



ALLIANZ IS WITH YOU SIDING WITH **GOOD**

ALLIANZ TURKEY
2018 SUSTAINABILITY REPORT

Allianz 

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ABOUT OUR REPORT

At Allianz Turkey, we believe that the key to sustaining our business is to manage risks properly; comply with the principles of transparency; discuss our opportunities with all of our stakeholders in the society through open communication.

Therefore, we prepare and publish detailed reports on our sustainability strategy, management style and social roles, as well as the practices built upon such roles, and our objectives.

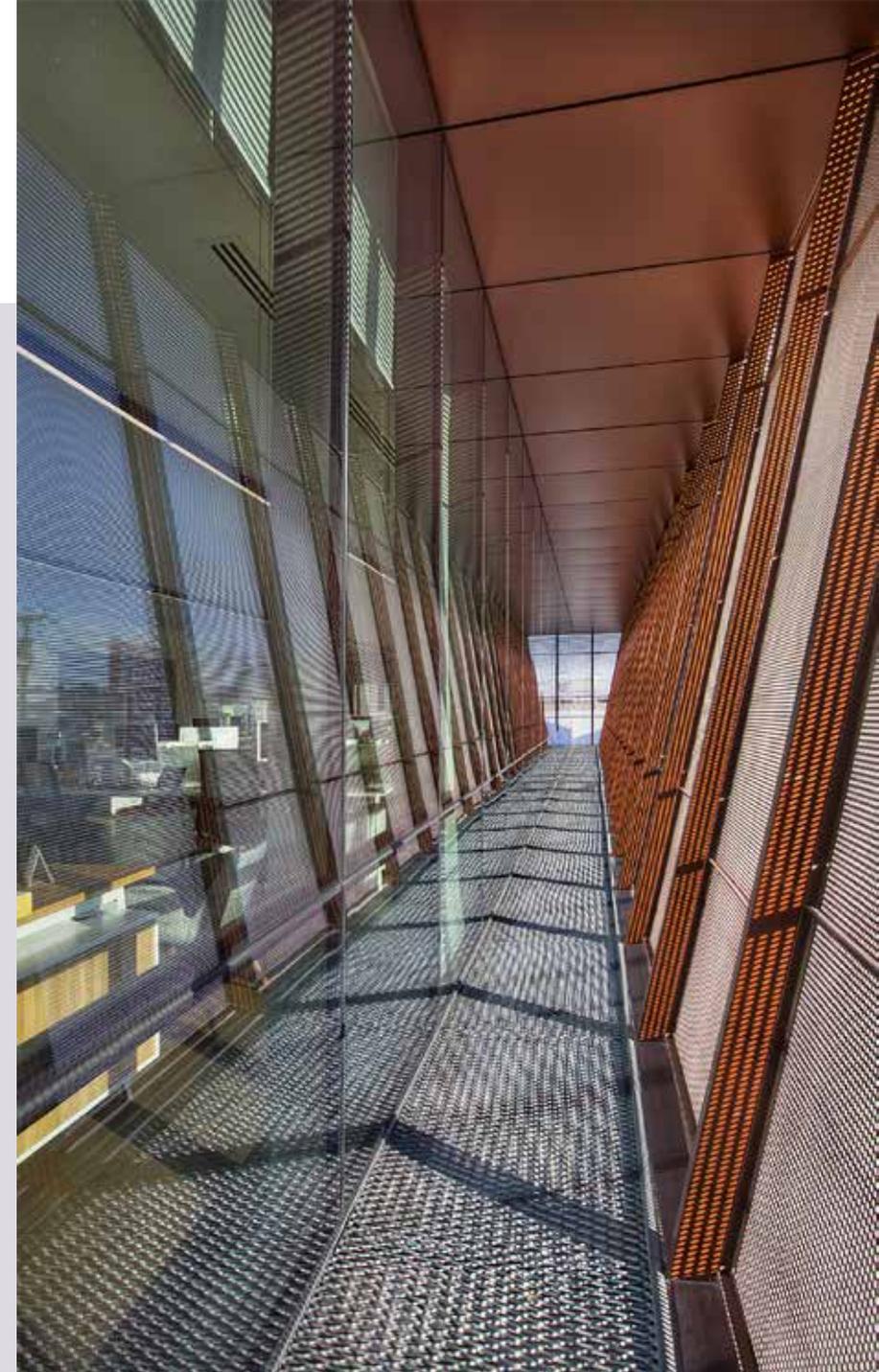
We have organized our 2018 Sustainability Report around the five key roles we play in society in this third edition. In line with the key sustainability vision of Allianz Group, we explained, in this report, the way we manage sustainability; performance; the initiatives we undertake as a sustainability insurance and pension company; the solutions we create; our Allianz Campus and Allianz Technic investments that we introduced to the Turkish economy as a responsible investor; the steps we undertake towards becoming a trusted company; our corporate culture and corporate citizenship activities..

Our Sustainability Report discloses the integrated performance of Allianz Sigorta, Allianz Hayat Emeklilik and Allianz Yaşam Emeklilik to supplement the Annual Reports published by these companies. As with the previous years, our Sustainability Report has been prepared in accordance with the "Core" level in the GRI Reporting Standard. It also includes our United Nations Global Compact Communication Progress Report.

Our cover photo for this year's edition, alongside some of the images used in this report, were taken at Allianz Campus, our LEED Gold Certified operation center commissioned in 2018 on an area spanning 17 decares with a capacity of 1,100 people.

Please visit https://www.allianz.com.tr/tr_TR/hakimizda/bilgilendirme-ve-raporlar/faaliyet-raporlari.html to access the Allianz Turkey Annual Reports.

You can send any feedback, suggestions and complaints on our report to Özlem Mutlu Doğan, our Sustainability Office Supervisor, at ozlem.mutlu@allianz.com.tr.



ALLIANZ GROUP AT A GLANCE

With over 92 million customers worldwide, Allianz Group is one of the largest financial groups in the world.

Allianz Group delivers an extensive range of products and services to its customers. Allianz Group strives to become a dependable, profitable and sustainable corporation that benefits all of its stakeholders. The Group positions itself as one of the world's most trusted financial services providers and a global sustainability leader.

Having been listed in the Dow Jones Sustainability Index for the second time consecutively is a true testament to Allianz Group's success in this area.



**€ 130.6
billion**

Total Revenues



**€ 1.436
billion**

Third Party Assets Management



Serving
92 million

Customers



In
70+

Countries



142.000

Total Number of Employees



ALLIANZ GROUP

DRIVING PROGRESS
TOWARDS A LOW-CARBON FUTURE

In 2018, the Intergovernmental Panel on Climate Change (IPCC) reiterated the importance of limiting global warming to well below 2°C. The panel's report states that, if the current rate of warming continues, we will see a global temperature increase of 1.5°C by around 2040 with a high risk of dangerous and catastrophic impacts – ranging from loss of species and vulnerable small island communities to severe and frequent droughts, heatwaves and flooding.

For Allianz, countering climate change and limiting global warming is a crucial priority. We are fully committed to the 2015 Paris Climate Agreement's target to limit global warming to well below 2°C and we understand that reaching this goal will require a rapid and full decarbonization of the global economy.

As one of the world's largest insurers and institutional investors, we have an important opportunity and a responsibility to use our leverage to shape the global low-carbon future. We are taking concrete actions and working with others to understand the science, develop and implement solutions and mitigate the impacts of climate change. We are anticipating the risks of climate change, protecting and caring for our customers through our insurance products and enabling the transition to a low-carbon economy with our insurance and investment activities.

“Climate change generates enormous economic and social risks. It is already harming millions of people today. As a leading insurer and investor, we want to promote the transition to a climate-friendly economy.”



Oliver Bäte
CEO
Allianz SE

IN THIS SECTION

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ALLIANZ GROUP

OUR CLIMATE CHANGE STRATEGY

ANTICIPATE. CARE. ENABLE.

Since 2005, our Climate Change Strategy has aimed at developing solutions that help mitigate and manage the impacts of climate change by focusing on our ability to anticipate, care and enable. We have regularly updated our strategy and have adopted the Paris Climate Agreement's target in our ambition across our business activities, building on our well-established ESG approach.

ANTICIPATE.

We constantly work to identify and manage risks and opportunities resulting from climate change, both as part of our overall business strategy and in developing and adjusting our financial products and services. This includes screening investments for climate-related risks and excluding certain sectors, as well as improving transparency around climate-related disclosures. We have an industry-leading threshold for coal and we have committed to bring this down to zero thereby completely phasing out coal-based business models from our business no later than 2040.

We are working to further align our strategy and reporting with the recommendations developed by the G20 Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD).

CARE.

We care for those vulnerable to climate change, supporting our customers to reduce risks and minimize damage while compensating those who have suffered losses and insuring low-carbon developments. We are working with our partners to provide climate risk insurance for up to 400 million people in the most vulnerable developing countries by 2020 as well as to pilot innovative solutions in developing and emerging countries.

ENABLE.

We have announced new commitments to actively support the transition to a global low-carbon economy over the coming decades. We provide sustainable solutions for our customers, including insurance solutions that support renewables and energy efficiency around the world. In May 2018, we joined the Science Based Targets initiative (SBTi) and committed to set long-term climate goals for our operations and proprietary investments, linked to the Paris Climate Agreement's target to limit global warming to well below 2°C. We are striving to minimize our environmental impact and are committed to source 100% renewable power for our group-wide operations by 2023.



ALLIANZ GROUP

FROM STRATEGY TO ACTION ON CLIMATE CHANGE

Through our strategy, we are taking a multi-faceted approach to decarbonization and supporting the transformation to a low-carbon economy. These are just some of our actions.

ANTICIPATE.

Phasing out coal to tackle long-term risks

We began divesting from coal-based business models in 2015 and we continue to strengthen our approach. We will lower the threshold for coal-based business models from 30 percent to 25 percent by the end of 2022, a value that applies to the maximum revenue mining companies can generate by mining coal and the maximum percentage of electricity energy companies are allowed to generate from coal. This is a short-term step towards our commitment to fully phase out coal-based business models across our proprietary investments and property & casualty (P&C) insurance portfolios. We will continue to successively lower the threshold to zero by 2040 at the latest.

Additionally, we strengthened our exclusion criteria to no longer invest in energy companies that put the Paris Climate Agreement's target at risk by building coal-fired power plants considered excessive, or that would have to retire more than 50% of their generation's capacities over the next ten years in order to meet the target.

We have decided to no longer provide insurance for the construction and/or operation of single coal-fired power plants or coal mines as of 2018.

Companies that generate electricity from multiple sources, such as coal, other fossil fuels, or renewable energies, will continue to be insured and individually reviewed on the basis of our general ESG criteria (page 26). To support the change, we are committed to working with our clients to find suitable solutions that enable a joint path towards a low-carbon economy. We are further developing our approach to coal to reach our target of a complete phase-out by 2040 at the latest.

Working towards greater transparency

We strongly believe that, for customers and investors to be able to make informed decisions, companies must report comprehensively on their climate-related risks and their actions to tackle them. We have advocated for greater transparency and reporting on these risks by companies for a number of years and we strongly support the 2017 recommendations of the TCFD. As well as reporting on our own climate-related risks and opportunities based on the TCFD framework, we are encouraging other companies within our sector and beyond to improve their disclosure. We do this through our work with the G7 Investor Leadership Network, the UN Environment Programme Finance Initiative (UNEP FI), and the Principles for Sustainable Insurance (PSI) initiative, as well as through our memberships in The B Team, the World Economic Forum (WEF) Alliance of CEO Climate Leaders and others.

CARE.

Protecting the most vulnerable

As well as working to combat climate change, we reduce the impacts of climate risks, incentivize preventive measures to increase customers' resilience and compensate for climate-related damages by providing insurance. The higher the level of insurance coverage of a country, the more resilient it is to extreme natural events.

We aim to help provide climate risk insurance for up to 400 million people in the most vulnerable developing countries by 2020 through our active support of the InsuResilience Global Partnership. We also share our expertise to help countries manage climate risks. In 2017, we formed a three-year strategic alliance with the German Corporation for International Cooperation (GIZ) with the goal of 'Closing the Protection Gap'. Through our partnership, we are setting up programs to reduce flood risk and provide insurance for municipalities in Ghana's capital, Accra, as well as for small and medium-sized enterprises in an important industrial zone in Morocco

"As a long-term investor, we want to drive and shape the change to a climate-friendly economy. There is still pioneering work to be done. For example, we need valid methods to evaluate climate strategies of companies. For our portfolio, the adaptability of business models to a well-below 2°C target will be a decisive selection criterion. It is important to limit global warming. We hope that our efforts support political action."



Katharina Latif

Head of Corporate Responsibility
Allianz SE

ALLIANZ GROUP

OUR SOCIAL ROLES

This section translates our work into five roles we play in society:

As a Sustainable Insurer, we need to continue to provide solutions that support sustainable development and a low- carbon future.

In order to be considered a Responsible Investor, we will continue to integrate ESG criteria across our investment decisions.

Data and privacy protection, improving customer satisfaction and reducing our environmental impact all play a major part in being a Trusted Company.

Our role as an Attractive Employer is of high relevance as we depend on having the best people in place, and keeping them motivated to serve our customers.

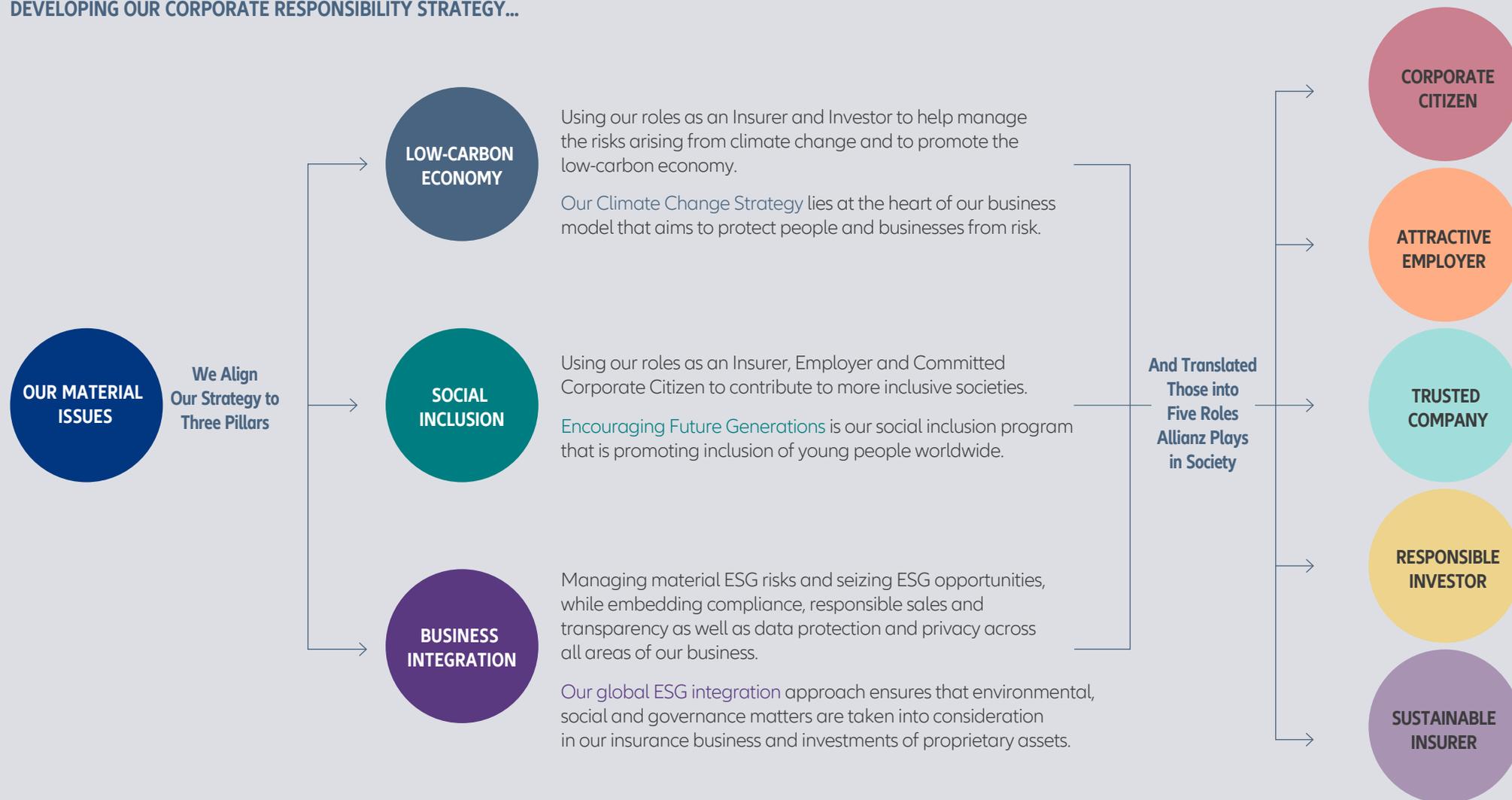
We act as a Committed Corporate Citizen to maximize our positive contribution and to create a more stable economy and resilient markets.



ALLIANZ GROUP

CORPORATE RESPONSIBILITY STRATEGY AND MATERIAL ISSUES

DEVELOPING OUR CORPORATE RESPONSIBILITY STRATEGY...



ALLIANZ TURKEY AT A GLANCE

We are the leading insurance and pension company of Turkey

Allianz Turkey operates with its 2,500 employees, 12 regional directorates, 3,800 agencies, 1,800 bank branches, and 6,000 contracted institutions and serves around 5.5 million customers in 81 cities.

Allianz Turkey is comprised of Allianz Sigorta that operates in elementary insurance, Allianz Hayat Emeklilik and Allianz Yaşam Emeklilik, both active in life insurance and pension branches.



TRY 10,5 billion
Premium Production &
Contribution



5.5 million
customers in 81 cities



Approximately
2.500
employees



6.000
contracted institutions



3.800
agencies



ALLIANZ TURKEY

OUR BUSINESS MODEL AND FINANCIAL PERFORMANCE

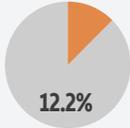
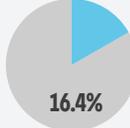
OUR INSURANCE OPERATIONS

Operating under Allianz Turkey in the field of elementary insurances, Allianz Sigorta offers an array of products including vehicle insurance, private health insurance, household insurance, workplace insurance, travel health insurance, corporate insurances, liability insurances, transportation and aviation insurances, and agriculture insurances.

OUR LIFE AND PENSION OPERATIONS

Operating in life insurance and pension branches, Allianz Hayat ve Emeklilik and Allianz Yaşam ve Emeklilik deliver private pension plans, auto-enrolment, personal life insurances and corporate life insurances to its customers.

Our 2018 Financial Performance

| | NON-LIFE | LIFE | PENSION |
|---|--|--|--|
| Total Net Asset Value of Premium / Fund | TRY 5,810 million | TRY 707 million | TRY 14,506 million |
| Growth | 13.2% | -6.0% | 12.2% |
| Market Share |  12.2% |  10.2% |  16.4% |
| Net Profit | TRY 562 million | TRY 298 million | |
| Market Ranking (2018) | 1 | 2 | 3 |



TRY 25.5 billion
Size of Assets



192,9%
Capital Adequacy

ALLIANZ TURKEY

OUR CORPORATE STRATEGY

OUR VISION

At Allianz, our vision is to pioneer new generation insurance focused on customer satisfaction and technology, and to be a social brand that increases society's quality of life.

OUR MISSION

We are here for our community. We are committed to protecting the health of our customers, their assets they have created over the years, and to be with them and their families at all stages of their lives.

OUR VALUES

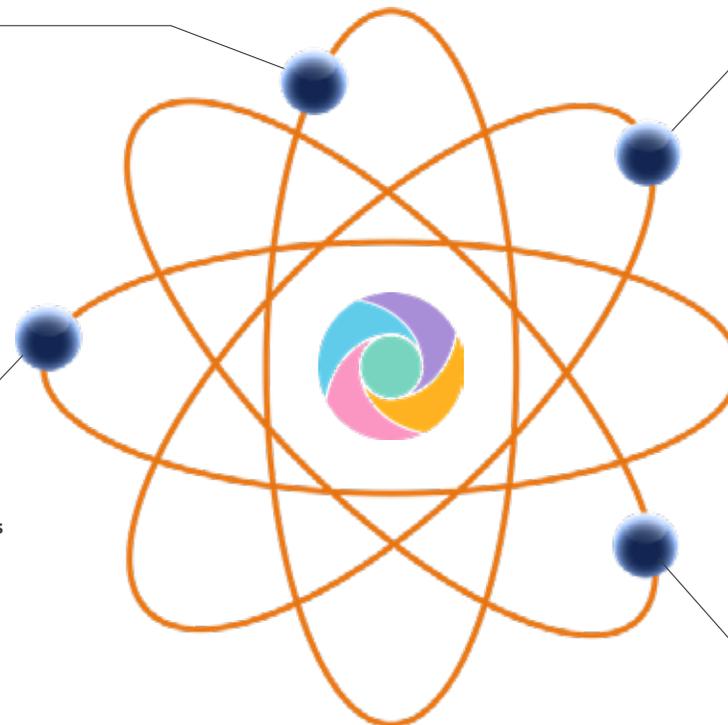
Customers are Our Priority.
We are Trustworthy and Fair.
We are a Real Team.
We are Pioneers.

Creating New Standards for Customer Experience

Offer outstanding customer experience
Be there for your customer for life
Touch with your emotions, win with your truths

Creating the Future Allianz

Invest in human capital
Strengthen corporate culture
Strengthen infrastructure and improve processes



Maintaining and Improving Leadership in All Areas

Ensure sustainable growth
Maintain a stable portfolio
Use the power of multiple distribution channels
Maintain your advantage regarding costs and technical superiority

Pioneering the New Generation Insurance

Make digitization and innovation your way of doing business
Ensure continuity in corporate development

ALLIANZ TURKEY

OUR STRATEGIC TRANSFORMATION

Allianz Group continuously revises its organizational structure in order to maintain its leading position in global competition. Driven by this philosophy, Allianz Turkey undertakes strategic transformation efforts to offer the most responsive and constructive solutions for customer needs. 2018 marked a significant year of change for Allianz Turkey in terms of organization.

AGILITY

We transform our entire organizational structure into Agile Working Methodology. To this end, we are shifting from the function-based structuring to business-driven structure. Through employee delegation, we include our employees in the solution. We ensure that our employees with different fields of expertise can work together in the same team. At Allianz Turkey, we are the first company ever to initiate an agile organization on such a scale at Allianz Group and in Turkey.

Why did we need an agile organization?

In today's economy, we compete with agile enterprises that offer extremely rapid services personalized for the customers, rather than corporations with large capital. The computing speed delivered by the new technologies facilitate tailored design of services and products. The new demands created by the sharing economy and pay-as-you-go models lead the insurers to develop tailored solutions for the segments, rather than the products and marketing strategies that address masses. Industry 4.0 not only change the production processes, but also the industrial risk models, which requires focusing on simplification in the business processes and product designs, thus ensuring financial sustainability.

Çeviklikten ne bekliyoruz?

- A simpler, faster and more productive Allianz Turkey
- Developing our competitive perspective and business competencies
- Acting proactively with multi-functional teams
- Assuming end-to-end responsibility
- Increasing innovation
- Becoming an organization that is free from hierarchy to attract talents.

SIMPLICITY

We believe that the insurance industry, which dates back to the Code of Hammurabi, needs to be simplified to meet the current needs of the industry. What we mean by simplicity is to come up with the quickest, direct and clear route to solution.

Why do we seek simplification?

- We seek to deliver more rapid and more flexible processes and systems to our customers.
- We wish to ensure that purchasing insurance products is as convenient as online shopping.
- We want to update our complex processes and IT infrastructure to facilitate new collaborations.
- We wish to offer convenience for our customers and contribute to the increase in the rate of insured people.

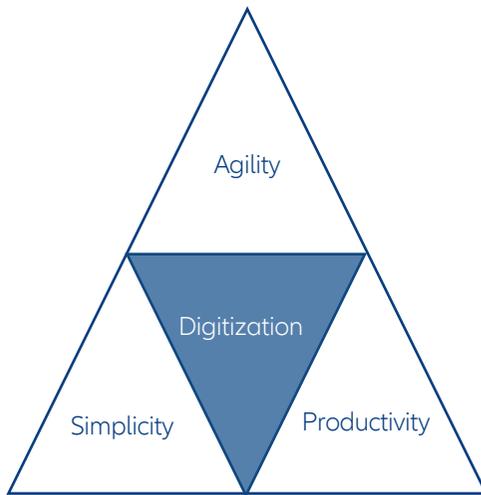
To this end, we enhance the self-service approach in our services. We simplify our products, services and damage processes. We accelerate the integration process with our business partners.

PRODUCTIVITY

Launched in 2018, our productivity efforts will continue for three years. We will come up with ways to make our business more productive together with all of our employees. To this end, we established 10 working groups, under which we formed 36 initiative groups of up to 100 members. We believe that an agile, simple and digital Allianz will bring along efficiency.

What does productivity mean to Allianz?

We believe that productivity is changing our mindset, rather than engage in budgetary savings, while ensuring that each and every employee considers Allianz as their own business. We will maintain our technology and HR investments at full tilt, throughout our productivity efforts. Our productivity objective does not have to do with driving profit; instead, it is driving market share. We aim to reduce our costs and foster competitive advantage through rapid and simple processes. This way, we will enhance customers satisfaction.



ALLIANZ TURKEY

MESSAGE FROM OUR CEO



“Esteemed Stakeholders,

The key to survive the tough economic conditions, for Allianz Turkey, as with any company and institution-and, actually, for any country-lies in delivering quality services to customers; sustain trustworthiness; maintaining investments at full tilt; properly managing costs; keeping up with the technology of our era; valuing the employees; and adding value to the society,

We believe that these are the core principles at the heart of sustainability. Our sustainability strategy is based on working for a good environment, good individuals, good institutions and a good society with a focus on preventive solutions, entrepreneurship and innovation

We are the only Turkey-based global insurance and pension company who have signed the United Nations Global Compact and United Nations Women's Empowerment Principles, built a sustainability model, and published a GRI-based sustainability report.

As a responsible investor, we have launched our new operation center, Allianz Campus, in Izmir this year. We made sure that the Allianz Campus investment, which we commissioned in May 2018 as an example of next generation insurance, functions as an environmentally- and employee-friendly structure that complies with the sustainability principles and uses renewable energy resources. Designed based on the green workplace culture, the fully environmentally- and employee-friendly Allianz Campus holds LEED Gold Certification in the new building category. We also laid the foundations of “Allianz Technic Earthquake and Fire Test and Training Center”, the first ever accredited earthquake lab of Turkey in 2018. We will provide professional risk consultancy services to mitigate and prevent earthquake and fire risks at Allianz Turkey, where we launched operations with an investment worth EUR 5 million at the Turkish-German University Campus in Istanbul. Therefore, we believe that we will significantly contribute to the process of raising social risk awareness.

Additionally, we continue to undertake steps to accelerate the transition to low-carbon economy, a key focus in our sustainability practices. We aim to ensure visibility of the negative impact of global climate change and contribute to combating the negative impacts as part of our strategy on the solutions for good environment. We support low-carbon economy as a company and accordingly publish papers, research and reports in Turkey with the Climate Solutions Center. We reduced our electricity consumption per person by 1.8 % and our paper consumption per person by 22.5 % in 2018, compared to the year 2016, in order to lower our ecological footprint for a better environment. We reduced our natural gas consumption per person by 19.2 %, compared to the year 2016, while experiencing, despite an increase of 11% in the square-meter of areas where we operate, only a 6.9 % increase in the water consumption per person, compared to the year 2016.

We aim to gradually terminate our coal investments by 2040 in accordance with the objective of Allianz Group. In this respect, the policy amount of our uninsured coal works reached TRY 17.5 million in the previous year.

In order to incorporate sustainability into our business making process, we established two working groups; namely, the Environment Working Group and Diversity Working Group under the Sustainability Committee of Allianz Turkey which operates to monitor targets and performance. In addition, we published our Human Rights and Environment Policy under the leadership of our committee.

Our focus on undertaking Sustainable Solutions continued this year as well. To this end, “Sustainable Life Fund” became our sustainable solution in 2018. We enabled our personal pension customers to invest in the Sustainability Index under Borsa Istanbul and international sustainability products through this fund.

We launched our CSR program “Allianz Motto Movement”, which we designed through our sustainability strategy, in the previous year. We aim to contribute to the healthy growth and development of children through exercise and sports with this program that we launched in association with Aegean Modern Education Foundation, Koruncuk Foundation and The Educational Volunteers Foundation of Turkey. Involving on-site activities and in-class or out-of-class educational modules for kids, our program is an extensive multi-stakeholder corporate responsibility project, including a volunteering program and scholarship support for primary school teachers.

We maintain our efforts to reach 42,000 children across 7 regions in 8 years with Allianz Motto Movement. The biggest support is extended by the members of Allianz family in this process. Moreover, we are proud of 550 of our employees for volunteering in the 4259-hour activity program or the Allianz Turkey Running Team for acting as a bridge that makes us the organization to collect the highest amount of donations in Istanbul Marathon.

ALLIANZ TURKEY

MESSAGE FROM OUR CEO

At Allianz Turkey, we maintain our efforts with the vision of becoming a social brand that increases the life quality in our society. We sustained our support for music and contemporary arts in the previous year. We continue to add value to the music of our youth with Turkey's first corporate YouTuber, Allianz Motto Music. We continue to support the Music Foundation for Peace, Turkish National Youth Philharmonic Orchestra and Ayvalık International Music Festival. We are among the organizations to support Istanbul Modern, Istanbul Biennial and DasDas, one of Istanbul's latest venues. Allianz Tower, our headquarters, and Allianz Campus, our Izmir-based operation center, continued to host the exhibitions that introduce the works of new generation artists in Turkey to art enthusiasts.

We continued to tap into innovation and entrepreneurship, which are among the building blocks of our sustainability strategy, while designing our products and services and working towards our sustainability targets. We undertook firm steps in 2018 by focusing on cooperation with external entrepreneurs and innovation integration with Allianz Group, in addition to our internal entrepreneurship activities.

Established to sustain our innovation-driven approach in the most effective way, our Innovation Office unlocks the entrepreneurship potential under Allianz Turkey, while creating innovation and cooperation opportunities with external entrepreneurs, universities and Allianz Group for innovative business models. We designed the "Internal Entrepreneurship Program" not only as a platform for expression of ideas by our employees, but also as a substantial process to transform those ideas into a business model. Aiming to incorporate our employees' innovative ideas and suggestions in a system, the program had significant achievements. In addition to our support for the "These Young People Have the Potential" (Bu Gençlikte İş Var) competition of TÜSIAD (Turkish Industry and Business Association) with the External Entrepreneurship Program, we maintained our cooperation with Etohum in 2018. Besides, we undertook a brand-new win-win collaboration with İTÜ Çekirdek.

We became one of the handful companies in Turkey to adopt the agile working system with an aim to become the most agile, simple, productive, technological and customer-oriented company in the industry. We currently carry out nearly 30% of our portfolio budget through the agile method. 200 of our colleagues started to work with the agile method. We experienced the agile organization through 23 large projects. We achieved both top-quality business outputs and employee satisfaction results in the pilot stage.

Leveraging digitization, we build the future Allianz, the pioneer of next generation insurance business, and replace the physical documents with digital options whenever possible by reducing the use of paper. Therefore, we not only reduce our environmental impact, but we also enhance our productivity. We transfer 98% of the inbound documents to digital environment. We now roll out each of our new products digitally. Our automation rates are 70% and 95% in health damages and auto production, respectively. 98% of our communication with customers is digital. We communicate with the agency via the DigitALL platform. Our Auto-Enrolment System Phoneix facilitates the lives of our customers. Our financial team works with robots for jobs that be handled through automation.

At Allianz Turkey, we undertake gratifying activities each year under our responsibility of leaving a better world for the future. We are proud to publish the third Sustainability Report of Allianz Turkey that contains our 2018 practices, complying with the GRI (Global Reporting Initiative) Standards. We would like to thank each and every employee and stakeholder that extends us support on this journey.



Tolga Gürkan
Allianz Turkey İcra Kurulu Başkanı



SUSTAINABILITY GOVERNANCE AT ALLIANZ TURKEY

At Allianz Turkey, sustainability is a mission that goes beyond merely the sustainability office. 54 volunteers from different functions take part in our Sustainability Committee in order to integrate the sustainable principles in our business processes. 7 volunteering employees took charge in our Environment Working Group, while 28 volunteering employees took charge in our Diversity Workin Group.

102-18, 102-19, 102-20, 102-29, 102-30, 102-31, 102-32

HIGHLIGHTS

- The Sustainability Committee convened 10 times and put 14 goals out of 17 into practice.
- Two new working groups were established under Sustainability Committee.
 - Environment Working Group
 - Diversity Workin Group
- The Committee reported to the CEO once a week, and to the Executive Board twice a year.
- The Sustainability Committee took 17 actions and put 14 of them into practice.
 - Those actions include the issuance of the Human Rights Policy, NGO Cooperation Procedure, Environmental Policy, issuance of the Procurement Code of Conduct
- Allianz Turkey completed the UN WEPS gender gap analysis.

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OUR SUSTAINABILITY GOVERNANCE

MESSAGE FROM THE SUSTAINABILITY OFFICE

Profitability is vital for the sustainability of the companies, just like air and water needed for survival. Merely creating products or services does not prove sufficient for the companies to sustain profitability.

Only the companies which give back to the society; respect their employees, customers and the fundamental human rights; have awareness of the negative impacts caused by climate change and avoid triggering such negative impacts; have awareness of its own risks; take precautions; and disclose, transparently, its own risks, as much as the precautions will survive in the future.

As the Sustainability Office and Sustainability Committee of Allianz Turkey, we are proud of our work driven by volunteering, which is outside the scope of our job description, so that our organization can create these values.

Convening at Diversity Working Group and Environment Working Group under our Sustainability Committee on a bi-weekly basis, we take vital decisions for the bottom line and conscience of our organization, although they may seem small from the outside, in order to become an organization and individuals that respect people and the nature.

Each month, we gather as the Sustainability Committee, and monitor the activities of our working groups, corporate responsibility areas and processes that involve coming up with sustainable solutions, while building shared wisdom.

Prepared in accordance with the Global Reporting Initiative Standard, our sustainability report that you skim through now actually aims to serve as a declaration of intention. With the phrase "Allianz Is With You", we address our customers, while sharing with you the steps we undertook by walking beside environment, individuals, institutions and the society throughout the year with the phrase "Siding With Good". We not only explain our achievements, but we also disclose the setbacks through comparisons. This is because we well know that awareness is the biggest and most important step into improvement.

In our country, we prepared the first ever report among Insurance and Pension companies that work for risk management three years ago. I would like to express my gratitude to all my colleagues not only for their contribution to our learnings and preparation of our report every year, but also for working towards "Good" throughout the year, and to all our leaders that adopt the Sustainability Strategy as a guide.



Burçun İmir

Corporate Communications
and Sustainability
Office Director

OUR SUSTAINABILITY GOVERNANCE

OUR SUSTAINABILITY COMMITTEE

The Allianz Turkey Sustainability Committee was established to render sustainability an integral part of daily work flows, set our targets and measure our performance. Sponsored by the CEO, the committee is an effective and well-attended organization where all business lines are actively represented, bringing together over 50 participants from various functions that convene once a month without exception. This way, the adoption of sustainability was shifted from one single department to the entire company.

The Allianz Turkey Sustainability Committee was presented as a “good example” by Allianz Group at the 18th Edition of the Corporate Responsibility Conference.

| Name and Surname | Title | Committee Duty |
|----------------------|--|------------------|
| Burçun İmir | Director of Corporate Communications and Sustainability Office | Chairperson |
| Özlem Mutlu Doğan | Sustainability Office Supervisor | Vice Chairperson |
| Melike Demirel | Director of Strategy and CEO Office | Member |
| Fatoş Yağan | HR Business Partner Manage | Member |
| Hümevra Boztunç | Anti-Corruption Manager | Member |
| Mehmet Nakkaşoğlu | Brand, Campaign Management and Marketing Communications Group Head | Member |
| Uğur Çomoğlu | Operational Support and Procurement Manager | Member |
| Erkan Işıksal | Customer Experience and Product Management Group Head | Member |
| Gönüllü Katılımcılar | 50 volunteers from Other Functions | Participant |



OUR SUSTAINABILITY GOVERNANCE

OUR SUSTAINABILITY STRATEGY

THE SUSTAINABILITY MODEL OF ALLIANZ TURKEY

The Sustainability Model of Allianz Turkey serves as our main guide in managing the risks and opportunities in the field of sustainability. This strategy shapes our sustainability performance based on our business strategy and the expectations of stakeholders.

Entrepreneurship and Innovation

We unlock the entrepreneurship potential in the organization with a focus on Entrepreneurship and Innovation on the one hand; and build integration for innovative business models for the external entrepreneurs; business partnerships with the universities; and innovation opportunities with Allianz Group on the other, while investigating how to transform Innovation into social good, and improving the competencies in this field.

Preventive Solutions

We pioneer the development of preventive solutions by helping individuals and institutions to be equipped with the right instruments against risks in healthcare and environment.

Good Individuals

We aim to increase the quality of life of the individuals in terms of physical, mental and economic health and peace of mind.

Good Environment

We aim to make the negative impact of climate change on the society and industry visible, and contribute to the prevention thereof.

Good Society

We aim to contribute to sustainable development of our society with universal values as a good corporate citizen.

Good Institutions

We aim to ensure that ourselves and the institutions we interact with are sustainable, transparent and accountable organizations that can manage their risks



OUR SUSTAINABILITY GOVERNANCE

OUR MATERIAL ISSUES

We conducted a survey to gauge the stakeholder expectations during the determination of our Sustainability Strategy at Allianz Turkey. We identified our sustainability priorities by taking into account the results of the survey that we carried out in 2016, internal assessments and the Allianz Group Strategy.

Our stakeholder analysis and materiality details are available in the 2016 Sustainability Report of Allianz Turkey. (2017 Allianz Turkey Sustainability Report page 24)

We took the Risk Barometer prepared specifically for Turkey as a basis when we identified our 2018 Sustainability priorities by receiving opinions from the Allianz Group stakeholders annually, and taking into account our business strategy and stakeholder expectations. Megatrends such as climate change and social mobility that affect the globe are important factors that determine our material issues.

In 2018, we reviewed our material issues and divided them into groups based on the 5 key roles we play in the society. We later determined our stakeholder groups that are directly affected by these issues. We aimed to demonstrate our contribution to the goals by aligning our material issues with the UN Sustainable Development Goals. In the upcoming period, we aim to focus more actively on stakeholder opinions while reviewing our materiality.

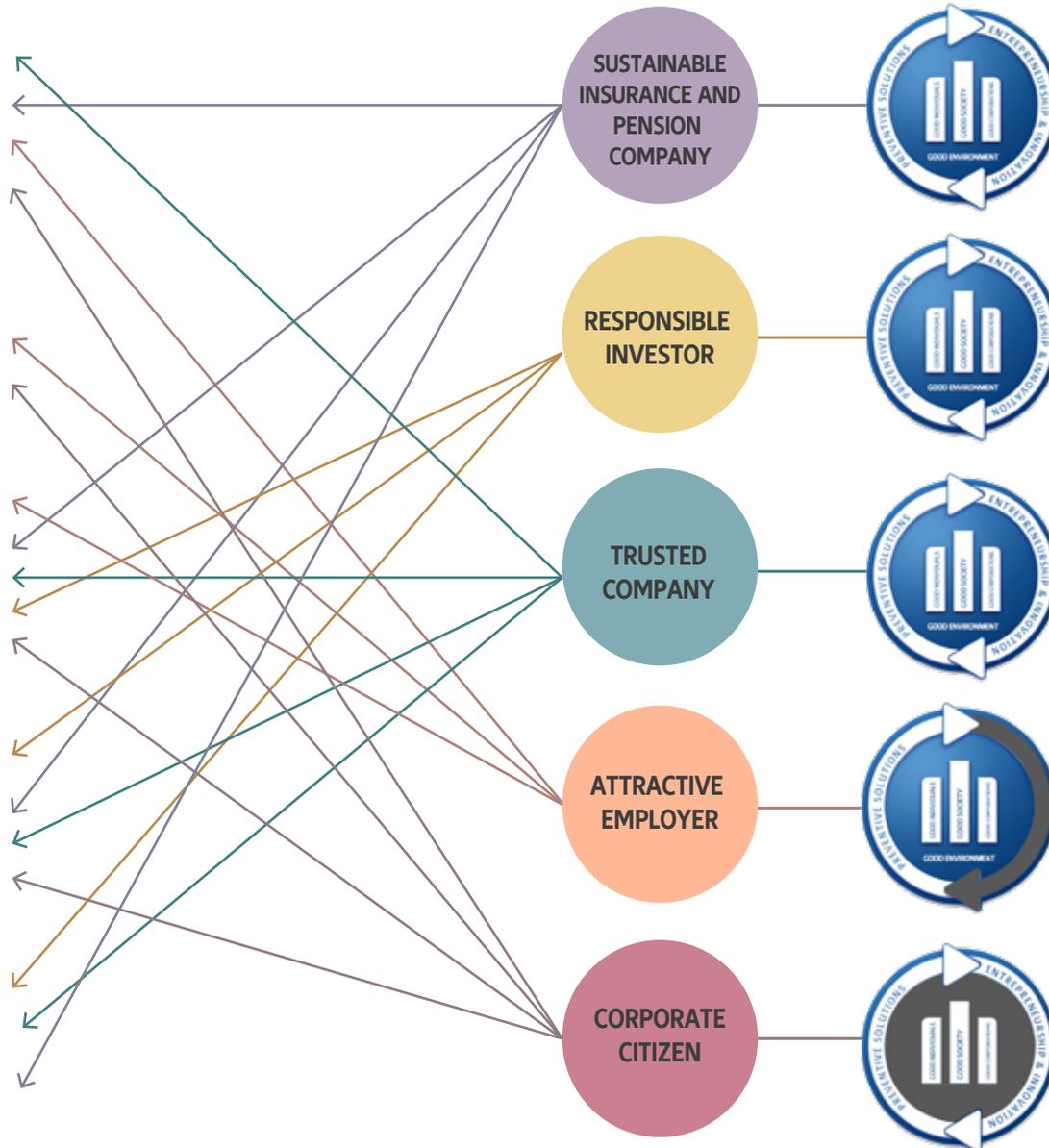
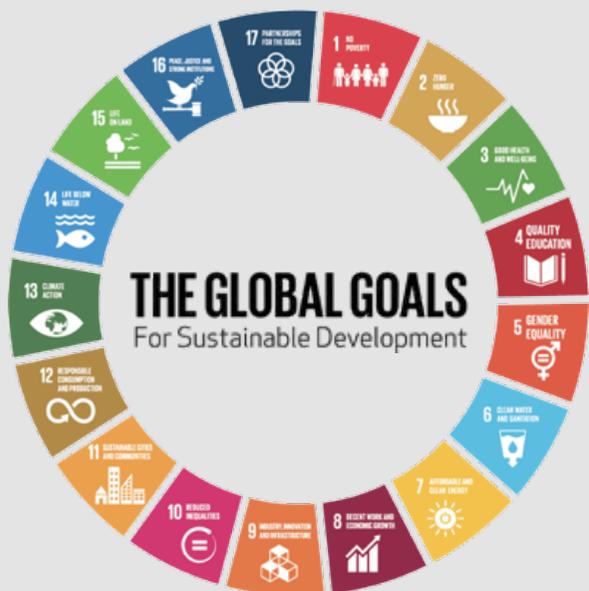
| Our Social Roles | | | | |
|---|----------------------|--|----------------------------------|------------------------------------|
| Sustainable Insurance and Pension Company | Responsible Investor | Trusted Company | Attractive Employer | Corporate Citizen |
| Our Material Issues | | | | |
| ESG integration | ESG integration | Digitization | Focusing on employee development | Contribution to social development |
| Facilitating access to insurance products | | Transparent and agile governance | Diversity and inclusion | |
| Creating preventive solutions | | Combating climate change and supporting low-carbon economy | | |
| R&D and Innovation | | | | |
| Our Relevant Stakeholders | | | | |
| Our Customers | Our Customers | Our Customers | Our Employees | Society |
| Society | Society | Society | Our potential employees | Universities and NGOs |
| Our industry | | Our investors and shareholders | | |
| Our business partners and agencies | | Our industry | | |
| Universities and NGOs | | Our business partners and agencies | | |
| The Sustainability Development Goals We Contribute To | | | | |
| SDG3 | SDG8 | SDG3 | SDG3 | SDG3 |
| SDG8 | SDG11 | SDG8 | SKD5 | SKD5 |
| SDG11 | SDG13 | SDG11 | SDG8 | SDG8 |
| SDG13 | | SDG13 | | SDG11 |

OUR SUSTAINABILITY GOVERNANCE

OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals (SDGs) are an extensive initiative that invites all stakeholders to find a solution for global issues. The goals and their breakdowns are key guidelines for the business world on the path to follow in the field of sustainability.

At Allianz Turkey, we determined the SDGs that we contribute the most with through an analysis that we conducted in 2017. We directly contribute to the principles of "Climate Action", "Healthy Individuals", "Decent Work and Economic Growth", "Sustainable Cities and Communities", and "Gender Equality". We shape our corporate responsibility activities in accordance with these given SDGs.



OUR SUSTAINABILITY GOVERNANCE

STAKEHOLDER ENGAGEMENT

In our era defined by an ever stronger global communication network, we believe in the importance of rapid and open communication with our stakeholders. We, therefore, aim to build trust-based relations driven by mutual learning.

Effective sustainability management requires taking into account the expectations of the stakeholders that are part of our impact while managing our own environmental, social, economic, and governance impact. This way, we not only learn from our stakeholders, but we also continue our journey as a continuously learning and developing company, while sharing the most up-to-date and correct information about our company first hand. At Allianz Turkey, we leverage the dialogue methods shaped according to the frequency of communication and needs for all of our stakeholder groups.

By the very nature of our job and the size of our company, we boast an extensive network of stakeholders. We are in direct or indirect cooperation with a wide range of organizations, institutions and individuals including university students, experts, physicians, brokers, academics, pharmacies, services and repair shops, banks, national and international development and finance institutions, humanitarian aid organizations, business umbrella organizations. We aim to provide detailed information on our companies through the annual reports and sustainability reports we prepare for all of our stakeholders. Moreover, we conduct research in order to understand the needs and expectations of all of our stakeholder groups.

At Allianz Turkey, we are also members of numerous non-governmental organizations and partner to volunteer agreements. We are the only Turkey-based global insurance and pension company that signed the United Nations Global Compact. Through our annual sustainability reports, we share with our stakeholders our performance within the scope of the contract. Additionally, we are a signatory of the UN Global Compact Women’s Empowerment Principles. This way, we reinforce the participation and empowerment of women in the business world across Turkey.

Our Corporate Memberships

The German-Turkish Chamber of Commerce and Industry
 EGM Emeklilik Gözetim Merkezi A.Ş.
 Istanbul Chamber of Commerce
 Risk Managers’ Association
 Insurance Arbitration Commission
 SKD Business World and Sustainable Development Association
 TARSİM Tarım Sigortaları Havuz İşletmesi A.Ş.
 TRAMER Insurance Information Center
 Ethics and Reputation Society
 TSB Insurance Association of Turkey
 TÜSİAD Turkish Industry & Business Association
 TÜSİAD (Tax Working Group)
 TÜSİAD (Insurance Working Group)
 TÜSİAD (Healthcare Working Group)

Our key stakeholder groups and communication methods

|  Our Employees |  Our Customers |  Non-governmental organizations |  Our Agencies |
|---|--|---|---|
| Employee Satisfaction Survey CEO Breakfasts Allianz Talks Collab Day Long table meetings CEO Townhall Department Townhalls Allinn Chats Birliz Magazine E-mail Notifications Sales Meetings | Phone E-mail Webchat Website Contact Form App Contact Form | Allianz Tower Meetings Istanbul Marathon | Agency Meeting DigitALL E-Notification Agency Satisfaction Survey |

YASED International Investors Association
 YASED (Insurance Working Group)
 Turkish Institutional Investment Managers’ Association
 DEİK (Foreign Economic Relations Board)
 DEİK GERMANY BUSINESS COUNCIL
 DEİK HEALTH BUSINESS COUNCIL
 FODER Financial Literacy and Inclusion Association
 YOUNG PRESIDENT /YPO
 İKSV
 EGIAD
 TEDAR
 Corporate Governance Association (TKYD)
 Turkish Win

UNGC (TÜSİAD)
 ERTA
 CEO CLUB
 TMTB
 (Turkish Motor Insurers’ Bureau)

OUR SUSTAINABILITY GOVERNANCE

2018 SOCIAL GOALS AND PERFORMANCE

| Our 2018 Goals | 2018 Achievements | Status |
|---|--|--------|
| Realizing 3 new sustainable solutions | We revised our goal and updated it to creating sustainable solutions on an annual basis. We launched the Sustainable Life Fund (Page 28) | |
| Initiating the Allianz Turkey Corporate Social Responsibility Program | Allianz Motto Movement Program Initiated with 3 NGOs (Page 57) | |
| Establishing Diversity Working Group and undertaking at least one activity | The Working Group was established and issued the Allianz Turkey Human Rights Policy | |
| Establishing the Environment Working Group and reducing our ecological footprint in two areas | The Working Group was established and our ecological footprint was reduced in two areas (Page 23) | |
| Designing remote sustainability training | The project will be completed in 2019 | |

| 2019 Social Goals |
|--|
| Coming up with one sustainable solution |
| Obtaining the WWF Green Office Certification |
| Designing the Gender Equality Online Training |
| Taking actions at least for three gaps Determined in WEP gender gap analysis |
| Launching the extensive application of Allianz Motto Movement and involving at least 50 Allianz employees and agencies as volunteers |

Completed

Updated

Not Completed

OUR SUSTAINABILITY GOVERNANCE

OUR ENVIRONMENTAL GOALS AND PERFORMANCE

| | 2016 Results | 2017 Results | 2018 Performance | 2019 Goals | 2020 Goals |
|---|-----------------|-----------------|---------------------|---------------|---------------|
| Total Water Consumption (m ³) | 34.814 | 32.498 | 36.698* | 34.814 | 34.814 |
| Water Consumption per Person (lt/employee) | 14.083 | 13.051 | 15.053* | 14.083 | 14.083 |
| Total Electricity Consumption (kWh) | 8.071.251 | 6.488.401 | 7.580.434* | 7.353.000 | 7.132.400 |
| Total Natural Gas Consumption (kWh) | 2.081.847 | 2.007.484 | 1.681.601 | 1.631.150 | 1.582.200 |
| Energy Consumption per Person (MJ/employee) | 14.857 | 12.458 | 13.737* | 13.313 | 12.889 |
| Total CO ₂ Emissions (ton) | 8.485 | 7.279 | 7.515* | 6.695 | 5.875 |
| CO ₂ Emission per Person (kg/employee) | 3.138 | 2.899 | 3.082* | 2.746 | 2.410 |
| Total Paper Consumption (kg) | 535.517 | 501.665 | 410.093 | 369.000 | 332.000 |
| Paper Consumption per Person (kg/employee) | 217 | 201 | 168 | 151 | 136 |
| Total Waste Quantity (kg) | 254.639 | 380.868 | 321.527 | 275.000 | 250.000 |
| Waste Quantity per Person (kg/employee) | 103 | 152,96 | 131,88 | 112,80 | 100,100 |

* We set annual environmental goals for ourselves in line with the 2020 goals determined by Allianz Group for us. As a result of the inception of Allianz Campus in 2018, we witnessed an increase in some of our annual performance results. We will achieve our 2020 goals with the measures and actions to take next year.

OUR SUSTAINABILITY PERFORMANCE HIGHLIGHTS



SUSTAINABLE INSURANCE & PENSION COMPANY

+ More, page 25

- We launched our Sustainable Solution, the “Sustainable Life Fund” in 2018.
- We initiated the Allianz Virtual Pension Fund competition in 2018.
- We extended risk improvement support worth TRY 260,000 in total to 18 different customers in 2018 through the Allianz Turkey Risk Incentive Application.

- We performed 20,000 calls to raise awareness for breast cancer, and approximately 50% of the women that we called underwent mammography in 2018.
- We have provided services to 500 people since 2015 with Secure Home.
- The total revenue we generated from Sustainable Solutions reached TRY 71 million in 2018.



RESPONSIBLE INVESTOR

+ More, page 34

- We recruited 724 employees at the Izmir-based Allianz Campus that was initiated with an investment of EUR 27 Million.
- Allianz Technic will be completed in 2019 with an investment of EUR 5 Million.

- The investments of Allianz in Turkey have exceeded EUR 1 Billion since 2018.



TRUSTED COMPANY

+ More, page 37

- IMI Conference and Life Magazine named us the “best call center” in the Insurance industry within the best call center awards.
- The policy amount for divested coal was approximately TRY 17.5 million in 2018
- The number of DigitALL users reached 21,000 in 2018.
- We published the Vendor Code of Conduct.
- Number of website visitors: Approx. 4.5 Million

- Number of mobile application downloads: 403,000
- Our total CO₂ emission per person was reduced by 10.2% compared to 2016.
- Our energy consumption per person was reduced by 18% compared to 2016.
- Our paper consumption per person was reduced by 22.5% compared to 2016.



ATTRACTIVE EMPLOYER

+ More, page 47

- Our female employee rate is 60%, and our female executive rate is %34
- Training days per person was 9.5 days in 2018
- We were named among the top Corporate Universities upon our entitlement to “The Best” award by ATD (Association for Talent Development), a prominent corporate development authority.

- Our Performance Culture Index Score (IMIX) was 75% with a nine-point increase
- Our Work Well Index Score was 65% with a nine-point increase
- Our Employee Loyalty Index Score was 85% with a twelve-point increase



CORPORATE CITIZEN

+ More, page 55

- The Allianz Turkey Running Team collected the highest amount of donations from the highest number of donors who donated approximately TRY 129,000 in 2018 Istanbul Marathon.
- In 2018, 550 of our volunteering employees engaged in 4,259 hours of volunteering activities.
- We initiated our CSR program Allianz Motto Movement.

- We extended support to Reflect, BinYaprak and Scode as part of the “Investment Ready Program for Social Entrepreneurs”.
- The YouTube channel of Allianz Motto Music was watched for approx. 63 million minutes, while the number of single views was 12,753,591.



SUSTAINABLE INSURANCE & PENSION COMPANY

By the very nature of our job, we protect our customers against risks and take long-term decisions. Thanks to our expertise in insurance and risk management, we are able to deliver creative solutions that benefit our customers and the society.

IN THIS SECTION

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| Our Environmental, Social and Governance (ESG) Approach | 27 |
| Our Sustainability Solutions | 28 |
| Our Sustainable Solutions of Previous Years | 29 |
| Our Preventive Healthcare Solutions | 30 |
| Our Products' Contribution to Social and Financial Well-Being | 31 |
| Our Entrepreneurship and Innovation Actions | 32 |

HIGHLIGHTS

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Sustainable Solution Revenues
TRY 71 million

Risk Improvement Investment Support
TRY 260,000

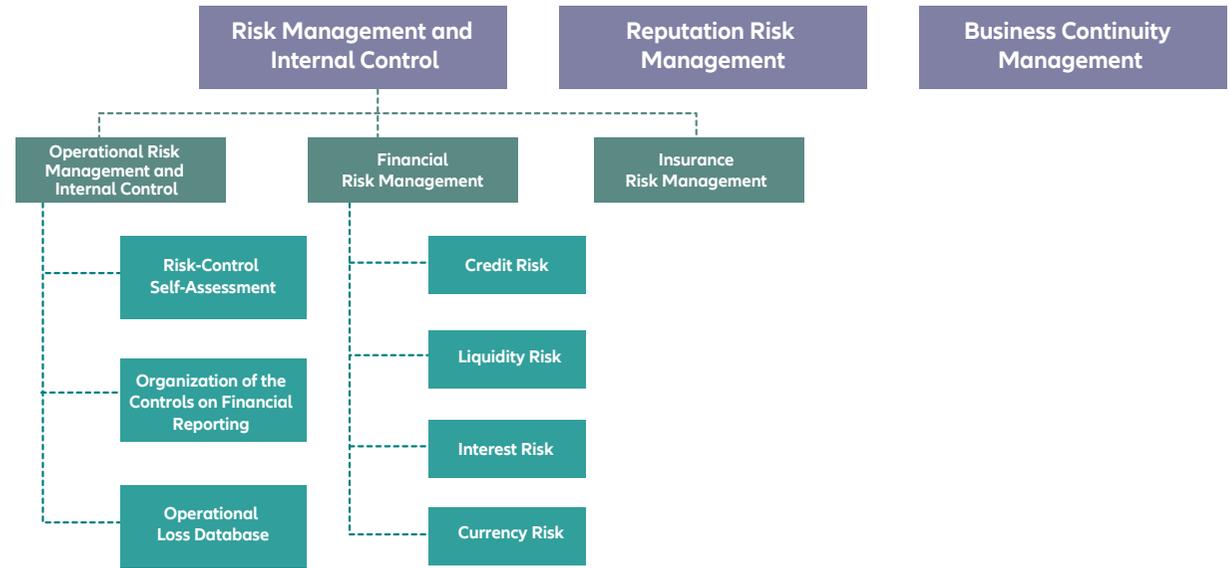
SUSTAINABLE INSURANCE & PENSION COMPANY

OUR EFFECTIVE RISK MANAGEMENT

At Allianz Turkey, we are aware that proper risk management and responsible profitability are the vital building blocks of sustainable growth. Driven by our ESG approach, we are not engaged in activities that damage society, ecosystems and the economy.

We leverage the internationally-accepted risk management principles in the risk management processes at Allianz Turkey. Our risk management approach is comprised of three main areas as follows: Risk Management and Internal Control; Reputation Risk Management; and Business Continuity Management. Convening at least four times a year, the Risk Committee is the highest authority holder in terms of risk at Allianz Turkey.

Detailed information on the risk management model applied in Allianz Turkey and our performance is available in our annual reports.



Reputation risk management at Allianz Turkey

We believe that the value and future success of an enterprise are directly proportional to its reputation. Managing the reputational risk, especially in our digital era where dramatic environmental changes occur and everything is more connected to each other, is a key requirement for the sustainable growth of companies.

Therefore, at Allianz Turkey, we strictly comply with the "Reputational Risk and Problem Management Standards" of Allianz Group. It is the responsibility of the Board of Directors to establish the organizational structures and operational procedures necessary to ensure compliance with the Standard. The crisis communication plan and action plans for different risk groups were prepared.

The Corporate Communications and Sustainability Office annually works with an independent research company to conduct corporate reputation research, and organizes workshops for necessary actions.



SUSTAINABLE INSURANCE & PENSION COMPANY

OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) APPROACH



Environmental, social and governance (ESG) factors refer to non-financial issues which can influence and can be influenced by our business activities. Examples include severe corruption risks and natural disasters. ESG factors can also represent business opportunities such as supporting renewable energy investments and female entrepreneurs. If they are not managed effectively, ESG risks can result in financial, reputational and operational risks. Allianz Group manages these risks diligently with an extensive standard.

Allianz Group leads the industry by embedding strong ESG standards into its insurance and investment activities.

By its very nature, the insurance industry entails a long-term perspective. Therefore, management of social and environmental risks is among the number one material issues in the industry. At Allianz, our management approach is built upon the ESG (environmental, social, governance) factors.

Allianz ESG Integration Framework

Allianz ESG Integration shapes our ESG approach at Allianz Turkey and is our main guide while assessing ESG risks. The Framework is a comprehensive guide encompassing our principles regarding the role and responsibility definitions related to ESG, our ESG approach, directives with regards to ESG-risky sectors, our ESG scoring approach, our exclusion policies, Allianz Group legal persons and our external partners. In 2018, we conducted 11 ESG audits and 1 rejection took place.

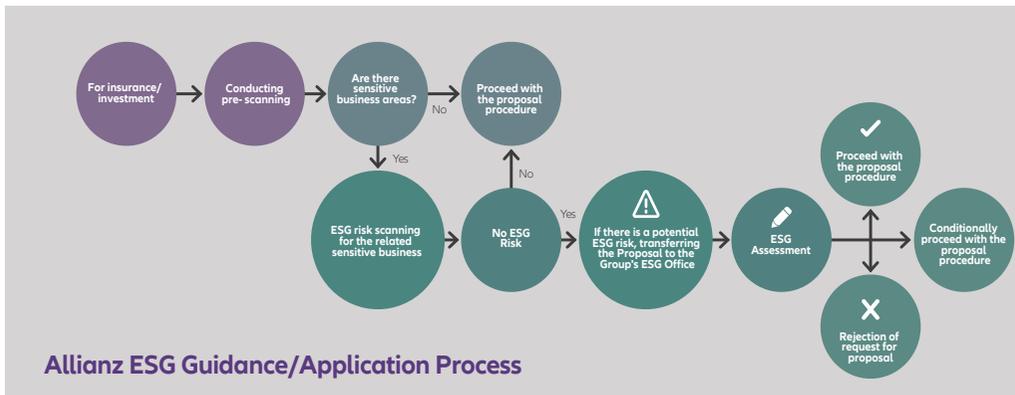
Sensitive Business Areas

Allianz Global has identified 13 sensitive business areas that may pose a high ESG risk and impact the society negatively. We thoroughly examine each and every transaction in line with our ESG approach.

Agriculture, animal testing, animal welfare, betting and gambling, clinical trials, defense industry, human rights, hydro-electric power, infrastructure, mining, nuclear energy, oil and gas, and sex trafficking

If an inquiry is received regarding the sensitive business areas, the issue is escalated to the Corporate Communications and Sustainability Office and Risk Department. If the issue needs to be escalated to the decision-making mechanisms of Allianz Group, it is referred to the Group ESG Office. Group ESG Office decides either to escalate the issue to the Global Risk Department or require a local department to resolve the issue.

We initiate the decision-making mechanism process for the sensitive business areas determined in the relevant decision process regarding the policy. ESG scans are conducted by taking as basis the guidelines which cover significant information that needs to be considered for every sensitive business area and are based on international standards and best practice. If we detect that risks are not properly handled or managed, we request from the other party to take measures aimed at mitigating ESG risks.



Allianz ESG Guidance/Application Process

SUSTAINABLE INSURANCE & PENSION COMPANY

OUR SUSTAINABLE SOLUTIONS

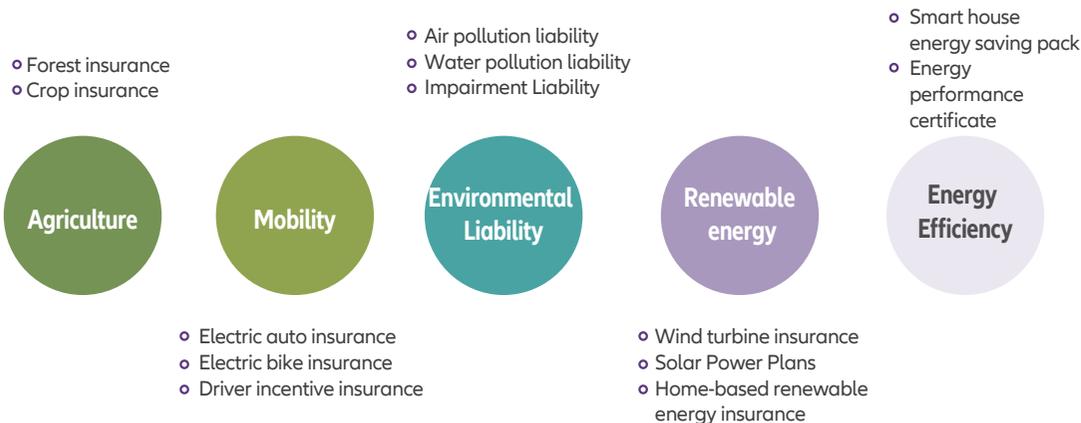
Sustainable Solutions at Allianz Group

Allianz Group develops new insurance products and solutions for its subsidiaries and customers on annual basis. The solutions are grouped under 5 categories as follows: Agriculture, Mobility, Environmental Liability, Renewable Energy, Energy Efficiency Solutions. Products or solutions must comply with two basic criteria to be sustainable. The first criterion is offering an insurance or support service that improves the lives of disadvantaged groups. The second criterion is creating a solution which focuses on positive environmental impact or dealing with climate change.

The Total Revenue of Allianz Group From Sustainable Solutions is

EUR 1.56 billion

Sustainable Solution Groups at Allianz Group



Sustainable Solutions at Allianz Turkey

While we previously undertook to deliver three sustainable solutions each year at Allianz Turkey, we revised our goal this year, deciding to create one product & solution per year.



BIST
SÜRDÜRÜLEBİLİRLİK
ENDEKSİ

Our Sustainable Solution for the Year 2018: Sustainable Life Fund

Utilizing the Sustainable Life Fund, our personal pension customers are able to invest in the Sustainability Index under Borsa Istanbul and international sustainability products. Currently specified in the contracts with 800 of our participants, the Fund will cover 80% of our participants in 2019.

2018 revenue and outputs of our Sustainable Solutions

- Breast cancer awareness:
 - Approx. 20,000 calls
 - SMS messages, e-mails
 - Mammography scan rate of the women called is 50%



Total revenue generated from Sustainable Solutions by Allianz Turkey

TRY 71 million

SUSTAINABLE INSURANCE & PENSION COMPANY

OUR SUSTAINABLE SOLUTIONS OF PREVIOUS YEARS



Mammography Right

We remind mammography rights to our customers with women's health insurance and adopt the preventive healthcare approach.



Special Motor Own Damage Insurance Discount for Fully-Electric Cars

We offer "up to 20% of discount in motor own damage insurance's net premium for fully-electric cars categorized under private vehicle in Turkey" in order to encourage the use of electric cars in Turkey.



Performance Guarantee for Solar Power Plants

We developed a product covering the performance and profit losses resulting from low solar rays due to poor weather conditions.



Marine Pollution Liability Insurance For Coastal Facilities

We cover the cleaning costs and damages for transport and elimination of the collected waste that need to be applied per legal liabilities, arising out of marine pollution due to oil or other harmful substances.



Renewable Energy Insurance

We provide an extensive product for renewable energy plants using hydro-, wind and solar energy. We cover building and content damages and profit losses due to these damages resulting from fire, theft, terrorism and natural disasters.

SUSTAINABLE INSURANCE & PENSION COMPANY

OUR PREVENTIVE HEALTHCARE SOLUTIONS

We create added value for not only our customers but also for the society through preventive solutions that we developed on this journey driven by the motto "If Health Comes First for You, #allianzswithyou" for a healthier and higher-quality life.



Breast Cancer Information and Mammography Reminder Project

We are aware that early diagnosis saves lives. With the Breast Cancer Information and Mammography Reminder Project, we remind women over the age of 40 our free-of-charge mammography coverage that is granted once a year. In 2017, we reached 7,200 people, while in 2018 we reached 13,200 insurance holders.

We raised the rate of mammography use right to 50% from 8%, the figure prior to our project. We aim to reach all of our Istanbul-based customers over the age of 40 with women's health insurance in 2019.



13,200

Insurance Holders in 2018

Diabetes Support Project

We developed a special software product utilizing data transmission technology to enable online follow-up of diabetes. We distribute to our insurance holders with a special kit comprised of a medical measurement device, data transmission device and equipment free-of-charge, and supply the strips and lancets throughout the project. This kit enables regular measurement of the blood sugar level of our insurance holders, while they can access services such as ambulances, information on the treatment and doctor referrals free-of-charge through our healthcare hotline Dr. Allianz which provides medical consultancy services with a 24/7-available team of physicians and nurses.

We provide free-of-charge medical examination, up to a certain number of services, at the contracted healthcare instruments or physical address of the insurance holders diagnosed with diabetes. We aim to reach 500 people as part of the project that currently supports 250 people.



500

People Targeted



Secure Home

We provide free-of-charge household risk assessment in order to protect our insurance holders over the age of 70 against home accidents. We are aware that the fall rate of people over the age of 60 is 30%, and that 20% of them suffer severe injury. This rate was 1% in the group we served. We have served approximately 500 people since 2015

We aim to offer this service to each of our customers in the target group and deliver it to anyone that accepts our offer.



500

people since 2015

Dr. Allianz

In 2018, nearly 45,000 benefited from our healthcare hotline Dr. Allianz which provides free-of-charge medical consultancy services with a 24/7-available team of physicians and nurses.



Nearly

45,000

People in 2018

SUSTAINABLE INSURANCE & PENSION COMPANY

OUR PRODUCTS' CONTRIBUTION TO SOCIAL AND FINANCIAL WELL-BEING

Revising and updating our product portfolio annually, we not only increase the insurance holding level, but also contribute to the economy of our country and customers. We strive to add value to the lives of our customers, regardless of their age or income, with our products and services.

Allianz Turkey Risk Incentive Application

At Allianz Turkey, we aim to preemptively eliminate the risks prior to the occurrence of any potential damages for our customers, on top of our insurance activities. We prepare risk analysis and extensive consultancy reports for our customers together with our expert team comprised exclusively of engineers. We extend material support to our customers by contributing to their investments in risk improvement. We extended risk improvement support worth of TRY 260,000 in total to 18 different customers in 2018. This way, we not only mitigate the risks of our customers, but we also significantly contribute to the protection of Turkish economy.

Agriculture Insurances

We insure our customers against natural disasters with our insurances for herbal products, greenhouse, cattle, small cattle, water products and beekeeping.



Allianz Retirees

At Allianz Turkey, we launched the Allianz Pension World Program in order to enhance the life quality of our participants after they retire. We support our participants in terms of the healthcare services which are needed more at advanced ages, with this program. We develop applications that increase the savings in the retirement period. Through the Allianz Pension World Program, we offer options under five packages according to our customers' amount of savings; namely, "Easy Living", "Secure Living", "Comfortable Living", "Pleasurable Living" and "Happy Living".

Allianz Virtual Pension Fund Competition

Allianz Turkey launched the Allianz Virtual Pension Fund competition in 2019. Over 500 people participated in our competition organized exclusively for our employees. Enabling the participants to enhance their financial literacy by modifying their virtual BES (Personal Pension Insurance) funds, the competition will be available for countrywide participation in Turkey in 2019.

SUSTAINABLE INSURANCE & PENSION COMPANY

OUR ENTREPRENEURSHIP & INNOVATION ACTIONS

We manage entrepreneurship and innovation—a key focus in our sustainability strategy—effectively with our innovation office. We boost our internal entrepreneurship potential, while paving the way for innovation opportunities for innovative business models with external entrepreneurs, through collaboration with universities and innovation integration with Allianz Group. Gathering and working with the new generation of technology-driven entrepreneurs, and conveying the insurance expertise of Allianz into this area, helps us unlock value-added results. The “Startup Friendly Company” we were entitled to this year at Allianz Turkey is a testament to the achievement of such efforts.



Intrapreneurship Program

The Intrapreneurship Program is designed not only as a platform where our employees share their ideas, but also as a process to transform them into a business model. The core purpose of the program is to incorporate the innovative ideas and suggestions of the employees.

In 2018, we received approximately 70 applications for entrepreneurship ideas from our employees. Upon the completion of the incubation phase of the projects selected after the evaluation of the applications, the “Choose and Insure” and “All Game” project were selected to be initiated.

Intrapreneurship Mentoring Program

In 2018, we launched the “Intrapreneurship Mentoring Program”, in addition to the Intrapreneurship Program, as a key to understand, reinforce and engage both the internal and external entrepreneurs in a better way. 50 of our employees obtained the mentor certification at the end of the program.



Allinn Chats

Prominent figures from the entrepreneurship realm, such as Bedriye Hülya, Leyla Alaton and Hakan Baş met with the employees at the Allinn Chats events that we launched to enhance the innovation culture internally in 2018.

SUSTAINABLE INSURANCE & PENSION COMPANY

OUR ENTREPRENEURSHIP & INNOVATION ACTIONS

External Entrepreneurship Program

We called for innovative solutions, inviting the external entrepreneurs engaged in the field of insurance and customer experience, in addition to our employees, in order to get to know the entrepreneurs and the companies of the new economy. Our number one goal is to enhance the popularity of insurance across the entrepreneurship ecosystem; imprint the true definition of insurance technologies in people's minds; and attract new ideas to this area.

Collaboration with İTÜ Çekirdek

In 2018, we became one of the İTÜ Big Bang supporters by undertaking a new collaboration with İTÜ Çekirdek. Through introduction to over 100 startups in the eight-month preliminary incubation phase, we had the opportunity to collaborate with numerous entrepreneurs under the İTÜ Çekirdek Incubation Center. We granted an award worth a total of TRY 125,000 to two entrepreneurs at the final event.

- Awarded TRY 70,000, "AkıllıBES" is a smart algorithm application to foster smart investment decisions to make in personal retirement. The application enables the investors to make smart decisions by giving them information in minutes without needing an expert, while providing them with tailored advice based on the personal financial matters, financial planning concepts and the investor psychologies.
- As for the winner of the award worth of TRY 50,000 ConnectION, delivers a "smart plate", as well as an application which facilitates the management thereof. In this framework, ConnectION offers products such as "Where Is My Car?" and the "User Assistant". The former can be utilized via smartphones, with a wireless rear-view camera that enables easy parking, as well as vehicle tracking by issuing "towed away" or "stolen" warnings, while the latter boasts numerous features including automatic calls for police departments, hospitals and firefighters by detecting the collision severity instantly in the event of an accident.

Collaboration with Etohum

Our collaboration with "Gamester" which we supported as part of the 2017 external entrepreneurship program in association with Etohum, continued in 2018 as well. Leveraging the "Virtual Risk Analysis" project that we undertake in association with "Gamester", we take our customers on a virtual factory tour where we explain them the risk issues that we detected in a much more realistic way, alongside the proper practices. We aim to further expand the scope of this service that we initially delivered to our corporate customers and SMEs with risk issues such as earthquake, flood and landslide.

Collaboration with GİRVAK

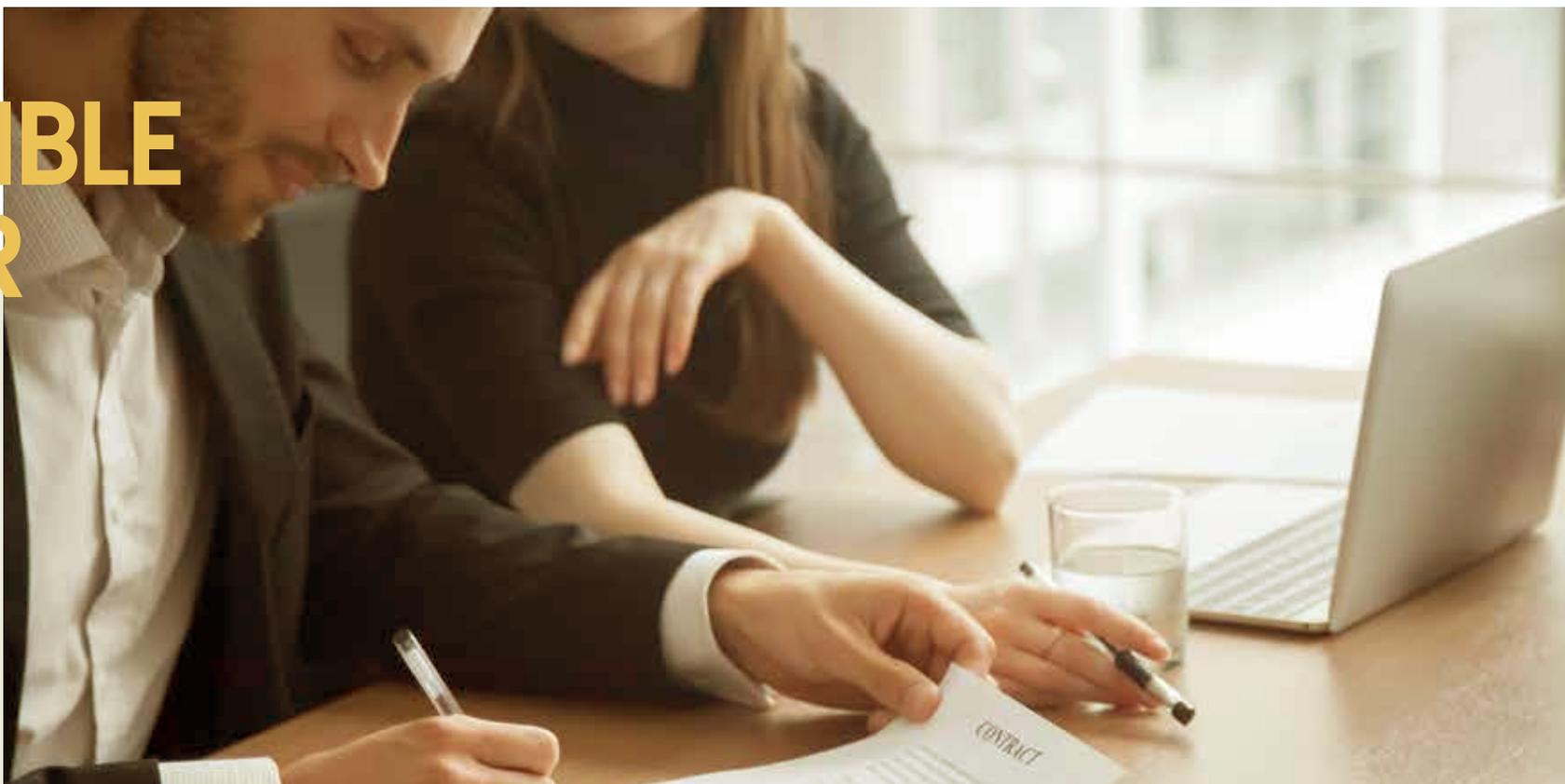
In 2018, we carried out Insurance Workshops with GİRVAK (Turkish Entrepreneurship Foundation) fellows and Givak Students, offering the members of Givak internship opportunities at Allianz.

Collaboration with TÜSİAD

As part of our activities with TÜSİAD (Turkish Industry and Business Association), we undertook the following roles: Membership in the Entrepreneurship Round Table, Membership in the Ecosystem Development Working Group and Jury Membership in the Competition titled "These Young People Have the Potential".



RESPONSIBLE INVESTOR



We aim to create positive value for the society as part of our role as a responsible investor. We meticulously apply our substantial ESG management approach to our investment decisions.

At Allianz Group and Allianz Turkey, we have faith in our country, and we make our plans with a long-term approach. We have invested over TRY 5 billion in Turkey since 2008.

HIGHLIGHTS

- We have recruited 724 employees at the Izmir-based Allianz Campus which was initiated with an investment of EUR 27 Million.
- Allianz Technic will be completed in 2019 with an investment of EUR 5 Million
- The investments of Allianz in Turkey has exceeded EUR 1 Billion since 2018.



Allianz Campus Investment
EUR 27 million

Allianz Technic Investment
EUR 5 million

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RESPONSIBLE INVESTOR

ALLIANZ CAMPUS

We aim to shift to a dual-center structure from a single center for our operations as part of our effective risk management approach with Allianz Izmir Campus which was incepted in 2018. Built with an investment worth of EUR 27 million, Allianz Campus contributed to the economy of the Aegean Region significantly. In the construction of the campus, 80% of the suppliers chosen were Turkish companies, with 75% of the companies operating in the Aegean Region. Allianz Turkey claimed an important position as a sought-after employer in the Aegean Region with Allianz Campus that boasts an employment capacity of 1,100 people.

In the process of transition to the Izmir Campus, which marks an important relocation project of Allianz Group, the call center, elementary operations, life and pension, customer services, healthcare operations and our Aegean sales channel were relocated to Izmir. 724 Allianz employees took charge in Allianz Campus in 2018. 81% of our 413 newly-recruited employees were hired from Izmir and the surrounding region. 204 of our Allianz Tower employees began to work at Allianz Campus.

We aim to ensure that Allianz Campus represents an environmentally- and employee-friendly organization which utilizes renewable energy resources in line with our sustainability principles. Built on an area spanning 17 decares, Allianz Campus accordingly obtained the LEED certificate, as with Allianz Tower.



We have started to witness the effects of Allianz Campus:

- Our customer complaint rate was reduced by 34% in 2018, compared to 2016, as part of our damage management.
- Our agency satisfaction rate was increased by 8%.
- The results of the Customer Satisfaction Survey at our Call Centers were increased to 4.43/5 from 3.40/5.
- The realization rate of the contributions for the external call teams was increased by 21% per employee.
- Our premium production per employee for the BES sales was increased by 66%.
- We increased our system utilization competence to 90%.
- MI Conference and Life Magazine named us the "best call center" in the insurance industry as part of the best call center awards.

RESPONSIBLE INVESTOR

ALLIANZ TECHNICS



We initiated the investment activities for the Allianz Technic Earthquake and Fire Test and Training Center, which is planned to be commissioned in 2019 at the Turkish-German University campus. To be completed with an investment worth of EUR 5 million, Allianz Technic will feature the first accredited earthquake laboratory in Turkey.

Allianz Technic is designed as a center to conduct fire and earthquake tests for the industry, alongside provision of professional risk consultancy services, training sessions and post damage services, and reinforcement of academic efforts.

Allianz Technic will be equipped with the first simulated training halls of Turkey in this area with real fire and earthquake simulations, operation mechanisms of fire detection system and sprinkler system, and earthquake shaking table. A special filtration system will be installed, to eliminate air pollution, in the center to feature educational toys and simulation equipment to foster learning through fun for the children.

What Will Allianz Technic Include?

- Simulations and construction failure models
- Seismic and vibration tests with up to one-ton shake tables with six directions, as well as ten-ton bidirectional shake tables at an earthquake lab with a special foundation system
- Applied earthquake engineering trainings to be organized by using a small shake table and a Lego shake table
- Applied fire engineering trainings to be conducted by using fire pumps and valves, alongside real fire simulations and extinguishing system activations in association with Siemens
- Clean fire extinguishing system (with harmless smoke and light effects) and escape simulations
- Earthquake formation and building behavior models
- Experiencing real earthquake experience at the conference hall
- Fire intervention laboratory to determine the flammability classes of the materials, at the European Union Standards

TRUSTED COMPANY

Being talented, highly ethical and agile is the reason why our customers trust us. We revise our organizational structure and strive to enhance customer satisfaction to be worthy of this trust.

While reducing our environmental footprint, we increase the competence of our supply chain.



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HIGHLIGHTS

- IMI Conference and Life Magazine named us the “best call center” in the Insurance industry as part of the best call center awards.
- The policy amount for divested coal was TRY 17.5 million in 2018
- The number of DigitALL users reached 21,000 in 2018.
- We published the Vendor Code of Conduct.
- Number of website visitors: Approx. 4.5 Million

- Number of mobile application downloads: 403,000
- Our total CO₂ emission per person was reduced by 10.2% compared to 2016.
- Our energy consumption per person was reduced by 18% compared to 2016.
- Our paper consumption per person was reduced by 22.5% compared to 2016.



Number of Website Visitors
TRY 4.5 million

Paper Consumption Per Person was reduced by
%22,5
 compared to the year 2016

TRUSTED COMPANY

OUR BUSINESS ETHICS, TRANSPARENCY AND COMPLIANCE APPROACH

Code of Conduct

The corporate responsibility management of Allianz is built upon business ethics. Allianz Group operates in line with the highest business ethics standards worldwide. This business ethics approach is based on the Allianz Code of Conduct for Business Ethics and Compliance. Applicable to each and every employee, these rules establish the minimum standards to which all our employees must conform. We provided 14,209 hours of training to 5,709 people to ensure the dissemination of Code of Conduct across the employees in 2018.

Confidential Reporting

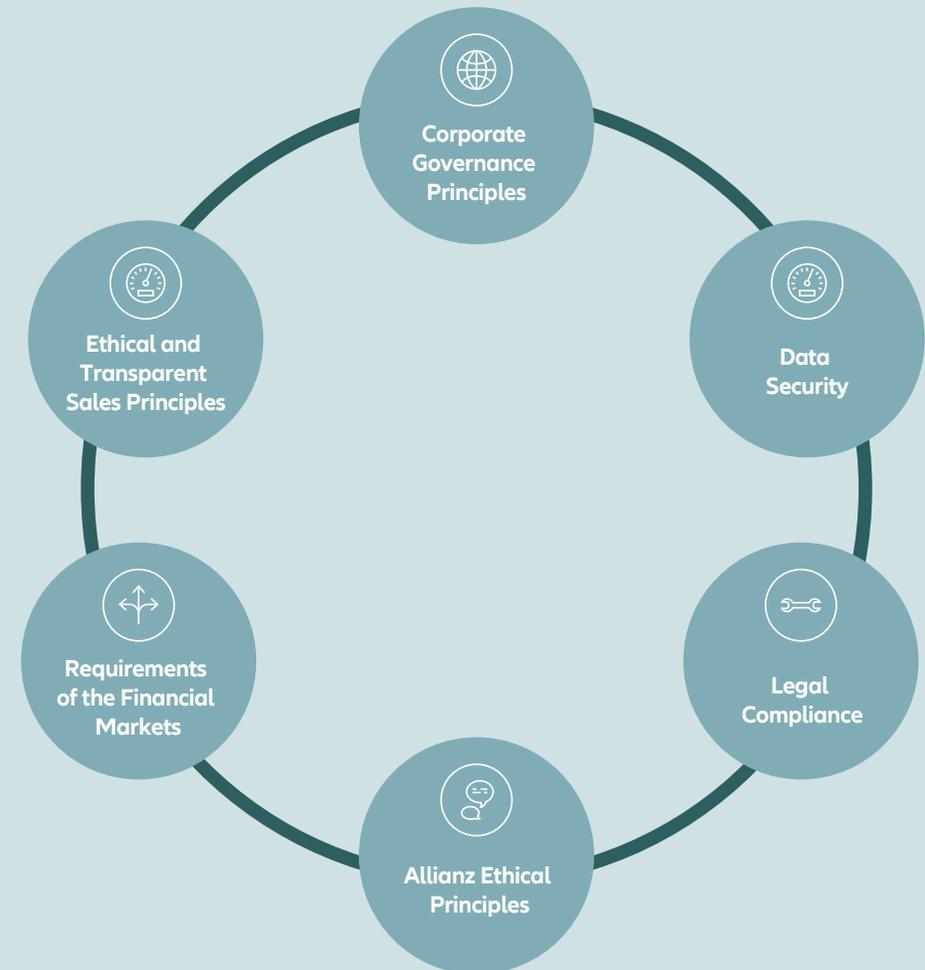
Within the scope of the Compliance Program, we provide our personnel with an opportunity for "Anonymous Reporting" of improper business processes that ensures their safety. Employees may benefit from this opportunity and anonymously report, through the Confidential Reporting Line, such incidents as unethical transactions, behaviors, bribery, fraud and abuse they encounter during business processes. The confidentiality of the non-anonymous reporters is protected with the assurance of the senior management and Compliance Department under the Anti-Retaliation Policy.

Focus On Stakeholder Trust

Aiming to establish an ethical, transparent and accountable management structure, the corporate governance practices represent an important building block for the financial achievements and effective sustainability management at Allianz Turkey.

At Allianz, corporate governance not only enables us to ensure legal compliance, but also helps us undertake practices that establishes stakeholder trust as a system. Compliances is managed extensively, going well beyond each and every financial concern at Allianz.

Legal Compliance at Allianz Turkey



TRUSTED COMPANY

OUR INTERNAL AUDIT ACTIVITIES

Internal Audit Activities of the company are conducted by the Internal Audit Department, which operates directly under the Board of Directors as part of the Internal Audit Regulation ratified and enforced with the Board of Directors decision.

The activities of the Internal Audit Department are gathered under three key groups; namely, audit, examination and investigation. The Internal Audit Department carries out an annual risk assessment on the audit universe by taking into account the results regarding the company's risks and previous audits at the end of the year.

The audit universe consists of 80 audit areas under 5 key activity groups. Each activity area is assessed within the scope of natural risks and remaining risks in terms of such dimensions as market risk, credit risk, business building risk, operational risk, reputational risk, liquidity risk and strategic risk..

Annual and five-year audit plans are created and submitted to the Board of Directors for approval as a result of the relevant assessment. In addition to the audits determined in the annual internal audit plan, examination, investigation and/or consultancy activities are included in the scope of the audit year, alongside the potential incidents of misconduct, with activities to be conducted in accordance with the purpose of internal audit required by the Executive Team. Moreover, special audit activities are conducted upon the request of the RoT Ministry of Treasury and Finance.

2018 Internal Audits

A total of 31 audits, examinations and investigations took place in 2018, while twelve compliance audits were conducted in line with the principles specified in the Circular No. 2010/2 issued by the Undersecretariat of Treasury. Additionally, observers supervised the end-of-year counting operations.



TRUSTED COMPANY

WE GROW WITH OUR CUSTOMERS

Customer centricity is at the heart of the five pillars of our Renewal Agenda. Continuously improving our customers' experience and designing products and services from their perspective is our number priority at Allianz Turkey. We want our customers to see Allianz as a company whose heart beats for them and that designs its products and services from their perspective. This means simplifying our products and services through digitization, and strive to deliver superior customer experience.

Our Products & Services for Every Stage of Life

We provide assurance at every stage of life. Our services and products speak to everyone such as Secure Home for the elderly, Allianz Nurse for mothers, Growing Child for children and Private Pension for all professionals. We continuously strive to be there for our customers through our services including Allianz on the Road, Modular Healthcare Product, Prime and Prime Plus Customer Programs and Dr. Allianz. Our services such as Customer Service Portal, Live Support, One-on-One Damage Consultant and Quick Offer make us always accessible

End-to-End Customer Journey

"End-to-End Customer Journey" is the name we give to the experience of our customers while using our products or while contacting us. Created to observe the entire customer experience from the customer's perspective, Customer Journey Maps are one of the most important tools used to understand what customers expect from our company; where they have difficulties; and to make improvements accordingly.

Net Promoter Score

In order to manage customer interactions; understand their expectations; and the difficulties they encounter, we conduct customer satisfaction surveys at Allianz Turkey. Through monthly "NPS-Net Promoter Score" surveys, we measure the customer recommendations of Allianz Turkey at the end of major customer journeys in all branches. Allianz has been one of the most recommended companies for the past five years. We conduct 360-degree data analytics, customer satisfaction calls, customer experience analyses and customer satisfaction surveys. This way, we collect detailed data regarding the experience of our customers with Allianz Turkey. In 2018, we managed to increase our customer satisfaction score from 3.44 to 4.3.

| | Elementary | Health | Life/Insurance |
|------|---------------------|---------------|----------------|
| 2018 | Market Outperformed | Market Leader | Market Leader |
| 2017 | Market Level | Market Level | Market Leader |

SEN SADECE SEVDİKLERİNE SARIL YOLA HER ÇIKTIĞINDA ALLIANZ SENİNLE VE SEVDİKLERİNLE

Söz konusu sevdiğinizin güvenliği olduğunda başka hiçbir şeyin önemi yoktur. Siz sadece sevdiğinizin duygularını ve onların ihtiyaçlarıyla ilgilenin diye. Allianz aracınızın başına gelebilecek tüm risklere karşı kazko ürünleriyle yanınızda.

Allianz

We adopt ethical sales and marketing principles to be worthy of our customers' trust. We provide our customers with information on our products and services in a clear way, and deliver them the most suitable products and services by correctly determining their needs. We undertake the steps to ensure adoption of our approach by our business partners as well.

TRUSTED COMPANY

OUR SUPPLY CHAIN

Our risks, impacts, and opportunities extend to our supply chain at Allianz. We seek to ensure that our entire supply chain can operate at the utmost standards with profitable and sustainable business.

The Allianz Code of Conduct that we published in 2018 is the key guide we refer to in terms of supply chain management. Our standards are aligned with International Labor Organization (ILO) standards and the UN Global Compact (UNGC).

Communication with our agencies

We regularly conduct agency satisfaction surveys on an annual basis to learn about the demands of the agencies, our key stakeholders, and leverage the results in designing new systems and processes. In 2018, interviews took place with 557 agencies as part of a survey conducted by an independent institution, and we achieved a satisfaction score of 91/100. Through Allianz Turkey Academy, first of its industry, we continued to offer our agencies extensive training and make investments to improve their competence. We delivered 7.5 hours of training per person to our agencies in 2018.

 Agency Satisfaction Score
91/100

DigitALL

We developed an online self-service platform, DigitALL, at Allianz Turkey in order to boost the business efficiency of our agencies, while reducing their operational load, and perform all operations through a single platform. We made numerous improvements on this platform in 2018.

We revised the "Service Desk", which was migrated to DigitALL in 2017, in line with the feedback from our agencies. We simplified the category tree together with the renewed "Service Desk" screens. "Service Desk" is now accessible any time, from anywhere, with screens made compatible with smartphones and tablets. We aimed to continuously measure our service quality and deliver perfect service quality through the surveys we conducted at the end of each request closed.

It is now possible to send instant private messages for our agencies with the Updated Notification Tab. We custom-designed screens for our agencies for State Subsidy Maximization. This way, our agencies will be able to notify our customers at the right time, ensuring that they can access the highest contribution rates. Our agencies are now able to track each and every ongoing incentive program via DigitALL. The number of DigitALL users reached 21,000 in 2018.

The Procurement Department of Allianz Turkey will launch the routine vendor visit applications in 2019. One of the purposes of such onsite visits is to observe the business processes of merchandise/service suppliers and deliver them our demands and suggestions regarding the areas we believe need improvement. Our Procurement Policy to be published in 2019 will additionally emphasize the behaviors and attitudes regarding compliance and sustainability, among our supplier selection criteria.

Communication with our suppliers

The sustainability principles of Allianz Turkey are integrated into our procurement processes. Published in 2018, our Vendor Code of Conduct is the primary guide for our supplier relations.

The environmental criteria are involved in our supplier selection process. For instance, we take fuel consumption rate into account in vehicle fleet selection. We prefer renewable energy resources for energy supply. We utilize FSC-certified papers. We prioritize companies with projects that provide environmental added value.

At Allianz Turkey, before commencing work with our suppliers, we adopt a procedure recommending that a commitment document to be signed on sustainability issues within the contract.

The assessment form for high-volume supplier companies we worked with for at least one year completed after procurement contains an assessment question with a 5% impact.

Supplier evaluation process at Allianz Turkey

Pre-Procurement

It is recommended that a commitment be signed with regard to issues on sustainability

Procurement Process

Data is collected on sustainability performance

Post-Procurement

Sustainability score with a 5% impact is set on the evaluation form

TRUSTED COMPANY

DIGITAL DNA

One of the pillars of Allianz's Renewal Agenda is to digitize the entire experience of Allianz Turkey customers and business. We develop projects to achieve this goal.

Digitization Actions

By leveraging technology, we focus on reducing paper consumption at Allianz Turkey. We not only reduce our environmental impact, but also enhance our efficiency by replacing the physical documents with digital options..

We achieved a 3% increase compared to the previous year by digitizing 98% of our communication with customers. In 2018, we performed 260,000 Webchats, with 51,000 chatbots. The download count for our mobile application My Allianz (Allianzım) was 403,000 in 2018. We roll out each of our new products digitally. Tapping into digital channels, we provide the fastest and most efficient services anywhere and anytime. We perform damage assessment through Video Chat. We facilitate digital integration with banks.

At 98% of digital transactions in inbound documents, we run almost paperless operation. We increase our automation adoption rate in our operations. Our automation rates are 70% and 95% in health damages and auto production, respectively. Our financial team works with robots for jobs that be handled through automation..

We utilize the DigitALL platform to contact our agencies. Our Auto-Enrolment System Phoneix facilitates the lives of our customers.

Information Security

At Allianz Turkey, we leverage the state-of-the-art technology to safeguard the information of our customers and business partners, while operating with our goal of becoming a company that is fully digitalized and does not use paper. We are aware that protecting the data of our customers and business partners is one of the core requirements of being a trusted company.

The Allianz Privacy Framework includes the information security standard, data privacy risk management process and the training required for our employees for data privacy, and is subject to regular control. Other standards we observe include Allianz Information Security Directives, Allianz Standard of Information Security, Payment Card Industry - Data Security Standard (PCI-DSS) and Control Objectives of Information Technologies (COBIT).

We send phishing campaign e-mails at least 4 times a year on average in order to raise users' awareness of phishing attacks. We offer training sessions of Awareness of Information Security for our newly-recruited employees. We will offer interactive Data Security training to all of our employees in 2019 with our Security Arena training program.

Systems we apply

Central ID Management System :

We manage the user accounts in the event of department changes, as well as employment and termination.

Privileged Acces Management :

We manage the accounts, passwords and server systems of authorized users.

Log Management :

We centrally log the activities of authorized users on the database systems and security incidents on IT components.

Threat Hunting & Detection :

We scan our entire internal network traffic against malware on a security device.

Advanced Persistent Threat Detection :

We detect and prevent cyber attacks.

Internet Content Filtering :

The online activities of users pass through content control and filtering devices.

Penetration Tests :

We perform security tests of on applications and detect vulnerabilities.

Vulnerability Scanning :

We perform vulnerability scans on all applications.

Security Incident Management :

We detect security incidents, take actions and report them.

Patch Management :

We apply security patches on the server and end user systems.

Email Security :

We scan the e-mails sent to the accounts with the @allianz.com.tr extension on a two-factor security system.

Secure File Transfer :

We exchange internal and external files via a secure file transfer platform..

DDoS Protection :

We take measures against DDoS (Denial-of-Service) attacks.

Data Classification :

We classify the e-mails and documents via the Titus application in accordance with the Security Policies of Allianz Group.

Encryption :

We save credit card information on our databases in an encrypted form.

IT Information Security Risk

Management :

We apply the Information Security Risk Management of the Group.

IT Security Compliance:

We annually assess our compliance with the Allianz Security Directives and Policies..

TRUSTED COMPANY

OUR ENVIRONMENTAL IMPACT

We strive to minimize the environmental impact of our operations, while promoting low-carbon economy in our products and services.

Allianz Turkey maintains environmental management with integration into Allianz Group. Allianz Environmental Management System is our core source that guides us on our path of energy and emission management, use of resources, waste management and environmental performance reporting, while determining our goals.

We strive to predict the risks and opportunities raised by climate change.

- We develop products that protects our customers against the threats caused by climate change. We rapidly cover the losses of our customers who suffer the damages of environmental impact. We insure business models that serve the low-carbon economy. We seek to facilitate transition to low-carbon economy by introducing sustainable solutions each year.
- We take measures to reduce our environmental impact. We aim to supply our energy fully from renewable resources by 2023. Commissioned in Izmir in 2018, our operation center, Allianz Izmir Campus, utilizes solar energy as a renewable energy resource.

- We will gradually terminate our coal investments by 2040 in accordance with the objective of Allianz Group. Allianz Turkey terminated insurance coverage and policy renewal for coal works within the framework of the rules determined by Allianz Group in 2018 as part of the Climate Change Program. The amount for divested policies was approximately TRY 17.5 million in 2018.
- We prepare extensive sustainability reports for all our stakeholders in order to provide detailed information on our company's performance in combating climate change.
- If the number of insurance holders increases in a country, the risk for disastrous loss due to environmental factors is reduced there. We undertake efforts to raise our customers' awareness of insurance holding in order to protect them against the risks amplified by climate change. In 2017, we achieved a first in Turkey and introduced the Risk Engineering course at Bahçeşehir University, and we continued to offer it in 2018 as well. We will undertake significant activities to raise awareness of insurance holding at an early age with the inception of Allianz Technic in 2019.
- We cover the potential losses and profit losses caused by climate change with policies for industries with sensitivity to seasonal changes (e.g. such as solar power plants and ski resorts). We inform our customers about the potential risks and assess our current regional risks with onsite surveys in areas affected by damages. We prepared Disaster Management Scenarios that determine the actions to take in the event of a natural disaster, terror attack and fire, and performed the necessary delegations.

- We cover and reinforce the institutions that promote low-carbon economy. For example, we maintained our support for the plants that utilize hydropower, wind and solar energy with our Renewable Energy Insurance product in 2018.
- We support the awareness efforts on climate change. We are among the main supporters of the TÜSIAD report entitled "Addressing Climate Change from an Economic Policy Perspective". We publish papers, research and reports with the Climate Solutions Center of Allianz Group in Turkey. In 2018, we disclosed the Climate and Energy Monitor report to public.



Approximately

TRY 17.5 million

The policy amount for divested coal in 2018

TRUSTED COMPANY

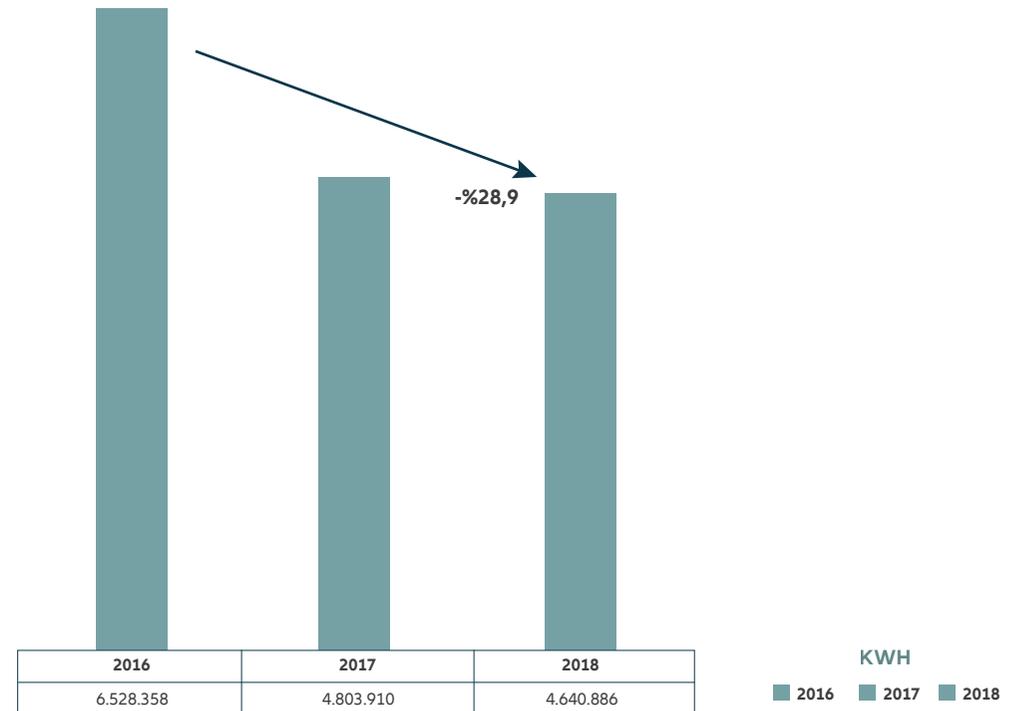
OUR ENVIRONMENTAL IMPACT

We reduce our Carbon Footprint through our Energy Efficiency Efforts

We strive to achieve the environmental goals we set for 2020 at Allianz Turkey. Our office activities account for the biggest part of our energy use. Therefore, we focus on the projects that provide energy efficiency through collaboration with our integrated facility management company in our offices. We managed to decrease electricity consumption at Allianz Tower, our headquarters, by 28.9% compared to the year 2016 through actions in 2017 and 2018 including detection and isolation of energy leakage, use of the external air resources in mid seasons (free cooling), effective use to reduce energy consumptions by the automation system such as timing adjustments without affecting the office comfort, protective maintenance planning for technical equipment, increased use of motion sensor in illumination systems. We prioritize renewable energy resources for energy supply.

Izmir Campus was commissioned in 2018 on a working area spanning 10,000 m², and the energy consumption was higher than we expected in the new premises. However, a look into our total energy consumption across all our locations shows that we reduced natural gas consumption by 19.2% and total energy consumption by 6.1% compared to the year 2016 through completion of the energy efficiency efforts. Our energy consumption per person (MJ/employee) was decreased to 13,737 Mj with a 7.5% decrease. Our greenhouse gas emission was decreased by 970 tons, compared to 2016, while our emission per person was decreased by 10.2%. We invest in the technologies that will facilitate communication among our offices without traveling. We prefer next-generation fuel-efficient vehicles for vehicle fleet management. Our annual kilometers were decreased by 1%, compared to 2016, while our annual fleet consumption was decreased by 9%. We aim to increase this efficiency by including hybrid vehicles in our vehicle fleet in 2019.

ALLIANZ TOWER ELECTRIC CONSUMPTION



Long-Term Goals of Allianz Group

| Environmental Performance Indicator | 2020 Goals |
|-------------------------------------|-------------------------------------|
| Co ² emission | 30% decrease compared to 2010 |
| Energy consumption per person | 30% decrease compared to 2010 |
| Paper consumption | 40% decrease compared to 2014 |
| Use of renewable energy | Using 100% renewable energy in 2023 |

TRUSTED COMPANY

OUR ENVIRONMENTAL IMPACT

We strive to become a paperless office.

We increase our digitization rate to become a paperless office (page 42). We revise all of our products and processes, seeking the ways to use less paper. We transfer 98% of the inbound documents to digital environment. Our paper consumption was reduced by 23% compared to the year 2016. 100% of the papers we use are FSC-certified. We eliminated use of disposable paper cups at meeting halls in all our locations in 2018.

Highlights in 2018

- 18 elementary preliminary information forms out of 33 were turned into passive forms.
- 15 elementary preliminary forms and 21 elementary policy brochures were transferred to digital environment.
- Digital options are suggested, whenever possible, for all kinds of printed materials needed internally.
- Brochure printing was reduced for Nazar Boncuğu and Moral Destek products.
- Perforated additional benefit cards were designed to replace the plastic cards featured in Personal Pension Welcome Packages. The dimensions and number of pages of the introductory guides in BES (Personal Pension System) packages were reduced.
- The advertising brochures for My Child's Education Insurance and Life Risks Insurance were discontinued.

Our Targets

- We will limit the New Year promotions.
- We will ensure control of OPUS policy paper consumption.
- We will reduce the number of pages in the Introductory Guide for Modular Healthcare.
- We will replace the covers of Brochures for Special and General Conditions with more environmentally-friendly alternatives.
- We will no longer print plastic cards as part of the digitization project in healthcare branch.
- We will reduce the number of hard copies of all our application and information forms in the branch of Health and Life as part of the Allianz Output Management project.



TRUSTED COMPANY

OUR ENVIRONMENTAL IMPACT

We reduce our environmental impact

We develop projects to reduce the environmental impact of all our offices and business processes.

In 2018, we saved a total of 98332,5 kWh thanks to our Allianz Virtual Customer application. We achieved 88% and 96% less energy consumption compared to laptops and desktop computers, respectively.

We started to utilize up to 1 tons of restaurant waste as compost at the campus garden, with the "waste composting" system that we installed on Allianz Izmir campus through cooperation with our integrated facility management company.

We initiated the activities to donate electronic waste for the "Donate, Don't Waste", a campaign by (TEGV Educational Volunteers Foundation of Turkey). The children of our employees also supported the campaign for reduced use of paper that we launched under the motto "A Greener Future, A Better Future". We attended an informative seminar by TEMA (The Turkish Foundation for Combating Soil Erosion) as part of the campaign.

We will continue to encourage our suppliers to avoid use of disposable products or plastic products in 2019 as well.

We will invest in our infrastructure at Allianz Tower to facilitate reuse of rainwater.

We raise environmental awareness

At Allianz Turkey, we continued to share our experience and knowledge with various target groups via courses and presentations in order to raise awareness of transition to low-carbon economy and climate change across the public and our stakeholders. We organized workshops to enhance environmental awareness of our employees.

We participated in the 11th Edition of "Earth Hour" and turned off our lights at Allianz Turkey, the first tower in Turkey to hold LEED Platinum Certification. TEMA Foundation delivered a two-hour seminar on environment to our employees in 2018. 70 employees attended the seminar.

We aim to obtain the Green Office certificate for our offices from WWF Turkey by furthering our cooperation with it in 2019, and increasing the awareness of our employees.



Uğur Çomoğlu
Operational Support
Group Manager
(Local Environment Officer)

"We support the transition to low-carbon economy, driven by our long-term environmental goals that are aligned with Allianz Group. Our number one priority is to ensure energy efficiency and increase the use of renewable energy by involving all of our stakeholders."





ATTRACTIVE EMPLOYER

Allianz Turkey aims to become “the path driven by passion”. The rapidly advancing technology significantly changes our industry and way of doing business. We support the development of our employees to help them keep up with that change.

At Allianz, we strive to foster an environment where both the people themselves and performance matter. We reinforce gender equality and social diversity. We value the health and safety of our employees.

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HIGHLIGHTS

- Our female employee rate is 60%, and our female executive rate is 34 %
- Training days per person was 9.5 days in 2018
- We were named among the top Corporate Universities upon our entitlement to “The Best” award by ATD (Association for Talent Development), a prominent corporate development authority.
- Our Performance Culture Index Score (IMIX) is 75% with a nine-point increase
- Our Work Well Index Score is 65% with a nine-point increase
- Our Employee Loyalty Index Score is 85% with a twelve-point increase



Our Performance Culture Index Score is **75%**

Our Work Well Index Score is **65%**

ATTRACTIVE EMPLOYER

OUR APPROACH

Allianz Turkey acts in line with the motto “becoming the path driven by passion”. We determined our motto in line with the opinions of our employees, with trust in their knowledge, experience, energy and motivation. We aim to increase employee satisfaction by helping them create a professional life where they can remain true to themselves, while maintaining the ever passion they have inside. To this end, we act in line with our vision of building a path driven by passion and becoming an attractive employer for our existing and potential employees.

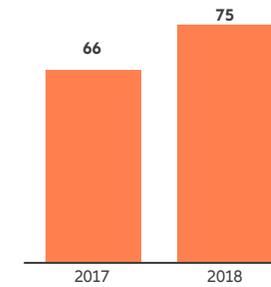
At Allianz Turkey, we seek to promote a corporate culture that emphasizes both the employee and performance. Therefore, we aim to become an organization where our employees can develop themselves by demonstrating their individual differences, while we achieve our corporate goals.

To this end, we observed a Performance Culture Index created by Allianz Group—IMIX (Inclusive Meritocracy Index). In 2018, we managed to increase our IMIX score to 75% from 66%, the figure in 2017.

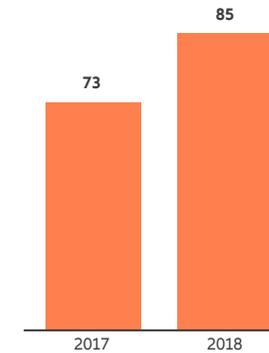
Regularly measured, our Employee Engagement score is an important guide for our human resources practices. Our Employee Engagement Score was 85% in 2018.

At Allianz Turkey, we gathered each of our human resources processes under four categories; namely, “development”, “innovation”, “goodness”, and the “future”.

OUR PERFORMANCE CULTURE INDEX (IMIX) (%)



OUR EMPLOYEE ENGAGEMENT SCORE (EEI) (%)



*Tutkuyla
yürüyentlerin yolu*

ATTRACTIVE EMPLOYER

EMPLOYEE HEALTH AND WELL-BEING

We are aware of the impact of employee health and welfare on our business achievement. We take measures and undertake awareness-raising activities throughout the year to inspire our employees to adopt a more active and healthier lifestyle. We delivered OHS training, with a total duration of 4,584 hours, to 612 employees in 2018.

We help our employees balance their personal and professional life with flexible working hours and remote working options. In 2018, 87 of our employees worked with flexibility for 5,398 days. Two of our employees took sabbatical leave.

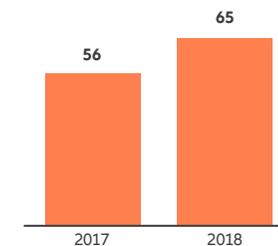
We develop practices that help our employees balance their professional and personal life. We granted administrative leave to those parents who needed to work on school opening day. Driven by our vision of becoming the best place to work, we maintained such practices as FinansALL financial literacy training, as well as flexible and remote working options.

We follow the strictest occupational health and safety (OHS) rules across the Allianz offices and make sure that all of our employees observe such rules. We offered 720 hours of OHS training to outsource companies in 2018.

We organize various training programs in order to help our employees overcome work-related stress. Training sessions entitled How Do the Wheels of Stress Turn?, The Key to Stress-Free Living are and Stress Management.

We have gym centers that are available for use by all our employees at Allianz Tower and Allianz Campus. We attend the Companies League and the quadrennial Allianz Olympics with our female volleyball teams and male basketball and football teams at Allianz Turkey.

OUR WORK WELL INDEX (WWI) (%)



WORK WELL INDEX

Prepared in association with Düsseldorf University, "Work Well" is a program that is implemented across Allianz Global, aiming to contribute to the well-being of Allianz employees. Leveraging this program, various actions are implemented so as to ensure that Allianz employees are healthier and happier. We utilize the scientifically-developed WWI score in order to measure the effectiveness of the program. This is the metric that enables us to measure the social and physical well-being of our employees.

We undertook a significant step towards becoming an attractive employer in 2018 by increasing our WWI score to 65% from 56%, the figure for the previous year.



ATTRACTIVE EMPLOYER

OUR SOCIAL DIVERSITY AND INCLUSION APPROACH

At Allianz Turkey, we are proud of the social diversity across our workforce. We aim to become a company that each and every employee is happy to work for, regardless of their religion, language, ethnicity or physical disability. We believe that our employees can contribute to our corporate success by demonstrating their individual differences. Therefore, we provide them with a number of opportunities to express themselves.

Allianz Turkey adopts the Allianz Diversity and Inclusion strategy as a guide in social equality and inclusion under the responsibility of the Allianz Global Inclusion Council, with strategy being reported to the Allianz Board of Directors. Established in 2018, Diversity Working Group is responsible for carrying out the social diversity and inclusion activities at Allianz Turkey.

Consistent with Allianz Business Ethics and Compliance Code of Conduct, we have a zero tolerance for all kinds of discrimination as per the Allianz Turkey Human Rights Policy that we issued in 2018.

We provide a system where our employees can report any complaints and concerns in this regard securely by safeguarding their privacy.

Female employees account for 60% of our total workforce, and 35% of our executives. We exceed the average of Allianz Group in terms of female representation.

We take charge in the Turkish sub working group for UN Women's Empowerment Principles (WEPEs).

We are a member of Turkish WIN (The Turkish Women's International Network), a network that aims to encourage women to unlock their potential; raise awareness through diverse information and platforms and promote and encourage change through coaching and programs. Our managers mentor young women via Turkish WIN. We sponsored the Young Woman Career Day. We hosted the KampüsWIN event.

As part of our support for the A Thousand Leaves project, we opened our Inspiring Companies channel and shared 7 inspirational stories from women of Allianz.

We published digital papers and videos to raise awareness of disabilities among our employees within the scope of Allianz Turkey Academy.

We continued to support social gender equality at Allianz Turkey in 2018 as well. On March 8, International Women's Day, in Allianz Tower, we created a space to feature a wide range of products made by our female colleagues from food to the jewelry they have designed. We donated the entire revenue generated from the event to KEDV (Foundation for the Support of Women's Work). We gave items handcrafted by women working at çöp(m)adam workshop as gifts to all of our female employees at Allianz Turkey, with products made entirely of sustainable materials at the workshop that was established to create opportunities for women that have never made money in their lives. We illuminated the top of Allianz Tower with orange lights for two days as our reaction against violence against women and girls.



ATTRACTIVE EMPLOYER

IMPORTANCE OF COMMUNICATION WITH EMPLOYEES

The creative internal communication activities leveraged by Allianz Turkey aims to contribute to a sincere corporate culture, help our employees learn from each other, and communicate the correct first-hand information about our corporation. Allianz Turkey's award-winner intranet, "sosyal@allianz", is a platform where all corporate communication takes place. We launched our internal communication magazine, Bir İz, in 2018.

As a version of the TED Talks adapted to corporate projects, Allianz Talks enables Allianz Turkey employees to share stories where creative ideas are turned into successful projects in 10-15 minute sessions. Allianz Talks had three editions in 2018, with participation from over 200 employees who watched 9 guest employees. During Allianz "CollabDay" events, Allianz Turkey employees have "collaborated to see the big picture" in a sincere exchanging of experiences.

We regularly schedule breakfasts with our CEO so that employees come together in a friendly conversational environment. Through CEO Townhall meetings held quarterly, we share with all employees our position in the industry, projects in progress, achievements and future goals.

Our CEO TownHall sessions organized in 2018 were broadcast live across all campuses and viewed by 800 employees. The projects we undertook for cultural change include, among others, "no one is infallible", "5-minute break", "accessibility", "meeting efficiency", "anti-corruption" and "If Health Comes First for You, #allianziswithyou".



Allianz 

Talks 

ATTRACTIVE EMPLOYER

WE ARE DEEPLY COMMITTED TO DEVELOPMENT

Allianz Turkey Academy (ATA)

Employee “development” is among our uncompromisable priorities at Allianz Turkey. We maintain our training investments to equip our employees with the qualities of the future and prepare them for a digital business world. Established for “development”, we make a difference with our academy, unprecedented in the industry.

Since its inception, Allianz Turkey Academy has sustained its activities driven by a vision of creating and disseminating a continuous learning culture, and ensuring the sustainability of cultural know-how, as the first ever corporate university in the industry.

The academy carries out all of its development activities by determining all kinds of development needs of the employees, in a way that enables the business partners to further their performance, in line with corporate strategies and goals. Training days per person were 9.5 days in 2018. 43% of the development solutions were delivered by our own training staff. We have 265 in-house trainers as of 2018.

Our employees attended ADP (Allianz Discovery Programme), Career Paths and Four Seasons of Leaderships, each offering talent management and lifelong learning to promote uninterrupted employment and career management.

We collaborate with the universities and career centers, including cooperation to launch courses with the Allianz Turkey Academy brand to reach the future prospects and employees that constitute the new generation; to contribute to the development of our agencies; and to increase their awareness of the sector. We became one of the top Corporate Universities worldwide upon our entitlement to “The Best” award from ATD (Association for Talent Development), a prominent corporate training and development authority in the world, in 2018 thanks to our innovative and distinctive development approaches like these.



ALLIANZ
TÜRKİYE
AKADEMİ

ATTRACTIVE EMPLOYER

WE ARE DEEPLY COMMITTED TO INNOVATION AND GOOD

Generation Y accounts for nearly 60% of our employees. We offer practices that facilitate the lives of our fresh team, such as remote working, flexible for working hours and casual dress. We adopt effective internal communication practices and strive to foster a sincere Corporate Culture.

The Company prefers a more sincere language in communication with employees, and shapes our corporate culture and experience based on such an approach. Furthermore, the Company creates a change-driven flexible, sensitive and democratic professional environment, and ceaselessly maintains its value adding activities to motivate the employees. We undertook 66 activities in such categories as entertainment, travel and sports involving Allianz Tower, Allianz Campus and all regions as part of "A Break", our social activity club, in 2018.

Driven by the passion of our employees for the arts, we launched the photography, theatre and dance clubs. We offered 54 discount deals for our employees under the theme "The World of Advantages". We hosted 48 brands as part of the "Brand Day Festivals" organized in August and December, in addition to the "Brand Days" that host 33 brands throughout the year. We concluded 2018 with the New Year parties that we organized with our employees at Allianz Tower and Allianz Campus.

We aim to boost our employees' motivation by surprising them with little things on special days in 2018 at Allianz Turkey which is deeply committed to "goodness". We consistently maintain our value adding activities to create a change-driven flexible, sensitive and democratic professional environment, and motivate to employees.

We continued to support non-governmental organizations at Allianz Turkey in 2018 as well. We organized a number of events with TEGV (Turkish Educational Volunteers Foundation), KEDV (Foundation for the Support of Women's Work), KAÇUV (Cancer Hope for Children Foundation), Koruncuk Foundation, EÇEV (Aegean Modern Education Foundation), Çağdaş Yaşamı Destekleme Derneği (Association for Supporting Contemporary Life), WWF (World Wide Fund for Nature) and Down Syndrome Association. We continued to contribute to the TEV (Turkish Educational Foundation) scholarship holders with the wreath donations via TEV in the event of decease. Throughout the year, we supported the students at a school established in Molla Kasım Village following the earthquake in Van, with games and books to contribute to their individual development, besides the educational materials.

bi'mola



ATTRACTIVE EMPLOYER

WE ARE DEEPLY COMMITTED TO THE FUTURE

We communicate closely with our potential colleagues for the future of our company. We bring together the university students with those employees working in the functions they are curious about as part of the company trips themed "bi'gün@Allianz" (A day @Allianz) designed for the candidates to experience the professional atmosphere, and offer career coaching to students.

We developed a strategy to equip our company with young talents and increase our brand recognition among the university students. To this end, we organized 32 campus events across 19 universities, in association with student clubs and career centers, in 2018.

In 2018, we initiated Allianz KAMP, an internship program for university students, offering internship opportunities to 66 students. We hosted events like Colorful Campus and KampüsWin.

We post vacancy announcements, company updates and interactive posts on "Allianz Career" social media accounts created to inform the youth about our business culture. Our social media accounts were featured on the most effective corporate career pages upon reaching nearly 53,000 followers in 2018.

Driven by the motto "The Path Driven by Passion", we strive to enhance employee engagement through positive experiences for our existing colleagues, become a more attractive employer for potential colleagues, and ensure the sustainability of the identity of employer brand ambassador for our former colleagues.



K.A.M.P.
Keşfet. Araştır. Merak et. Paylaş.

CORPORATE CITIZEN

Allianz family aims to contribute to the sustainable development of the society we operate in.

To this end, we work for social inclusion; invest in culture and arts; and support the volunteering activities of our employees.

103-1



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HIGHLIGHTS

- The Allianz Turkey Running Team collected the highest amount of donations from the highest number of donors who donated approximately TRY 129,000 in 2018 Eurasia Marathon.
- In 2018, 550 of our volunteering employees engaged in 4,259 hours of volunteering activities.
- We initiated our social program Allianz Motto Movement.
- We extended support to Reflect, BinYaprak and Scode as part of the "Investment Ready Program for Social Entrepreneurs".
- The YouTube channel of Allianz Motto Music was watched for about 63 million minutes, while the number of single views was around 12 million.



Allianz Turkey Running Team collected donations amounting to **TRY 129,000**

Approx **63 million min.** of views for YouTube Channel of Allianz Motto Music

OUR PROGRAMS TO ENCOURAGE FUTURE GENERATIONS AS A CORPORATE CITIZEN

ALLIANZ MOTTO MOVEMENT

Our Long-Term CSR Program

We aim to contribute to the healthy growth and development of children at the ages of 7-12 through exercise and sports with Allianz Motto Movement. We intend to reach 42,000 disadvantaged kids with the program spanning 8 years.

Features of the Program and Our Goals

- In-class and out-of-class education modules spanning 16 weeks
- Weekly sports and exercise activities with a duration of 80 minutes
- Education on areas such as the right use of the body, healthy nutrition, first aid in sports, the importance of teamwork, empathy, self-confidence, sports culture, inspirational athlete stories and fair play
- The goal of contributing to the cultural richness and social development
- The goal of enhancing the sports and physical activity capacity in schools through out-of-class activities
- Introducing our children to sports branches that match with their age and developmental features such as junior athletics, gymnastics, korfbal, bocce, natural navigation and rugby.
- Material support for practice of such sports in Regional Boarding Schools
- Extensive internal volunteering program



Fields of Practice

- Allianz Motto Movement Plays in the Fields: The NGO edition of the in-class and out-of-class activities
- Allianz Motto Movement Visits the Schools: The Regional Boarding School editions
- Allianz Motto Movement Attends Festivals: The end-of-semester festival will take place in provinces where the NGO and school editions are organized, and will be open to public

Business Partners and Stakeholders

- Ministry of National Education (MEB)
- Turkish Athletic Federation (TAF)
- Middle East Technical University (ODTÜ)
- Gazi University
- The Educational Volunteers Foundation of Turkey (TEGV)
- Aegean Modern Education Foundation (EÇEV)
- Koruncuk Foundation

Target Program Output

In 2025,

- 7 regions
- 105 Regional Boarding Schools
- 42,000 children
- 737 Allianz Motto Movement festivals
- 5,600 Volunteering Allianz Turkey employees and agencies



OUR PROGRAMS TO ENCOURAGE FUTURE GENERATIONS AS A CORPORATE CITIZEN

ALLIANZ MOTTO MOVEMENT 2018 ACTIONS



Content Workshop and Meetings with Children

We held a workshop with 28 participants from 10 organizations on 8 May 2018 in pursuit of findings and suggestions regarding child related activities. We also asked for the opinions of the children, who are the actual target group of our program, with on-one-on meetings



Launch Events

We organized the Allianz Motto Movement press launch on 8 August 2018 with the participation of all our stakeholders.

We organized the employee launch of our program on 7 August 2018 at Allianz Tower and on 9 August 2018 at Allianz Campus.



Children's Activities

In 2018, we reached 282 children with the support of 32 volunteers at a total of 8 locations, in Istanbul, Izmir and Ankara, The Educational Volunteers Foundation of Turkey (TEGV), Aegean Modern Education Foundation (EÇEV) and Koruncuk Foundation.



Volunteering Actions

169 Allianz employees and agencies received volunteering training for 676 hours in Izmir and Istanbul. The Allianz employees and agencies will actively undertake volunteering activities in 2019, as part of the program. 32 volunteers from TEGV and EÇEV held the pilot application of the program at NGOs upon the completion of the Allianz Motto Movement volunteering training with a total duration of 512 hours.

OUR PROGRAMS TO ENCOURAGE FUTURE GENERATIONS AS A CORPORATE CITIZEN

INVESTMENT READY PROGRAM FOR SOCIAL ENTREPRENEURS

As with the Allianz Group, we treat the youth as the leaders of the future at Allianz Turkey, and our CSR investments are focused on them.

As part of the “Encouraging Future Generations” program, which is the building block of Allianz Group responsibility strategy, Allianz Group established a global cooperation with London-based Impact Hub that supports social-benefit-driven initiatives for the youth and children. Driven by the goal of pioneering social transformation, the program applied in four countries Allianz operates in also took place in Turkey as a major hub.

In 2017, all of the interested social ventures were summoned from across Brazil, Germany, Malaysia, and Turkey. Reflect, BinYaprak and Scode, from Turkey, managed to become one of the top 10 investment-ready social entrepreneurs. Among the countries the program took place, 3 social entrepreneurs from Turkey and Germany, and 2 from Brazil and Malaysia made their way into the final stage.

These social entrepreneurs stepped into the six-month “Investment Ready Program” process, in which they built a growth and investment plan based on systematic feedback on business models, strategies and teams. Attending the academy workshops in Munich, Germany, the entrepreneurs delivered presentations to a jury of five members in order to win a 40,000 Euro grant, The Allianz Future Generations award.

At Allianz Turkey, during the “Investment Ready Program”, we supported Reflect, a program that enables the Syrian kids to express themselves through art therapy; BinYaprak, a digital platform to support all women wishing to share their knowledge; and Scode, which aims to teach programming to the youth and children through entertainment, driven by the power of gamification and storytelling. 15 Allianz employees supported 3 social entrepreneurs by extending expertise support for a total of 30 hours.



OUR PROGRAMS TO ENCOURAGE FUTURE GENERATIONS AS A CORPORATE CITIZEN

OUR EMPLOYEE VOLUNTEERING PROGRAMS

At Allianz Turkey, we support our employees to leverage their knowledge and skills for the solution of social issues. We create volunteering opportunities for our employees with numerous corporate volunteering applications.

Allianz Turkey Running Team

Consisting of our employees and agencies, Allianz Turkey Corporate Running Team has participated in races under the "Adım Adım" (Step by Step) theme for Koruncuk Foundation since 2016. Allianz Turkey Running Team undertook its steps for Aegean Modern Education Foundation (EÇEV), Foundation for Children in Need of Protection (Koruncuk) and The Educational Volunteers Foundation of Turkey (TEGV) at the 40th edition of Istanbul Marathon and raised donations amounting to TRY 129,077,000 from 2,258 donors, from among the corporate running teams with 240 members, becoming the organization to raise the highest amount of donations.



Allianz World Run

Allianz World Run is a charity action that involves running/walking from any location, any time, and the amount that equals to the distance taken is donated to SOS Children Villages by Allianz. This project promotes both social responsibility and a healthy lifestyle. According to the 2017 results, Allianz World Run broke the highest record for marathons worldwide, with a team of 10,234 participants that took a distance of 1,373,262 km in 90 days. Allianz World Run, which was only open to the Allianz employees in the previous years, became open to any sports-enthusiasts in 2018. Our agencies, suppliers and customers ran with the employees of Allianz Turkey in 2018 as part of Allianz World Run.



Volunteering with Allianz Motto Movement

Launched to contribute to the growth and development of children through exercise and sports under the light of our sustainability strategy, our CSR program "Allianz Motto Movement" takes place with the support of our volunteering employees and agencies. Anyone wishing to volunteer in the program can focus on a volunteering activity in their field of choice upon the completion of the Allianz Motto Movement orientation after application.

A total of 218 employees and agencies have applied for the volunteering edition of the program to date, with the program kicked off with the pilot applications of our program partners Aegean Modern Education Foundation (EÇEV) and The Educational Volunteers Foundation of Turkey (TEGV).

169 employees and agencies received volunteering training for a total of 676 hours in 2018, and will actively embark on volunteering as of 2019.



OUR PROGRAMS TO ENCOURAGE FUTURE GENERATIONS AS A CORPORATE CITIZEN

ALLIANZ MOTTO MUSIC

Launched in 2015 by Allianz Turkey with the vision of enhancing the society's life quality, Allianz Motto Music is Turkey's first and only corporate YouTuber with free-of-charge Turkish content for everybody that wishes to stay tuned for music, culture and arts related updates and digital entertainment.

The channel was watched for about **63 million minutes**, while the number of single views was around **13 million** in 2018. The average view time was 4:55 minutes, while the total video upload count was 195.

Our programs broadcast in 2018:

Noktalı Virgül (Semicolon) with Yekta Kopan; Guitar Vlogs with Nurkan Renda; Hayat Bana Güzel (Life Is Beautiful To Me) with Şenay Akkurt; N'olmuş!? (So What!?) with İpek Atcan; Freestyle with Lexx; Plak Dolabı (Vinyl Closet) with Murat Meriç; 3N1K with Barış Akpolat. Our Video Content in 2018: Kimin Nesi? (Who The Heck Is That?), Merak Ettik! (We Are Curious!), Öğrenciyiz Biz (We Are Students), Şarkıların Hikayeleri (Stories of Songs), Çok Zor Değil! (It Is Not A Big Deal!) with Utku Kösoğlu.



NUMBER OF FOLLOWERS

| | 01.01.2018 | 31.12.2018 |
|-----------|------------|------------|
| YouTube | 157.541 | 214.900 |
| Facebook | 136,886 | 130.378 |
| Instagram | 27.704 | 30.082 |
| Twitter | 8.308 | 8.621 |
| Spotify | 1.892 | 2.267 |

OUR PROGRAMS TO ENCOURAGE FUTURE GENERATIONS AS A CORPORATE CITIZEN

OUR SUPPORT FOR MUSIC

At Allianz Turkey, where we see it as a core corporate responsibility philosophy to support artists and arts; enrich the lives of people; strengthen cultural ties, we maintained our support for arts in 2018.

Music Foundation for Peace

Music Foundation for Peace (Barış İçin Müzik Vakfı) aimed to eliminate any obstacles regarding participation in arts by creating shared social and cultural living spaces for thousands of children in need in Edirnekapı with an attempt to offer musical education with scholarship for as many children as possible, and spread the voice of peace through music. Embodying the social texture of the district it is established in, Music Foundation for Peace became a center of solidarity and sharing with active participation from the children and families. It opens its doors for each and every child wishing to be brought together with music, without any discrimination.

Allianz Turkey has extended corporate support to the Music Foundation for Peace since 2015.

Kaan Baysal, A Young Pianist

Performing the works of Chopin by accompanying Lang Lang at a splendid concert in Istanbul, Kaan Baysal was selected for the 2nd Edition of the Allianz Youth Music Camp that took place in Barcelona in 2014. As the first Turkish figure to have become eligible for the Allianz Youth Music Camp, Kaan Baysal was the advertising ambassador of the 3rd Allianz Youth Music Camp together with Lang Lang.

Since 2015, Allianz Turkey has supported the music education of Kaan Baysal, who is named the "Allianz Turkey Brand Ambassador" at the 3rd Allianz Youth Music Camp.

Allianz Orchestra

Conducted by the maestro Can Şengün, Tarkan's conductor, Allianz Orchestra consists of Allianz employees and has been performing as part of the company events since 2016.

Having performed at the Sales Team Meetings in 2018 in Antalya, Allianz Orchestra enjoyed long burst of applaud upon a successful performance of 1.5 hours.

The orchestra sparked huge enthusiasm for a successful performance, opening for the successful rock band Mor ve Ötesi at the inauguration event of Allianz Campus which we organized in April 2018. Working in different functions, our colleagues maintain rehearsals after the office hours as a team outside the office, renewing themselves and their music continuously.



Ayvalık International Music Festival

Established by Prof. Filiz Ali in 1998, Ayvalık International Music Academy aims to expand the horizons of young musicians and develop their career. The academy also intends to enrich cultural life in Ayvalık through yearlong public concerts.

Continuing to support the youth in line with the Allianz Group motto "Encouraging Future Generations", Allianz Turkey reinforces its regional investment in the Aegean Region, initiated with the Allianz Campus investment, through social investments as well. Allianz Turkey has been supporting Ayvalık International Music Festival since 2018 as a concert sponsor, with the festival being organized in July annually by Ayvalık International Music Academy.

Turkish National Youth Philharmonic Orchestra

Established in 2007 by Cem Mansur as a first in its industry across the country and consisting of musicians at the ages of 16-22, the Turkish National Youth Philharmonic Orchestra delivers a set of performances every summer in Turkey and abroad following a three-week rehearsal period under the supervision of the most prominent trainers in their field.

Allianz Turkey has been reinforcing Turkish National Youth Philharmonic Orchestra, which operates under the Cultural Awareness Foundation, as a "corporate supporter" since 2014.

AS A CORPORATE CITIZEN

OUR SUPPORT FOR ARTS

Istanbul Modern

Istanbul Modern was founded in 2004 as Turkey's first museum of modern and contemporary art. Committed to sharing Turkey's artistic creativity and cultural identity with the local and international art worlds, the museum hosts a broad array of interdisciplinary activities.

Istanbul Modern embraces a global vision to collect, preserve, document and exhibit works of modern and contemporary art and make them accessible to the public at large. The museum offers a variety of cultural activities in its permanent and temporary exhibition halls, photography gallery, spaces for educational and social programs, library, cinema, café, and store.

The works of art exhibited at Istanbul Modern, chaired by Oya Eczacıbaşı, have been preserved with the Allianz guarantee and support since 2004 when it was first founded.

Istanbul Foundation for Culture and Arts

As a members of the board of trustees of Istanbul Foundation for Culture and Arts chaired by Bülent Eczacıbaşı, Allianz Turkey supports Istanbul Biennial organized by the foundation.

Allianz Turkey Collection

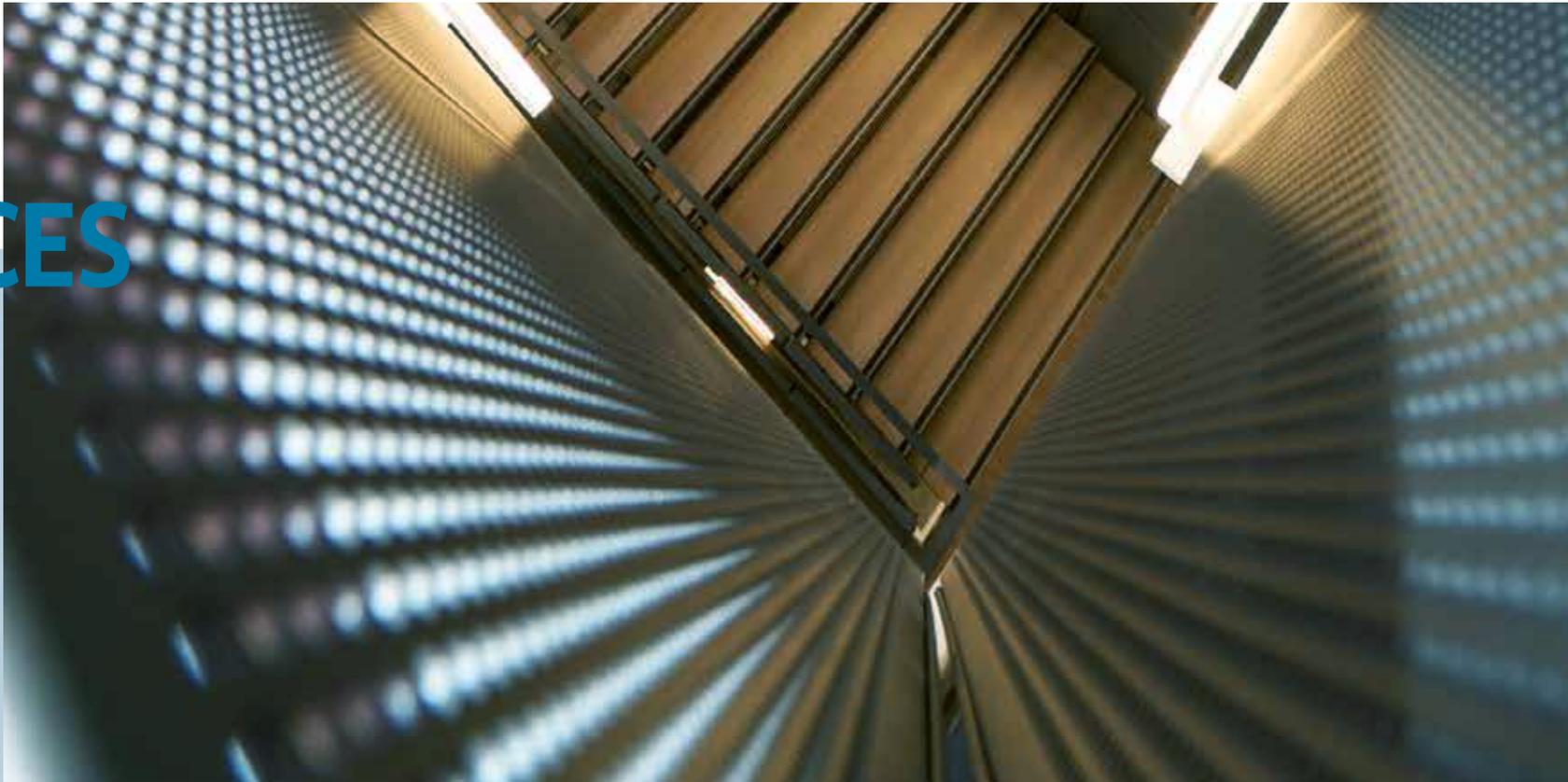
The Allianz Turkey Collection features 39 works from Ahmet Sarı, Ali Alışır, Aydın Büyüktaş, Çağatay Odabaş, Ekrem Yalçındağ, Evren Erol, Mehmet Gün, Mehmet Ali Uysal, Mehtap Baydu, Mithat Şen, Nejat Sati, Özgür Demirci, Serhat Kiraz, Server Demirtaş and Utku Dervent for the employees and visitors to enjoy at Allianz Tower and Allianz Campus.

DasDas

We sponsored Kafkas Tebeşir Dairesi, a play by Berliner Ensemble, performed at DasDas.



APPENDICES



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ANNEXES:

OUR AWARDS IN 2018

Allianz Türkiye

The title of "The Most Popular Insurance Company of Turkey" on "Best of Turkey" list by Allianz Turkey Capital Magazine, consecutively in 4 years

The "Insurance Brands of the Year" as part of the "Agency & Brand of the Year" awards from Campaign Magazine

"Best Customer Experience" award in the category of insurance company as part of the "ALFA Awards" organized by the Marketing Magazine Turkey

"Startup Friendly Company" on "Corporate & Startup Day" organized in association with TOBB Young Entrepreneurs Council, Endeavor Turkey and Özyeğin University

Aylin Somersan Coqui, CEO of Allianz Turkey

was entitled to the first place in the "Top 50 Powerful Female CEOs of Turkey", a list by the Economist Magazine

Allianz Turkey Academy

was entitled to "The Best" award in "BEST Awards" organized by Association for Talent Development

Allianz Turkey Call Center

became "The Best Insurance Call Center for Customer Satisfaction" as part of the "Best Call Center Awards" organized by IMF Conference and LifeCall Magazine



The Commercial Campaign, Allianz Is With You

was entitled to the "Silver" prize in the category of "Bank Insurance and Financial Services" for the "Film-TV Cinema" section at Crystal Apple Awards

Entitlement to the "Felis" prize in the category of "Financial Services" in the "Film" section at Felis

Allianz Motto Music

was entitled to the "Bronze" prize in the "Community Management Service" category in the "Digital & Social Media" section of Crystal Apple Awards

Entitlement to the "Felis" prize in the category of "Reputation Management" in the "PR" section at Felis Awards

Entitlement to the "Achievement" prize in the category of "Social Media and Digital Community Management" in the "PR" section at Felis Awards

Entitlement to the "Achievement" prize in the category of "Content Production" in the "PR" section at Felis Awards

"The Best Musical Channel" at the "Music Awards" of Radio Boğaziçi

Allianz Kapkaç Secured Travel Insurance

was entitled to "Crystal Apple" in the category of "Bank Insurance and Financial Services" in the "Press" section at Crystal Apple Awards

Entitlement to the "Achievement" prize in the category of "Financial Services" in the "Press" section at Felis Awards

EKLER:**UN GLOBAL COMPACT PROGRESS REPORT 2018**

| Principle | Allianz Turkey's Approach | Section That Includes Remarks |
|----------------------------------|---|---|
| Human Rights | Allianz seeks to ensure full compliance with national and international norms regulating human rights, specifically the Universal Declaration of Human Rights of the UN. | Attractive Employer Sustainability Governance at Allianz Turkey |
| Working Conditions | Allianz Turkey upholds its employees' freedom of association and recognizes their right to collective bargaining. Allianz Turkey adopts a zero tolerance policy towards child labor, forced and involuntary labor within under any circumstances. We offer a working environment that ensures social justice for each and every employee and stakeholder. | Attractive employer |
| Protection of the environment | Allianz Turkey meticulously observes the environmental impact across its operations and investments. To this end, we develop projects and practices in international standards, exceeding the legal regulations. | Our corporate memberships, Environmental impact |
| Anti-Bribery and anti-corruption | Allianz Turkey extends full, true and active support to combating corruption in line with the relevant legislation and corporate policies. | Trusted Company |

ANNEXES:**UN WOMEN'S EMPOWERMENT PRINCIPLES REPORT 2018**

| Principle | Section That Includes Performance |
|--|--|
| Principle 1: Establish high-level corporate leadership for gender equality | Message from our CEO |
| Principle 2: Treat all women and men fairly at work – respect and support human rights and nondiscrimination, supporting such principles | Attractive employer, Sustainability Governance at Allianz Turkey |
| Principle 3: Ensure the health, safety and well-being of all women and men workers | Employee health and well-Being |
| Principle 4: Promote education, training and professional development for women | We Are Deeply Committed to Development |
| Principle 5: Implement enterprise development, supply chain and marketing practices that empower women | Our social diversity and inclusion approach, We are deeply committed to goodness |
| Principle 6: Promote equality through community initiatives and advocacy | Attractive employer, Sustainability Governance at Allianz Turkey |
| Principle 7: Measure and publicly report on progress to achieve gender equality | Sustainability Governance At Allianz Turkey |

ANNEXES:

PERFORMANCE INDICATORS TABLES

Social

| | 2017 | 2018 |
|------------------------------------|-------|-------|
| Total number of employees | 2,494 | 2,426 |
| Female employees | 1,549 | 1,459 |
| Male employees | 945 | 967 |
| Top management demographics | | |
| Total number of managers | | 29 |
| Female managers | | 10 |
| Male managers | | 19 |
| Top management by age group | | |
| 35-44 | | 16 |
| 45-54 | | 11 |
| 55-64 | | 2 |
| 65 and above | | 0 |
| Employee demographics | | |
| Employees by age group | | |
| 18-24 | 91 | 122 |
| 25-34 | 1,335 | 1,333 |
| 35-44 | 888 | 803 |
| 45-54 | 171 | 159 |
| 55-64 | 8 | 9 |
| 65 and above | 1 | 0 |

| | 2017 | 2018 |
|-------------------------------------|-------|-------|
| Turn over by age and gender | | |
| Female new hires | | 259 |
| Male new hires | | 183 |
| New hires age 18-24 | | 119 |
| New hires age 25-34 | | 292 |
| New hires age 35-44 | | 31 |
| New hires age 45-54 | | 0 |
| New hires age 55-64 | | 0 |
| New hires age 65 and above | | 0 |
| Females who left the company | | 349 |
| Males who left the company | | 161 |
| Recently left age 18-24 | | 29 |
| Recently left age 25-34 | | 287 |
| Recently left age 35-44 | | 157 |
| Recently left age 45-54 | | 36 |
| Recently left age 55-64 | | 0 |
| Recently left age 65 and above | | 1 |
| Employees by education level | | |
| Primary school | 9 | 9 |
| High school/vocational high school | 145 | 111 |
| 2-year degree | 340 | 312 |
| University | 1,780 | 1,775 |
| Masters | 217 | 216 |
| PhD | 3 | 3 |

ANNEXES:

PERFORMANCE INDICATORS TABLES

Social

| | 2017 | 2018 |
|--|------|--------|
| Parental leave | | |
| Female employees on parental leave | | 137 |
| Male employees on parental leave | | 32 |
| Female employees back from parental leave | | 137 |
| Male employees back from parental leave | | 32 |
| Rate of female employees continued employment after parental leave | %96 | %100 |
| Health and Safety | | |
| Absentee rate | | |
| Direct employees | | |
| Female | | 34,653 |
| Male | | 13,201 |
| Outsource employees | | |
| Female | | 572 |
| Male | | 24 |
| Fatalities | | |
| Direct employees | | |
| Female | | 0 |
| Male | | 0 |
| Outsource employees | | |
| Female | | 0 |
| Male | | 0 |
| Health and Safety trainings | | |
| Total training hour for direct employees | | 4,584 |
| Total training hour for outsource employees | | 720 |
| Number of employees attended to H&S training | | 612 |
| Number of outsource employees attended to H&S training | | 105 |

| | 2017 | 2018 |
|---|---------|---------|
| Employee development | | |
| Employee trainings (person*hour) | | |
| Top management | 729 | 763,5 |
| Management | 22,786 | 40.330 |
| Management | 133,862 | 126.412 |
| Male | 54,374 | 67.120 |
| Female | 103,003 | 100.386 |
| Outsource employee trainings (person*hour) | | |
| Female | | 1106,7 |
| Male | | 1631,2 |
| Other Indicators | | |
| Inclusive Meritocracy Index (IMIX) | 66 | 75 |
| Work Well Index | 56 | 65 |
| Employee Engagement Index | 73 | 85 |

ANNEXES:

PERFORMANCE INDICATORS TABLES

Environmental

| General Indicators | 2016 | 2017 | 2018 | Change Compared to 2016 |
|--|-----------|-----------|-----------|-------------------------|
| Total m ² | 36,558 | 39,256 | 40,859 | 11.8% |
| Number of employees | 2,472 | 2,490 | 2,438 | -1.4% |
| Enerji | | | | |
| Natural gas consumption-Kwh (EFA) | 2,081,847 | 2,007,484 | 1,681,601 | -19.2% |
| Electricity consumption-Kwh (EEQ) | 8,071,251 | 6,488,401 | 7,580,434 | -6.1% |
| Energy consumption per employee (MJ/total number of employees) | 14,857 | 12,458 | 13,744 | -7.5% |
| Energy consumption per m ² | 277.73 | 216.42 | 226.68 | -18.4% |
| Electricity consumption per m ² | 220.78 | 165.28 | 185.53 | -16.0% |
| Natural gas consumption per m ² | 56.95 | 51.14 | 41.16 | -27.7% |
| Car Fleet | | | | |
| Total km | 8,452,280 | 8,161,095 | 8,358,488 | -1.1% |
| Fuel consumption (lt) | 526,136 | 498,506 | 480,699 | -8.6% |
| Flight km | 4,914,845 | 4,632,748 | 6,102,906 | 24.2%* |
| Travel km per employee | 5,407 | 5,138 | 5,932 | 9.7%* |
| Paper consumption | | | | |
| Total paper consumption (kg) | 535,517 | 501,665 | 410,093 | -23.4% |
| FSC certified paper consumption | 505,517 | 453,665 | 378,640 | -25.1% |
| FSC certified paper consumption ratio | 0.94 | 0.90 | 0.92 | -2.2% |
| Paper consumption per employee | 217.00 | 201.00 | 168.20 | -22.5% |
| Paper consumption per m ² | 14.65 | 12.78 | 10.04 | -31.5% |

* Opening of Izmir campus resulted in increase in total m² and flight kms

| Waste Management | 2016 | 2017 | 2018 | Change Compared to 2016 |
|--|---------|---------|---------|-------------------------|
| Total amount of waste | 254,639 | 344,005 | 321,527 | 26.3% |
| Waste garbage (kg) | 123,331 | 186,071 | 178,916 | 45.1% |
| Recycled waste (kg) | 131,161 | 157,877 | 141,180 | 7.6% |
| Special waste (kg) (medical and hazardous) | 57 | 147 | 1,431 | 2,410.5%** |
| Waste per employee | 103.00 | 152.96 | 131.88 | 28.0% |
| Waste per m ² | 6.97 | 8.76 | 7.87 | 13.0% |
| Water consumption | | | | |
| Total water consumption (m ³) | 34,814 | 32,498 | 36,698 | 5.4%*** |
| Water consumption per employee | 14,083 | 13,051 | 15,053 | 6.9%*** |
| Water consumption per m ² | 0.95 | 0.83 | 0.90 | -5.7% |
| tCO₂e Emission | | | | |
| tCO ₂ e Emission | 8,485 | 7,279 | 7,515 | -11.4% |
| tCO ₂ e emission per employee | 3.43 | 2.92 | 3.08 | -10.2% |
| tCO ₂ e Emission per m ² | 0.23 | 0.19 | 0.18 | -20.8% |

** More precise measurements, measurements conducted in area offices and opening of Allianz Campus

*** Opening of Allianz campus

ANNEXES:

GRI CONTENT INDEX



We prepared our report in accordance with **GRI Standards**, core option. You find GRI Standard codes and relevant information using the index below

| GRI Content Index | | |
|--|----------------------------------|---|
| GRI Standard | Indicator | Disclosures and page numbers |
| GRI 101: Foundation 2016 | | |
| GRI 102: General Disclosures 2016 | Corporate Profile | |
| | 102-1 | About our report, page 2 |
| | 102-2 | Allianz Turkey at a glance, page 9 |
| | 102-3 | Contact, page 78 |
| | 102-4 | Contact, page 78 |
| | 102-5 | Allianz Hayat Emeklilik A.Ş Annual Report, page 65 |
| | 102-6 | Allianz Turkey at a glance, page 9 |
| | 102-7 | Allianz Turkey at a glance, page 9 |
| | 102-8 | Social performance indicators, page 67 |
| | 102-9 | Our Supply Chain, page 41 |
| | 102-10 | GRI Content Index: You can find information about important changes that have occurred during reporting period from |
| | 102-11 | Our active risk management, page 26 |
| | 102-12 | Stakeholder engagement, page 21 |
| | 102-13 | Corporate memberships, page 21 |
| | Strategy | |
| 102-14 | Message from our CEO, page 13-14 | |

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GRI CONTENT INDEX

| | | |
|--|--|---|
| GRI 102: General Disclosures 2016 | Ethics and Integrity | |
| | 102-16 | Our Business Ethics, Transparency and Compliance Approach, page 38 |
| | Governance | |
| | 102-18 | Allianz Hayat Emeklilik A.Ş Annual Report, page 25,30 |
| | Stakeholder Engagement | |
| | 102-40 | Stakeholder engagement, page 21 |
| | 102-41 | GRI Content Index: There is no collective bargaining agreement at Allianz Turkey |
| | 102-42 | Stakeholder engagement, page 21 |
| | 102-43 | Stakeholder engagement, page 21 |
| | 102-44 | Corporate Responsibility Strategy and Material Issues, page 19; Stakeholder engagement, page 21 |
| | Reporting Practices | |
| | 102-45 | About our report, page 2 |
| | 102-46 | About our report, page 2 |
| | 102-47 | Our material issues, page 19 |
| | 102-48 | GRI Content Index: There are no restatements |
| | 102-49 | GRI Content Index: There are no restatements |
| | 102-50 | About our report, page 2 |
| | 102-51 | GRI Content Index: June, 2018 |
| | 102-52 | GRI Content Index: Annual |
| | 102-53 | About our report, page 2 |
| 102-54 | GRI Content Index: This report has been prepared in accordance with core option of GRI Standards | |
| 102-55 | GRI Content Index, pages 70-71 | |
| 102-56 | GRI Content Index: This report did not go through external assurance | |

ANNEXES:

GRI CONTENT INDEX

| Transparent and agile governance | | |
|---|--|---|
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Our material issues, page 8; Our Environmental, Social and Governance (ESG) Approach, page 27; Sustainability Governance at Allianz Turkey, page 15 |
| | 103-2 The management approach and its components | Our material issues, page 19 |
| | 103-3 Evaluation of the management approach | Our material issues, page 19 |
| GRI 205: Fight against corruption 2016 | 205-1 Operations underwent corruption screening | <p>GRI Content Index: Internal Audit Activities of the company are conducted by the Internal Audit Department, which operates directly under the Board of Directors as part of the Internal Audit Regulation ratified and enforced with the Board of Directors decision.</p> <p>The activities of the Internal Audit Department are gathered under three key groups; namely, audit, examination and investigation. The Internal Audit Department carries out an annual risk assessment on the audit universe by taking into account the results regarding the company's risks and previous audits at the end of the year.</p> <p>The audit universe consists of 80 audit areas under 5 key activity groups. Each activity area is assessed within the scope of natural risks and remaining risks in terms of such dimensions as market risk, credit risk, business building risk, operational risk, reputational risk, liquidity risk and strategic risk.</p> <p>Annual and five-year audit plans are created and submitted to the Board of Directors for approval as a result of the relevant assessment. In addition to the audits determined in the annual internal audit plan, examination, investigation and/or consultancy activities are included in the scope of the audit year, alongside the potential incidents of misconduct, with activities to be conducted in accordance with the purpose of internal audit required by the Executive Team. Moreover, special audit activities are conducted upon the request of the RoT Ministry of Treasury and Finance.</p> |
| | 205-3 Corruption cases and precautionary approach | GRI Content Index: There were no significant cases of corruption during the reporting period |
| GRI 201: Economic performance 2016 | 201-1 Economic value generated and distributed | Allianz Turkey at a glance, page 9 |
| | 201-3 Pension fund | GRI Content Index: According to Allianz Turkey Group Pension Fund Plans, an employee contributes up to 8% of her monthly salary and Allianz Turkey matches this amount. Time to claim is 3 years. |
| | 201-4 Financial support from the government | GRI Content Index: No financial support was received from the government |
| GRI 419: Socio-economic compliance 2016 | 419-1 Non compliance to social and economic regulations | GRI Content Index: There no cases of non-compliance in reporting period. Significant fine is defined as fines over TRY 500.000 |

ANNEXES:

GRI CONTENT INDEX

| Combating climate change and supporting low-carbon economy | | |
|--|---|---|
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Our material issues, page 19; Our Global Sustainability Focus: Low Carbon Future, page 4-6; Sustainability Governance at Allianz Turkey, page 15 |
| | 103-2 The management approach and its components | Our material issues, page 19 |
| | 103-3 Evaluation of the management approach | Our material issues, page 19 |
| GRI 201: Economic performance 2016 | 201-2 Financial risks and opportunities due to climate change | Our Global Sustainability Focus: Low Carbon Future, page 4-6; |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | Performance Indicators Tables, page 69 |
| | 302-2 Energy consumption outside the organization | Performance Indicators Tables, page 69 |
| | 302-3 Energy intensity | Our Environmental Goals and Performance, page 23; Performance Indicators Tables, page 69 |
| | 302-4 Reduction in energy consumption | Performance Indicators Tables, page 69 |
| | 302-5 Reductions in energy needs of products and services | Performance Indicators Tables, page 69; We reduce our Carbon Footprint through our Energy Efficiency Efforts, page 44 |
| | 305-5 Reductions in GHG emissions | Performance Indicators Tables, page 69 |
| GRI 306: Waste 2016 | 306-2 Waste by type and disposal method | Performance Indicators Tables, page 69 |
| GRI 307: Environmental compliance 2016 | 307-1 Non-compliance to environmental regulations | GRI Content Index: No significant fine is paid due to non-compliance to environmental regulations. |
| GRI 303: Water 2016 | 303-1 Water withdrawal by source | Environmental Performance Data, page 69 |
| | 303-2 Significant impacts of water withdrawal | GRI Content Index: Most of the water used is sourced from municipality. Ramsar or similar water sources are not used. Therefore, Allianz Turkey has no significant impact on water sources. |
| | 306-5 Water bodies impacted from water discharge | GRI Content Index: Allianz Turkey does not own, rent or lease land in high biodiversity and/or protected areas |

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GRI CONTENT INDEX

| Diversity and inclusion | | |
|---|---|--|
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Our material issues, page 19; Our Social Diversity and Inclusion Approach, page 50; Sustainability Governance at Allianz Turkey, page 15 |
| | 103-2 The management approach and its components | Our material issues, page 19 |
| | 103-3 Evaluation of the management approach | Our material issues, page 19 |
| GRI 401: Employment 2016 | 401-2 Benefits provided to full time employees, not offered to part time employees | GRI Content Index: There are no differences in employee rights |
| | 401-3 Parental leave | Performance Indicators Tables: Social, page 68 |
| GRI 402: Employee/ Management relations 2016 | 402-1 Minimum notice periods | Allianz Turkey complies with legal requirements on significant employment changes. |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | Performance Indicators Tables: Social, page 67 |
| GRI 403: Occupational Health and Safety 2016 | 403-1 Workers representation in formal joint management–worker health and safety committees | In our 4 locations with 50 or more employees we have H&S Committees. 24 employee representatives work in these committees. |
| | 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | Performance Indicators Tables: Social, page 68 |
| GRI 406: Anti-discrimination 2016 | 406-1 Discrimination and corrective actions | GRI Content Index: there are no discrimination cases in 2018. |
| GRI 408: Child labor 2016 | 408-1 Operations and suppliers with high risk for child labor | GRI Content Index: Allianz Turkey prepared Supplier Code of Conduct to combat with child labor |
| GRI 409: Forced labor 2016 | 409-1 Operations and suppliers with high risk for forced labor | GRI Content Index: Allianz Turkey prepared Supplier Code of Conduct to combat with forced labor |

ANNEXES:

GRI CONTENT INDEX

| | | |
|--|---|---|
| GRI 410: Security practices 2016 | 410-1 Security personnel who received human rights training | GRI Content Index: All security personnel working for Allianz Turkey operations receives trainings on vocational procedures and legal requirements covering human rights. |
| Focusing on employee development | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Our material issues, page 19; We Are Deeply Committed to Development, page 52, Sustainability Governance at Allianz Turkey, page 15 |
| | 103-2 The management approach and its components | Our material issues, page 19 |
| | 103-3 Evaluation of the management approach | Our material issues, page 19 |
| GRI 401: Employment 2016 | 401-1 Turn over | Performance Indicators Tables: Social, page 67 |
| GRI 404: Training 2016 | 404-1 Employee trainings | Performance Indicators Tables: Social, page 68 |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | We Are Deeply Committed to Development, page 52 |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | GRI Content Index: All Allianz employees receive regular performance evaluations. |
| Facilitating access to insurance products | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Our material issues, page 19; Our Contribution to Social and Financial Well-Being with Our Products, page 31, Sustainability Governance at Allianz Turkey, page 15 |
| | 103-2 The management approach and its components | Our material issues, page 19 |
| | 103-3 Evaluation of the management approach | Our material issues, page 19 |
| GRI 418: Customer privacy | 418-1 Customer privacy violation and complaints about data loss | GRI Content Index: There are no complaints about customer privacy violations |
| GRI 417: Marketing and Labeling | 417-2 Incidents of non-compliance concerning product and service information and labeling | GRI Content Index: there are no cases of non-compliance in reporting period. |
| | 417-3 Marketing communications and non-compliance | GRI Content Index: Allianz Turkey complies with all local and international regulations in marketing communications. There are no cases of non-compliance. |
| | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | GRI Content Index: There are no cases of non-compliance regarding health and safety impacts of our products and services in reporting period. |

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| R&D and Innovation | | |
|--|--|--|
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Our material issues, page 19; Our Entrepreneurship and Innovation Actions, page 32; Sustainability Governance at Allianz Turkey, page 15 |
| | 103-2 The management approach and its components | Our material issues, page 19 |
| | 103-3 Evaluation of the management approach | Our material issues, page 19 |
| Digitization | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Our material issues, page 19; Digital DNA, page 42; Sustainability Governance at Allianz Turkey, page 15 |
| | 103-2 The management approach and its components | Our material issues, page 19 |
| | 103-3 Evaluation of the management approach | Our material issues, page 19 |
| Creating preventive solutions | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Our material issues, page 19; Our Preventive Solutions in Healthcare, page 30; Sustainability Governance at Allianz Turkey, page 15 |
| | 103-2 The management approach and its components | Our material issues, page 19 |
| | 103-3 Evaluation of the management approach | Our material issues, page 19 |
| Contribution to social development | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Our material issues, page 19; Corporate Citizen, page 55-62; Sustainability Governance at Allianz Turkey, page 15 |
| | 103-2 The management approach and its components | Our material issues, page 19 |
| | 103-3 Evaluation of the management approach | Our material issues, page 19 |
| ESG integration | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its boundary | Our material issues, page 19; Our Environmental, Social and Governance (ESG) Approach, page 27; Sustainability Governance at Allianz Turkey, page 15 |
| | 103-2 The management approach and its components | Our material issues, page 19 |
| | 103-3 Evaluation of the management approach | Our material issues, page 19 |

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