious illness. In light of rising medical costs, Allianz Booster Care helps our customers have peace of mind knowing that in times of need, they have access to the financial resources necessary to seek treatment.



SUSTAINABILITY REPORT
ECONOMIC



Apart from having various products that cater to long-term financial security, we also launched two mobile applications; MyLifePlanning, 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 2014, we invited Dr. Renate Finke, a Senior Economist with the International Pensions unit at Allianz Asset Management AG in Munich, to visit us. During her visit, she presented her research and publications on trends in the global retirement market and how different age groups prepare for retirement at a press conference. Insights from Allianz industry experts such as Dr. Finke help us to continuously innovate our products and service offerings to better serve the retirement needs of Malaysians.

“In Malaysia, people need to aim at reaching an adequate replacement rate of their former income. They need support in planning and understanding what lifelong income they can get from their accumulated assets.”

Dr. Renate Finke
Senior Economist with the International Pensions unit at Allianz Asset Management AG

Demographic Change

Uncertainty over medical costs has significant implications on saving for retirement. When we launched RetirePlus, our retirement planning plan, we included the option to add MediAide, a medical rider that can be attached to the basic plan. We understand that as a person grows older, their medical costs may escalate. Without adequate medical coverage, there may be a high possibility of having their retirement savings wiped out by these expenses. The inclusion of a medical rider can help to mitigate such a situation.



SUSTAINABILITY REPORT ECONOMIC

Access to Finance

Not only do we strive to ensure Malaysians' health and long-term financial needs are met, but we also hope to provide solutions for all their insurance needs. The insurance penetration rate for the Malaysian population is still low. We believe that one way to encourage this is by offering affordable and reliable products. Through the Let's Get Personal campaign, we aimed to further our reach to the uninsured and raise awareness about the importance of adequate insurance cover. A number of new products and initiatives were launched in 2014 that expanded our offerings and provided insurance options to the previously underserved.

For example, the Kampungku (My Village) product launched in April 2014 offers entry level insurance coverage to the population in rural areas by covering incidences of fire, floods and windstorms for kampung houses. Most of these homes have never received coverage before, as kampung houses tend to be constructed out of wood. Another product that was launched in 2014 was the Bike Warrior, which provides protection for superbikes, offering them, for the first time, a roadside assistance service, along with personal accident benefits and flood coverage.



Service Excellence

The delivery of excellent products and services to our customers and business partners is key to Allianz's performance as a company. Various steps have been taken to build a service culture within Allianz, emphasising the key messages of providing Fast, Easy and Reliable service. Employees nationwide were encouraged to step into the customers' shoes during an experiential learning challenge held in KidZania Kuala Lumpur.

We believe that having the right people with the right competencies for the job in place will lead to better service provision and satisfied customers. With this in mind, we promote the continuous development of our employees and encourage them to pursue industry relevant professional exams in order to be professionally accredited. Since 2012, there has been an increase of 646% in the number of employees enrolling for insurance-related professional exams.

As our frontline service providers, our agents also receive support from Allianz for their learning and development. Sales and service training is offered to our agents as well as to their teams to ensure that they are fully aware of our products as well as the quality of service we expect them to deliver.

Allianz's primary educational representative, Wong Woon Man, accepted the Life Office Management Association ("LOMA")

Excellence in Education Award 2014

on behalf of the Company based on our exceptional pass rates and growth in enrolment for LOMA exams



SUSTAINABILITY REPORT
ECONOMIC

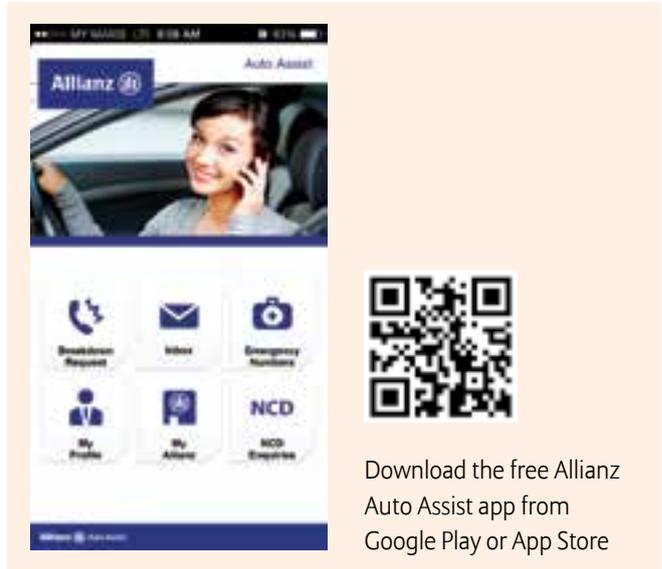
Digitalisation

Digital is the new frontier. In our current digital world, improvements in our service provision are also dependent on our digital offerings. Allianz further embraced digitalisation as an integral business strategy by increasing the use of various digital solutions, both to improve our business operations and to engage with our customers and partners.

Our business partners are able to carry out various day-to-day interactions with us wholly online. Our full-featured sales planning and e-submission application enables our agents to submit proposals electronically, while our e-collection module will allow them to make payments online. This gives them the benefit of increasing their efficiency and productivity. Time saved from reducing the travel time to submit physical policies, and from the sorting of documents is put to serving our customers. An additional benefit is we are taking better care of the environment, as we are also able to reduce paper usage.

Customers also benefit from a quicker claims process via the use of digital solutions. For simple motor claims below a set threshold, our panel workshop representatives only need to submit photos of the damaged vehicle without requiring the vehicle to be checked by loss adjusters, with the aim of approving claims within 48 hours from the date of submission of complete documents. With an average of 3,500 motor claims submitted each month, having an easy and efficient claims process is integral for us to provide fast and reliable service to our customers.

2014 also saw the launching of the Allianz Auto Assist app, which aims to provide hassle free roadside assistance. Users can instantly request for breakdown assistance via the app without having to call the service centre. Further, the app is able to accurately pick up the user’s location automatically and gives frequent updates on the breakdown request.



Working with Reliable Partners

Our roadside assistance partner, Mondial Assistance, is key to our response in a vehicle breakdown situation. Our panel of workshops, however, is key to the subsequent repair service to our customers. Allianz has 253 panel repairers nationwide that are authorised to carry out motor claims repair for our motor policyholders. Having a panel of repairers means that we have a network of trusted partners across the country who are not only familiar with Allianz’s policies, but must also comply to Allianz’s service expectations. Panel workshops are required to adhere to specific performance indicators such as repair times for small claims as well as customer notification periods.

Asia Assistance Network Sdn Bhd (“Asia Assistance”) has been our Life and Health Claims partner since 2001, supporting the hospital admissions and discharge services required by our policyholders. Allianz works together with Asia Assistance to continuously improve service delivery, for example by digitalising processes for more efficient information retrieval.

We have
253 PANEL REPAIRERS
 nationwide to serve our motor policyholders

The graphic includes a blue speech bubble containing a white wrench and screwdriver icon. Below the text is a blue silhouette of a car being towed by a tow truck.

Increasing Communications

Allianz has also increased the use of digital media to engage with its customers and business partners. This is evident in the increase of notifications on policy-related matters or company events sent through SMS and emails.

Allianz has embraced social media since 2011 when the Allianz Malaysia Facebook page was first established. Within days of launching this page, more than 1,000 likes were received. In 2014, the number of fans increased to more than 132,000; making it one of the top three pages amongst the local insurers on social media. Through the Facebook page, we are able to share the latest news about Allianz and our products, and also engage our customers and fans through interactive contests and daily information bites. On-ground events are also held to increase engagement amongst customers and Facebook fans alike. In 2014, Allianz Malaysia hosted a World Cup viewing for its Facebook fans to watch the final World Cup match between Germany and Argentina, with other activities such as face painting and open play futsal organised for those who attended.

The Facebook page also plays an important role as a feedback instrument where both positive and negative comments are addressed. In 2014, we received 678 enquiries through Facebook, of which 47 were complaints that were received and resolved. We constantly monitor the page and, if a complaint is received, we will get in touch with the complainant within two working hours to try to resolve his/her concern.



Seeing the success of the Allianz Malaysia Facebook page, we are now in the process of helping our business partners set up their own Facebook pages. A pilot project was established by three Allianz operating entities in Asia, namely Malaysia, Indonesia and Thailand. 37 of our agents participated in this project. They were provided with the necessary tools and training on how to be heard, found and to socialise with customers and potential customers. We are proud that five of our agents were among the top 10 in Asia in terms of engagement on their Facebook page and we are certain that this is a step in the right direction in preparing for a digitalised world.



Preparing for Future Changes

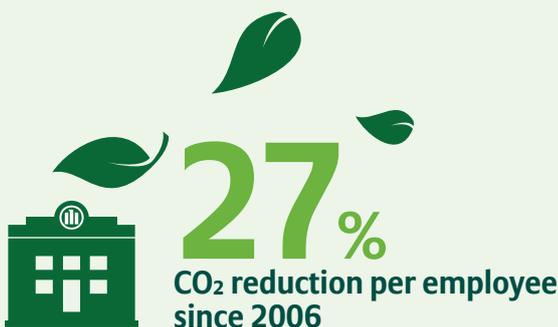
In 2016, the general insurance market will be de-tariffed, affecting largely the motor and fire classes of insurance. Bank Negara Malaysia's proposed Life Insurance and Family Takaful framework, aimed at encouraging greater operational efficiency, innovation and a higher level of insurance penetration in Malaysia, is also likely to see further development in the year to come. 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.

We also undertook an extensive review of the possible impact of the Goods and Service Tax ("GST") on our business and have taken steps to prepare for its implementation. Our employees, agents and business partners receive training on the impact of GST on our business, and operational changes have been made to accommodate the GST. It is also our responsibility to keep customers informed. Thus, our policyholders receive information on GST through different communication mediums so that they will understand how it will work and be fully prepared for its enforcement.

SUSTAINABILITY REPORT
ENVIRONMENT



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 by finding solutions to reduce our direct negative impact and by raising awareness on the risks and opportunities of climate change.



Globally, Allianz adopts a Climate Change Strategy that commits us to playing a leading role in supporting the development of a low-carbon economy. We also work to reduce our direct carbon footprint to mitigate the negative effects of climate change.

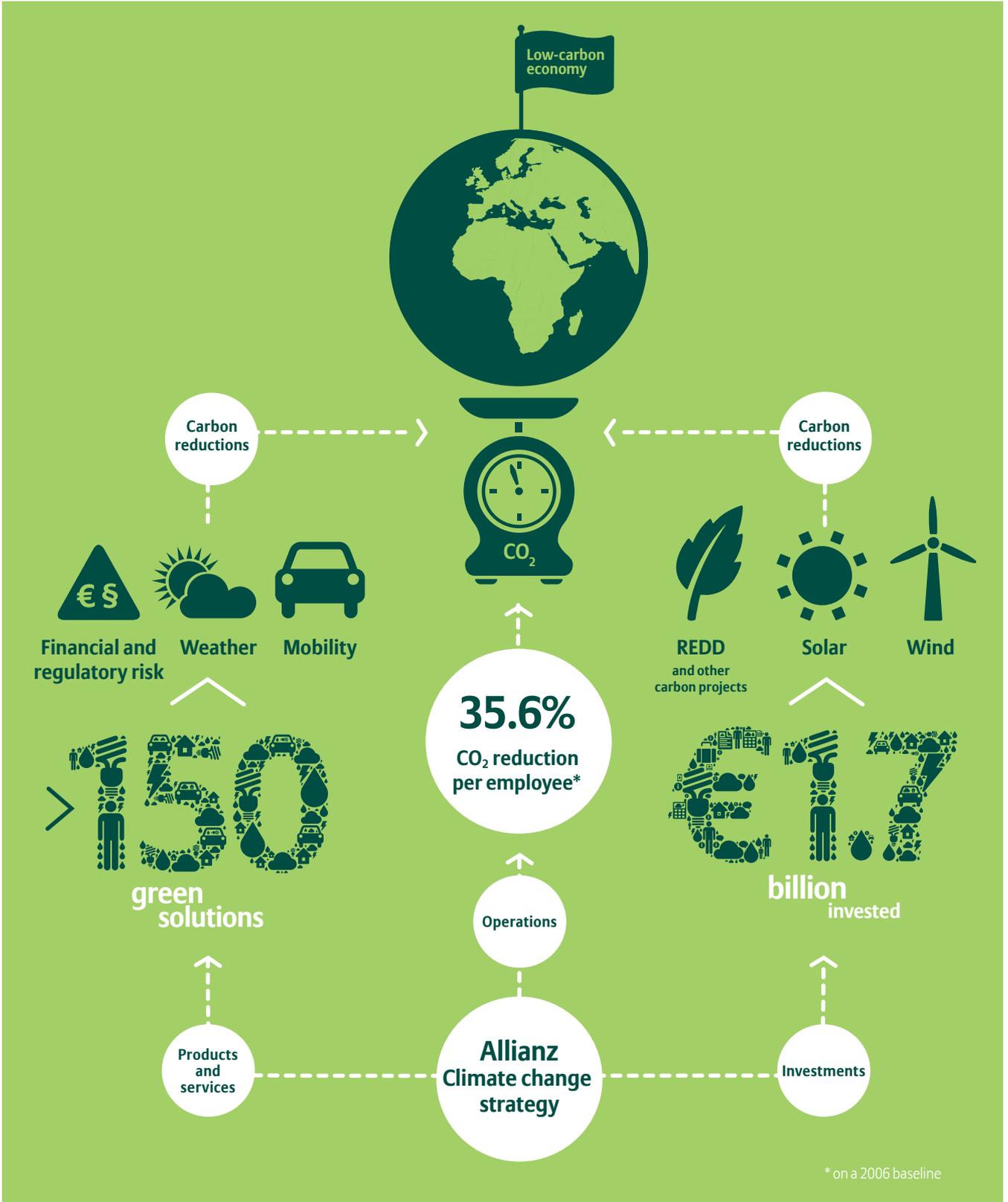
Global Climate Change Strategy

Allianz Group strives to be a thought - and action - leader on climate change. Globally, Allianz Group takes part in international climate negotiations, and engages in public dialogues and debates. Allianz Group is also active in major industry initiatives linked to climate change, such as the United Nations Environment Programme’s Finance Initiative (“UNEP FI”) Climate Change Working Group, Munich Climate Insurance Initiative (“MCI”) and ClimateWise – a global insurance sector climate initiative. As a result, Allianz Group has built up global expertise on mitigating and adapting to climate change.

Allianz Climate Solutions (“ACS”) was set up as a global centre of competence for climate change with a focus on renewable energy. ACS offers insurance services and advisory services on financing issues for renewable energy projects and is responsible for climate-related strategy development. We are guided by the ACS and can leverage the experience of other Allianz entities around the world in the development of products and solutions that address the issue of climate change.

Locally, we support the climate change 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 aims to avoid unnecessary business travel and promote the use of lower-carbon alternatives and the Global IT Sourcing and Procurement Policy advocates the use of energy-efficient IT hardware.

Allianz Group Climate Change Performance Update



SUSTAINABILITY REPORT
ENVIRONMENT

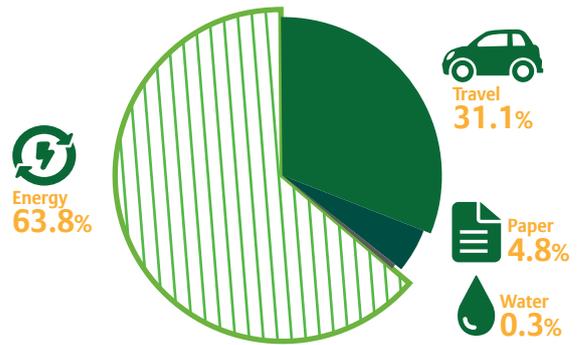
Environmental Management System

We are continually taking efforts to reduce our carbon footprint and, thanks to carbon investments made by the Allianz Group, have been a carbon-neutral business since 2012. Allianz Group also set a target to reduce carbon emissions per employee by 35% 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 2014, we saw a slight increase in our emissions to 2,649 kg per employee as compared to 2,305 kg per employee in 2013. This increase is attributed to improvements in the data collection process as a result of an audit on the EMS reporting methodology conducted in 2014.

The audit, by external auditors from KPMG and facilitated by Allianz Group's Environmental Officer, identified areas for improvement, particularly in the recording of travel and paper consumption data. We have expanded the scope of our data collection, as per KPMG's recommendation, to now include paper consumption from our outsourced print orders and to also capture more aspects of our business travel. Our overall emissions reduction since 2006 now stands at 27.3% per employee, and we continue our journey to reduce the carbon footprint of our operations.

Allocation of CO₂ Emissions in 2014

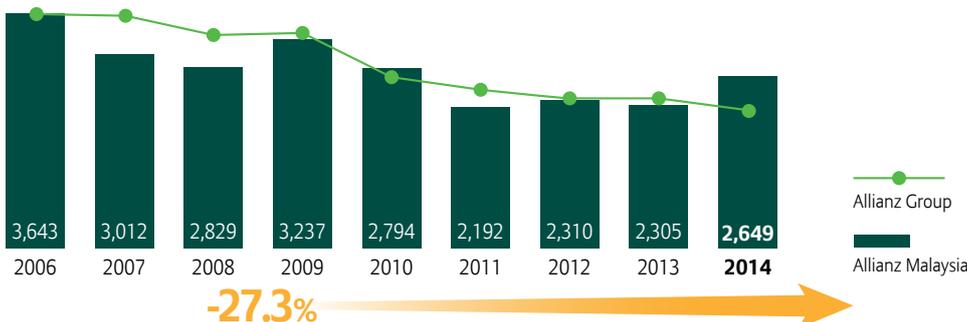


Preparing for Paperless

In this digital era, consumers are increasingly moving their dealings online and relying less on traditional paper solutions. Digital solutions have the double benefit of increasing efficiency due to the streamlining of various processes while also positively impacting efforts to reduce our paper usage.

Where possible, we replace physical documents with paperless options. For example, only soft copies of meeting papers are disseminated to our Board and Senior Management Team. We encourage our business partners to use our e-submission platform instead of the conventional method of submitting proposals. This reduces the amount of paper needed to process each case and also shortens the overall turnaround time since it eliminates the waiting time for delivery and scanning of physical forms as well as the time required for data entry.

Relative CO₂ Emissions (kg per employee) 2006-2014



SUSTAINABILITY REPORT ENVIRONMENT

We are continuously improving our efforts to digitalise the entire user experience and are thus developing an e-collection module that would allow our agents to manage the payment process without the use of cheques and with online statements instead of printed ones. While a number of our digitalisation efforts have focused on process improvements, in the coming years, customers can look forward to an improved digital customer experience. The issuance of policy documents on e-basis rather than manually will lead to cost savings, reduced paper consumption and increased efficiency.

Another initiative that helps us on our drive to reduce paper consumption is the use of email, SMS and web-based correspondence instead of physical notices and letters when contacting customers and agents. For example, customers and agents receive SMS notifications to inform them of the approval of their proposals or claims and to remind them when their premium is due. Through the use of digital messaging tools, we are also able to increase our interaction with our agency force. The availability of these digital communication channels allows us to connect meaningfully with our stakeholders.



Using New Technology

One clear example of adapting to new technology is the development of our new Allianz Auto Assist smartphone application. The app allows our policyholders to instantly request for breakdown assistance via the app without having to call the service centre. Further, the app is able to accurately pick up the user's location automatically using the phone's GPS and gives frequent updates on the breakdown request. Not only is this more efficient for the user, but being able to pinpoint the breakdown location enables the responder to minimise time and petrol wastage.

The Allianz Auto Assist app is only one of the many applications that Allianz has developed to achieve various objectives. The Life@70 app was developed to raise awareness on retirement; the Allianz Pacer mobile running app encourages healthy living through running; while the MyLifePlanning app is used as a financial planning tool. These mobile applications introduce innovative new ways to engage with our stakeholders and open up possibilities for interaction. The Allianz Malaysia Facebook Page, which was launched in 2011, gives users a digital platform to connect with us, serving as an important feedback instrument on top of our conventional channels. We are also working together with our agents to facilitate their transition onto Facebook, enabling them to make full use of this platform (→ Economic). These applications, which take advantage of technological tools, are a resource-efficient way for us to provide users with a range of solutions.

Internally, we encourage substituting emission sources with lower-carbon alternatives. The use of digital tools to conduct internal surveys amongst our employees is both easier to use and also allows for quick and simple analysis with minimal paper usage. Another digital solution that enables us to lower our carbon footprint is the use of videoconferencing and teleconferencing as alternatives to air travel to reduce emissions, cut costs and optimise time management.



SUSTAINABILITY REPORT ENVIRONMENT

Physical Modifications for Improvement

As part of our carbon reduction efforts, we have used climate-friendly options for necessary business equipment. For newly renovated office areas, where possible, we install energy efficient fixtures such as energy-saving lightbulbs and eco-friendly air conditioning. This is a continuous exercise, so that as existing fixtures become obsolete, they are replaced with more efficient ones. Energy efficiency is especially pertinent in light of our upcoming move to a new Head Office building in 2015. In anticipation of this, efforts have been taken to reduce wastage, and we aim to reuse a large proportion of the existing furniture.

Our Global IT Sourcing and Procurement Policy ensures that when sourcing for IT solutions, we prioritise energy efficiency. Our data centre is constantly enhanced to ensure that it maintains a good Power Usage Effectiveness (“PUE”), which is a measure of how efficiently a computer data centre uses energy. In our primary data centre, we continued to record a PUE below the global average of 1.7 in 2014, even though we are in a tropical country.

Personal Computer Donation Project

In 2014, a new initiative was introduced to offer our computers and laptops which were due for replacement up for donation instead of disposing them. The computers and laptops were still in good condition, and we believe that it is both more socially and environmentally beneficial to re-use them. So, instead of returning them to the leasing company, Allianz bought the 768 desktops and 15 laptops and donated them to schools and NGOs (→ Social).



Environmental Awareness for the Future

We know that our employees are key to the significant reduction of our carbon footprint. Apart from having facilities and infrastructure available to them, we also encourage our employees to adopt sustainable and environmentally-friendly habits. In 2014, a number of activities, such as a recycling day and internal environmental awareness initiatives were organised to create awareness of the importance of preserving the environment and also the significance of individual actions in affecting the environment.

In conjunction with World Environment Day, a nationwide paper collection drive was organised to encourage our employees to bring in old and unwanted papers for recycling. Our Head Office and 35 branch offices allocated one day for the collection, and from that day alone, we were able to collect 11,010 kg of paper. The 3R concept – to Reduce, Reuse and Recycle - was also highlighted during the campaign in an effort to instil this important habit. Throughout the year, from the recycling bins placed in our offices, we were able to recycle 3,461 kg of paper.



SUSTAINABILITY REPORT ENVIRONMENT

We also organised a number of initiatives to inculcate environmental consciousness in our employees, such as eco film screenings, eco workshops and an environmental poster competition. A team of our employees participated in the first ever Malaysian Environmental Non-Governmental Organisations ("MENGO") water hunt, the MENGO H₂O Hunt, which was designed to instil awareness on the importance of proper water conservation and management. We also sent a team of volunteers to participate in the General Insurance Association of Malaysia's tree planting initiative held in conjunction with General Insurance Day 2014. Ten of our employee volunteers were part of the team of 180 volunteers from various general insurance companies that planted 600 trees in the Raja Muda Forest Reserve that day.

An environmental poster competition for employees and their family members was held to raise awareness on the topics of energy, water and paper conservation.



Drawn by:
Sheak Fun Nyee, 13 years old

Environmental change is an emerging megatrend as evident from changing climate patterns and extreme weather events such as the East Coast Floods. Thus, we have chosen this as the topic of focus for our activities to be held in Malaysia in celebration of Allianz's 125th anniversary in 2015. Various activities and initiatives will be organised in 2015 to highlight the importance of the topic, particularly for our employees and business partners, with the hope of creating a community that is aware of and will act to reduce the impact of climate change.



SUSTAINABILITY REPORT

SOCIAL



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.



In 2014, over **RM3.8 million** was spent on training and development

Being a service provider, our performance hinges on our people. We believe that finding the right people, supporting their development through training, and building the right company culture will ultimately result in us providing the right solutions to our customers and business partners.

Managing Talent and Careers

Allianz aims to provide our employees with careers, not just jobs. We focus on attracting and retaining the right talent to take us into the future. Hence, our efforts in talent development and management ensure that we have proper succession planning in place and that our talent pool is diverse. Talents are identified based on their potential and consistent performance. They are assessed by our development centre to ascertain their learning and development gaps and a Personal Development Plan is then put together to provide structure and focus in their development to prepare them for the challenges of their current and future roles.

Learning and Development

In promoting a high performance culture, one of the key success factors is providing staff with structured learning and development programmes for their continued growth. To achieve this, the Allianz Academy, our learning and development platform, was launched in 2012 and has since rolled out a variety of programmes and courses for all levels of employees.

The Academy's programmes are based on the four learning pillars of Technical, Sales, Service and Leadership. Each pillar aims to equip employees with the skills and knowledge required for their current and future roles. Other learning activities offered are public speaking development through Allianz's Toastmasters' Club, lunch and learn sessions and health awareness talks.

In 2014, 96% of our employees attended at least one training session, with each employee attending an average of 4.6 days of training. The Company strongly promotes the 70/20/10 approach to learning and development, whereby 70% of learning happens on the job, 20% through coaching or mentoring by way of relevant exposure, and only 10% is learnt in a classroom or via formal education.



As such, the Academy also aims to provide relevant job experiences and exposure outside the formal classroom setting. Our employees are encouraged to take advantage of our global network by attending training sessions, conferences and gaining international job experience at our various sister companies.

Allianz also supports the development of young persons through the hosting of internships both for local and international students. We see this as a win-win situation as the interns inject youthful energy and fresh ideas into the respective departments, while we in turn are able to support their growth and development. In 2014, 60 interns worked at Allianz, totalling 360 months of work experience.



Building a Service Culture

In conjunction with the second anniversary of the Allianz Academy, the Company set an experiential learning challenge for all its employees throughout Malaysia - to step into the shoes of customers in a quest to drive home the service message of Fast, Easy and Reliable. The challenge was held at the premise of our industry partner, KidZania Kuala Lumpur, in Mutiara Damansara. KidZania is the first indoor educational and entertainment centre in Malaysia that is scaled down to a child's size, with its own economy. By playing the roles of fire-fighters, pilots and cabin crew, journalists, fashion models, policemen and women, and hospital staff, amongst others, children get to learn about work, team-spirit, cooperation and perseverance in a fun way. Allianz took the opportunity to provide the same experience to its employees with the theme "In the Customer's Shoes".



The challenge saw our employees across the country split into four teams that competed over an 11-day period. Each team went through four missions in a two hour span which tested the participants' team-spirit, co-ordination, endurance, patience, empathy and creativity. Employees had to manage difficult and unexpected customer situations while delivering on our promise to provide Fast, Easy and Reliable service. The fun but competitive event saw a surge of energy and enthusiasm among the employees, which is expected to be translated at the workplace through our service delivery to internal and external customers.

The KidZania challenge is just one initiative taken to build a service culture amongst our employees. Apart from continuous training, especially for our frontline staff, we have also initiated the People Leadership and Service award, which regularly recognises outstanding performers throughout Allianz.

SUSTAINABILITY REPORT
SOCIAL

Diversity

Here at Allianz, employment and development of employees are based on individual skills, talent, experience and the behavioural attributes of a person. We abide by the principle of non-discrimination at the workplace based on age, disability, gender, race, religion, political preference or sexual orientation, and aim to embrace diversity in the provision of employment and development opportunities.

In 2014, 68% of our total workforce consisted of women and, of our 524 managers, 57% were women. Allianz also has a relatively young workforce, with 74% of our employees between the ages of 25 to 44.



Allianz’s commitment to diversity permeates throughout all levels of the organisation. The Board of Directors, in its effort to build and develop vernal talent, appointed Y.A.M. Tunku Zain Al-Abidin Ibni Tuanku Muhriz as an Independent Non-Executive Director in November 2014. Y.A.M. Tunku Zain Al-Abidin, with his background in, amongst others, the UK Houses of Parliament, the United Nations Development Programme, the Institute for Democracy and Economic Affairs (“IDEAS”) as well as various educational and cultural organisations, brings with him a vast array of experience. His understanding of and commitment to socio-economic well-being and human development topics will contribute positively to Allianz’s development in meeting the needs of a diverse market in a globalised environment.

Innovation Incubator

Allianz proactively seeks to foster the principle of diversity and inclusion. From 22-26 September 2014, we hosted the first ever Innovation Incubator Workshop in the Allianz world, with the aim of creating a viable business solution for a social issue. Our chosen topic was accessibility for Persons with Disabilities (“PWDs”). The workshop involved internal participants from various departments as well as external participants from Non-Governmental Organisations (“NGOs”), Jabatan Kebajikan Masyarakat (“JKM”) and Bank Negara Malaysia (“BNM”).

Participants were from diverse backgrounds - varying ages, educational backgrounds, abilities, and professions.

As part of the workshop, participants had to collect information and experiences through engaging in activities such as teaching arts and crafts to a class of hearing impaired students; following and observing a van that transports wheelchair users; shadowing a visually impaired person on public transport; testing out life in a wheelchair and interviewing a job coach who helps PWDs gain employment and adjust to life in the workplace. Participants also got to experience dinner at Dialogue in the Dark where participants had to walk through different scenarios in total darkness to reach the dinner tables and finally eat in pitch blackness.



“I congratulate Allianz for their ground-breaking effort to provide insurance products for PWDs and for their good practices in promoting an inclusive society for PWD.”

Senator Bathmavathi Krishnan
Member of Parliament for Disability

After gaining personal insight into the issues PWDs face, the participants had to tackle the question: what could Allianz, in its capacity as an insurer, do to deal with the challenges observed? The teams presented their ideas to a jury panel consisting of Allianz CEO Zakri Khir; Allianz Asia Pacific Head of Human Resources Sabine Goesche; Allianz Deputy Head of Market Management Susan Ong; Member of Parliament for Disability Senator Bathmavathi Krishnan; Director of BNM’s Financial Sector Development Encik Aznan Abdul Aziz and Puan Junaidah Mohd Said, Deputy Director of BNM’s Financial Sector Development. As a result of the passionate presentations, Zakri Khir made three commitments to the assembled group:

- 1) To set up a team to look at how Allianz as a company views PWDs
- 2) To develop an insurance product for PWDs
- 3) To increase the number of PWDs in our workforce

Working groups have been set up to follow up on these commitments, with insurance products for PWDs set to be launched in mid-2015. Efforts are also being taken to make our facilities and buildings more disabled-friendly.

Not only was the workshop effective in highlighting the need for greater inclusion of PWDs in society, but the employees who took part were able to learn from their fellow participants and through the various activities. This is one way that we engage our employees beyond their daily routine, resulting in a unique learning experience for them and a potential societal and business solution.



In 2014,
our Employee
Engagement
Index
stood at

84%

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

Employee Engagement

One of the key focus areas in Allianz is employee engagement. Engagement is defined as the extent to which employees are motivated to contribute to organisational success, and to apply discretionary effort to accomplishing tasks important to the achievement of organisational goals. From the annual Allianz Engagement Survey (“AES”), we derived the Employee Engagement Index, a key measure of employee satisfaction, loyalty, advocacy and pride in Allianz, which stood at 84% in 2014.

This could be attributed to the various opportunities for engagement open to our staff. Not only are there a variety of volunteering options available via our structured corporate volunteering programmes, but employees are also encouraged to share their knowledge, whether work-related or otherwise, with other colleagues through their involvement as in-house trainers.

93% of employees are proud to say that they work for Allianz

94% of employees see a clear link between their work and the Company’s objectives

SUSTAINABILITY REPORT
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Open Communication

The AES serves as a barometer for our employees' sentiments, and is also an avenue for us to receive honest feedback about various factors that affect their level of engagement with us. In 2014, we had a 98% participation rate for the AES, an increase from the previous year.

Following the AES results, all Heads of Department and Branch Managers are required to share the survey results and feedback with their respective teams and to develop action plans to address issues to improve the engagement level in their own area. Emphasis is given to the post-survey follow-up actions to ensure that improvements in engagement are achieved.

Another avenue where employees are able to give their feedback is the quarterly Townhall Meetings held throughout the country. At these Townhall Meetings, employees are briefed on Allianz's latest results, goals, plans and strategies. Long-serving employees are also awarded and recognised during this meeting. A Question and Answer session with the Senior Management is held at the end of the session to further promote open communication and transparency.



In 2014, Allianz Malaysia employees had the privilege of meeting Michael Diekmann, CEO of Allianz Group, at a forum where he shared about himself as well as his experience at Allianz. At the forum, Diekmann also took questions from the floor, giving employees insight into his work ethics as well as goals and strategies for Allianz Group. Other Allianz Group officials who visited Malaysia were George Sartorel, CEO of Allianz Asia Pacific; Oliver Bäte, Member of the Board of Management of Allianz Group and the incoming Allianz Group CEO as successor to Diekmann; and Manuel Bauer, a member of the Board of Management of Allianz Group, responsible for Insurance Growth Markets. During Oliver Bäte's visit, he met with top management, senior managers, and several young employees – emphasising the importance of talent management and of

open dialogue across all levels of the organisation. George Sartorel and Manuel Bauer also met with key management associates and discussed succession planning and talent management with senior management officers. Open communication and access to decision-makers empowers employees to have influence over their own job.

Work/Life and Health Management

In 2013, one of the issues highlighted for improvement was work/life and health management within Allianz. We took this matter seriously and embarked on a series of initiatives to support a healthy, balanced lifestyle for our employees. Employees who are healthy and who actively balance their work life are more engaged and demonstrate better capability to perform their best. Tips on wellness at work are shared with employees regularly, and they are encouraged to undergo regular health screenings. We also provide gym membership benefits to our employees to enable them to build exercise into their daily routine. More than 160 employees attended a Health Day which was organised for employees in the Klang Valley. Free health checks were provided and health awareness discussions were conducted, with the objective of emphasising the importance of taking responsibility for our personal well-being.

Besides health management events, sporting and cultural activities such as futsal, badminton, tele-matches, yoga and salsa dancing were also organised for the benefit of employees. The allocation of a sports and recreation budget allows employees to arrange other activities as well. At Allianz's Head Office and Klang Valley branches, employees are able to participate in Weekly Running Clinics as part of the Allianz Pacer Running Community where we encourage everyone to run for better health. Our Alor Star and Miri branch offices started organising similar Running Clinics for their respective staff and agents with very encouraging attendance.



Allianz Sports in Zurich

Our commitment to a healthy and active lifestyle is not just local, but adopted on a global scale. Every four years, Allianz Group organises an international sporting event for the participation of its employees across the globe. In 2014, 1,000 athletes from around the world competed in 32 different disciplines during the three-day event held in Switzerland. After a two month local selection process, 11 athletes were selected to represent Malaysia, with our runners bringing home the Bronze medal for the 4x100 track and field discipline.

In the 2014 AES, we recorded an improved score for work/life and health management. We are committed to making Allianz the most reliable partner – both for our internal and external stakeholders.



A Safe Place to Work

The Organisational Safety and Health Act (“OSHA”) Committee is present in our Head Office and at branch offices to ensure employees’ health and safety at the workplace. The OSHA Committee is also responsible for organising Fire Fighting and Safety Training for our 180 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. Further to that, some of the Fire Wardens are part of the Maternity Emergency Assistance team, who are trained to assist pregnant or unwell colleagues during an emergency. Awareness training on OSHA and Business Continuity Management (“BCM”) was organised for employees to familiarise them with the disaster recovery procedures. This forms part of the risk management practices we have in place to ensure a safe and conducive working environment.

Awarding Continued Service

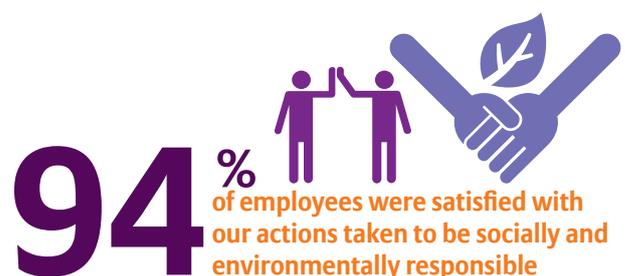
At Allianz, we value a working relationship that is long-lasting and built on trust. In 2014, the average tenure of our employees was 8.6 years. We recognise the commitment of our staff through our Loyalty and Silver Jubilee Awards whereby employees receive a cash award upon reaching a consecutive period of 10 years’ service and more. In 2014, 102 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, which leverage on our know-how, skills and experiences, we aim to bring benefits to local communities by addressing social challenges while, at the same time creating positive impact for our business.

Corporate volunteering provides an opportunity for us to give back to society and also helps to create awareness for societal issues among our internal stakeholders. Our volunteers are able to engage with their colleagues beyond the usual work routine and this enables them to build greater work relationships. In the last AES, 89% of our employees felt that there are sufficient opportunities to participate in social and environmental activities while 94% were satisfied with the actions we have taken to be socially and environmentally responsible.



SUSTAINABILITY REPORT
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We continue to expand and improve our existing volunteering initiatives under Allianz4Good while embarking on new programmes and activities. Our 417 volunteers across the country are engaged in various activities as Road Safety Ambassadors and Finance Coaches, amongst others. Over 80 of our volunteers participated in two or more different types of initiatives. In 2014 alone, 3,053 business hours were dedicated to giving back to society.

Road Safety

Being one of the top motor insurers in Malaysia, Allianz has a clear responsibility for risk management and driver safety. Road safety is a pertinent issue across all levels of society. According to a 2013 report by the World Health Organisation (“WHO”), about 1.24 million people die each year on the world’s roads and between 20 and 50 million sustain non-fatal injuries. Based on a 2013 report by the International Traffic Safety Data and Analysis Group (“IRTAD”), of the 35 countries that they have data on, Malaysia has some of the most dangerous roads in the world, recording 23.8 traffic deaths per 100,000 of the population.

We have been a strong advocate for road safety since beginning our partnership with Jabatan Keselamatan Jalan Raya (“JKIR”) in 2011. This commitment was renewed in 2014 when we extended our partnership for another three years by signing a second Memorandum of Understanding (“MOU”) with JKIR. Since first beginning our cooperation, we have conducted more than 100 campaigns reaching out to an estimated 82,600 road users.

We continue to improve our approach towards road safety by looking for new opportunities and developing initiatives that are relevant in addressing this issue. Our Road Safety Advocacy Campaigns, jointly organised with JKIR, are carried out regularly by our branch offices

nationwide. During these campaigns, we engage our Road Safety Ambassadors - also recognised as 1M4RoadSafety volunteers – who have been trained by JKIR. They help to distribute road safety items and advocate safe road behaviour to the general public, with a focus on accident-prone areas, schools and during festive periods. In 2014, we reached approximately 15,600 road users via our 32 campaigns and initiatives held across the country.



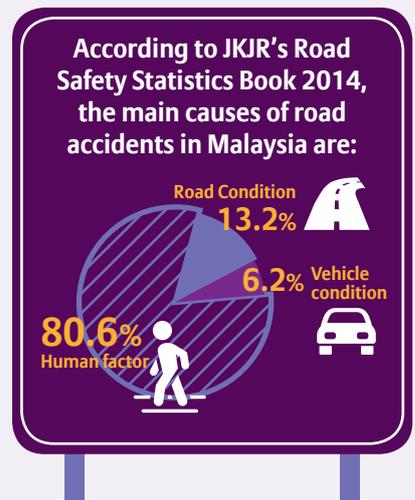
“Allianz Malaysia has been actively contributing to and successfully organising road safety advocacy campaigns. The adult helmets, reflective stickers and reflective windbreakers as well as child seats provided by Allianz to the public during the road safety advocacy campaigns can create a big impact in awareness on road safety.”

Dato’ Dr Tam Weng Wah
Director of JKIR

Road Users Reached through Allianz Campaigns and Initiatives



385 Road Safety Ambassadors volunteered a total of 1,732 hours in 2014



Road Safety Items Distributed in 2014

During our Road Safety Advocacy Campaigns, we distribute a number of safety items to encourage safer road behaviour.

5,430

Reflective Wristbands distributed



Our reflective wristbands are distributed to pedestrians to increase their visibility in low light circumstances. We find that these wristbands are particularly useful for schoolchildren, who are likely to have to travel to school early in the morning; and runners, who may start their runs early in the morning or jog at night. The wristbands are also a fun way to encourage dressing brightly for visibility purposes.

400

Child Safety Booster Seats distributed



Child Safety Booster Seats are given to motorists with children who are too short to use the regular car seatbelts but too tall for a child car seat. The Booster Seat acts to boost the child's height so that the seatbelt fits them comfortably and safely. According to the World Health Organisation, infant seats, child seats and booster seats can reduce child deaths by 54–80% in the event of a crash.

1,164

Motorcycle Helmets distributed



At our Road Safety Advocacy Campaigns, we exchange old and/or unsafe motorcycle helmets for new, SIRIM-certified ones. According to the World Health Organisation, wearing a good quality helmet can reduce the risk of death from a road crash by 40% and the risk of severe injury by over 70%. Our exchanged helmets also come with advice from our Road Safety Ambassadors, explaining for example, the importance of helmet wearing and the average lifespan of a helmet.

13,000

Reflective Stickers distributed



Reflective stickers made of visibility enhancing material are given to motorcyclists at our campaigns with the aim of enhancing their visibility in low light conditions, such as early in the morning or when riding at night. These seemingly unobtrusive stickers can have a great impact as they are able to reflect light up to 100 metres away. According to a Malaysian Institute of Road Safety ("MIROS") study, the conspicuousness factor was found to be the highest crash occurrence factor among motorcyclists, at 40%.

1,130

Reflective Windbreakers distributed



Similar to the reflective stickers, our reflective windbreakers which are also given out to motorcyclists serve the purpose of increasing the visibility of a motorcyclist in low light conditions. Reflective strips located along the sleeves and torso section of the windbreaker aim to keep the motorcyclist visible when car headlights or streetlamps shine on him or her. It also has the added bonus of providing light protection against the sun and rain.

6,622

Road Safety Booklets distributed



A new initiative in 2014 was the Road Safety Tips Booklet which was developed internally by Allianz in consultation with JKIR. It provides handy tips on road safety for children aged four to twelve years old. The booklet serves as a post-campaign reminder tool for students as well as a teaching tool for teachers and parents following our Road Safety Advocacy Campaigns in schools.

Allianz also developed a Road Safety Tips puzzle to complement the booklet, which will help teachers facilitate road safety lessons.

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Advocacy through Education

While the Road Safety Tips Booklet is a good tool for teaching children, adults require a different approach. A number of workshops were conducted in 2014 to cater to our employees, particularly those who are required to travel frequently for work purposes.

We continued to hold our regular Road Safety Ambassador trainings facilitated by JKJR, which taught participants road safety tips, guidelines on proper use of road safety equipment and highlighted common causes of road accidents. This was coupled with Emergency Response training, which equipped participants with basic first aid knowledge and safety measures if confronted with an accident. Since our first Road Safety Ambassador training in 2011, we now have 440 Road Safety Ambassadors across the country.



Road Survival Programme

Apart from just addressing our employees, we also spread awareness on road safety and survival skills to our business partners. Knowing what to do to stay alive will improve a person’s odds of survival in a life-threatening situation where every second counts. Allianz organised a Road Survival Programme, conducted by Capt. K. Balasupramaniam, a safety activist and emergency survival trainer, which was attended by 93 employees and agents. The programme covered topics such as emergency response in a road traffic accident, how to escape if trapped in a vehicle, basic first aid, common road accident scams, breakdown safety and accident prevention tips, amongst others.



According to the WHO, drivers using a mobile phone are approximately **FOUR times more likely to be involved in a crash than when a driver does not use a phone. Hands-free phones are not much safer than hand-held phone sets.**

Source: World Health Organisation Fact Sheet No 358, March 2013

Defensive Riding & Bikers Emergency Workshop

We also organised a Defensive Riding and Bikers Emergency Workshop for our despatch riders. 21 riders attended the workshop facilitated by the Road Safety Marshal Club. The workshop was split into two sessions. During the in-class training, participants learned how to fasten cervical collars on accident victims; perform cardio-pulmonary resuscitation (“CPR”); and the proper way of lifting accident victims using a stretcher and spine board. Participants also had the opportunity to learn how to safely ride a motorcycle across a bridge 6 inches wide, and to effectively manoeuvre a motorcycle during the practical training.

Formula One™ (“F1™”) Street Soccer Social Media Contest

We have also taken efforts to develop innovative ways to engage the general public. In conjunction with the 2014 World Cup, we rolled out the F1™ Road Safety Soccer Street Contest via Allianz Malaysia’s Facebook page. Fans of the page were required to watch a video clip that was posted, answer a question - “What is Nico Rosberg’s advice to drivers?”, and share the 1 Thing That Matters to them on Road Safety. This contest leveraged on our F1™ sponsorship platform, where popular icons such as Nico Rosberg and Lewis Hamilton helped to spread road safety messages through a series of videos.

Community and Personal Safety

Allianz promotes safety in various forms. Extending our scope beyond road safety, Allianz also emphasises personal safety.

We continued to create awareness on crime prevention and survival skills through the REACT Programme, conducted by Capt. K. Balasupramaniam. In 2014, a total of ten REACT Programmes were held for employees, agents, business partners and customers at our branch offices. In addition, a session was extended to the Persatuan Taman Bukit Maluri Kepong Kuala Lumpur (Taman Bukit Maluri Resident's Association) following their request after reading about our efforts in this topic.

In addition to the REACT programmes, we also organised hands-on workshops for our employees to equip them with basic self-defence skills. A professional trainer was engaged to conduct these workshops, which were intended to equip our employees with not just theoretical but also practical crime prevention skills.

2014 saw us supporting the Women's Street Crime and Awareness Campaign for a second year. This public event, organised by the Road Safety Marshal Club, aimed to raise crime awareness through the twelve booths highlighting survival techniques such as how to escape from a car booth, how to fall safely in case your handbag is snatched and how to use a pepper spray, amongst others. We also sponsored Community Care Kits containing security and first aid items, which were distributed to ten Residential Associations in the Klang Valley during the event.



We distributed 8,500 Emergency Data Cards in 2014. The data card is useful in the event of an emergency, allowing rescuers instant access to medical information for emergency rescue response. Emergency contact person(s) can also be contacted immediately.

Allianz also sponsored the installation of 30 signboards listing emergency contact numbers at thirty locations in Jelevu, Negeri Sembilan. These signboards aim to provide the local community with important contact numbers, such as those of the local police station, district office, district hospital and fire department. This is to provide them easy access to these numbers to call for help in case any untoward incident occurs.

Ultimately, we aim to create a community that has the knowledge and skills necessary to keep them safe from various risks they may face. We believe that we can be a trusted partner for preparedness and protection via our insurance solutions and our community engagement initiatives.



Supporting Emergency Response

A new sponsorship initiative by Allianz in 2014 is the contribution of funds towards the purchase of a new ambulance by the Malaysian Volunteer Fire & Rescue Association ("MVFRA"). The MVFRA is a non-profitable and non-governmental search and rescue team that responds to major disaster rescue missions locally and internationally. It also provides 24 hour emergency response for road traffic accidents and domestic emergencies. Allianz, along with other corporate companies, sponsored an ambulance for MVFRA to carry out its emergency rescue missions.



SUSTAINABILITY REPORT
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In conjunction with Malaysia Day, we also organised a nationwide Blood Donation Drive and Organ Donation Pledge at nine locations from 16 to 25 September 2014. The events, held in Kuala Lumpur, Johor Bahru, Penang, Ipoh, Alor Setar, Malacca, Kuala Terengganu, Sibul and Sarikei, were in coordination with the National Blood Bank, National Transplant Resource Centre and participating hospitals in the respective states. Throughout the events, 492 employees, agents and members of the public donated a pint of blood each while 163 persons pledged their organs. While not on the forefront of emergency response, contributing to the national blood and organ bank serves as a form of social insurance, whereby our concerted effort to create reserves now can help to ensure that there is sufficient supply in moments of need.

Supporting Schools and Organisations

In today’s world, we understand the importance of a computer as a key tool in improving administrative efficiency and also the necessity of building computer literacy in all segments of society. We are also aware that many schools and NGOs are in need of a functional computer for administration or education purposes. With this in mind and also in our effort to preserve the environment, we initiated a Personal Computer Donation Project. Under this project, computers and laptops which were due for replacement by Allianz were offered to schools and NGOs, as we believe that it is both socially and environmentally beneficial to re-use these computers and laptops.

After a wipe-out exercise, a total of 768 desktops and 15 laptops were available for distribution to identified schools and NGOs. All identified NGOs had to undergo the Integrity Check for Non-Profit/ Non-Governmental Organisations (→ Governance) while the schools had to complete a form indicating the number of desktops and laptops requested and purpose of usage. In 2014, a total of 56 schools and 21 NGOs received 703 desktops and laptops, with the remainder scheduled for distribution in 2015.



My Finance Coach (“MFC”)

Our other intervention focused on schools is the My Finance Coach (“MFC”) programme which was first implemented in Malaysia in 2012. MFC aims to improve general financial literacy among children and young people and to prevent 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. MFC is currently present in eleven countries, a truly international programme.



Find out more about the global My Finance Coach programme at <http://en.myfinancecoach.org/>

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 and translated for the Malaysian context. Some of the modules are localised with the support of Dr. Mohamad Fazli Sabri of Universiti Putra Malaysia, who has experience in consumer and financial education.

	2012	2013	2014
Number of Students reached	560	2,027	2,041
Number of Coaches trained (cumulative)	100	182	239
Number of Volunteering Hours (approximate)	408	680	744

SUSTAINABILITY REPORT SOCIAL

Since inception up to 2014, MFC Malaysia has reached 4,628 students through 118 classes with 47 schools and NGOs as well as Allianz agents' and employees' children. Three of these schools are those allocated to Allianz under BNM's School Adoption Programme. For the second year in a row, we supported the National Consumer Day competition organised by the Federation of Malaysian Consumer Associations ("FOMCA"). Through this partnership, MFC was rolled out in 15 schools nationwide during FOMCA's school outreach programme in conjunction with the competition.

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. As at 2014, 285 of our employees signed up for the programme and 175 have taught a class.

In an effort to continually improve and expand MFC in Malaysia, two new modules were developed and implemented in 2014. The first, 'Introduction: History of Money and Security Features of Ringgit', is an interactive module that teaches students about how the concept of money developed from barter trading, and incorporates an activity where students are required to examine Ringgit notes to determine the security features embedded within.

This module was developed in response to feedback received from students about their curiosity to know more about money in general. Thus, MFC Malaysia, in consultation with BNM's Currency Department, rolled out lessons on the security features of money and general education about the Malaysian Ringgit to students. Classes were jointly conducted, with BNM's Currency Department also advising and supporting MFC Malaysia in developing a module that can be run independently.



The second module that was localised and translated was the 'Savings' module which caters to older students. This module, based on one of the same name from the MFC Foundation, was localised with the support of Dr. Mohamad Fazli Sabri. The module introduces students to investment products such as bonds, shares, fixed deposit accounts, basic savings accounts and investment funds. It also aims to teach students the importance of investing due to the impact of inflation, but to be wary that there is no one perfect financial product and that an investor should choose carefully to find one that suits his/her needs.

To leverage on its international network, MFC Malaysia sent three Finance Coaches to Indonesia to learn from MFC Indonesia, which was the first country to implement MFC outside Germany. The Finance Coaches had the opportunity to learn about how MFC is implemented there and also to partner with an Indonesian Finance Coach to teach in a local school there.



"Having Finance Coaches experience a different environment and situation will boost their confidence level, build their ability to better manage students and give more real life examples during coaching."

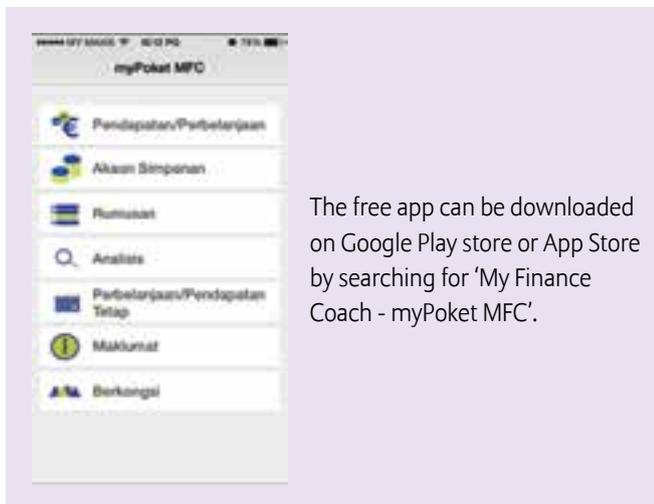
Azleena Abdul Kadir
Finance Coach

SUSTAINABILITY REPORT SOCIAL

Since 2013, Allianz has supported Child and Youth Finance International (“CYFI”)’s Global Money Week (“GMW”), which is an annual celebration to raise awareness on the need for financial education and inclusion for young people. Activities included an MFC class for our employees’ children and educational visits to the BNM Museum & Art Gallery and Bursa Malaysia for two of Allianz’s adopted schools under BNM’s School Adoption Programme as well as 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. In 2014, GMW engaged over 2 million children from 117 countries.

At the end of 2014, Allianz also sponsored the CYFI Regional Focus Group Meeting and Workshop Series for Asia and the Pacific, the first and only dedicated meeting at the regional level that deep dives into the issues, challenges, and opportunities that tackle child and youth economic citizenship. The meeting and workshop served as a concrete platform for representatives from diverse levels and sectors to share, network, innovate and connect and to then transform the regional conclusions to national actions.

Most recently, MFC Malaysia translated and localised the “MFC Geld Manager”, a money management mobile application which was developed by the MFC Foundation in 2013. The app aims to encourage users to track their income and expenditure by offering an easy way of recording each time they spend or receive money. Users can categorise their transactions and set aside amounts to deposit into their savings account. At the end of each month, the app will analyse the user’s spending records and show what the largest spending categories are.

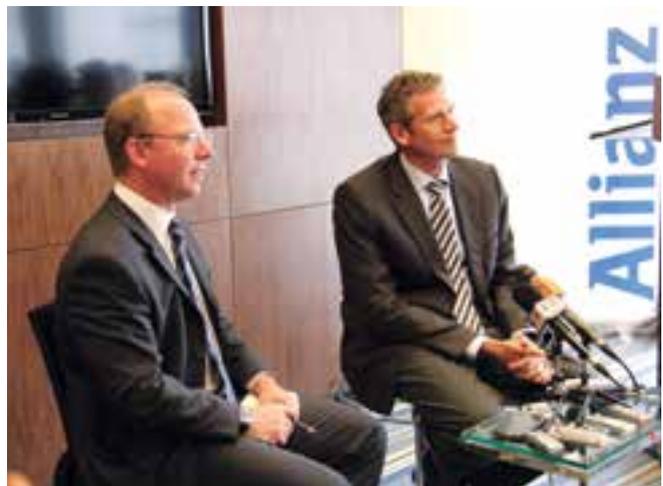


The free app can be downloaded on Google Play store or App Store by searching for ‘My Finance Coach - myPoket MFC’.

Increasing Financial Awareness of the Public

Apart from supporting the inculcation of financial literacy amongst young people via the MFC programme, we also work to increase financial awareness in our community. From time to time, Allianz invites industry experts from its global network to build awareness and disseminate information on their findings amongst members of the public. In 2014, we invited economic expert and Allianz Group’s Chief Economist, Dr. Michael Heise, to present an outlook of the global economy, emerging markets as well as the Malaysian economy. During his brief visit, he was interviewed by business radio station BFM, spoke to media representatives, and also had an open discussion and dialogue session with members of the Malaysian Economic Association. Dr. Maximilian Zimmerer, Member of the Board of Management of Allianz Group, and Dr. Renate Finke, Senior Economist in the International Pensions unit at Allianz Asset Management AG in Munich, also visited us in 2014. Dr. Zimmerer spoke to the media about the economic environment and how it affected Allianz’s investment choices, while Dr. Finke presented the findings of her research on trends in the global retirement market and how different age groups prepare for retirement (→ Economic).

Our local experts also regularly share their knowledge on various topics, including insurance awareness, investment, the importance of insurance coverage, and the precautions that can be taken to safeguard their possessions. We believe an often overlooked aspect of financial knowledge is not only to be prepared for financial risks, but also to know what options are available and how to access them in case these risks are realised.



Community Sponsorships

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. Vans that are specially modified with hydraulic lifts and wheelchair restraint systems enable passengers to travel comfortably around the Klang Valley for a minimal fee. Allianz has supported MOBILITI since 2006, currently sponsoring four of the five vans in their fleet. Our sponsorship covers MOBILITI's operational costs, which include fuel, toll, maintenance and salaries. We also provide free Motor Insurance and Driver and Passenger Personal Accident insurance for the four sponsored vans. With our support, MOBILITI was able to make 11,808 trips during their financial year ended June 2014, and is a valuable service for over 1,400 registered passengers.

"On behalf of Persatuan Mobiliti and the Users, I thank the Management of Allianz Malaysia for their trust on our social work for the Community services of the People with Disabilities particularly the wheelchair users who are unable to get transport to their destination."

Wong Nam Sang
President of MOBILITI



Persatuan
M-O-B-I-L-I-T-I
Selangor & Kuala Lumpur

To find out more about
MOBILITI, please visit
www.mobiliti.org.my

In December 2014, Allianz sponsored the Community Service Centre for the Deaf ("CSCD") a return air ticket for the caretaker of the children and other necessary items for the CSCD children's travel to a week-long Al Amal Camp held in the United Arab Emirates. The camp was organised by the Sharjah City for Humanitarian Services under the patronage of His Highness Sheikh Dr. Sultan Bin Mohammad Al Qasimi with the aim of providing children with disabilities an opportunity to forge new friendships, broaden their horizons and develop greater confidence levels. We also sponsored 150 units each of our reflective wristbands and Road Safety Tips Booklets for distribution to all the participants of the camp. The sponsorship was complemented with Allianz Travel Care Insurance for the CSCD participants.



KidZania

Allianz Malaysia first sponsored KidZania, the educational theme park for children in 2012. KidZania offers a great opportunity for children to experience different life scenarios in a fun, interactive and informative environment. At the Allianz establishment in KidZania, children are introduced to insurance through role play as an insurance agent, where they learn about the importance of having insurance protection. The children will go through a scenario where in order to drive a KidZania car, they are required to purchase motor insurance first. KidZania Supervisors are on hand to explain why this is necessary. In 2014, more than 45,000 children learnt about insurance at the Allianz establishment in KidZania.

Allianz also leveraged the KidZania sponsorship for the benefit of underprivileged children. During the year, Allianz brought a total of 103 children and eleven accompanying employees from three NGOs to KidZania on a learning expedition. The participating NGOs were Yayasan Chow Kit, Shelter Home and Asrama Darul Falah. The children were able to experience various occupations during their visit, which we hope will support their educational development.



KidZania
Kuala Lumpur

Find out more about
KidZania Kuala Lumpur at
www.kidzania.com.my

SUSTAINABILITY REPORT

SOCIAL

Allianz Junior Football Camp

Another way that Allianz supports the development of young people is through the Allianz Junior Football Camp ("AJFC"). Allianz Group, Platinum Partner of FC Bayern Munich has organised the AJFC annually since 2009. Teenagers aged between 14 to 16 years from all over the world gather in Munich, to get exclusive insights behind the professional world of football around FC Bayern Munich.

In 2014, Allianz successfully connected with more than 2,600 teenagers, of which close to 700 attended the AJFC selection held in Shah Alam, Selangor. Three outstanding teenagers who are passionate about football were chosen for a once-in-a-lifetime opportunity to meet FC Bayern Munich footballers, train at the FC Bayern Munich Youth Academy under the guidance of FC Bayern Munich youth coaches and to make new friends from around the world. The trip also included a visit to the FC Bayern Museum, sightseeing around Munich and intercultural exchange amongst the teenagers. Nine other teenagers were selected to attend the AJFC Bali Camp in Indonesia where they also had the opportunity to train under FC Bayern Munich youth coaches and to meet their peers from participating countries in Asia.

The AJFC aims to reach out to teenagers through the 1 sport that matters to them - football. The AJFC was created with two objectives in mind - to support aspiring footballers to grow, pursue their passion and achieve their dreams in football, and to promote healthy living through sport. With the number of participants increasing steadily every year since its Malaysian launch in 2012, we are positive that we are contributing to the grassroots development of sports in Malaysia.



"I had the opportunity to meet the Bayern Munich players such as Dante and Schweinsteiger in person and saw them train. I also met new friends from 28 countries around the world. It was indeed a new experience and exposure for me."

Muhammad Adam
AJFC 2014 participant

Allianz Pacer Running Community

Our other flagship initiative in support of healthy living is the Allianz Pacer Running Community, which was launched in October 2013. The running community was formed to encourage members of the public to start running for a healthier lifestyle. The Allianz Pacer is based on social media platforms to reach out to Malaysians – via the Allianz Pacer Facebook page and a mobile running app.

Currently, there are more than 21,000 fans on the Allianz Pacer Facebook page. The page dedicates itself to posting running events, health and running tips as well as contests to instil interest in running for better health. The Allianz Pacer mobile running app was created to assist runners in tracking their performance while running. It displays data such as distance, pace, time and calories burnt. It can also track the running route based on a GPS location system.

In addition to social media engagements, the Allianz Pacer Running Community also organises on-ground events for external and internal stakeholders. Allianz Pacer organised three Fun Runs to encourage running participation. The first Fun Run, "Let's Run Together", attracted about 200 participants and was held in Port Dickson, along a picturesque beachside route. The second Fun Run, "A Dash of Colour", had more than 1,300 participants while the third Fun Run, the "Allianz Pacer #Runfie", saw 1,000 people taking part. The "Allianz Pacer #Runfie" had an element of social responsibility where half the registration fees, amounting to RM15,000, was contributed to the National Cancer Society of Malaysia to help fund their work. On the Run day, the National Cancer Society of Malaysia had a booth at the event to create awareness on cancer and the importance of early detection.

Allianz was also the title sponsor of the Allianz Pacesetters 4x3km relay 2014. Under the Kiwanis Corporate Charity Challenge, a minimum donation of RM 1,000 is required by each participating team and 100% of donations received were channelled to the Kiwanis Down Syndrome Foundation – National Centre, which is committed to the welfare of children with Down's syndrome. A total of RM 55,600 was donated to the Centre. All the Fun Runs were organised with a unique theme in order to spread the appeal of running to a larger audience.

As for internal activation, throughout the year, the Allianz Pacer Running Community has been organising Weekly Running Clinics for employees from the Head Office and Klang Valley branches to promote running for a healthier lifestyle. Our branch offices, Alor

Star and Miri specifically, are now also organising their own running clinics. To encourage more staff to participate, the Allianz Pacer Running Community introduced the Loyalty Reward Programme. Those who join the running clinics will be able to redeem various Allianz Pacer merchandise based on the number of running clinic sessions they have attended.



To find out more about the Allianz Pacer Running Community, please visit www.facebook.com/AllianzPacer

Apart from encouraging running as a way to maintain and improve health, we also actively promote regular health checks among staff and the general public. Internally, our employees are reminded to undergo periodic health checks that are borne by Allianz. Externally, Allianz embarked on a year-long partnership with the National Kidney Foundation to offer free health checks to members of the public in 36 locations nationwide. The health checks included Body Mass Index ("BMI"), blood pressure, urine and blood glucose tests as well as health counselling. An estimated 2,700 people were able to benefit from these free health checks.

In conjunction with the launch of our Allianz Booster Care product, we specially modified four Allianz-branded trucks which made their way to 100 of our agency offices throughout Peninsular Malaysia. At each location, the trucks offered free BMI health checks and health awareness activities, and at the same time raised awareness on Allianz Booster Care as a means of preparing financially for unexpected health problems. In just a month, more than 9,700 people registered for various activities conducted at the trucks and many more benefited from the health information shared.



Corporate Giving

In January 2014, Allianz Malaysia handed over RM77,910 to the Malaysian Red Crescent Society to support relief and rehabilitation projects for survivors of typhoon "Haiyan", which hit the Philippines at the end of 2013. This sum was collected during a fund-raising initiative amongst our Directors, employees, customers, agents and business partners, which was then matched and topped up by Allianz.

Partners with Charity at Heart

Beyond the events organised under our structured corporate responsibility programme, we are also part of an extended family of responsible corporate citizens. 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 residents of the homes. Our Life Agency has committed to assign one day in each year as Allianz Charity Day, for the life agency force to carry out charity related activities.

SUSTAINABILITY REPORT
SOCIAL

East Coast Flood Response

At the end of 2014 and the beginning of 2015, Malaysia experienced one of the worst flood situations in recent history. Understanding the difficulties faced by flood survivors, Allianz took a number of measures to ease their burdens.

We issued a press release raising awareness on claims procedures specifically pertaining to floods, so that those affected would know what to look out for on their policies to determine their coverage and what records they should take to assist the claims process. Besides that, we also expedited the claims process for affected customers and employees and embarked on a number of humanitarian aid projects.



Support for the Malaysian Volunteer Fire and Rescue Association ("MVFRA")

Two collection drives for necessities such as food, clothes and sanitary items were carried out amongst employees and agents to collect relief items for people in flood-affected areas. Allianz supplemented this by making a cash contribution for the purchase of urgently requested items. The collected and purchased items were given to the MVFRA who then distributed them to affected communities in Kemaman, Pengkalan Chepa, Manek Urai, Ipoh, Gua Musang, Kuala Betis, Temerloh and Maran. Subsequently, Allianz made a second cash distribution to support MVFRA's flood relief efforts in Beaufort.

Clean-up Mission in Tanah Merah, Kelantan

Allianz employees, agents, friends and family members from different parts of the country volunteered to clean up a flood-affected school in Tanah Merah, Kelantan. SK Tebing Tinggi was identified by Ops Harapan - a community initiative by passionate individuals to unite Malaysians in providing flood aid to the East Coast of Peninsula Malaysia - as one of the worst hit schools in the area, having had its entire ground floor flooded. Our 43 volunteers, some travelling to Kelantan from Penang and Kuala Lumpur, worked tirelessly for 4 days to clear the worst of the mud and debris. This entailed the physical tasks of shovelling out water-soaked books, breaking down and carrying out unusable furniture and fittings, and pushing stagnant pools of mud out of the classrooms and drains.



School Supplies for Flood-Affected Students

Apart from just helping to clean up SK Tebing Tinggi in Tanah Merah, Allianz contributed stationery sets, new uniforms and socks for distribution to its students. Stationery sets were given to eight other schools in Kelantan which were identified by our employees. They are SJK (C) Chung Hwa, SK Batu Jong, SK Bedal, SK Manek Urai, SK Kuala Nal, SRJK (T) Pasir Gajah, SK Sungai Embak and SK Temangan.

We also provided school uniforms and socks to the students of SK Bandar Temerloh and SK Tanjung Lalang in Temerloh, Pahang which were affected by the flood. The request to provide the school items came from our Allianz Temerloh branch office.

Collaboration with Cypark Resources Berhad ("Cypark")

Allianz collaborated with Cypark to transport solar powered lighting systems as well as solar powered water desalination and purification systems to districts in Kuala Krai, specifically Manek Urai Lama and Kuala Nal, to provide relief to these areas which saw their electricity and water supply infrastructure damaged by the floods. Allianz Malaysia bore the transportation costs; while Cypark provided the expertise to set up the equipment and also trained the relief centre coordinators on the use of the systems.

Operation for Orang Asli Community in Gua Musang

Allianz worked with a group of volunteers led by Siti Kasim, a prominent human rights lawyer, to assist communities in Gua Musang that, at that point in time, had been cut off from assistance for almost three months. As some of the Orang Asli villages were beyond reach by road, we also sponsored the cost of hiring a helicopter for two separate operations over a total of four days. Food, doctors, medical supplies and hygiene necessities were brought by land and by air to over 30 villages. Of the 40 tonnes of items delivered, over 8 tonnes were contributed by Allianz employees and agents through a collection drive organised by the company.



Our employees, agents, business partners, family and friends showed great compassion through their response during a time of need, and we are grateful to have this network of people as our greatest strength.

SUSTAINABILITY REPORT GOVERNANCE



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.



94% of employees feel that Allianz shows commitment to ethical business decision and conduct

We recognise the importance of sound internal controls in safeguarding our assets, our customers and our shareholders' investments. Various internal controls in the areas of risk management, finance, operations and compliance have been put in place 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. Through our policies, guidelines and codes of conduct, we hold each of our representatives to high ethical standards.

Our employees are required to attest on an annual basis 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, 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. These include customer due diligence, screening against sanctions lists and suspicious transaction reporting. Throughout the year, AML/CFT training sessions were held for employees and agents to promote understanding of their fundamental responsibilities in adhering to the procedures of verifying customers' identities and reporting of suspicious transactions.

SUSTAINABILITY REPORT

GOVERNANCE

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 provide feedback 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. Besides that, Bank Negara Malaysia (“BNM”) issued guidelines on Prohibited Business Conduct which provides guidance on descriptions of prohibited business conduct as set out in Schedule 7 of the Financial Services Act and Islamic Financial Services Act. The guidelines reinforce existing standards on business conduct and consumer protection previously issued by BNM as well as by the insurance associations and Allianz.

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 in our life insurance and general insurance subsidiaries respectively to deal with intermediary behaviour that is contrary to the said Sales Policy and Sales Agent Code of Conduct.

As part of measures to improve uniformity in disciplining the agency force, we also formalised a Sales Compliance Disciplinary Policy detailing definitions of types of offences/misconducts and the associated recommended disciplinary actions.

Business Relationships

When entering into new business relationships, we ensure that our contractual obligations are based on ethics as well as long-term viability. We incorporate clauses on subject matter such as anti-bribery/anti-corruption and data protection in our contracts as we expect our partners to be fully aware of and conform to the high standards that we have set for ourselves.

We adopted Allianz Group’s Anti-Corruption and Anti-Fraud Policy, which serves to outline the Group’s 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 payments. In this respect, there is an established training programme for our employees and agents on Anti-Corruption and Anti-Fraud topics. Our commitment to this topic was again emphasised during International Fraud Awareness week, International Anti-Corruption Day and through a message from our CEO on Anti-Fraud and Anti-Corruption distributed to our employees, business partners and intermediaries.

The Group Data Management Framework (“DMF”) is in place to establish and maintain a sound data management and management information system framework. The objective of the DMF is to manage data and disseminate information effectively and efficiently, and to maximise the effective use and value of data assets. The DMF aims to ensure the integrity of data assets by preventing unauthorised or inappropriate use of data and information. Clauses related to the DMF are incorporated into all our contracts as part of our standard practice. We also continually reinforce these topics amongst our employees through the implementation of compulsory awareness trainings as part of each employee’s annual e-Declaration, the inclusion of relevant articles in our internal newsletters and additional training for employees deemed as high risk due to the nature of their work.

The Allianz Group’s Gifts and Entertainment Policy (“GE 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 relating to the Allianz Gifts and Entertainment Policy: Sponsoring & Hospitality (“SH Guidance”), which is an addition to the GE 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.

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Investment with a Long-Term Perspective

Our investments are guided by the Allianz Group Investment Manual which sets out detailed investment procedures and controls, including an Investment Code of Ethics to ensure that Allianz'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 prevention and detection of fraud and the handling of whistleblowing incidents. We adopt the Allianz Anti-Fraud Policy which defines fraud events and their follow-up actions; and the Allianz 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 ("VIS") process, which is a part of Allianz Group's Anti-Corruption Programme is aimed at ensuring an integrity-based due diligence before any third party vendor is engaged. The screening contains a self-assessment section which, amongst others, includes questions on anti-corruption and integrity to be answered by the potential vendor and a risk evaluation to be completed by the relevant department. Only those vendors whose screening does not reveal any negative findings will be engaged.

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. This screening assesses the organisation as well as its key personnel to ensure that our exposure to financial and reputational risk is minimal. 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 and that our programmes are delivered smoothly.

375 have been
VENDORS screened under
the Vendor Integrity
Screening process



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.

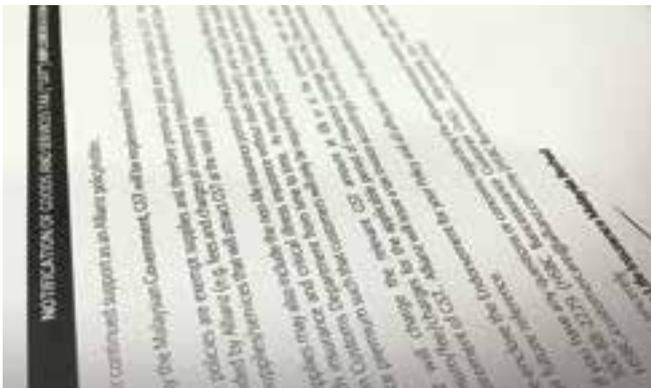
Preparing for Regulatory Changes

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 constantly monitored to ensure compliance with the PDPA. Additionally, with the adoption of the Allianz Standard for Data Protection and Privacy ("ASDP") in August 2014, steps are being taken to implement the Data Privacy Management System ("DPMS"), which is a requirement under the ASDP. The DPMS aims to ensure compliance with regulatory obligations pertaining to data privacy and securing the trust of customers and business partners in relation to the handling of personal data. 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.

SUSTAINABILITY REPORT GOVERNANCE

In light of the enforcement of Schedule 9 of the Financial Services Act 2013 (“FSA”) on 1 January 2015, we have implemented changes to ensure that our documents and processes are in compliance. Schedule 9 of the FSA outlines the pre-contractual duty of disclosure and representations for contracts of insurance and thus our documents were enhanced to notify customers of their obligations in this respect and the impact if there was any misrepresentation by the customers. This process was guided by the Life Insurance Association of Malaysia and the General Insurance Association of Malaysia respectively.

We also undertook an extensive review of the possible impact of the Goods and Service Tax (“GST”) on our business and have taken steps to prepare for its implementation since its announcement in 2013. Our employees, agents and business partners receive training on the impact of GST on our business, and operational changes have been made to accommodate the GST.



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 (“BCM”) 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 test the readiness of disaster plans and business continuity procedures in a simulated environment. In addition to this, awareness training on Organisational Safety and Health and BCM was organised for all employees to familiarise them with the disaster recovery procedures. Having these procedures in place ensures that in a disaster situation, our employees will be equipped with the necessary skills and information to minimise disruption to our business and thus continue to serve our customers and partners.

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 recognised, as we were awarded the “Best Reporting within an Annual Report” by ACCA Malaysia’s Sustainability Reporting Awards (“MaSRA”) 2014. The awards, in their 11th cycle in 2014, were created to reward companies for excellence in environmental, social and sustainability reporting and provide a platform to recognise and celebrate organisations which report on their sustainability performance and impacts.

In 2014, we were also awarded third place in The Edge’s Billion Ringgit Club Corporate Responsibility Award under the “Below RM10 billion market capitalisation” category for the year 2013. The award is judged by a panel of judges selected by The Edge, and evaluated based on four focal areas according to Bursa Malaysia’s CSR Framework for Public Listed Companies, namely community, environment, marketplace and workplace. These awards represent a milestone in our continuing journey to sustainability and governance excellence.



For more information on our Corporate Governance practices, please refer to the Corporate Governance Statement and the Statement of Risk Management and Internal Control presented on pages 92 to 133 of the Annual Report.