

## **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 realize the importance of hedging risks dealing with environmental changes. Hence, the Group and its associate company emphasizes promoting environmentally friendly business practices as well as shaping new behavior among employees. Reduce greenhouse gas (GHG) emissions is one of priorities to the Company.

#### **Societal**

The Company aim to promote full participation, promoting volunteer activities to support in-need communities. Also, the Group and its associate company support organizations, foundations, and businesses that help communities in various areas.

#### **Governance**

Transparency and accountability is the Company's first priority in doing business. We also emphasize on protecting customers' data and managing business risks in our operations.

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.

In 2022, we have designed and launched new sorting stations in our offices with the main objective to reduce waste to landfill by better sorting waste and disposing of it in the most appropriate manner. Based on our office waste survey and study about proper waste management, we separate waste into 4 categories which are food waste, recycle sellable waste, plastic waste, and Refuse Derived Fuel (RDF)<sup>1</sup>. With this sorting management, we believe that we can reduce waste to landfill significantly.

Additionally, in 2022 we have launched campaigns to promote environmental and social awareness. ESG Future Voice is the campaign where we gathered children of employees to speak to all employees to ask for support to take care of the planet that they have to live in the future. ESG Hero is the campaign that our management joined to encourage employees to do something good for the benefit of others and the environment with the key message that everyone can be a hero and make a difference.

**Our key achievements:**

- Waste to landfill amount from Head Office has been decreased by 24% In 2021, the average of waste to landfill per month is 2,055 kg and in 2022, the average waste to landfill per month is 1,549 kg
- The reduction of GHG emission from waste management, Jan – Dec, is more than 83,600 KgCo2e. This is from waste management in 3 categories.
  - 6,545 kg of food waste turns to compost and were distributed to the employee to grow their plants.
  - 16,090 kg of recycled items turned to Maids’ to generate extra income and went to proper recycling process.
  - 2,922 kg of non-recycled waste turned to RDF<sup>1</sup> (Refuse Derived Fuel.)
- The Company has welcomed corporate visitors who are interested in waste management to visit and share thoughts on proper waste management in the office.
- Additionally, the Company has initiated a new project, Alliance for Sustainability, to form a sustainability network focusing on Environmental areas. The project was launched in November 2022 with the objective to introduce Alliance for Sustainability as well as to share commitments and environmental targets to public. Furthermore, the Company also organized an immersive exhibition, The End is Coming, Witness the end of the world on the peak of the problem, to raise public awareness on waste management problems.

**Social inclusion**

Our Social inclusion activities focus on the Sustainable Development Goals in 3 areas; Zero Hunger, Good Health and Well Being, and Decent Work and Economic Growth.

- **Allianz World Run** The running competition among Allianz worldwide entities where the winners have the opportunity to select social foundations to receive a donation from Allianz Group. More than 2,200 employees from the Group and its associate companies, families, and friends joined the competition. 2022 marks the fourth consecutive year that the Group has won EUR 20,000 (approximately 731,550 THB) to donate to local charities. We selected to donate to the Mirror Foundation, Hire Me project, to support career opportunities for homeless people.

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<sup>1</sup> RDF: Refuse Derived Fuel is a fuel produced from various types of waste, usually taken from industrial or commercial sites, and finally burned to produce electricity.

- **Community Kitchen** In collaboration with Scholars of Sustenance Foundation - Thailand. This is a voluntary activity that is open to employees and agents to join in making meals from surplus food for in-need communities.
- **Blood donation program.** The Group and its associate company collaborated with the Thai Red Cross Society for blood donations 3 times per year. This year, 282 employees and people nearby joined the donation and Thai Red Cross received blood up to 221 units of blood.
- **“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.

### 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 2022, the Group and its associate company received the Prime Minister’s Award 2022 as the Life Insurance company with the most Outstanding on Sustainability (ESG) from the Office of the Insurance Commission (OIC).
- In 2022, AYUD has been recognized as one of the listed companies with outstanding Environmental, Social and Governance (ESG) in the 2022 ESG Emerging List by Thaipat Institute
- 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
<b>Customers</b>	Receive the product and service that matched to their needs with fair treatment from the company	<ul style="list-style-type: none"> <li>• Clear operation and communications to ensure a smooth service in all customer journey touchpoints including               <ul style="list-style-type: none"> <li>- Sales and on-boarding</li> <li>- Claims</li> <li>- Renewal</li> <li>- Issue Resolutions</li> <li>- Communications</li> </ul> </li> <li>• Ongoing satisfaction survey for continued improvement</li> </ul>
<b>Employees</b>	Be compensated and treated fairly and equally in the company with opportunity to grow and develop career aspiration.	<ul style="list-style-type: none"> <li>• HR takes a leading role in people management to ensure high engagement and productivity with 4 pillars               <ul style="list-style-type: none"> <li>- Learning and Development</li> <li>- Health and Well-being</li> <li>- Diversity and Inclusion</li> <li>- ESG involvement</li> </ul> </li> <li>• Allianz Engagement Survey annually to check and improve working condition and environment for the employees</li> </ul>
<b>Partners</b>	Together achieve business goal with fair compensation and benefit as agreed	<ul style="list-style-type: none"> <li>• Provide a dedicated team to support each partners/channel to drive the business as agreed</li> <li>• Operate under Allianz guideline to ensure fair treatment to all partners with integrity</li> <li>• Open channel for check and balance for partner to feedback if issues arise</li> </ul>
<b>Shareholders</b>	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"> <li>• Annual shareholders' meeting</li> <li>• Annual report</li> <li>• Provide opportunity to express opinion via the Company's website, emails</li> </ul>
<b>Government Sector</b>	Company to conduct business according to laws and regulations with good governance	<ul style="list-style-type: none"> <li>• Dedicated team (regulatory affair) acts as a counterpart to coordinate with each government sectors</li> <li>• Align and practice business based on rule and regulations</li> <li>• Communicate and educate rules and regulations with regards to business operations to employees via available communications channels</li> </ul>
<b>Community</b>	Company to support and contribute back to the Thai society on various ESG activities	<ul style="list-style-type: none"> <li>• Set up ESG taskforce team to drive the activities that aligned with Allianz Group and local needs</li> <li>• Encourage other stakeholder to involve in ESG so that to create impactful result to the community</li> <li>• Seek partners with same goal to drive more impactful project in a larger scale</li> </ul>