



# Sustainability Statement 2017



# Sustainability Statement

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Tune Protect  
sustainability

Pro ductive  
by Tune Protect

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by Tune Protect

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by Tune Protect

## RESPONSIBLE ACTIONS, SUSTAINABLE FUTURE

In moving ahead with our sustainability priorities, we have introduced a campaign tagline and icons to reflect our commitment to the EES. With the tagline, "Responsible Actions, Sustainable Future", we pursue to become Economically Productive, Environmentally Protective and Socially Proactive to positively impact and influence the marketplace, the environment and the communities within which we operate.

## SCOPE

Our first sustainability statement covers our operations in Malaysia, comprising Tune Protect Group, Tune Protect Re and Tune Protect Malaysia, for the reporting period from 1 January to 31 December 2017. It is in accordance with the amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements relating to Sustainability Statement in Annual Reports.

The data presented in this statement reflects ongoing operations of the Group. While there are some prior year comparatives, most data provided will form the baseline for future reporting. Moving forward, we will institutionalise a Group-wide approach to measuring and reporting performance.

We are developing plans to publish more comprehensive sustainability disclosures over the course of the next three years. In order to achieve this, we will align the contents of future reporting against the Global Reporting Initiative ("GRI") Standards. We anticipate that our alignment to global frameworks will hold us accountable in our sustainability efforts and enable us to address the most critical and up-to-date sustainability-related matters.

## INTRODUCTION

Advancing the Company's sustainability performance involves many aspects of our strategy and operations, enhances trust in our brand and is ultimately rooted in our mission that everyone deserves to be protected.

We ensure that our solutions are future-focused and support the wide-ranging needs of our customers. At heart, we want to empower customers by ensuring easy, accessible and transparent products and services. Such an approach also informs and shapes our view on sustainability and the integration of Economic, Environment and Social priorities ("EES") into our business.

As we are looking to integrate sustainability into our businesses in a more strategic manner, we are committed to setting measurable targets to hold ourselves accountable and demonstrate our annual progress. This will advance our long-term plans to move towards a more holistic approach to sustainability by measuring and showing our progress along the way.

## OUR SUSTAINABILITY HIGHLIGHTS

-  Established the Sustainability Committee
-  Revised our Sustainability Policy
-  342 employees were trained on Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 with a total of 1,386 training hours
-  All of the complaints received in 2017 for Tune Protect Travel - AirAsia and General Insurance products were resolved
-  Disclosed paper and electricity consumption data
-  40% of our Board of Directors are women
-  44% of our Senior Management are women
-  68% of the workforce are women
-  Culture building through Code of Conduct Month, Culture Workshop and Change Energy Givers
-  100% return-to-work rate after parental leave
-  Our community initiatives are focused on three areas: personal well-being, road safety and education

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### OUR STAKEHOLDERS

Recognising the contributions of our stakeholders in this ongoing journey, we make a conscious effort to reciprocate in ways that we can. With various channels of communication, Tune Protect Group continues to build and maintain beneficial and impactful relationships with stakeholders.

Engaging and collaborating with stakeholders allows us to address the most material sustainability matters in our industry. Dialogues of this nature provide us with a broad and diverse understanding of our stakeholders' evolving priorities and the sustainability matters that are of utmost concern to them. Ultimately, this enables us to deliver products and services that make positive impacts throughout our lines of business.

### Stakeholders Engagement Approaches

Stakeholder Group	Engagement Approach
<b>Customers</b>	<ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>Digital platforms (e.g. tuneprotect.com)</li> </ul>
<b>Regulators and government bodies</b>	<ul style="list-style-type: none"> <li>Audit and compliance monitoring</li> <li>Compliance with listing and regulatory requirements</li> <li>Monthly reporting</li> <li>Face-to-face meetings, emails and calls</li> </ul>
<b>Shareholders, investors and analysts</b>	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Quarterly Reports</li> <li>Analyst Briefings</li> <li>Regular dialogues (such as conferences, meetings, roadshows, Bursa announcements and shareholders' circulars)</li> <li>Annual Reports</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Code of Conduct ("CoC") Month</li> <li>Internal engagement activities and tools (including townhalls, team building sessions, breakfast with CEO sessions, CEO's GEM bytes, CatchtheBuzz newsfeeds, Culture Workshops and Change Energy Givers)</li> <li>Performance reviews</li> <li>Policies and procedures</li> <li>Training and development</li> </ul>
<b>Insurance agents</b>	<ul style="list-style-type: none"> <li>Training and awareness</li> <li>Awards and recognitions</li> <li>Policies and procedures</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>Community activities</li> <li>Strategic community investments through partnerships</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>Interview/meeting arrangements</li> <li>Press release</li> <li>Company/corporate events</li> </ul>
<b>Business partners</b>	<ul style="list-style-type: none"> <li>Conferences/Roadshows</li> <li>Meetings</li> </ul>

We remain involved in regulatory and industrial organisations activities, for instance, Tune Protect Malaysia is a member of the General Insurance Association of Malaysia ("PIAM").

### MATERIALITY

In setting the sustainability focus areas for the Company, we went through numerous workshops and meetings. The internal exercises enabled us to identify our key baseline strategy including readiness to report, data management and work towards identifying a more structured governance process.

We used the guidance provided by the GRI to assess sustainability matters that are material to our business based on current and potential social, ethical, environmental and economic impact to the Company and industry. We then aligned the Company's vision, purpose and strategy, with the multiple areas that the Company's value chain can impact.

The process enabled us to identify gaps in our path towards achieving our sustainability goals. We know that addressing these gaps will allow us to set a clearer path in becoming a company that has sustainability at its core operations benefiting all stakeholders in the long run.

### GOVERNANCE, COMPLIANCE AND ETHICAL BUSINESS

Good governance is an essential element of achieving our overall objectives. The Board of Directors is committed to responsible corporate citizenship by setting high standards for employees and partners.

#### Sustainability Governance

The Board reviews all major disclosures as well as key sustainability-related matters.

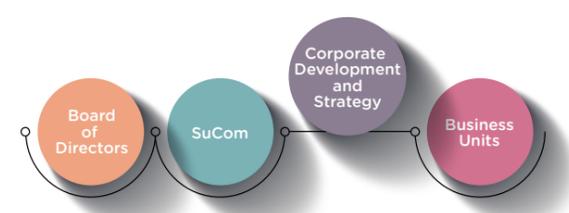
The Sustainability Committee ("SuCom") was formally established in 2017, chaired by Tune Protect Group's Chief Executive Officer. The SuCom is created to engage on sustainability issues, provide direction and evaluate sustainability progress across the Company. The committee plays a main role in all sustainability-related decision making and direction while providing feedback and recommendations to the Board. As part of SuCom's mandate, materiality assessments will be undertaken once every two years to ensure robust management of sustainability matters. In the past year, SuCom has been instrumental in helping to give us a clear direction towards a future-focused approach to sustainability as well as the policies that underpin it.

SuCom members:

- Chief Executive Officer, Tune Protect Group
- Chief Financial Officer, Tune Protect Group
- Chief Executive Officer, Tune Protect Malaysia (Alternate member: Assistant General Manager - Group Business, Tune Protect Malaysia)
- Principal Officer, Tune Protect Re (Alternate member: Head of Operations and Reinsurance, Tune Protect Re)
- Head, Corporate Development and Strategy, Tune Protect Group

SuCom is supported by the Corporate Development and Strategy Department that plays a role in ensuring the smooth transition of data and information between SuCom and business units. Corporate Development and Strategy Department also acts as the contact point for external stakeholders such as analysts, media and investors keen on understanding the Company's sustainability commitments. The department flows information and recommendations to the SuCom which enables the Committee to form comprehensive decision-making or provide relevant recommendations to the Board.

Business units are responsible for the implementation of sustainability-related initiatives under the coordination of the Corporate Development and Strategy Department as well as collection of relevant data for reporting purposes.



### Focused Solutions

#### #Key Focus Area 1

Great Customer Service

#### #Key Focus Area 2

Digital Solutions, Accessibility and Innovation

#### #Key Focus Area 3

Environmental Integrity

### Our Workforce and Culture

#### #Key Focus Area 4

Building a Diverse, Inclusive Workforce

#### #Key Focus Area 5

Learning and Development

#### #Key Focus Area 6

- Health and Well-being
- Workplace Digitisation
- Community Engagement

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## Sustainability Statement

Among the processes and systems to manage sustainability across the Group are:

Category	Policy and System (selected)
<b>Economic</b>	<ul style="list-style-type: none"> <li>• Anti-Fraud Policy</li> <li>• Group Clean Desk Policy</li> <li>• Group Confidentiality Policy</li> <li>• Group Corporate Governance Policy</li> <li>• Group Marketing Policy</li> <li>• Group Procurement Policy</li> <li>• Group Sustainability Policy</li> <li>• Whistleblowing Policy</li> <li>• Group Dividend Policy</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>• Board Diversity Policy &amp; Procedures</li> <li>• Code of Conduct</li> <li>• Group Employee Handbook</li> <li>• Group Fit &amp; Proper Policy (for the Directors)</li> <li>• Group Performance Management Policy</li> <li>• Group Recruitment &amp; Selection Policy (for employees)</li> <li>• Group Sexual Harassment Policy &amp; Procedures</li> </ul>

Through the establishment of SuCom, our existing Sustainability Policy was renewed with the following areas being improved:

- defined sustainability roles and responsibilities of all divisions
- enhanced scope of the Sustainability Policy
- plans to achieving key sustainability commitments

## Our Risk Management Framework institutionalises vigilance and awareness of the management of risk across the Group.

### Supporting the Global Sustainable Development Goals (“SDGs”)

The SDGs outline specific targets that can only be achieved through collaborations between governments, civil society and businesses around the world. A new set of goals is envisioned to end poverty, protect the planet and ensure prosperity for all by 2030. These ambitious goals must be delivered through multi-outcome collaborations across the entire sustainable development agenda.

As an insurer, we are able to contribute to these global goals and we will be working towards reviewing our footprint, match our key activities, and aligning our targets against the SDGs as part of our commitment towards global corporate citizenship.

### Exposure to EES and Governance Risk

As an insurer, our exposure to EES and governance risks is mostly indirect through the risks we accept from our insurance clients. Prudent management of EES and governance issues represents a major opportunity for us to reduce risks in underwriting and reinsurance, both for our own business and for our customers.

### Ethical Business

We adhere to the Financial Services Act 2013 and all related laws, Bank Negara Malaysia’s guidelines and Bursa Malaysia’s Main Market Listing Requirements. Continuing this internally, we have in place a formal CoC and various other policies pertaining to conflicts of interest, anti-harassment, equal opportunity and whistleblowing. Learn more about the CoC on the corporate website at [tuneprotect.com](http://tuneprotect.com).

Tune Protect Group has in place a Risk Management Framework with the objective of institutionalising vigilance and awareness of the management of risk across the Group. This framework provides a concise and holistic documentary standard as a single point of reference which outlines the broad overarching framework in providing direction for the management of all risk elements that the Group is exposed to. This framework addresses structure, people, policies, processes and activities required for the Company to manage key risks. Mandatory training and assessments for employees in the areas of workplace integrity have been part of our risk management strategy.

In 2018, we will embark on several platforms to raise awareness and build competency in regulatory compliance. The Compliance function will direct and support the development of overarching compliance policies and procedures while facilitating the implementation of policies and procedures across the Company. Business units will be responsible for the implementation of the CoC as well as regulatory compliance policies and programmes. We will continue to nurture a culture of risk management to create awareness through employee training. Refer to our Risk Management and Internal Control statement on pages 82 to 84 of this Annual Report.

### Cybersecurity

In recent years, new and more sophisticated cyber attacks have been occurring across the world, resulting in information security incidents. This situation has led to a growing interest in information security risk, and efforts made to strengthen defences and enhance data protection. Information leakage has various impacts in our organisation – financial, operational, legal and regulatory sanctions. Our business is proprietary to personal details of our customers. As such, it is important that all information is properly managed, controlled and protected.

The CoC and Group-wide policies lay the foundations for long-term trusting relationships with our colleagues, customers and partners, our approach to sustainability as well as to ensure that we are aligned and working within the same parameters. The CoC covers three aspects:

- Respect in Our Workplace** that defines the best interaction manner in the workplace;
- Respect for Our Business Partners** which guides us on how we engage with external parties; and
- Respect for Our Shareholders** that summarises our commitment towards ensuring shareholder value.

The CoC demonstrates our belief in doing business the right and ethical way with a particular reference to our Core Values. We believe that ethical business practices are more than just complying with the current regulations. In every jurisdiction that we operate, we commit to observing to all applicable laws and regulations. We have zero tolerance for fraud, corruption and violation of laws and regulations. The tone for adherence on compliance and regulation matters are set right from the top.

### Compliance and Risk Management

The management of compliance is governed and supported by the Compliance Management Framework which is a Board-approved framework that outlines the structure and key processes for identifying and ensuring compliance with applicable legislations, regulatory requirements, and internal policies and procedures.

Information obtained is received and stored with the strictest confidence and security. We take caution in disclosures of non-public information, except where required by regulators. Our efforts are supported by our Privacy Policy and in order to prevent unauthorised access to and disclosure of personal information, Tune Protect Group has implemented technical and administrative measures to keep our customers’ information secure. Strict safeguards have been put in place to protect the loss, misuse or alteration of any information provided to us. This includes limiting employees’ access to information and handling information of customers who have ended their customer relationship with Tune Protect Group.

There were no incidences of substantial complaints regarding breach of customer privacy or customer data loss in 2017.

### Group Clean Desk Policy

The Clean Desk Policy is one of our top strategies in reducing the risk of security breaches in the workplace. We have increased awareness among our employees on protecting sensitive information in our possession, reducing the threat security incidences and data loss to malicious entities. The Clean Desk Policy also creates a tidy and clean environment as well as showcasing a positive image to external visiting stakeholders. It complies with the Personal Data Protection Act 2010.

No system is secured unless it is constantly monitored and evaluated. In the same sense, to ensure we are constantly in touch with our compliance policies, our Compliance Team constantly reviews and monitors on-the-ground compliance by performing regular walk-throughs, internal audits and collect feedback from employees.

This Policy is in line with our CoC on safeguarding information and Company assets.

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### Integrity Training and Awareness

To ensure that good governance is truly embedded across the organisation, various training programs for our employees were undertaken. In 2017, over 2,130 hours of training were conducted in the areas of prohibition of bribery and corruption, anti-harassment and whistleblowing. More than 400 employees participated in these training sessions.

To further enhance the message of integrity at the workplace, employees were provided with additional training on relevant laws and regulations such as Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (“AMLATFPUAA”). A periodic review will be conducted by Group Compliance in 2018.

Training hours breakdown:

Training	Training hours	Total employees
CoC introductory workshops	562	281
CoC online training certification	190	380
AMLATFPUAA training	1,386	342

### CoC Month

To enhance the implementation of the CoC, Tune Protect Group had dedicated the month of April 2017 as our CoC month. Relevant activities were organised to highlight our CoC, including workshops, training sessions as well as light lunchtime activities. These activities have helped our employees understand our CoC further for them to apply it to their daily working lives. A web-based training portal that clearly illustrates our Code was also launched. The web-based training is compulsory as a record of employee understanding and commitment to the Code. All online modules come with language options between English and Bahasa Malaysia which ultimately allows deeper understanding of the Code by the employees. All new employees will be required to complete the online CoC certification within one month of employment. Moving forward, we will continue organising the annual CoC Month to reflect our commitment to integrity.

**83%** of employees report they are NOT pressured to compromise the Code to achieve business results.

**81%** of employees feel they are able to report unethical practices without fear of reprisal.

### Conflict of Interest Declaration

The Conflict of Interest tool is an online declaration tool that is made accessible for everyone in the Company to declare any conflict of interest. The tool was launched for all entities in Malaysia.

### FOCUSED SOLUTIONS

Tune Protect Group understands that a company that offers best-in-class customer experience is the one that grows faster, profitably. To achieve this outcome, we constantly seek new and innovative avenues through our various channels and business functions. We know that generic, one size offerings do not fit all anymore. We work on creating personalised insurance solutions in delivering our brand promise.



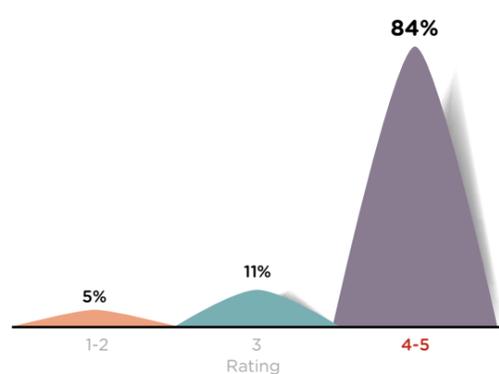
### #Key Focus Area 1 GREAT CUSTOMER SERVICE

In 2017, we put in place an online survey for products purchased from tuneprotect.com that allows customers to immediately let us know their experience with us. Out of the total of 1,315 respondents of the survey, more than 80% of customers who responded were satisfied with the purchase experience and will recommend tuneprotect.com to their family and friends.

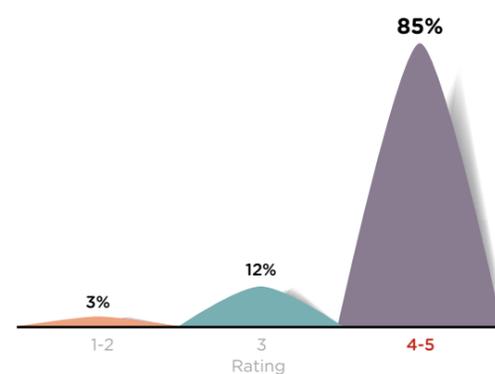
Summary for tuneprotect.com products survey:

### Customer satisfaction & survey rating across all products

#### Consumer Purchase Satisfaction (%)



#### Recommendation (%)



Source: Survey result from 16 May – 31 Dec 2017 (Sample size : 1,315)

#### 1-2 Detractors

Unsatisfied customers of a bad experience. They diminish the company's reputation, discourage new customers & demotivate employees.

#### 3 Passive

Customers who are currently satisfied with a company's products or services but are easily lured by other companies.

#### 4-5 Promoters

Loyal and enthusiastic customers who will remain for a long time with a company and will increase their purchases with the company. Actively recommending and singing praises of the company's products and services to others.



Product	Total
Travel Easy	1,091
PA Easy	67
Guard Easy	10
Motor Easy	135
Dental Easy	11
Ride Easy	1
<b>Total</b>	<b>1,315</b>

**Our way of doing business is to do it ethically right, anchored on our Core Values.**

### Financial Literacy

Financial literacy is beyond a brand building exercise. It is the essence of our capacity building of the market so that our customers are empowered to manage their finances well. To achieve our objectives, we supported and participated in events such as Karnival Kewangan 2017. It was a weekend event organised by Bank Negara Malaysia in collaboration with the Malaysian financial services industry.

### Customer Experience Initiatives

In a fast-moving society that is constantly online, digitisation makes it easier for customers to process their needs fast and at their own convenience. We will continue to develop our digital business, channelling our efforts towards greater product innovation and customer experience to deliver our brand promise of Insurance Made Easy. Several process improvements were undertaken to enhance digital customer experience. Phase 1 involved the roll out of auto check on AirAsia delayed flights via a system integration with AirAsia. The integration has simplified the claims process.

Customer journey mapping was undertaken for travel and motor claims. We stepped into our customer's shoes and see the business from their perspective. One of the outcomes is the simplified damaged baggage claim process. Our customers are no longer required to submit a Property Irregularity Report. Tune Protect Re will obtain the report directly from AirAsia for Tune Protect Travel - AirAsia (baggage).

Other efforts include:

- Through the simplified Electronic Customer Experience Portal, we shortened the number of steps and columns for customers to fill.
- Enhanced the content of our website to ensure all information is current.
- Personalisation of SMS content for claims status including notification on motor claims status and notification on claims pay-out status of travel products.
- Motor insurance enrolment pack with a new road tax design complete with QR code. The QR code links to our microsite with key checklists on what to do during emergencies, auto assist contact number as well as the claims process.
- Through CarFix Apps, we have enabled windscreen claims function.

We have targets to enhance our Customer Service team in 2018. One of the other core focuses will be on mobile apps development. We want to reach and connect to our customers in a more seamless and meaningful way. The right mobile apps will enable us to reach our customers and integrate into their lives seamlessly.

We are also focusing on systematically digitising our entire value chain. We fully understand that this is not just us providing digital products and services but extends to engaging our customers digitally and assisting our agents in meeting their objectives by improving efficiency. It is part of our main agenda to simplify insurance and provide exceptional customer experience. Already, policy documents are emailed to customers. Other services such as claims as well as checking the status of claims are partly available online.

As part of our digital journey and efforts to improve our customer experience, we are reviewing our products to make them more relatable and conveniently accessible online. These include segregating features and benefits of our motor and travel protection plans to offer more specific coverage.

In reference to the score of our brand health, the 'IN' and 'Skip the Drama' campaigns have contributed to the increase in the latest total scores. Tune Protect brand also recorded highest growth in the category of motor insurance due to the campaigns which communicated the benefits of motor insurance to consumers. 'Skip the drama' campaign has also been awarded the 'Best Campaign - Brand Awareness' at the Mob-Ex Awards 2018. Our Brand Health Tracker (baseline in October 2016), recorded an increase from 31% to 45% for customers who were aware of our products in 2017, and from 25% to 29% for customers who considered our products. There were also increases in trial customers and repeat purchases from 15% to 20% and from 6% to 7% respectively. Meanwhile, customers loyalty grew from 3% to 5%.

While developing its online business, Tune Protect Malaysia will continue to strengthen and improve the quality of its traditional distribution channels, including its agency force. Tune Protect Malaysia has approximately 1,400 total agents and 21 branches across the country to serve non-digital based customers in our aim to bring simplified and tailor-made insurance to every layer of the community. We have in place ongoing efforts to train branch staff and agents on the completeness of documents for efficient claims submissions. Such efforts go back to our aim to ensure that customer satisfaction is at every level of the value chain.

### Complaints Management

Tune Protect Group understands and values feedback by providing avenues for grievances and complaints. We view feedback as an opportunity to improve our products, services and processes so that we better serve our communities.

#### Tune Protect Travel - AirAsia

Customers can lodge their complaints by sending us an email, through our Business-to-Consumer website. Our customer experience team will acknowledge and attend to the complaints in a timely manner. The complaints will be escalated to the relevant units within Tune Protect for resolution within stipulated timelines, depending on the complexity of the complaints.

#### General Insurance Products

Tune Protect Malaysia has in place more than one channel for our customers to share their feedback with us. Customers may choose to write directly to the CEO, or the Ombudsman For Financial Services and/or Bank Negara Malaysia.

Customers may also choose to channel their complaints to our Customer Complaints Unit ("CCU"). The CCU will process the complaints received immediately by forwarding the complaints to the relevant departments. CCU will follow up on the complaints until the complaints are resolved. Resolution turnaround time varies, subject to the complexity of the case. In 2017, the average time taken to respond and resolve complaints was 9.1 days. We are striving to improve this average turnaround time.

Description	FY2016 Data	FY2017 Data
<b>Number of complaints received</b>		
• Tune Protect Travel - AirAsia	• 209	• 140
• General Insurance products	• 48	• 38
<b>Number of complaints resolved</b>		
• Tune Protect Travel - AirAsia	• 209	• 140
• General Insurance products	• 48	• 38

### #Key Focus Area 2 DIGITAL SOLUTIONS, ACCESSIBILITY AND INNOVATION

We play an instrumental role to create awareness on the importance of insurance and to provide access to coverage. We benefited from branding and marketing strategies but in order to sustain, we need to be relevant and constantly meet the needs of customers. Our digital agenda is in tandem with the global shift towards the digital economy. In terms of products, we seek to be among the pioneers to offer "on-demand", "usage-based" and "behavioral-based" insurance in the region.

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### Digitised Solutions

In March 2017 we integrated our systems into AirAsia's Asset Integrity Management System ("AIMS") which allows our team to directly access, check and verify customers' claims for Flight Delay Insurance and On-time Guarantee Insurance. After the AIMS integration, the number of reopened insurances cases has dropped from 45 to 17 cases. It has also shortened the average process time from 13.6 days to 1.2 days.

In our Digital Global Travel segment, we are looking into offering more differentiated products to meet customers' specific needs, such as protecting their baggage or mobile phones and gadgets.

Big data is an avenue for us to mine interesting and accurate predictors of risks. To harvest this information, we have invested in improving our digital capability and big data analytics to enhance underwriting models and platforms. Digitising claims processes allows easy online claims tracking and automates the renewal process while gravitating the Company towards paperless process. These functions apply to our travel products and Direct-to-Consumer products.

### Tune Protect Dental Easy

Tune Protect Dental Easy is the first Premium Dental Health Insurance scheme in collaboration with Universal MediDent Sdn Bhd. This innovative insurance scheme is made affordable and offers cashless transaction for treatment in selected panel clinics. It provides a comprehensive dental treatment coverage within Malaysia for the most common dental treatments. This is among many other insurance coverage packages innovated by Tune Protect Group to meet the various growing needs of our customer base.

### Motor Products

Effective July 2017, the liberalisation of Motor Tariff premiums allowed for insurers and takaful operators to determine premium pricing by taking into account broader risk factors which would drive fairer pricing, Tune Protect Group sees great advantage and opportunities in this move by Bank Negara Malaysia. We had launched Motor Easy through our online channel in 2017. We are now working with partners on improving telematics capabilities to ultimately be able to offer better and differentiated motor related products. However, as with any new regulatory change, we will closely monitor the market's response to these changes and address any opposing reactions accordingly.

### #Key Focus Area 3 ENVIRONMENTAL INTEGRITY

We are aware of the impact of our business activities on the environment and have put in more efforts to manage our direct environmental impact in 2017.

In 2017, we set out to track and monitor environmental impacts in our office premise. During internal stakeholder engagement sessions, paper consumption management, energy management and waste management were identified as key focus areas as we move towards the concept of Green Office working towards reducing consumption, be it material or energy.

### Product Accessibility

Tune Protect Group aims to be able to serve every layer of the community. Our ultimate aim is to ensure that the community receives access to insurance that is easy to understand and suits their needs.

Our Direct-to-Customer website is designed in easy to understand terms and conditions and constantly carries new offerings, making the process of purchasing coverage, simple and easy.

Currently we have 6 products on our Direct-to-Consumer website (Travel Easy, Motor Easy, PA Easy, Dental Easy, Guard Easy and Ride Easy). Our Business-to-Consumer website for Tune Protect Travel - AirAsia is available in 14 markets, where customers are allowed to purchase their travel insurance up to 1 hour before their scheduled flight time (except for Japan where 48 hours is required). The policy wording of Tune Protect Travel Easy and Tune Protect Travel - AirAsia have been simplified for better understanding by the public. This includes replacing technical terminologies with simpler wordings, incorporating necessary clauses and adopting consistent terminologies among many others.

Since our products are available in many different countries, we make sure that they are made available in multiple languages including English, Mandarin, Thai, Japanese and other languages to cater to our diverse and multicultural customer base.

### Paper Consumption Management

We recognise the impact of paper consumption on the environment and addressing this has encouraged us to move numerous products onto the digital platform rather than printing them on paper. We are even moving this habit to our value chain where policyholders are given the option to receive digital copies of their policies. Claims submissions for selected general insurance products can also be made entirely online.

Policies Issued (Digital e-commerce product)	2016	2017
Global travel	7.1 million	7.7 million
e-Commerce	More than 7,500	More than 14,000

Internally, we are undertaking an exercise to quantify the volume and cost of paper usage. Our initial steps are the identifications of hot spots of high usage areas. Corrective action to minimise usage is then put in place via various efforts including campaigns to change habits, re-engineering of processes as well as digitising manual processes. In 2017, we consumed 2,808,720 sheets of paper for printing. In terms of non-printing paper usage in the office, 3,348 and 3,726 reams of paper were consumed in 2016 and 2017 respectively.

### Process Improvements in Underwriting and Claims

Underwriting and claims are essential aspects of our business. We have established Underwriting Guidelines to manage and adequately assess the risks being underwritten. Our Claims Guidelines on the other hand detail operational controls surrounding the claims handling and settlement processes. Departmental manuals on the same subjects are made available to assist and guide employees in handling underwriting and claims processes. These documents are continuously updated.

### Product Innovation

Innovative products require continuous change in meeting the needs of time and market. We work towards offering innovative products to our customers and enhancing their experience with us continuously as part of our brand promise of Insurance Made Easy. This includes customisation of products using dynamic pricing tools and customer profile centric based products that meet a wider scope of customers' needs. Our products are also bundled together to meet our customers varying needs, especially the ones on the go. These products that provide complete insurance solutions and cover different lines of businesses and types of coverage, help us retain our customers. We are committed to providing more on-demand insurance to our customers and these products are in the planning stage. We will also consider the pricing and affordability of these products.

### Energy Management

We know small steps take us a long way and in that sense in our pursuit to reduce energy consumption, employees are encouraged to turn off lights and switches when not in use. Where possible, employees are encouraged to utilise video conferencing tools instead of travelling for meetings. We will raise awareness among employees to reduce energy consumption in the future.

We have quantified our electricity consumption to cover our headquarters and 20 branches.

Electricity Consumption	2016 (kWh)	2017 (kWh)
<b>Total</b>	700,574	695,737
<b>Tune Protect Group</b>		
Tune Protect Re	14,543	14,661
Tune Protect Malaysia - HQ	176,857	180,935
<b>Tune Protect Malaysia - Branches [20 branches]</b>	487,360	478,149

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## OUR WORKFORCE AND CULTURE

Operating in an environment of rapid change fuelled by technological advances and evolving customer expectations requires a focused strategy and the agility to respond to both risks and opportunities.

Continued investment in our people is thus a key priority for us. Our people are at the heart of our strategy and we want to keep them motivated to allow them to develop their full potential, as well as ensure that they are aware of policies that protect them. At the same time, our workforce must be future-ready if we are to accelerate the execution of our strategies and continue to deliver the best solutions for our customers. This has been a year of solidifying our sense of purpose and enhancing our people's capabilities.

#### #Key Focus Area 4 BUILDING A DIVERSE, INCLUSIVE WORKFORCE

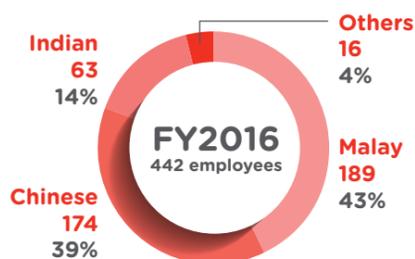
To foster a safe, respectful and impactful workplace, diversity and inclusivity must be a key aspect. This is because a diverse workforce and an inclusive environment is a business imperative. We need multi-perspectives to fuel our business performance, particularly in terms of enhancing customer experience.

Diversity efforts are supported by equal opportunity in all aspects of recruitment, career development, promotion, training and rewards. There is an increase in the percentage of women on Board from 25% in 2016 to 40% in 2017 and we have a balanced representation of women on the Senior management team at 44% in 2017.

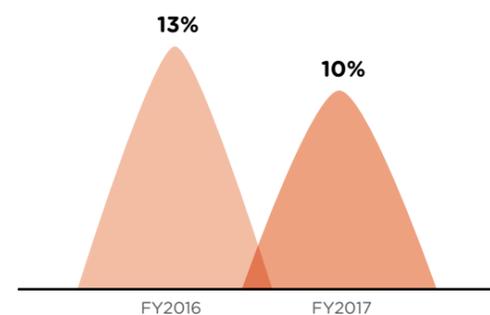
## Current Employees by Gender



## Current Employees by Ethnicity



## Turnover Rate



## Women in Management

**Board of Directors**  
**2 (40%)**

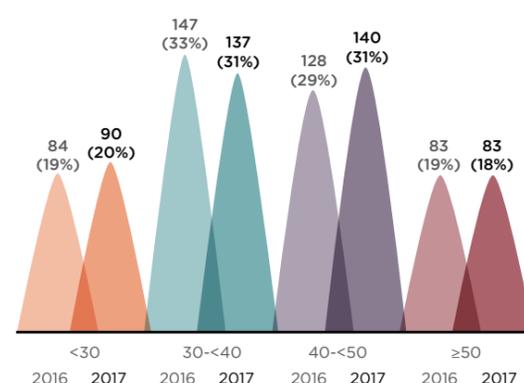
FY2016 : 1 (25%)

**Senior Management**  
**12 (44%)**

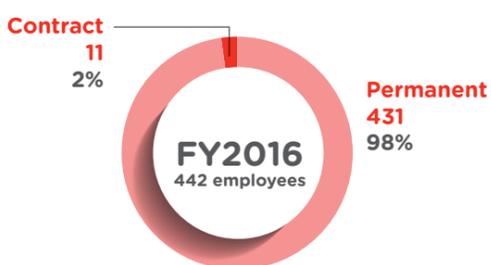
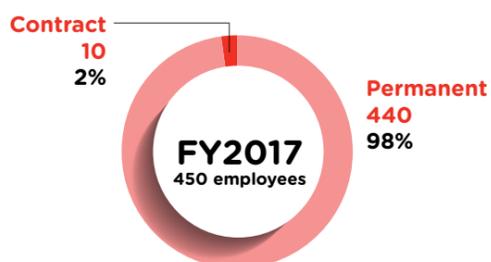
FY2016 : 14 (42%)

## Current Employees by Age Group

Total number and %



## Work Type

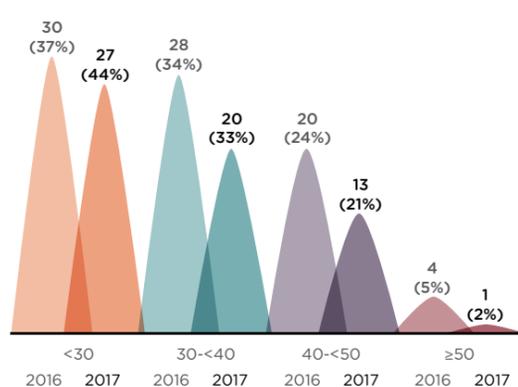


## New Hires by Gender



## New Hires by Age Group

Total number and %



## Number of Employees who took Parental Leave

**11** FY2016 : 17

**7** FY2016 : 5

## Return to Work Rate

**100%**  
FY2016 : 100%

**100%**  
FY2016 : 100%

## Retention Rate\*

**73%**  
FY2016 : 82%

**100%**  
FY2016 : 80%

\* Employees who returned to work after parental leave and were still employed 12 months after their return to work

## Recruitment

To continue recruiting the best and brightest, we need to do more than attract, retain and develop the best people - we must make employees feel valued. For this purpose, we have a strong performance and reward framework.

We have put in place the Group Recruitment and Selection Policy, which guides us in our process. Our selection process is placed in compliance with all applicable employment laws and contributes to effective risk management and are based on the underlying principles in our CoC. These include:

- Applicants will be selected based on merit.
- We support a diverse workforce. We believe that having a diverse workforce will give us a competitive edge to drive our future success.
- Our processes will be transparent, while balancing the need for confidentiality.

Performance conversations and plans are aligned to our strategy goals and combined with feedback - giving employees clarity on their roles. Acknowledging and celebrating achievements, as well as behaviours that reflect our values ensures that our people always feel respected and appreciated. We continue to reward employees with a focus on service and quality.

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### Employee Engagement

An engaged workplace is a thriving one. Employee engagement is a crucial aspect to organisational performance and one of the ways that we formally listen to our people is through our performance review. A key aspect to employee engagement in 2017 has been through culture building.

Culture is crucial to develop a sense of purpose to drive both individual capability and team spirit. Part of culture building also includes enhancing ethical decision-making to ensure values-based decision making. Ultimately, when there is clarity in terms of company culture, we are able to nurture individuals and teams that are resilient and will enable the business to navigate challenges.

To further promote a healthy and happy work environment where employees feel safe and secure, all grievances and incidences that are reported are subject to due process.

Grievance channels:

- **Workplace** – reports to Group People & Culture
- **Business partners** – reports to Group Compliance
- **Shareholders** – reports to Group Compliance
- Our Whistleblowing Policy enables grievances to be channelled anonymously.

### Culture Workshop

The Culture Workshop is introduced through our induction programme to bring new hires through Company structure, business and values. We aimed to have almost 80% of new hires in 2017 undertake the Culture Workshop and managed to achieve this target.

We also have personalised 1 to 1 onboarding for senior roles, and introduced a Buddy programme for new joiners for a duration of 6 months.

### Change Energy Givers

Change Energy Givers (“CEG”) is part of our culture change movement in 2017. CEG is a group of employees empowered to propose and execute engagement activities that



Employees in Tune Protect Malaysia were dressed in full school uniforms during a 'Back-to-School' event

promote the culture of the Company. The rationale is that culture is best brought to life by employees and for employees. While there is clear direction in terms of the scope of the workplace culture, we do not want it to be reduced to a mere document or brochure. Some of the activities undertaken in the past year include “Back-to-School” and events during festive celebrations such as Deepavali and Christmas party.

Refer to Our Stakeholders on page 34 for a list of more formal employee engagement channels.

### #Key Focus Area 5 LEARNING AND DEVELOPMENT

We provide our employees with many learning opportunities through project-based assignments, specific trainings, and the opportunity for cross-organisational moves. Employees are expected to shape their progress and development as we support them through various structured process and tools.

Supporting our employees to reach their potential and aspirations will help us to constantly innovate for the better. For this purpose, learning and development must be targeted and effective. We have in place the Performance Management Process (“PMP”). Through the PMP, we are able to ensure that the Company’s objectives are correctly prioritised while resources are allocated effectively. The PMP also ensures employees are

aware of their goals and targets and how they continue to enhance the overall success of the Company. This way, employees can continue to stay focused and motivated knowing exactly what is expected from them. The PMP provides a sound system and process that helps managers address non-performances effectively while reinforcing behaviours and competencies.

### Total spend on employee training and learning RM706,598

FY2016 : RM744,369

### Percentage of employees receiving performance review

# 100%

FY2016 : 100%

As part of our digitisation journey, we continuously empower our agents to shift their service orientation from offline one-to-one type of service to a more dynamic online-based insurance offering. One of our efforts is the participation in the Agents’ Professionalism and Excellence (“APEX”) Roadmap introduced by PIAM. The objective of the programme is to upgrade professionalism and promote excellence in knowledge and service. The programme can be used by both new and existing agents.

In the same manner, we are also embarking on leadership development programmes to ensure that we attain the right ‘tone at the top’ with a focus on aligning our Senior Management with

## At heart, we want to empower customers by ensuring easy, accessible, transparent products and services.

the Company’s vision and values. In 2017, Senior Management benefitted from a workshop on self-awareness and effective communication styles. They were provided with insights on our digital vision, values and people management.

### #Key Focus Area 6 HEALTH AND WELL-BEING

A healthy and happy working environment most often produces a vibrant and thriving workforce, an aspect that is also reflected in our Core Values. To ensure our employees enjoy competitive benefits that reflect the current market and their expectations, in 2016, we revised the current employee benefits into one that is simpler and more flexible.

All our employees enjoy insurance coverage, maternity leave and paternity leave as outlined in our Employee Handbook. Flexible working hours are offered to certain employees depending on the situation. In addition to annual leave, our employees also enjoy special days or occasions such as birthday and marriage leaves as well.

### #Key Focus Area 6 WORKPLACE DIGITISATION

Aligning our workforce with our digital ambition, the Company has put in place various structures, systems and processes to digitise the workplace. Our e-Leave System was launched in 2015 and is accessible to Tune Protect Group and Tune Protect Re employees. Through the system, employees can apply and cancel or replace their leaves, along with access to list of Human Resources related documents. We plan to extend e-services to the rest of the HR services in future.

### #Key Focus Area 6 COMMUNITY ENGAGEMENT

Our community initiatives support national and regional development goals. We are focused on three areas: road safety, personal well-being and education. We work with different project partners to implement our programmes and activities. Our objective is to create a positive change in the community, especially through our long-term programmes.

#### Road Safety

In 2017, we partnered with the Malaysian Global Innovation & Creativity Centre (“MaGIC”), Malaysian Digital Economy Corporation (“MDEC”) and Malaysian Road Safety Department (“JKJR”) to run the Safety on Streets (“SoS”) Challenge. The objectives of the campaign were to raise awareness on road safety in Malaysia, engage with youth and tap their creativity for innovative solutions and provide training and mentorship.

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Participants and winners of Safety on Streets' Challenge

As part of this programme, we conducted the INSPIRE Workshop that was attended by some 70 university students who were keen on taking part in the SOS Challenge to learn about lean start-up culture and methodology. After the Workshop, we continued to receive entries online and nine teams were shortlisted to attend the IDEATE Bootcamp held at MaGIC Cyberjaya. At the bootcamp students were challenged to come up with their own viable ideas. Employees from Tune Protect as well as industry mentors from MaGIC were on hand to provide feedback and guide participants to the final day of Pitching, where the students had the opportunity to pitch to a panel of judges comprising MaGIC, MDEC, JKJR, Tune Protect Group and Tune Labs.

Team Green Light from HELP University emerged as the SOS Challenge Champion with their proposed application called "Walk Tune". This simple yet effective navigation service was aimed at guiding pedestrians from point A to point B through the safest routes on foot. They won the grand prize of RM5,000 cash. In addition, each team member received a 1-year Tune Protect PA Easy personal accident insurance and a 3-month internship with Tune Protect.

### Personal Well-being

#### Heart Health Month and Other Campaigns

We worked towards creating awareness for our employees on the importance of having a healthy

heart. We dedicated the month of September as our Tune Protect Heart Health Month. Our first move was to promote healthy eating and towards this end, we worked with a food delivery system, dahmakan in Klang Valley that prepares and distributes healthy food.

The Company also organised Blood Donation Drive in September 2017 held at the lobby of Wisma Tune. 64 eligible donors took part in this drive. Our final activity was the Healthy Heart Talk in the same month. During the session, participants were given essential tips on how to "exercise" and care for their heart and a free health screening at the talk. We aim to run Tune Protect Heart Health Month annually.

### GoodKids

At Tune Protect Group, we believe that every child must be given the opportunity to excel, especially those who are labelled as troubled youth. We support GoodKids, an organisation that helps at-risk youths build self-confidence and rediscover themselves through performing art. We sponsored 100 tickets for participants' parents, orang Asli community and children from shelter home to join the GoodKids League, an arts performance featuring recycled percussion, stomping and acting. We took a step further by providing insurance coverage for the youth who took part in the performance.

### COBRA 10s Mini Rugby Tournaments

Tune Protect Group sponsored two COBRA 10s Mini Rugby Tournaments in 2017. These tournaments were arranged exclusively for Malaysian primary schools. Although rugby has a history that goes back to the 1800's, it is relatively



Member of Yayasan Chow Kit's Board of Governors Yang Amat Mulia Tunku Dato' Seri Zain Al-'Abidin Ibni Tuanku Muhriz witnessed Tune Protect Group's CEO Razman Hafidz Abu Zarim handing the mock cheque to Yayasan Chow Kit's COO Ananti Rajasingam at Pusat Aktiviti Kanak-Kanak

a new sport in Malaysian primary schools. This fact propelled Tune Protect Group to support the introduction and development of rugby to benefit budding young players and Malaysian schools. Collaborating with COBRA, Malaysia's oldest rugby club, provided Tune Protect with the opportunity to help establish the platform to learn and compete the game properly and safely. Tune Protect sponsored a total of RM50,000.

### Sponsor A Kid Back To School

The Tune Protect Group 'Sponsor A Kid Back To School' project had the objective of providing 'at-risk' children from the Chow Kit area with a good start to the 2018 schooling year. Collaborating with Yayasan Chow Kit ("YCK") and Outpost Uniform, Tune Protect Group sponsored a total of 114 complete sets of school uniforms costing RM8,700 for the primary school children at YCK's Pusat Aktiviti Kanak-

Kanak ("PAKK"). In addition, Tune Protect Group also sponsored urgent major roof leakage repairs costing RM18,500 to facilitate teaching and learning that was hampered by the miserable wet conditions.

### Tune Protect's Emergency Flood Relief & Donation Drive

Tune Protect provided RM50,000 for emergency flood relief for communities severely affected by the floods in North-West states of Malaysia. Collaborating with Malaysia International Search & Rescue ("MISAR"), dry food, bottled water, pillows, blankets, buckets, toiletries, diapers and sanitary napkins were swiftly distributed. We also helped our staff affected by the floods back on their feet with a Donation Drive.

### Education

We see employee volunteerism as a key strategy for our employees to engage and understand the community. In the process, our employees benefit from the interactions and the community become a beneficiary of our projects. The results are immediate and impactful. We aim to partner with a non-governmental organisation to develop a structured employee volunteerism programme.

Tune Protect Malaysia's CEO Khoo Ai Lin presented medals to the winning teams of the 2017 COBRA 10s Mini Rugby Tournaments

