

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 society and environment. Allianz's global sustainability efforts focused on 3 pillars including Environment, Social Inclusion and Governance (ESG).

Environmental

Being active in both insurance and asset management businesses, the Group realizes the importance of hedging risks dealing with environmental change. Hence, the Group emphasizes promoting environmentally friendly business practices as well as shaping new behavior among employees. Reducing greenhouse gas (GHG) emissions is one of priorities of the Company.

Societal

The Group and its associate 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 Group and its associate company's first priority in doing business. We also emphasize 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, 1,500 staffs, 14,000 agents, 2 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 1,500 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)¹. 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 at the Company's Head Office has been decreased by 50%. In 2022, the average waste to landfill per month was 1,549 kg; in 2023, the average waste to landfill per month was 770 kg.
- In 2023, the Company prevented GHG emission from waste by more than 61,000 KgCo2e from actions in 3 categories.
 - 9,262 kg of food waste turned to compost and distributed to employees and nearby communities.
 - 14,113 kg of recycled items sent to proper recycling process and additionally generated extra income for the cleaning staff.
 - 4,807 kg of non-recycled waste turned to RDF (Refuse Derived Fuel).
- Also, the subsidiary and associate company have kicked off internal campaign called "Green ambassador" that we recruit representative from each floor at head office to be a green mentor who help manage waste sorting station on each floor.
- The subsidiary and associate company have welcomed corporate visitors who are interested in waste management to visit and share thoughts on proper waste management in the office.
- Additionally, the subsidiary and associate company have 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.
- In 2023, the subsidiary and associate company were continuing the project called "Pathumwan Zero waste" promoting public and private organization also community within Pathumwan district to change their behavior or waste sorting.
- In 2023, the subsidiary and associate company initiated the project called "THINK before throwing" by partnering with Alliance for Sustainability or Mahamitr. The event core idea is to promote people to sort their waste. The event's highlights included garbage truck landmark, Shortfilm feathering garbage man at work, Think activities that let participant

¹ 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.

role playing as garbage man and learn about a correct way to sort waste, Think Art which is art showcase by various artists that create the art piece from junk, Fashion Exchange booth by Swoop buddy. The event will be held at BACC from 14-26 November 2023

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. 2023 marks the fifth 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.
- **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 4 times per year. This year, 449 employees and people nearby joined the donation and Thai Red Cross received blood up to 365 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 2023, the associate company received the Prime Minister’s Insurance Award 2023 as the Life Insurance company with the 3rd ranked most outstanding management in 2022.
- In 2023, the Company has been awarded as one of the listed companies with outstanding Environmental, Social and Governance (ESG) and recognized in the 2023 ESG100 List.
- In 2023, the Group and its associate company 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 2023, the Group and its associate company received EDGE Certification at LEAD level, which is the highest level. This certification is the global standard for measuring the level of diversity, equality, and participation in the organization.

- In 2022, the Group and its associate company received the Prime Minister’s Insurance Award 2022 as the Life Insurance company with the most Outstanding on Sustainability (ESG) from the Office of the Insurance Commission (OIC).
- In 2022, The Company 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 2022, the Group and its associate company 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 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 are 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

Stakeholder	Expectation	Actions
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
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