



# **SUSTAINABILITY REPORT**



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### About this report

This report covers the sustainable development of Allianz Malaysia Berhad and its subsidiaries in 2015.

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 2015 and content reported is for the financial year ended 31 December 2015.

### 65 GOVERNANCE

Our corporate governance framework forms a solid foundation for all our lines of business

## CEO's STATEMENT



Insurance play a pivotal role in the economy and society at large by providing risk sharing and pooling of resources as well as loss prevention measures and compensation. However, to date, the awareness of insurance's contribution towards the overall economy and society remains largely unseen.

It is undeniable that society has a negative perception towards the insurance industry as a result of misrepresentation and mis-selling. Clearly, this perception is justifiable due to the lack of complete transparency in the industry as well as insufficient consumer education. Although stringent regulations have been imposed on insurance companies and distribution channels by regulators, the fact is that the current insurance model does not encourage ethical practice where compensation of agents' commissions is based on sales volume. As an industry player, we need to embrace change. More focus has to be put on customer centricity and elements of consumer protection have to be inculcated in our insurance products. Allianz will be taking bold steps to challenge traditional models for the betterment of our consumers.

We take corporate responsibility seriously. As an insurance provider, we are committed to play a role in contributing to the society by providing a wide range of reasonable and affordable insurance protection to all levels of society and make timely settlement of claims when loss events are reported. As a responsible corporate citizen, we seek to contribute in building an inclusive civil society, ensuring that the underprivileged community is given equal opportunities.

At Allianz Malaysia, diversity and inclusion are important values. We value and respect each individual and seek to understand and provide the best solutions for them. The Innovation Incubator Workshop was held in 2014 with the aim to understand the needs of Persons with Disabilities ("PWDs") and subsequently provide solutions for them. I am happy to report that to date we have fulfilled most of the promises made during the workshop. Three insurance products with affordable premiums covering life, personal accident and hospitalisation were made available to PWDs in 2015. We have also been progressively recruiting PWDs into our workforce since 2015, and by early 2016, we have added a total of eight PWDs into our workforce.

In an effort to champion diversity and inclusion of PWDs, we sponsored the Malaysian Abilympics team to compete in the 9th International Abilympics competition held in Bordeaux, France, which allowed the participants to showcase their individual abilities and skills through a global platform. Through this sponsorship, we hope to give the Abilympians the confidence

and courage to compete in life with the belief that they are just as able and capable, if not more, compared to any other human beings.

We are in the business of making profit from risk. However, it is not about the amount of profit we make but in the way in which we make profit conscientiously. We are taking an all-embracing approach to our profit levers by looking into the manner in which we invest, whom we invest with and the nature of risks we underwrite. For example we have been making effort to divest from coal related investment since end of 2015 and ensure that palm oil businesses comply with the requirements set by Roundtable of Sustainable Palm Oil.

The Orang Asli has always been a marginalised community in Malaysia. Our support to the Orang Asli stemmed from the disastrous flood that hit the East Coast in 2014. Since then, we have committed ourselves to help the Orang Asli deal with challenges arising in the 21st century. We want to provide equal opportunities to this group of people. As a first step, we provided them with basic necessities to get through their plight during the flood. Currently, education and self-sustaining economy are our key focus areas in ensuring that the Orang Asli community will be able to continuously thrive.

At the end of 2015, another major flood hit Terengganu and caused major losses to the communities located in the town of Kemaman. We mobilised our claims team to the affected site and paid claims to the claimants within 96 hours upon claims reported.

We understand that in order to better help the community in mitigating losses due to flood, awareness and sufficient preparation is crucial. In 2015, we organised Flood Survival and Drowning Risks Awareness Workshops for the surrounding communities located in flood prone areas in the East Coast and developed flood preparedness brochures and flood survival kits for distribution to the communities in need.

The digital age is here now, we either change or be left out. It is therefore important for us to always keep up with the fast-paced environment and be easily accessible. Our consumers demand straight forward processes and we deliver by fully utilising the latest digital technologies available to us. We aim to embrace our customers' needs as if it is our own.

I invite you to read our corporate responsibility initiatives in the subsequent pages, as part of our sustainability journey.

## MANAGING CORPORATE RESPONSIBILITY

## 2015

*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.*

We pursue our Corporate Responsibility ("CR") objectives through an integrated and comprehensive approach, managed by the Allianz4Good Department. The 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. With the effects of climate change becoming more apparent, we foresee the necessity for more disaster relief and response initiatives thus we widened our focus area to include Disaster Response into our corporate responsibility portfolio.

2015 saw the further development of existing activities, with experience helping us to refine our approach. For example, we further improved and developed the Allianz Road Safety Education Module as a tool for educators to advocate road safety in schools. In line with Allianz 125th Anniversary global celebration, we used this platform to address the emerging mega trend of Environmental Change through various local initiatives. We were also heavily engaged in disaster relief efforts in our effort to alleviate the burden of the affected communities in the East Coast, Sabah and Nepal.

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.



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





#### FEEDBACK FOR SERVICE IMPROVEMENT

As a financial services provider, our priority has always been our customers. It is therefore important that we provide products and services that meet the needs and expectations of our customers and to remain relevant in a rapidly changing consumer environment.

As part of the Treat Customers Fairly ("TCF") framework implemented by Bank Negara Malaysia ("BNM") and Life Insurance Association of Malaysia ("LIAM"), we consistently conduct welcome calls to ensure that our customers are aware of the benefits they are receiving, policy exclusions as well as the premium commitment for their recently purchased policy. At the same time, we take the opportunity to inform them that we are always available to assist on any policy-related matters.

Feedback from our customers is taken constructively and we see it as an opportunity to improve on our products and service standards. We measure customers perception and experience through the Net PromoterScore ("NPS") survey. Top-down NPS tracks our performance relative to our industry peers while Bottom-up NPS assesses our customers' recent service experience at key touch points. The results provide valuable insights into areas of improvement and also serves as validation of whether processes implemented are effective and achieving their desired results.

Our active use of customer feedback to improve our services has seen the number of complaints lodged against Allianz decrease by 33% compared to 2014. 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.

## Economic

*As an insurance company, we continue to play a pivotal role in the society and are committed to being a reliable partner for our customers. We value feedback from our customers which enables us to assess and enhance both our products and delivery and to continually innovate to meet customers' expectations.*

#### DEMOGRAPHIC CHANGE

Escalation in cost of living combined with economic downturn has a significant impact on Malaysians saving for retirement. Workers close to retirement age today would have exhausted their Employee Provident Fund ("EPF") in the first 5 years of their retirement, according to sources from EPF.

In our effort to create more awareness on this issue, we invited the Head of Allianz International Pensions from Allianz Group, Brigitte Miksa, to share her knowledge and expertise on retirement trend with our employees and business partners as well as the general public through a press conference. In 2014, we launched the RetirePlus product as a solution for retirement concerns and further introduced FlexiSaver in 2015, a savings plan which provides the flexibility and affordability in its premium and coverage term.



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*Young workers are well advised to save more, ideally to accumulate savings of 12-14 times their last annual salary to ensure an adequate retirement.* ”



### ACCESS TO FINANCE

Not only do we strive to ensure Malaysians' long-term financial needs are met, but we also hope to provide solutions for all their insurance needs. It is thus important that we offer affordable and reliable insurance products to cater for a diverse society.

In 2014, we held the Innovation Incubator Workshop with the aim of understanding and improving 'Accessibility for Persons with Disabilities ("PWDs")'. Arising from this workshop, in 2015 we introduced three insurance products with affordable premium specially catering for PWDs. The three products are; Allianz Ability Life, a yearly renewable life insurance plan; Allianz Care Individual, a yearly renewable hospitalisation plan; and Allianz Individual PA, a yearly renewable personal accident plan.

We continue to expand our offerings and provide insurance options to the previously uninsured community through various products and initiatives. For example, we made the KampungKu product available to communities located in Kemaman who had their homes damaged as a result of the flood that hit the East Coast in December 2015. We expedited and paid their claims within 96 hours from the time the claim submissions were made, which provided immediate financial relief when it matters most.



### HEALTH

With medical costs escalating one may not be able to afford, or may exhaust their lifetime savings, to treat illnesses. With this in mind, we developed 2 medical insurance riders with the objective of providing comprehensive protection plans based on an individual's affordability.

These medical plans, MediSafe Infinite and MediSafe Infinite Xtra, provide comprehensive medical coverage designed to have high annual limit as well as end to end coverage from diagnosis to hospitalisation, among others. These 2 products are available for those between 15 days old to 70 years old, with an extension of coverage up to 91 years old.

With affordable premium options, Allianz Booster Care is another accessible solution that provides protection against medical cost inflation. The product covers treatment in Singapore, provides an annual limit of RM200,000 as well as a lifetime limit up to RM1,000,000 with five types of plans to select from and guaranteed renewal up to 80 years.

Processes at  
Regional  
Claims Hubs

96

Hours Claims

Fast Track  
Report claimsWindscreen  
claims up to  
RM10,000Motorcycle  
Claims up to  
RM1,000

## SERVICE EXCELLENCE

As part of our commitment to provide our customers with quality services and products, we embarked on several internal initiatives to equip our employees with the right expertise. For example, via our Allianz Academy, various technical and non-technical programmes/courses have been offered to employees at all levels. They are also encouraged to sign-up for the exams offered by the Malaysian Insurance Institute ("MII") and Life Office Management Association ("LOMA") to increase their insurance competency. We went one step further by becoming the first insurer in Malaysia to sign a Memorandum of Understanding ("MoU") with the MII to officially recognise the Allianz Professional Commercial Underwriters Certification ("Allianz PCUC"). The Allianz PCUC is a comprehensive programme aimed at producing certified underwriters who are competent in underwriting and soft skills.

The key to being the insurer of choice for our customers is to put their needs at the forefront of our service. With the priority of our customers in mind, we conducted Panel Workshop Customer Service Training to ensure that our panel workshops meet the standards set by Allianz for all repair works. Standard Operating Procedures and overall service attitude were further enhanced for improvements.

We undertook the Branch Network Transformation initiative to set up Claims Regional Hubs in the Northern and Southern regions. These hubs were formed to increase autonomy during claims assessment which in turn shortens the overall turnaround time.

In our effort to improve customer service level, turnaround time in claims settlement processes and improvement of the business relationship with our stakeholders, we invested in a Claims Caravan which was mobilised to flood prone areas in the East Coast region to expedite claims processes during the 2015 year end monsoon. Policyholders whose homes were affected by the flood only needed to approach the caravan, fill the claim form and an authorized adjuster will be assigned to survey the property within 24 hours.



### ALLIANZ HEAD OFFICE MOVED TO MENARA ALLIANZ SENTRAL



Our move to Menara Allianz Sentral in 2015 positioned our brand presence more prominently with the establishment of the naming rights on the new office building. The move further emphasised on easy access for customers as well as cost efficiency in regards to space requirement for the placement of employees.

In our efforts to expand our reach and engage with customers, we have increased our branch network to four additional locations namely Labuan, Langkawi, Raub and Muar. In addition, our Penang branch was relocated to a more strategic and conducive location to provide easier access for our customers.

### DIGITALISATION

In our current digital world, customers expect fast, easy and reliable services with convenient access to information. 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.

With the aim to increase efficiency and productivity, we implemented a full-featured sales planning and e-submission application which enables our agents to submit proposals electronically, while our e-collection module allows them to make payments online. Time saved from the submission of physical policies and sorting of documents is put to better serve our customers. Additionally, we also increased our e-payment options with the adoption of JomPay and CIMB Plug'n'Pay as another alternative premium payment method for the convenience of our customers.

With the growing influence of social media, we embarked on a project to train our agents in using digital platforms as a form of effective communication channel. Through the use of Facebook and Whatsapp chat groups, our agents are able to carry out various day-to-day interactions with us wholly online as well as having better opportunities to connect with prospective customers.

The Allianz corporate website also went through further enhancements to provide our business partners and customers with easier access to our company information and an improved overall user experience. These digital initiatives further add value to our performance as a service provider as we strive to deliver the best products and services to our customers.

### WORKING WITH RELIABLE PARTNER

In promising our deliverables to our customers, we continued to strengthen our distribution channels and worked with reliable partners to ensure service and operational excellence.

As a market leader in the general insurance industry, we managed to capture a market share of 12.92% and saw a healthy increase in our customer base in 2015. This achievement could be partly attributed to the collaboration with our various partners. Our roadside assistance partner, Mondial Assistance ("Mondial"), who provides reliable roadside assistance services to our motor and personal accident policyholders. Our extensive network of 255 panel workshops nationwide is key to the subsequent repair services required by our customers. They are guided by Allianz Service Expectations and Performance Indicators to ensure consistency in their delivery of services.

We also developed the Allianz Auto Assist app, a mobile application, for the convenience of our policyholders who subscribe to the Road Side Assistance Programme. The app provides helpful features and information for our customers in the event of an emergency.

Asia Assistance Network Sdn Bhd ("Asia Assistance") has been our Life and Health Claims partner since 2001, supporting the hospital admission and discharge services required by our policyholders. Through this partnership, we continuously strive to provide our customers with efficient service solutions, for example by digitalising claim processes for more efficient information retrieval.



## Environment

*Locally, we support the climate change strategy by avoiding or reducing carbon emissions and substituting resources with lower-carbon alternatives.*



### CLIMATE CHANGE STRATEGY

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.

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 promotes the use of lower-carbon alternatives; and the Global IT Sourcing and Procurement Policy advocates the use of energy-efficient IT hardware.

### ENVIRONMENTAL MANAGEMENT SYSTEM

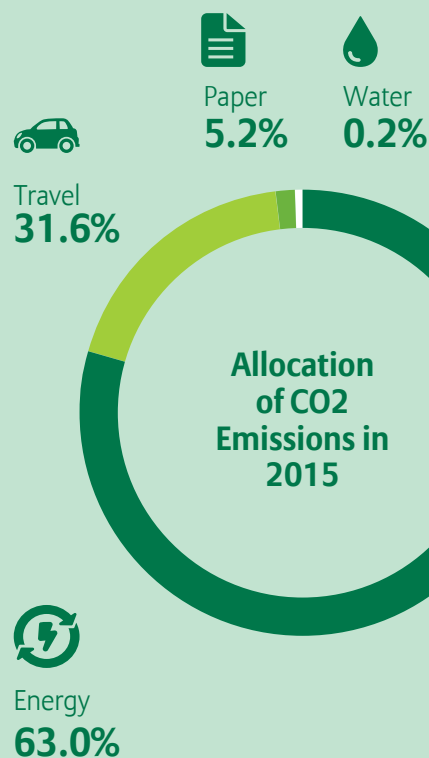
We are continually reducing our carbon footprint and, thanks to carbon investments made by the Allianz Group, we have been a carbon-neutral business since 2012. Allianz Group also far exceeded its target to reduce carbon emissions per employee by 35% by 2015, against a 2006 baseline, by recording a 43.3% reduction. The scope of the carbon footprint includes energy used to operate buildings and IT equipment; business travel by air, car and train; paper used and waste generated from day-to-day operations; and water consumption.

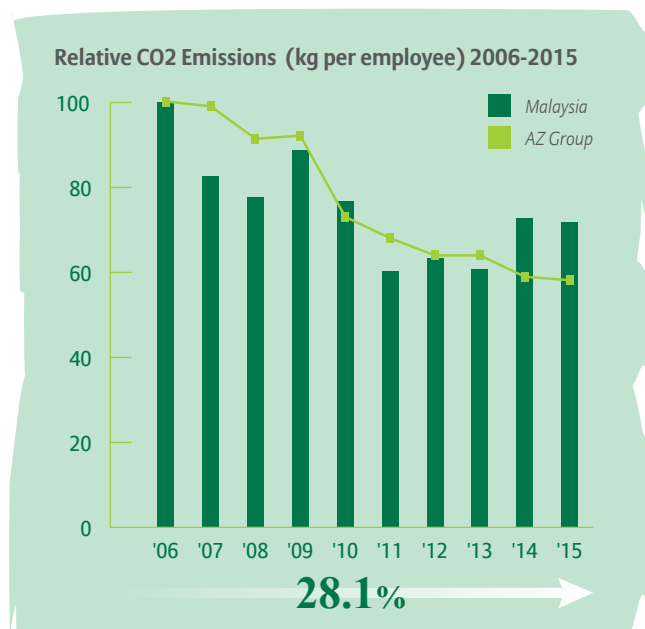
Given that energy usage is the largest contributor to carbon footprint, Allianz Group aimed to reduce energy consumption per employee by 10% measured against a 2010 baseline to support the overall carbon reduction target by 2015. Allianz Group managed to surpass its target by recording a reduction of 25.7%.

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") introduced by Allianz Group to ensure transparency in environmental performance and to support systematic environmental data collection and control. In 2015, we saw a slight reduction in our emissions to 2,618 kg per employee

as compared to 2,649 kg per employee in 2014. Our overall emissions reduction since 2006 now stands at 28.1% per employee as at 2015, we will continue our journey to further reduce the carbon footprint of our operations.

### Allocation of CO2 Emissions in 2015





### PREPARING FOR PAPERLESS

In this digital era, consumers are increasingly moving their dealings online. It is thus important that we move forward with the trend to streamline our business processes through new technologies and rely less on traditional paper solutions. We have replaced physical documents with paperless options where possible, for example disseminating only soft copies of meeting papers to our Board and Senior Management Team.

We also encourage our business partners to use our e-submission platform, or Imagine platform, instead of the conventional paper-based method of submitting proposals. The Imagine platform is a digital application for new submissions which is solely developed to be used on iOS. Usage of this software 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.

In our continuous effort to digitalise the entire user experience for our customers and business partners, we have developed an e-collection module that helps simplify the payment process for our agents. They are able to manage the payment process instantly without the use of cheques and other physical payments.

While a number of our digitalisation efforts have focused on process improvements, we restructured our Allianz webpage and further enhanced its user friendly features to improve digital customer experience. The webpage also incorporates our customer portal where policyholders are able to view their policies in digital form. In the coming years, the issuance of policy documents on e-basis will lead to cost savings, reduced paper consumption and increased efficiency.

Through digitalisation, we are able to improve internal documentation processes and reduce paper wastage and duplication. For example, we have cut down the number of printed renewal notices and have instead

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*Even seemingly little changes like using SMS for customer communication can have a great impact – we cut down our paper based notices by 40% since implementation in 2014.*

”



**Stefan Ritz, Chief Digital Officer of Life Insurance Operation**

provided soft copies to branches, only to be printed when needed. Another initiative 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. Through the use of digital messaging tools, we are also able to increase our interaction with our agency force.

### USING NEW TECHNOLOGY

In 2015, we further enhanced the Allianz Auto Assist smart-phone application that was introduced to our policyholders in 2014. The app allows our policyholders to instantly request for breakdown assistance without having to call the service centre. Further to that, the app is able to accurately pin the user's location automatically via the phone's GPS and give frequent updates on the breakdown request. Panel workshop contact numbers are also included for immediate assistance as an added benefit. As at October 2015, 10,203 users have installed the app in which 315 cases were submitted.

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**315** cases were submitted







Internally, we substitute emission sources with lower-carbon alternatives through digital solutions. For example, we conduct our internal surveys using web-based platforms and also adopted video-conferencing and tele-conferencing as alternatives to air travel to lower our carbon footprint, cut cost and optimise time management. The Allianz Malaysia Facebook page, which was launched in 2011, functions as a digital platform for customers to connect with us, serving as an important feedback instrument on top of our conventional channels.

Living in a fast-paced environment, we believe it is important to stay relevant and be agile to changes that are taking place in our world. Whilst taking steps to transform ourselves to be a forward-thinking business model we also consider our operational impact on the environment. In early 2016, Allianz leased three electric vehicles with Cohesive Mobility Solution ("COMOS") to be used as part of the company's vehicle fleet. Being one of the top motor insurance providers in Malaysia, this experience will allow us to anticipate future risks of e-mobility. The branding of "100% DIGITAL" on the electric vehicles represent our efforts in creating a digital ecosystem within Allianz. The initiative will increase our business efficiency which in turn reduces our dependence on consumption of natural resources.

### MOVING TOWARDS ECO-FRIENDLY OPTIONS

In our effort to reduce carbon emission, we are careful to select climate-friendly options for necessary business equipment. For example, we installed energy-saving light bulbs and eco-friendly air conditioning in our offices.

In our relocation to the new Head Office at Menara Allianz Sentral, the transition process was thoughtfully planned out beforehand to ensure that the move is cost effective and have as little impact towards the environment as possible. As part of the relocation planning, we reused a large portion of our existing office furniture, for example office partitions and workstations as well as computers which are still in usable condition to avoid unnecessary waste. We also purchased ergonomic office chairs and carpeting made from eco-friendly materials that have low chemical emissions. In an effort to improve overall operational efficiency, we implemented an e-filing system to reduce non-productive storage



spaces to a minimal as well as to discourage the use of paper. In order to reduce unnecessary paper wastage, we constantly urge our employees to practice proper paper recycling habits. Throughout 2015, we recycled a total of 12,767kg worth of papers.

### ALLIANZ 125TH ANNIVERSARY

In 2015, a global celebration was held in conjunction with the 125th Anniversary of Allianz ("125th Anniversary"). In an effort to give back to society, the 125th Anniversary celebration was used as a platform to address 2 emerging megatrend topics, Demographic Change and Environmental Change.

Locally, we adopted the topic of Environmental Change as it is more relevant to the environment in Malaysia from the changing of climate patterns to extreme weather events such as the 2015 East Coast flood occurrence. Throughout 2015, we held interactive activities and educational programmes for employees, business partners and family members alike, with the aim to increase awareness on the importance of sustainable living and to make a positive difference towards the environment.

## ALLIANZ 125TH ANNIVERSARY

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At Allianz, we believe that change starts from within, thus we conducted a series of initiatives to empower our employees. We recognise that a comprehensive understanding on the topic of sustainable living is key to preserving the environment, we accordingly collaborated with EcoKnights, an environmental organisation that inspires sustainable living, to roll out internal awareness programmes.

Eco film screenings were held during lunch hours where employees had the opportunity to witness the reality of environmental destruction resulting from human activities. Additionally, various environmental-themed talks ranged from proper methods of recycling to understanding sustainable ecosystem, were also held during lunch hours to grow our employees' knowledge on environmental protection. Our employees also took part in an eco-trail walk in Forest Research Institute of Malaysia ("FRIM") where discarded waste was collected throughout the hiking trail.

Since 2014, we have been carrying out Recycling Day initiatives in our Head Office and branches nationwide as a drive to further instil the habit of recycling. In conjunction with 125th Anniversary, we went one



step further in 2015 by piloting an internal waste segregation practice in our Head Office where employees were encouraged to separate recyclables from organic waste to reduce wastes which are sent to landfills.

In conjunction with Global Environment Day, we organised a nationwide environmental campaign to further drive environmental awareness amongst our employees and business partners. Various initiatives were carried out by the branches which include activities like recycling, beach clean-up, animal sanctuary and organic farm visitations.

We organised an Allianz Environment Day event for employees located in the Head Office and Klang Valley branches at FRIM. During the event, ten environmental workshops focusing on the topics of upcycling, rainwater harvesting system, composting and organic farming as well as an



Petaling Jaya branch  
park clean up Taman  
Botani, Shah Alam



Melaka, Tawau, Alor  
Setar, Segamat, Sarikei  
and Northern Region  
Hub- recycling



Kuala Terengganu - Turtle  
Conservation Programme  
& Educational trip with  
SEATRU, UMT



Kota Bharu,  
Ipoh, Taiping, Batu Pahat,  
Miri and Teluk intan –  
beach clean up

Kuching – park clean up  
and installation of do's  
and don'ts signboard



Sibu, Johor Bharu and  
Kuantan – tree planting,  
eco tour and educational  
nature outing



Temerloh –  
elephant sanctuary





electric car booth showcasing green technology were set up to inculcate sustainable living among the participants. Additionally, a number of dedicated agents, employees and family members participated in the nature trail activity and planted 125 trees to symbolise Allianz's 125th Anniversary.

Another initiative held in conjunction with the 125th Anniversary was the Employee Dialogue sessions which were organised by the designated Allianz operating entities worldwide. The Employee Dialogue aimed to bring together Allianz employees to share their ideas on how to mitigate the challenges faced by their local communities as a consequence of the global megatrends. We were the 18th operating entity to organise the Employee Dialogue. The local Employee Dialogue with the theme of Environmental Change was held on 23 September 2015 at Aloft Hotel, Kuala Lumpur Sentral. The event was participated by 350 Allianz employees and agents, where 4 environmental experts were invited to share their ideas followed by a climate change inspired performance by Tree Theatre Group as well as an Eco Drum Circle group activity where recycled items were used in a percussion session. During the event, booths were also set up by environmental NGOs to promote their respective causes.

Further to the Employee Dialogue, we worked with Biji Biji Initiative, a social enterprise focusing on creative upcycling, to produce business card holders using Allianz banners in an effort to reduce our waste sent to the landfills. These handmade business card holders were given to our employee volunteers as an appreciation gift.

To further promote sustainable living, we supported Build for Tomorrow, a social enterprise, to build the first Earthship house in Malaysia. Inspired by Earthship Biotecture, the house is an eco-friendly self-sustaining structure built using recycled items such as used tyres, aluminium cans, glass bottles and palm fibres. Through our sponsorship, the Earthship was fitted with solar panels and equipped with a rainwater harvesting system to provide drinking water and solar energy.



*Kalimoi  
bin Asli,  
Tok Batin Kampung  
Dusun Kubur*

“

*I would like to thank Allianz for sending in a team of employee volunteers and for their sponsorship of the Solar Panel and Rainwater Harvesting system for this Earthship.*”



Our 41 employee volunteers also contributed in total 328 man-hours to help build the house. Once completed, the Earthship will house two Orang Asli families as well as a community centre that can accommodate up to 50 people.

We know that our employees are key to the significant reduction of our carbon footprint. At the end of 2015, we invited our employees to share their knowledge on environmental protection tips which would then be compiled into an e-booklet to be circulated internally. This booklet serves as a reminder of all the environmental activities held in conjunction with the 125th Anniversary and also as a reference for ways in which we can protect the environment.

**41**  
volunteers contributed



**328**  
man-hours to  
help build the first  
Earthship-inspired  
house.





## SOCIAL



## social

*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

At Allianz, we observe a culture where our employees' career and personal growth matters to us and we aim to attract and retain the right talent to build a career with us. We focused on proper succession planning and talent development programmes to nurture talent within Allianz.

The Allianz Development Centre programme was rolled out in April 2015 with the objective of developing talent in a structured approach by providing support for individuals according to their development needs and at the same time, a feedback culture is promoted by engaging with the talents. 43 employees were selected to undergo eight sessions under the said programme which involve a series of simulation exercises aligned to the Allianz Core Competencies. Following the completion of the sessions under the programme, personal development plans were put together to provide structured and focused development for each talent to prepare them for the challenges of their current and future roles.

In addition, we also organise other career enrichment programmes such as the Allianz Management Associate 2015 and the Young Board Development program. The Allianz Management Associate program is being conducted for 14 young graduates to be groomed to be future leaders through an 18-month program designed to provide them with robust learning on various aspects of the insurance business. The Young Board Development program identifies young, capable and motivated employees, who are able to rise and work

towards succession to more senior positions. These programs will strengthen the leadership and succession planning pipelines to empower the Allianz team for the future.

## 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 in accordance with people development and business growth requirements.

Allianz Academy encourages relevant job experiences and exposure outside the formal classroom setting as part of learning and development. 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. For example, Life Technical Series programme was developed in 2015 and rolled-out in early 2016, with the aim to equip our employees with the technical skills and knowledge relevant to their day-to-day activities in the functional areas.

In 2015, 87% of our employees attended at least one training session, with each employee attending an average of 4.2 days of training. Allianz strongly promotes learning and development through on-the-job training (70%), coaching or mentoring (20%) and classroom learning (10%). 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.

Our employees are encouraged to pursue industry-relevant professional exams in order to be professionally accredited. We further strengthened our commitment in championing the continued learning and career development of our employees by signing a MOU with the MII to officially recognise the Allianz PCUC. As part of the agreement with MII, Allianz PCUC graduates will receive credit exemptions when pursuing the Diploma of MII ("DMII"), allowing them to complete DMII between 12 to 18 months.

In 2015,  
**87%**  
of our employees  
attended at least one  
training session, with  
each employee attending  
an average of 4.2 days of  
training

In 2015 there were  
**110** enrolments  
for the MII  
examinations.



**42** employees  
achieved the CMII



**28** employees  
achieved the DMII



**3** employees  
completed the AMII



In 2015, there were 110 total enrolments for the MII examination whereby 42 employees managed to achieve the Certificate of MII, 28 employees achieved the Diploma of MII while 3 employees successfully completed the Associateship of MII. Meanwhile, there were 107 total enrolments for the LOMA examination whereby 54 employees passed the exams with 23 employees attaining the LOMA Certificate, 2 employees achieved the Associate, Life Management Institute, 3 employees succeeded in achieving Fellow, Life Management Institute and 1 employee achieved the Associate Customer Service.

Allianz continues to support the development of young students by hosting internships for both 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 2015, a total of 78 interns worked at Allianz, each gaining an average of 3 months' work experience.

#### DIVERSITY

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 2015, 68% of our total workforce consisted of women and of our 555 managers, 58% are women. Allianz also has a relatively young workforce, with 80% of our employees between the ages of 20 to 44.

Arising from the Innovation Incubator Workshop in 2014, we took steps to materialise our commitment towards diversity by employing PWDs into our workforce. In 2015, we engaged a representative from Kuala Lumpur City Hall ("DBKL") to conduct an Accessibility Audit on our new Head Office building, Menara Allianz Sentral, to identify areas of improvement with the aim of providing a barrier-free environment for PWDs. Following the launch of the PWD products, we invited subject matter experts to conduct a Disability Equality Training ("DET"), based on the Social Model, for our employees where they learned about the causes of social exclusion, barriers to participation and discrimination imposed on PWDs.

As an extension of the DET programme, a Train the Trainer Programme was held for 55 participants made up of trainers and marketing managers from Allianz branches nationwide. The programme provided technical insights from the perspective of sales conduct, disclosure of customers' eligibility and features of the PWD products and also disability-related services.

Additionally, we participated in the Return to Work job fair 2015 organised by PERKESO which allowed us to reach out to PWDs due to injuries or illnesses, who have been rehabilitated and ready for employment. Allianz also organised an Employment Day for PWDs in November 2015, to invite PWDs to visit our Head Office and learn more about the employment opportunities. During the event, the PWDs were given an in-depth introduction on specific positions within Allianz which were opened to PWDs. It also presented them the opportunity to meet and talk with Heads of Department and Managers about the vacant positions available as well as to gain better understanding of the job scope and its responsibilities.

By early 2016, we introduced eight PWDs into our workforce and consequently invited them to a PWD Dialogue session to obtain their feedbacks for further improvement in creating a conducive working environment within Allianz.



**Pathmanathan**

**R. Nalasamy**

*Department for the  
Development of Persons  
with Disabilities, Ministry  
of Women, Family and  
Community Development.*

“

*Abilities beyond disabilities should be the focus  
of our society to create more independent and  
successful persons with disabilities in Malaysia.*

”



**58%**

of our managers are women



## EMPLOYEE ENGAGEMENT

One of the key focus areas in Allianz is employee engagement. Employees are motivated to contribute towards organisational success and to apply discretionary effort in 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 86% in 2015.

This could be attributed to the various opportunities for engagement available to our employees such as volunteering options made available via our Allianz4Good volunteering programmes, various dialogue sessions such as Townhalls and regular updates and briefings at department and branch levels, and employees are encouraged to share their knowledge, whether work-related or otherwise, with other colleagues through their involvement as in-house trainers. For example, in 2015, we organised the Employee First Day as a refresher for staff on their employment entitlement and benefits and included a range of activities such as product talks, sharing sessions, games and booth activities. The event also aimed to raise awareness on the topic of insurance and adequate protection.

## OPEN COMMUNICATION

The AES serves as a barometer for our employees' sentiments, and is also an avenue for us to receive honest feedbacks about various factors that affect staff's level of engagement with us. In 2015, we received a 97% participation rate for the AES. 95% of employees said that they are proud to work for Allianz, an increase by 2% from the previous year and 95% of employees see a clear link between their work and the company's objective which also showed an increase by 1% from the previous year.

Following the AES results, emphasis is given to the post survey follow-up actions to ensure that improvements in engagement are achieved. Heads of Department and Branch Managers also commit to engage in dialogue and feedback with their staffs in their own area to improve work related issues.

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.



## WORK/LIFE AND HEALTH MANAGEMENT

We encourage a balanced work and life culture among employees as we believe employees who actively balance their work life are more engaged and demonstrate better capability to perform their best. Hence we continued to organise various initiatives such as health talks, free medical checks, detox program, wellness tips, medical

Employee Engagement Index, a key measure of employee satisfaction, loyalty, advocacy and pride in Allianz, was at an

**86%**



**95%**

of employees said that they are proud to work for Allianz



Increased by  
**2%**



from the previous year



### Loyalty and Silver Jubilee Awards



In 2015, 131 employees were rewarded for their long service with Allianz, of which 51 was for 10 years' service, 51 for 20 years, 17 for 25 years, 5 for 30 years, 6 for 35 years and 1 for 40 years of service.

Based on **167** cases that were investigated by Malaysian Institute of Road Safety Research ("MIROS") in Malaysia from 2011 through 2013, it was found that reckless driving was the main cause of road crashes.



screening for staff from time to time. Besides health management events, weekly and monthly activities such as futsal, badminton, bowling, yoga and origami classes were also organised for the benefit of employees. In the 2015 AES, we recorded an improved score for work/life and health management.

#### AWARDING CONTINUED SERVICE

At Allianz we value a working relationship that is long-lasting and built on trust. In 2015, the average tenure of our employees was 7.4 years. We recognise the commitment and contribution of our employee through our Loyalty and Silver Jubilee Awards whereby employees receive a cash award upon reaching a consecutive period of ten years' service or more.

#### 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 2015 AES, 92% of our employees felt that there were sufficient opportunities to participate in social and environmental activities, an increase by 4% from the previous year and 96% were satisfied with the actions we have taken to be socially and environmentally responsible which also shows an increase of 2% from the previous year.

#### ROAD SAFETY

Reducing risks is the core of Allianz's business as an insurance company. Being one of the top motor insurers in the local market, we believe it is important for us to educate the public on road safety and play a role in creating safety awareness. According to a 2015 report by The World Health Organization ("WHO"), road traffic injuries are a leading cause of preventable death and have claims more than 1.2 million lives every year. Based on a research conducted by Malaysian Institute of Road Safety Research ("MIROS") in Malaysia from 2011 to 2013, it was noted that reckless driving was the main cause of road crashes out of the 167 cases investigated.

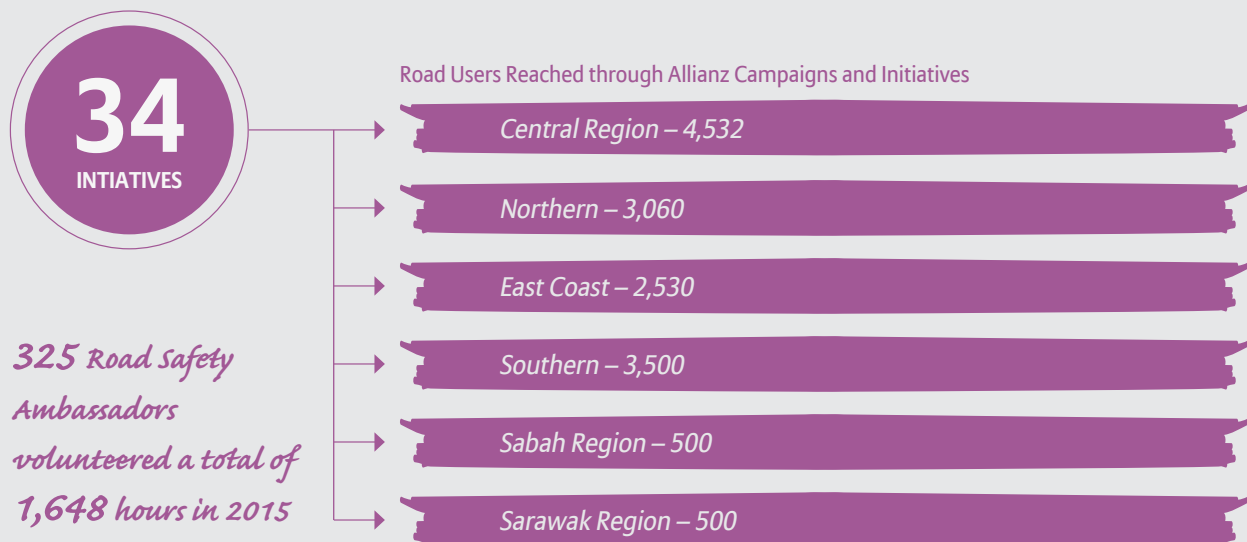
Apart from that, distracted driving is also becoming an increasingly serious and growing threat to road users in Malaysia, specifically from the use of mobiles phones. Allianz plans to address this issue through various initiatives, with the aim of creating awareness.

We have been a strong advocate for road safety since the beginning of our partnership with Jabatan Keselamatan Jalan Raya ("JKJR") in 2011. We continued to carry out our Road Safety Advocacy Campaigns, jointly organised with JKJR, with the support of our well-trained Allianz Road Safety Ambassadors stationed at our Head Office and branches nationwide. During the campaigns, our Ambassadors help to distribute road safety items and advocate road safety behaviour to the general public, with a focus on accident-prone areas, schools and during festive seasons. Through our partnership with JKJR, we have since conducted more than 127 campaigns reaching out to an estimated 97,220 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. Various initiatives can be seen through our involvement in road safety road shows, facilitating educational classes and organising workshops, among others. In 2015 alone, we have reached approximately 14,620 road users via 34 road safety campaigns and initiatives held nationwide.

**we have since conducted more than 127 campaigns reaching out to an estimated 97,220 road users.**

### Our Road Safety Initiatives in 2015



### Road Safety Item Distribution in 2015



Reflective Wristbands – 10,330



Child Safety Booster Seats – 615



Motorcycle Helmets – 1,290



Reflective Motorcycle Stickers – 14,600



Reflective Windbreakers – 1,352



Road Safety Tips Booklets – 5,520



### INTERACTIVE ROAD SAFETY EDUCATION

Road safety education plays an important role in shaping the attitudes and behaviour of children at an early age. We organised a series of fun learning, interactive activities in primary schools as part of our effort to increase road safety awareness amongst students. The campaigns emphasised on 4 elements of road safety; how to cross roads safely and understanding traffic hazards; proper wearing of helmets for cyclists and motorcyclists; getting into the habit of wearing seatbelts; and understanding basic road safety rules and traffic signage. In 2015, the campaigns reached out to more than 1,500 students.

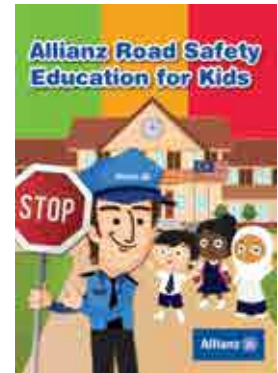
In conjunction with the Third United Nations Global Road Safety Week 2015, we organised a joint road safety campaign with Petrosains to advocate the importance of road safety behaviour amongst children of Smart Reader Kids as well as visitors of Petronas Street Smart. During the campaign, the participants learned how to recognise basic road signs and crafted their own road safety pins. Parents, teachers and visitors also got to experience the various interactive road safety exhibits in Petronas Street Smart which highlights the different factors affecting road safety.

In our effort to further promote road safety awareness interactively amongst children, a Junior Road Safety Awareness Workshop was conducted for 24 children of our employees and agents, spearheaded by Children and Adult Road Safety Education ("DeCARE"), the Road Safety Unit of Putrajaya Corporation. During the programme, which was held at the road safety circuit in DeCARE Park, Putrajaya, the participants learned basic road safety rules through role-play activities and real-life road traffic simulations using go-karts, mini motorcycles and bicycles.

### ALLIANZ ROAD SAFETY EDUCATION MODULE

While the Road Safety Tips Booklet serves as a good teaching tool, we realise the need to expand our outreach methods in order to effectively inculcate road safety habits amongst children, we subsequently developed the Allianz Road Safety Education Module as an additional teaching tool. In 2015, we embarked on a new milestone by piloting our first class in a primary school using the Allianz Road Safety Education Module. The module entails three main topics; pedestrian safety; vehicle safety; and basic road signs, facilitated by our Road Safety Ambassadors.

Additionally, the module was also used during the road safety classes that were conducted at our Head Office, as well as at the Kota Bharu and Alor Star branches, in conjunction with Universal Children's Day, involving a total of 80 children of our employees.



### REACHING OUT TO FUTURE YOUNG DRIVERS

According to WHO, road traffic injuries are the leading cause of death among young people from the ages of 15 to 29. With this in mind, we extended our road safety advocacy campaigns to secondary schools with the aim to raise awareness among the students. Various interactive activities were conducted during the campaigns, for example the Seatbelt Convincer simulation allows the participants to experience the actual impact of a crash at low speed, which serves as a reminder on the importance of using a seatbelt. Meanwhile, the Fatal Vision® Simulator Goggles provides a real-life simulation of how driving under the influence of alcohol or medication, or when feeling fatigued, could impair a person's balance, vision, reaction time, and judgment.

We also extended our road safety awareness outreach to higher learning institutions through the sponsorship of a road safety campaign organised by local university students aimed to raise road safety awareness among campus students and staff.







### SAFE AND RESPONSIBLE DRIVING WORKSHOP

We also promoted road safety awareness internally by conducting a road safety workshop for our employees. The Safe and Responsible Driving Workshop is based on best-practice methodology to reduce over-confidence and risk-taking habits on the road by showing the participants the limits of a driver and its vehicle.

At the workshop, participants watched interesting road safety videos, learned some basic technical specifications of driving, understood the causes of road accidents, and obtained some useful tips on defensive driving. Participants of the workshop also had the opportunity to experience the Fatal Vision® Simulator Goggles.

### PUBLIC AWARENESS

In order to reach out to a wider audience, we embarked on a social media campaign to spread the message of road safety. We launched the Malaysians Against Irresponsible Drivers ("MyAID") movement to engage the public in making Malaysian roads safer. We produced 4 films depicting examples of irresponsible drivers in Malaysia which have since garnered more than 1.5 million views on YouTube collectively since its launch in March 2015. As part of the initiative, we developed the MyAID mobile application for users to record irresponsible acts on the road and to upload the recording onto the MyAID YouTube channel.

Apart from MyAID, we also advocate public road safety through our collaboration with Perodua, MIROS, Nissan, and New Straits Times ("NST") by participating in road shows/conferences organised by the respective parties.



*Flood Preparedness Brochure*

### DISASTER PREPAREDNESS

At the end of 2014, Malaysia experienced one of the worst flood situations in recent history. Learning from the experience, we understand that the key to mitigating such risk is to have adequate preparation.

In an effort to build resilient communities, we organised a series of Flood Survival and Drowning Awareness Workshops at two appointed evacuation centres namely SK Tebing Tinggi, Tanah Merah and SK Manek Urai, Kuala Krai. Targeted at students, teachers, and members of the surrounding community, the workshop offered precautionary steps to be taken before, during and after a flood as well as proper evacuation methods. We also presented both schools with a set of Flood Saver Kit to be used in the event of a flood. In addition, we also donated RM5,000 to SK Tebing Tinggi to restore the school mural which was badly damaged by the flood.

We went one step further to develop a flood preparedness brochure which provides detailed guidance on what to do before, during and after a flood, and also the Allianz Survival Kit which will be distributed, as part of our flood awareness initiative, to communities in flood prone areas. The Allianz Survival Kit provides tools that are essential in the event of an emergency or evacuation.

**22 tonnes**  
of food supply  
delivered to

**21 Orang Asli**  
districts  
in Gua Musang,  
Kelantan which is  
home to some

**210 Orang Asli**  
villages  
comprising of about  
**2,100 Orang Asli.**



#### FLOOD AID RELIEF FOR ORANG ASLI (INDIGENOUS PEOPLE)

During the flood in 2014, the Orang Asli communities located in the interior area of Gua Musang were cut off from food, water, and medical supply for several months, and the roads leading to their settlements were completely inaccessible. This had affected the livelihoods of the Orang Asli communities tremendously.

In 2015, our Allianz4Good team together with Siti Zabadah Kassim, a prominent human rights lawyer, visited Kampung Tembaga to further understand the needs and issues of the Orang Asli communities. Logistical concerns were highlighted as a critical issue faced by the Orang Asli during the flood incident. In light of this, we sponsored six Honda EX5 motorcycles to five Orang Asli villages in Gua Musang as a means of transportation in the event of a disaster. In addition, we also provided one-year road tax, motorcycle insurance, windbreakers, helmets, and reflective stickers as part of the sponsorship.

In anticipation of a flood recurrence in December 2015, we stockpiled food at specific locations in identified Orang Asli villages as a preventive measure in case the roads become inaccessible. The stockpile was aimed to provide supplies that would last up to 4 days before the arrival of a rescue team. As the flood did not take place, the supplies were evenly distributed among the Orang Asli communities. We have delivered 22 tonnes (22,000 kg) worth of food supply inclusive of rice, cooking oil, sugar, salt, as well as cans of sardine and anchovies to 21 Orang Asli districts in Gua Musang, Kelantan, which is home to some 210 Orang Asli villages comprising around 2,100 Orang Asli.

Additionally, we sponsored the #getAsli Fundraising Dinner organised by The Bar Council Committee of Orang Asli Rights ("COAR"), which was held in conjunction with International Human Rights Day. The fundraising event was aimed to create awareness on the rights of the Orang Asli. Additionally, we sponsored the #getAsli Fundraising Dinner organised by The Bar Council Committee of Orang Asli Rights ("COAR"), which was held in conjunction with International Human Rights Day. The fundraising event was aimed to create awareness on the rights of the Orang Asli.

In conjunction with Hari Raya Aidilfitri, we distributed food items to 100 families that were affected by the flood in and around Gua Musang area including Jalan Kuala Betis, Kampung Serian, Kampung Sungai Serian, Limau Kasturi, Kem Etnobotani and campsites in Bandar Baru Gua Musang.

#### EARTHQUAKE RELIEF

In April 2015, Nepal was badly hit by an earthquake that resulted in massive casualties; thousands were injured and more than two million victims were left homeless. Understanding the significant impact the earthquake had on the victims, we initiated a donation drive at our Head Office and branches nationwide. A total of RM130,000 was successfully collected, where RM80,000 was derived from employee contributions and the remaining RM50,000 was supplemented by Allianz.

The funds were channelled to Mercy Malaysia ("Mercy") for the building of temporary shelters in the Gorkha region as well as to the Malaysian Volunteer Fire and Rescue Association ("MVFRA") to fund the 'Healing Hearts Operation' which provided play therapy for children in seven relief centres and schools in the earthquake recovery zone in Sindhupalchowk and Nuwakot. We also rendered support to the MVFRA in sending a team of

**SOCIAL**

eight members led by Capt. Bala to Nepal for a week as part of the search and rescue mission, as well as to distribute face masks and water filters to the victims.

In addition, we extended further support to the MVFRA during their relief operations at Ranau, Sabah, when an earthquake struck in July 2015. We provided windbreakers and drinking water which were distributed to those affected by the disaster.



**DISASTER EMERGENCY RESPONSE TEAM**

We realise that monetary support alone may not always be sufficient. Allianz intends to go one step further by setting up an emergency response team made up of Allianz employee volunteers to provide immediate ground support in the event of a disaster. Moving forward with this initiative, volunteers will undergo training in three main areas, specifically disaster preparedness, disaster back-end support and disaster field relief. To kick start the project, a Volunteer Induction Programme, facilitated by MERCY Malaysia, was conducted to introduce Allianz employees to the fundamentals of an emergency response team.

**MY FINANCE COACH**

The My Finance Coach ("MFC") programme was first implemented in Malaysia in 2012 with the aim of improving general financial literacy among children and young people to prevent them from falling into debt. The programme 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.

As at 2015, 344 of our employees have signed up for the programme and 246 have taught a class. For the third year in a row, we supported the National Consumer Day competition, organised by the Federation of Malaysian Consumer Associations ("FOMCA"), by rolling out MFC in 20 schools across 13 states nationwide. Since inception, MFC Malaysia has reached over 6,900 students through 146 classes with 68 schools and NGOs as well as the children of our agents and employees.



	2012	2013	2014	2015
Number of Students reached	560	2,027	2,041	2,317
Number of Coaches trained per year	100	82	57	105
Total number of Coaches trained (cumulative)	100	182	239	344
Number of Volunteering Hours (approximate)	408	680	744	600

In 2014, with the support of Dr. Mohamad Fazli Sabri of Universiti Putra Malaysia, an expert in consumer and financial education, the 'Savings' module was localised to cater for students in secondary schools. Under the 'Savings' module, students were introduced to investment products and were taught the importance of investing due to the impact of inflation, but to be wary that there is no one perfect financial product that can cater to everyone and they should choose carefully to find one that suits his/her needs. As an aiding tool to the 'Savings' module, we developed and introduced the Allianz Savings Ruler to encourage saving habits among students.





### GLOBAL MONEY WEEK

For the third consecutive year, we supported Child and Youth Finance International ("CYFI")'s Global Money Week ("GMW") in 2015. Under CYFI's theme of 'Save Today. Safe Tomorrow.', we held educational visits to the BNM Museum & Art Gallery for two of Allianz's adopted schools under BNM's School Adoption Programme as well as a MFC class on the topic of 'Savings' for our employees' children and family members. During the lesson, they were also introduced to the newly translated Bahasa Malaysia version of MFC money manager app, known as 'myPoket MFC'.

### UNIVERSAL CHILDREN'S DAY

In conjunction with Universal Children's Day 2015 celebration, MFC and Road Safety classes were conducted especially for our employees' and agents' children in the Alor Setar and Kota Bharu Branches as well as in our Head Office. Allianz understands that healthy finance management and good road safety habits starts with early education.

### PINTAR FOUNDATION

Apart from supporting the inculcation of financial literacy amongst young people via the MFC programme, we also sponsored one of the activity stations on PINTAR Foundation ("PINTAR")'s Mobile Learning Unit 2 ("PMLU 2") to promote good financial habits among students. The PMLU 2 is a bus converted into a fun learning space based on the theme of "Promoting Intelligence" and is aimed to invoke action and thought among school students. In 2015 alone, the PMLU 2 visited a total of 91 schools along with 10 orphanages and also 2 carnivals with 29,339 visitors in total.

Under the trait of Logical Intelligence, the Allianz-sponsored activity was designed to resemble a mock shopping aisle complete with barcodes and

a scanner. Under a familiar scenario of grocery shopping, students are given a hands-on opportunity to shop for their needs within a specified budget. The activity aims to encourage students to plan and spend within their means and at the same time exercise their logical and critical thinking skills to identify their individual needs and wants.

A second activity incorporated into this activity station is the Savings Planner, which aims to get students thinking about setting money aside at an early age to achieve their saving goals. The activity is intended for students to realise that with proper planning in place their saving goals are achievable.

Survey forms were distributed to students and teachers to gauge their level of acceptance towards PMLU 2 activities. In total, 137 teachers have given positive feedback on this programme and a majority of them commented that the logical intelligence activities challenge their students' critical thinking skills. In addition to that, out of a total of 10,752 students that were surveyed, only 11% of them chose the Logical Intelligence activity station as their most liked segment. This may indicate that young people have low interest in financial matters, which is why Allianz is looking into new innovative approaches to make the overall learning experience more fun for the students.

### ALLIANZ FINANCE CHALLENGE

In our efforts to create more excitement around the topic of financial literacy, we are launching the Allianz Finance Challenge in early 2016 in conjunction with FOMCA's National Consumerism Day competition. Targeted at students in the secondary level, this competition aims to engage students in a fun way while providing opportunities for students to showcase their understanding on saving and planning, among others. We hope to continuously inject fresh and innovative ideas into the topic of financial literacy by conducting exciting activities for students such as the competition itself.

### SUPPORTING SCHOOLS AND ORGANISATIONS

2015 saw the continuation of Personal Computer Donation Project that was initiated in 2014. Under this project, computers and laptops which were due for replacement were donated to schools and NGOs, as we believe that it is both socially and environmentally beneficial to reuse these computers and laptops. At completion, a total of 768 desktops and 15 laptops were donated to identified NGOs and schools including six schools affected by the East Coast flood.

The PMLU2  
visited a total of **91**  
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## SOCIAL

## COMMUNITY AND PERSONAL SAFETY

With an emphasis on personal safety, Allianz continued to create awareness on crime prevention and survival skills through the REACT Programme. In 2015, a total of 20 REACT Programmes were held for employees, agents, business partners and customers at our branches. Additionally, we also organised hands-on workshops for our employees to equip them with not just theoretical but also practical crime prevention and self-defence skills. 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 not just via our insurance solutions but also our community engagement initiatives.

## BLOOD DONATION AND ORGAN PLEDGE

In conjunction with the Malaysia Day, we also organised a nationwide Blood Donation Drive and Organ Donation Pledge at ten locations in 2015. The events were in coordination with the National Blood Bank, National Transplant Resource Centre and participating hospitals in the respective states. Throughout the events, 444 employees, agents and members of the public donated a pint of blood each while 115 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.



## 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. Allianz has supported MOBILITI since 2006 and is currently sponsoring four vans in their fleet. Our sponsorship covers MOBILITI's operational costs, which include fuel, toll, maintenance and salaries.

We also provide free motor insurance as well as driver and passenger personal accident insurance for the four sponsored vans. With our support, MOBILITI was able to make 10,866 trips throughout the year, and is a valuable service for over 5,000 registered passengers.

In our effort to promote an inclusive society, we provide insurance protection to the underprivileged community. In 2015, Allianz sponsored a group personal accident insurance coverage to over 600 participants and volunteers during the Brickfields Asia College ("BAC") - Challenges Buddy Day Run 2015. BAC in collaboration with Challenges Media held the Buddy Day event in conjunction with International Friendship Day, with the aim of bringing together the public and members of the PWD community.

We also sponsored a group personal accident insurance coverage to Yayasan Chow Kit ("YCK") youths who participated in the Knights of Nature Sustainability Camp organised by EcoKnights. YCK is a non-profit organisation that serves as a 24-hour crisis and drop-in centre that provides meals, activities, therapy, case management, and educational programmes for at-risk children of Chow Kit. The camp introduced the concept of sustainable living to the participants and emphasised on the importance of environmental protection.

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### ALLIANZ JUNIOR FOOTBALL CAMP ("AJFC")

We continued to support the skill development of young people through the Allianz Junior Football Camp ("AJFC"). Allianz Group, a 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 into the world of professional football specifically with FC Bayern Munich.

In 2015, we successfully connected with 672 teenagers who participated in the inaugural AJFC Malaysia League. The aim of the League was to provide a competitive environment for talented young footballers to develop their skills. Three outstanding teenagers from the league who are passionate about football were selected 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. Eight 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.

With the number of participants increasing steadily every year since we first launched AJFC in 2012, we have been contributing to the grassroots football development in Malaysia by giving players in this age group a platform to hone and showcase their skills.

### ALLIANZ PACER RUNNING COMMUNITY

The Allianz Pacer Running Community was launched in October 2013 to encourage members of the public to start running for a healthier lifestyle. The Allianz Pacer Facebook page, which was created to connect with the running community, today engages with more than 24,300 fans.

The Allianz Pacer Running Community also organises on-ground events for external and internal stakeholders. In December 2015, we held our very own Allianz Pacer Run which attracted more than 4,000 participants in six running categories. All registration fees from the Corporate Challenge category, amounting to RM15,000, was contributed to Selangor Cheshire Home to support their various initiatives for PWDs. On the day of the Run, Selangor Cheshire Home had a booth to raise funds for the centre by selling items handmade by PWDs and also distributed literature to create awareness on PWDs.



For the second consecutive year, Allianz continued as the title sponsor of the Allianz Pacesetters 4 x 3km relay in 2015. Registration fees amounting to RM51,000 received from the Kiwanis Corporate Charity Challenge category was channelled to the Kiwanis Down Syndrome Foundation – National Centre, which is committed to the welfare of children with Down Syndrome. We contributed to the Kiwanis Down Syndrome Foundation by sponsoring seven teams of employees to participate in the Kiwanis Corporate Charity Challenge.

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.

Apart from encouraging running as a way to maintain and improve health, we also actively promote regular health checks among the general public, and our employees are constantly reminded to undergo periodic health checks that are borne by Allianz. Externally, Allianz has collaborated with the CIMB Group to roll out the Allianz Emergency Protection Nationwide Road Tour which will see the Allianz Explorer truck travelling to CIMB branches across Peninsular Malaysia from January to September 2016. The initiative is aimed to promote awareness on wellbeing and healthy living while offering visitors a chance to conduct free Body-Mass Index ("BMI") tests, on top of being able to learn more about our bancassurance products.

### 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 2015, our life agency force organised its second Allianz Charity Day, which involved 800 agents from 89 different agencies across Malaysia in which each agency selected a home or activity to celebrate the day with. Among the activities carried out were donations to the homes, blood donation drives and many other activities with children and 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.



*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.*

We would like to bring your attention to our following governance approaches in dealing with external parties. Our detailed corporate governance and internal control as well as risk management approaches are detailed in the Statement on Corporate Governance of this Annual Report.



## 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 code 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 imposed internally by the Allianz Group or externally, by the regulator or insurance associations, which set the standards for business conduct.

In addition, our Directors and staff are required to declare their fulfilment of the minimum criteria of "A Fit and Proper Person" as prescribed under the Financial Services Act, 2013.

Anti-Money Laundering and Counter Financing of Terrorism ("AML/CFT") Policies and Procedures are in place to prevent and detect money laundering and terrorism financing activities. Throughout 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.

Our insurance intermediaries are guided by the Sales Policy, Sales Agent Code of Conduct and Agent Sales Compliance Disciplinary Policy.

An Ethics and Compliance Committee was established in each insurance subsidiary to deal with intermediary behaviour that is contrary to the said Sales Policy and Sales Agent Code of Conduct.

## 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.

Our Anti-Corruption Policy outlines the existing controls and behavioural guidelines on the risk areas of dealing with government officials, business courtesies, hiring of representatives, political contributions, joint ventures and outsourcing agreements as well as facilitation payments.

Our Group Data Management Framework ("DMF") ensures the integrity of data assets by preventing unauthorised or inappropriate use of data and information. The DMF together with the implementation of Data Privacy Management System, which 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 safeguard the data of our customers and other stakeholders.

We are guided by the Allianz Group's Gifts and Entertainment Policy in handling with gift and entertainment 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.

Anti-Fraud Policy and Whistleblowing Policies and Procedures were put in place to promote transparency and accountability throughout Allianz. An Integrity Committee was established to handle fraud and whistleblowing related matters.

#### INVESTMENT WITH A LONG-TERM PERSPECTIVE

Our investments are guided by the Group Investment Manual which sets out detailed investment procedures and controls and Allianz Group's Environmental, Social and Governance ("ESG") Guidelines for investment in sensitive business areas which give due consideration to potentially unmitigated ESG impacts and reputational implications in our business processes.

Most recently, Allianz Group in support of the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change decided to stop financing coal-based business models and will no longer invest in companies that derive more than 30% of revenue from coal mining or generate over 30% of their energy from coal. Locally, we support the decision to divest in coal related investment from an economic and climate change perspective.

We are also guided by the Reputation Risk and Issues Management Policy which require us to take into account reputational risk and ESG principles when making business decision.

#### WORKING WITH CREDIBLE ORGANISATIONS

Vendor Integrity Screening ("VIS") process is implemented to ensure that we transact with reputable and reliable third party vendors.

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.

#### RECOGNISED FOR GOOD GOVERNANCE

We continue to take steps to improve our transparency through our various reports published via our Annual Report. Our effort in promoting transparency and governance has gained us recognition from various external parties.

In 2015, we received the Outstanding Achievement Award for being one of Malaysia's top two publicly listed companies in terms of most improved scores from 2013-2015 based on the results of the ASEAN Corporate Governance Scorecard (Scorecard) at the inaugural ASEAN Corporate Governance Conference and Awards in Manila, Philippines and two awards namely Excellence Award for Top 5 Corporate Governance and Performance (Overall) and Merit Award for Most Improved during the Minority Shareholder Watchdog Group - ASEAN Corporate Governance Transparency Index, Findings and Recognition 2015-The Malaysian Chapter.

Although our 2014 Sustainability Report did not receive any Sustainability Reporting Awards ("MaSRA") from ACCA Malaysia in 2015, it has been selected as one of the shortlisted reports and our effort of participating in MaSRA was well recognised by ACCA.

*Moving forward, we will work towards further embedding sustainability into our corporate strategy.*

