



### 3. Sustainable business development

#### Sustainable business policy and goals

The Company recognizes the importance of conducting business with good corporate governance while ensuring sustainability and being responsible for the social and environmental development. Respecting human rights through good corporate governance drives Allianz's global sustainability efforts focused on corporate social responsibility, including in investment (CSR in Investments), business operations (CSR in Insurance), and management (CSR in Operations). As part of Thai society, the Company has implemented a sustainable development business policy that includes social and environmental responsibility, with an emphasis on building awareness of all sectors' responsibility to the environment and society.

We encourage our executives, employees at all levels, customers, agents, and consumers all to participate for a significant response, which is important for the following:

#### Environmental

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

#### Societal

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

#### ESG-related business promotion

Here we 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.

## Managing stakeholder impact on value chain

In 2020, the management of each business unit of the Company met to determine the importance and impact of each group of stakeholders on the growth and sustainability of the business operation. Below shows a summary of our priorities and approaches to effectively respond to each group in achieving the Company's business objectives. The Company is committed to be responsible for these stakeholders in economic, societal, and environmental terms under the guiding principles of good corporate governance practices.

Stakeholder	Issues/Expectation	Method/Channel of Communication	Actions/Responses
Shareholders	<ul style="list-style-type: none"> <li>● Satisfactory ROI</li> <li>● Equitable treatment of shareholders</li> <li>● Sufficient and transparent information disclosure</li> <li>● Channels to express opinion</li> <li>● Good corporate governance practices</li> <li>● Operate under the laws</li> </ul>	<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> <li>● Provide answers to investment questions via Company's communication channels</li> </ul>	<ul style="list-style-type: none"> <li>● Showed business performance results and aim for consistent growth</li> <li>● Conducted AGM according to standards set by SET and SEC</li> <li>● Allowed shareholders to comment on issues through various channels</li> <li>● Ensured that good corporate governance practices were followed</li> <li>● Operated strictly under relevant laws and regulations</li> <li>● Certified by Thailand's Private Sector Collective Action Coalition (CAC)</li> </ul>
Customers	<ul style="list-style-type: none"> <li>● Provide complete investment information</li> <li>● Deliver good and fast service</li> <li>● Employees act with honesty</li> <li>● Protect customer's data privacy</li> </ul>	<ul style="list-style-type: none"> <li>● Provide information via documents, leaflets, and website</li> <li>● Provide prompt service and complaint channels that allow a timely response to the customer</li> </ul>	<ul style="list-style-type: none"> <li>● Able to provide clear, accurate information with transparency</li> <li>● Reviewed regularly operations and services to ensure the current system continues to respond well to customers' needs</li> <li>● Developed IT capabilities to respond to customers' needs</li> <li>● Code of Ethics and Conduct of protected customer confidentiality were followed</li> </ul>

Stakeholder	Issues/Expectation	Method/Channel of Communication	Actions/Responses
Employees	<ul style="list-style-type: none"> <li>● Have clear business objectives</li> <li>● Position, role and responsibilities</li> <li>● Competitive compensation, benefits, and welfare according to labor laws</li> <li>● Opportunity to grow</li> <li>● Opportunity to develop knowledge for business performance</li> <li>● Be treated fairly and equally in the company, no matter origin, race, language, sex, age, disability, physical health, religious beliefs, or individual socio-economic status</li> <li>● Access to company information and updates</li> </ul>	<ul style="list-style-type: none"> <li>● Use HR intranet to provide communication updates and exchange opinions</li> <li>● Foster good relationship via activities, online and offline</li> <li>● Provide training</li> <li>● Use KPIs to measure and assess</li> </ul>	<ul style="list-style-type: none"> <li>● Hold employee conferences every two months to provide company update and an open platform to express ideas and opinions</li> <li>● Organized events and HR and CSR activities for employees to participate throughout the year</li> <li>● Managed annual Allianz Engagement Survey (AES)</li> <li>● Conducted compensation surveys with companies in the same industry</li> <li>● Organized training regularly to increase employee competencies</li> <li>● Provided performance evaluation according to KPIs</li> <li>● Treated employees fairly</li> </ul>
Partners	<ul style="list-style-type: none"> <li>● Have clear business objectives</li> <li>● Clear systems and procedures in operation</li> <li>● Effective collaboration, fast to respond</li> <li>● Fair and equal treatment</li> <li>● Protect data privacy</li> <li>● Provide communication channel to express opinions</li> <li>● Have anti-corruption policy</li> </ul>	<ul style="list-style-type: none"> <li>● Use IT to support communication for effective business operations</li> <li>● Define a channel for complaints if treated unfairly</li> </ul>	<ul style="list-style-type: none"> <li>● Fostered good relationship to build confidence and trust</li> <li>● Protected confidential information and kept records in accordance with laws, rules, and regulations as applied to the business needs</li> <li>● Protected confidential information</li> <li>● Informed about Code of Ethics and Conduct including on anti-corruption</li> </ul>

Stakeholder	Issues/Expectation	Method/Channel of Communication	Actions/Responses
Competitors	<ul style="list-style-type: none"> <li>Conduct the business with honesty and comply with relevant laws</li> </ul>	<ul style="list-style-type: none"> <li>Provide correct information on the Company's website</li> </ul>	<ul style="list-style-type: none"> <li>Upheld the policy on competition, and conducted business fairly</li> <li>Followed the guidelines on good corporate governance in business operations</li> </ul>
Creditors	<ul style="list-style-type: none"> <li>Maintain and comply with the conditions of procurement</li> </ul>	<ul style="list-style-type: none"> <li>Establish and communicate criteria and procedures of procurement policy clearly</li> </ul>	<ul style="list-style-type: none"> <li>Disclosed purchasing and procurement policies</li> <li>Strictly followed the commitment made to creditors</li> <li>Fostered good relationship with creditors to build confidence and trust</li> </ul>
Society, community, and environment	<ul style="list-style-type: none"> <li>Commit to the CSR policy in giving back to the society and the community</li> <li>Create a chance to engage every stakeholder to support CSR and the environment</li> </ul>	<ul style="list-style-type: none"> <li>Organize CSR at least 4 activities and give employees chance to participate</li> <li>Publish various projects through the intranet for employees to be informed and participate in activities</li> <li>Promote CSR activities via calendars for the Company and the public</li> </ul>	<ul style="list-style-type: none"> <li>Adhered to support policies, participate in giving back to the society, the community, society and helping to develop the environment regularly</li> <li>Cultivated awareness among employees for society, community, and environmental responsibility</li> <li>Encouraged knowledge about giving back to society through training and actual practice from various activities</li> <li>Created innovations for the sustainability of the Company</li> </ul>
Government Sector	<ul style="list-style-type: none"> <li>Conduct business according to laws and regulations</li> <li>Establish good corporate governance practices</li> <li>Communicate to employees to comply on these laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Communicate rules and regulations with regards to business operations to employees via available communications channels</li> <li>Provide training and test employees on their knowledge about laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Strictly followed laws and regulations</li> <li>Published policies, rules, regulations, and Code of Ethics for employee's acknowledgement and compliance</li> <li>Systematically monitored operations to ensure full compliance rules and regulations</li> </ul>

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## Sustainable environment

Through the Company's sustainable environment policy, we focus on activities with environmental impacts to reduce greenhouse gas in our business operations. In 2020, the Company reduced GHG emissions by more than 40 thousand kgCO<sub>2</sub>e with the following activities:

**Energy:** The Company implemented a campaign to raise awareness amongst employees about saving electricity by developing simple habits from turning off computer screens when not in use to keeping the lights off in meeting rooms, thereby reducing energy use overall.

**Business Travel:** The Company reduced unnecessary business travel by technology to replace traveling overseas to conferences and seminars. In 2020, the Company was able to reduce overseas travel by 100% through its commitment to reducing greenhouse gases as well as due to the impact of the COVID-19 pandemic.

**Paper Consumption:** The Company understands the importance of reducing paper use and has implemented changes to encourage going as paperless as possible. Examples include automated expense and procurement approval systems, as well as a campaign promoting two-sided printing and recycling paper. In 2020, the Company recycled 19,574 kg of paper.

**Water.** The Company campaigned for employees, including cleaners and custodial staff, to conserve water. In 2020, the Company's water usage decreased significantly by encouraging habits such as turning off water while washing dishes. Also, the Company invested in water-saving fixtures and equipment.

**Waste Management.** In 2020, the Company committed itself to waste management activities. The Allianz Ayudhya Goes for Green campaign focused on environmental conservation awareness among employees, particularly on separating waste, to encourage good habits at work that they would continue at home. These activities resulted in significant impacts, with 95% of employees recognizing environmental issues and the importance of corporate social responsibility. They also participated in the following activities:

- Over 200 people participated in activities like training on trash separation, switching to plastic from home, separating food waste from utensils and containers, and cleaning plastic food containers.
- Maintained a recycling rate of 51%, in the following manners:
  - Food waste composted to fertilizer: 747 kg.
  - Recycled plastic, aluminum, paper: more than 20K kg.
  - General waste: more than 20K kg.
  - Single-use plastic converted to renewable energy: 371 kg.
- Organizing 4,675 shirts for new employees to be produced from surplus fabric sourced from factories (upcycling).

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## Sustainable society

We recognize the importance of CSR and consider and as a part of being Thai society aim to set a good example through the development of programs and activities that benefit the overall society, including a “Sharing Knowledge with the Children of Thailand” , aimed at providing opportunities for underprivileged children. The Company emphasizes engagement and responsibility resulting from collaborative efforts from all parties to ensure the activities we create are meaningful to all involved parties. This extended to helping during major catastrophic events. Throughout 2020, the Company brought over 5,000 people together from all areas for the following activities:

- 1) Allianz World Run Thailand built the participation among employees, agents and Allianz Ayudhya family for the SOS Foundation under Royal Thai Patronage.
- 2) The Company organized the following social assistance and support activities in response to the COVID-19 pandemic:
  - Together with Allianz China, PPE and medical-grade masks to help combat COVID-19 were imported and sent to 25 hospitals across the country.
  - The Company collaborated with the Foundation for Child Development to provide new and used tablets to 11 schools in remote areas so that children could study online during the COVID-19 outbreak.
- 3) Donations to communities in need
  - Organized three blood drives with the Thai Red Cross Society.
  - Organized Allianz Ayudhya Charity Market. The event raised 700,000 baht for Scholars of Sustenance.
- 4) The Company organized events to help four schools in the south of Thailand affected by floods, donating school supplies and kitchen equipment as well as replacing school equipment damaged by the floods.
- 5) Adapting a program to the “new normal” - Running for 14<sup>th</sup> consecutive years, Allianz Ayudhya has been offering opportunities for 5<sup>th</sup> grade primary school students from Bangkok to learn about the city’s heritage and Thai culture outside the classroom through a one-day excursion around Rattanakosin Island. Leveraging from this, the Young Guide program has been initiated to recruit the students to be trained as a tour guide. In 2020, the COVID-19 outbreak did not stop this educational opportunity for the children. The Company created a teaching space by promoting skills in vlog video production, providing information and entertainment through the Company’s online channels.