

3. Sustainable business development

Sustainable business policy and goals

The Group and its associate company recognize the importance of conducting business with good corporate governance while ensuring sustainability and being responsible for the social and environmental development.

Allianz's global sustainability efforts focused on 3 pillars including Environment, Social Inclusion and Governance or a so-called ESG.

Environmental

As an insurance and investment business, the Group and its associate company understand the importance of hedging risks dealing with environmental changes. Hence, the Group and its associate company emphasizes promoting environmentally friendly business practices. Reduce greenhouse gas (GHG) emissions is a key objective for the Company.

Societal

The Company aim to promote full participation, promoting volunteer activities such as helping disadvantaged children learn and develop for a better future. Also, the Group and its associate company support organizations, foundations, and businesses that help children, the environment, and at-risk people such as those affected by natural disasters or by epidemics.

Governance

Here the Company focus on transparency and accountability in business operations, paying detailed attention to risk exposure and corporate governance as well as responsible sales and data protection.

As part of Allianz Group, the Group and its associate company also implemented ESG policy and engage all stakeholders including our employees, agents, partners, customers and public to take part and contribute to ESG in action.

Allianz Ayudhya "ESG" in action

The Group and its associate company takes sustainability as one of the top priority of our business under the vision "We Care for Tomorrow", aiming to engage all stakeholders, 1,200 staffs, 10,000 agents, 1 million customers, and general prospects, to actualize this vision for a better world.

"E" environment

"Climate Change" has been the main topic of discussion for the past 10 to 15 years. Plastic use was the main issue raised, but not much was mentioned on food waste management, even when many food wastes contain plastic that has been contaminated and cannot be recycled. If all of us segregate our food wastes and put them in the right place, the environment would have been better cared for.

The Group and its associate company believe that for an environment to be properly cared for, our society needs to participate. Beginning with 1,200 employees, the Company need to educate them, change their behavior and have them do the same in their household. The Company searched and invested in installing a professional composter in all its premises to facilitate their employees to put leftover food in the right place. This composter then produced fertilizers for the employees.

Led by the corporate social responsibility team and green advocates, the Group and its associate company came together as a team that later included HR, Facility Management, Procurement, and Internal communication, who subsequently joined us. Our team was called the Allianz Ayudhya Goes for Green, with the mission to drive employee behavior that would be environmental advocates.

In 2020, our team raised awareness for 95% of 1200 employees on the importance of how behavior can change the environment. To achieve this, our team had to understand their waste journey, the type and amount of waste produced, and how they were managed. These findings were gathered, studied, reported, and analyzed so that we were able to place the right bin in the right place and encourage the desired behavior at the point of dropping the waste. The Company educated employees to empty the plastic cup or rinse it once before throwing it into the bin. This effort will help reduce the number of contaminated plastic and allowed it to be recycled.

Managing food waste management is one of our key areas of focus, but it is not the only thing, as the Company also include all recyclable and non-recyclable waste materials such as glass, plastic, paper, and many others. The team educates employees on where and how we can manage waste properly. Hence, we encourage our employees to bring their waste to the office every 3rd Friday of the month so that the team can put them at the right place for proper management. Whoever brings in their waste will also earn a small gift, such as rice, cloth bag, and many others.

In 2021, the Group and its associate company have initiated program called "Allianz Ayudhya Go Green Sandbox" where we worked with School of Changemaker in recruiting 9 teams of a so-called "Sandboxer" to present their ideas on environment and how to help change employee's behavior.

After many weeks of learning and coaching, all the team has come up with prototype ideas that might be able to shift employee's behavior towards 'green' such as waste segregation and reduce single use plastic consumption. Even these are only small actions, but the Company believe it's the starting point to help us shape a better world in the future.

Our key achievements:

- 95% of the employees grew aware of topics related to the environment via email communication, What's up Poster, Line, Allianz Ayudhya Facebook and Live streaming.
- Engaged 200 employees and maids to join to Left-over food separated activity.
- Carbon footprint reduction via waste management exercise, we were recording waste weight from June to December and improve waste station area by defining waste into four categories:
 - 746.70 kg of food waste turns to compost and were distributed to the employee to grow their plant
 - 20,655.06 kg of recycled item became Maids extra income
 - 20,485.60 kg of general waste goes to Bangkok Metropolitan Administrator system
 - Single-use plastic turns to energy-from office 371.30 kg and employee's house 71.20 kg
- 51.09% of recycle rate and enable to reduce 12,967.98 (kgCO₂e)
- Reduce Carbon footprint by 31,836 (kg CO₂e) from Upcycle total of 4,675 new corporate T-Shirt (using the available cloth rather than produce new)
- Become "Example of Good Corporation to share" AGODA Thailand requested to visit our office and tour the practices we did internally.

Social inclusion

“S” or social inclusion activity focuses on creating learning and new experience to targeted audience by continue the activities matched with current situations. In 2021, there has been an outbreak of the COVID-19 situation so that the Group and its associate company initiated many activities to support the community with involvement from agents, customers, prospects as well as journalists with total over 5,000 participants joining the activities such as

- **Allianz World Run** with over 1800 employees, families, and friends. A third consecutive year in winning 20,000 euros (approximately 731,550 THB) donated to Scholars of Sustenance Thailand to support food donation project for the community in needs in Thailand
- **Send Shield to Doctor season#2** The Group and its associate company is committed to support the Thai community, especially medical workers who have always been in the forefront of this war against the pandemic. Leveraging from last year successful campaign, the Company have initiated a second season of fund raising program called “Send Shield to Remote Doctor”. Our priority this year is to source and distribute medical supplies to 48 hospitals in remote 23 border provinces with severe infection situation. With support from our employees, customers, agents and donors nationwide, the Company have raised 1,001,100 baht donations. To ensure the supplies cover as many areas as we could, the Group and its associate company topped up additional 1 million baht donation. With 2,001,100 baht, we managed to deliver 5,564 PPE suits, 4,800 N95 masks and 57 Face Shield to hospital in needs.
- **Community Kitchen** In collaboration with Scholars of Sustenance Foundation -Thailand. The series of Community Kitchen is part of “1 policy, 1 million meals” program where the proceeds from life and non-life policy sold during Sep – Dec 2021 will be converted to meals for community impacted from COVID-19. The kitchen is running from Nov 2021 until March 2022.
- **Blood donation program.** The Group and its associate company collaborated with the Thai Red Cross Society thrice for a blood donation 3 times per year.
- **“Donation of PA to Narenthorn Emergency Medical Services (EMS)”** The Group and its associate company is proud to provide a group Personal Accident insurance with the total coverage of 12.9 million baht to the rescuers at the Narenthorn Emergency Medical Service Centre.
- **Allianz Ayudhya Pa Nong Tiew Bangkok (New Normal)** Over the past 14 years, the Group and its associate company organized education field trips to provide opportunities for underprivileged children to learn outside their classrooms, such as visiting museums and historical sites that they studied from the book in 5th grade. Then, the **Young Guide Program** was initiated to allow children to take classes and intern as a guide for these historical sites.

Covid-19 pandemic has moved the opportunity of these children from taking physical tours to virtual tours. 15 Young Guides were trained to be tour guides over five years and were upskilled to be Vloggers by producing VDO online tours and post them on Allianz Ayudhya social media. Despite social distancing, everybody can enjoy visiting Bangkok via a virtual tour.

Good Governance

The Group and its associate company have been operating based on good governance principle. The Company manage the operation with engagement and transparency that can be auditable. We ensure an eco-friendly investment. Our strong governance and management have proven its success by many awards and certification such as

- In 2021, the Group and its associate company has received the Prime Minister Award 2021 as the Life Insurance company with most Outstanding Development from the OIC. This has proven our success in conduct business with good governance.
- In 2021, the Group and its associate company has received the HR Asia Best Award reflecting our great achievement as the employer of choice and be one of the company talents would like to work with.
- In 2020, the Group and its associate company has received the Bronze Stevie® Awards winner under the Most Valuable Corporate Response on COVID-19 from International Business Awards® (IBA)
- The Group and its associate company is recognized as a certified member of the Private Sector Collective Action Coalition against Corruption (CAC). Initiated by Thai private sector, CAC actively takes parts in tackling corruption problem and aims to bring effectiveness anti-corruption policy and mechanism into implementation by companies in order to create an ecosystem of clean business community.

The Group and its associate company operate our business to meet with expectation of different group of stakeholders in the value chain including our customer, employees, partner, shareholders and government sectors.

Stakeholder	Expectation	Actions
Customers	Receive the product and service that matched to their needs with fair treatment from the company	<ul style="list-style-type: none"> • Clear operation and communications to ensure a smooth service in all customer journey touchpoints including <ul style="list-style-type: none"> - Sales and on-boarding - Claims - Renewal - Issue Resolutions - Communications • Ongoing satisfaction survey for continued improvement
Employees	Be compensated and treated fairly and equally in the company with opportunity to grow and develop career aspiration.	<ul style="list-style-type: none"> • HR takes a leading role in people management to ensure high engagement and productivity with 4 pillars <ul style="list-style-type: none"> - Learning and Development - Health and Well-being - Diversity and Inclusion - ESG involvement • Allianz Engagement Survey annually to check and improve working condition and environment for the employees
Partners	Together achieve business goal with fair compensation and benefit as agreed	<ul style="list-style-type: none"> • Provide a dedicated team to support each partners/channel to drive the business as agreed • Operate under Allianz guideline to ensure fair treatment to all partners with integrity • Open channel for check and balance for partner to feedback if issues arise

Stakeholder	Expectation	Actions
Shareholders	Be treated with transparency and clarity. Easy access to company information that is accurate, consistent, on-time and timely.	<ul style="list-style-type: none"> • Annual shareholders' meeting • Annual report • Provide opportunity to express opinion via the Company's website, emails
Government Sector	Company to conduct business according to laws and regulations with good governance	<ul style="list-style-type: none"> • Dedicated team (regulatory affair) acts as a counterpart to coordinate with each government sectors • Align and practice business based on rule and regulations • Communicate and educate rules and regulations with regards to business operations to employees via available communications channels
Community	Company to support and contribute back to the Thai society on various ESG activities	<ul style="list-style-type: none"> • Set up ESG taskforce team to drive the activities that aligned with Allianz Group and local needs • Encourage other stakeholder to involve in ESG so that to create impactful result to the community • Seek partners with same goal to drive more impactful project in a larger scale