Allianz

ALLIANZ GROUP

# Courage to move forward

Sustainability Report 2023

# About this report

## Our reporting approach

This report is designed to meet the information needs of our stakeholders, relevant regulations and sustainability rating and benchmarking providers. Focusing on the concepts and Key Performance Indicators (KPIs) that reflect our material sustainability matters, it has been prepared in accordance with the latest Global Reporting Initiative (GRI) Standards.

In line with our sustainability integration approach, responsibility for sustainability reporting lies with Group Accounting and Reporting, which works closely with our Global Sustainability Team to produce this report.

**For more details, please see the updated GRI content index.**

The topics "climate change" (ESRS E1) and "own workforce." (ESRS S1) are strategic sustainability focus areas at the Allianz Group, supported by the 2021 GRI Materiality Assessment and confirmed by the 2023 Corporate Sustainability Reporting Directive (CSRD) Materiality Assessment. For all material matters, disclosures in accordance with the CSRD will be fully covered as of financial year 2024 reporting.

## Communicating our performance

Information about targets and performance is essential for enhancing the quality, reliability and comparability of sustainability reporting. To improve our sustainability disclosures for internal decision-making and for our external stakeholders, we are committed to disclosing meaningful data. As an investor, we also rely on this type of information to integrate sustainability into our core business activities.

As part of our commitment, following the description of our sustainability approach and strategies, we structure our annual Sustainability Report in two main sections, both of which are equally important for communicating our approach to material sustainability matters:

## Measuring and managing our performance

Covering material topics and public targets and commitments that are integrated across Allianz and where we have established quantitative targets, KPIs and performance data.

## Strengthening our foundation

Covering material and other topics relating to ratings performance and policies that are evolving towards fuller integration across Allianz, and where our targets, actions, KPIs and performance measurement are continuing to develop.

**For further information about our approach to reporting, please see section 06.2 How we report: transparent reporting, ratings, and performance.**

### We disclose our performance in several ways:

Through tables and charts throughout the report.

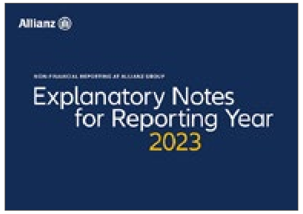
- **Data tables at the beginning or within each major chapter, which are referenced using a circle icon. We use the same numbering as last year to facilitate comparability. Conversely, this means that the numbering of the tables is not always ascending (example – table ESG–1).**
- **References to external links are tagged using this icon.**
- **References to sections within the report are tagged using this icon (forward arrow).**

## Our reporting ecosystem

We pay special attention to transparency and making content easy to find. This report is part of a broader reporting ecosystem that covers sustainability topics relevant to Allianz Group.

**This year's publications include:**


**Allianz Group Non-financial Statement** – Based on the European Non-Financial Reporting Directive and non-binding guidelines for non-financial reporting on pages 54–108.




**Explanatory Notes** – Detailed collection, including definition of our sustainable investment strategy, carbon footprint from our proprietary investments and own operations.


**People Fact Book** – Key Human Resources facts and figures, achievements in 2023 and an outlook for 2024.


Sustainability Reporting – short version On a joint path.


**Analyst Presentation** – Presentation of Group financial results, including non-financial KPIs to analysts.


**Non-financial Supplement** – Complete overview of sustainability-related KPIs. Published in Excel and PDF format.

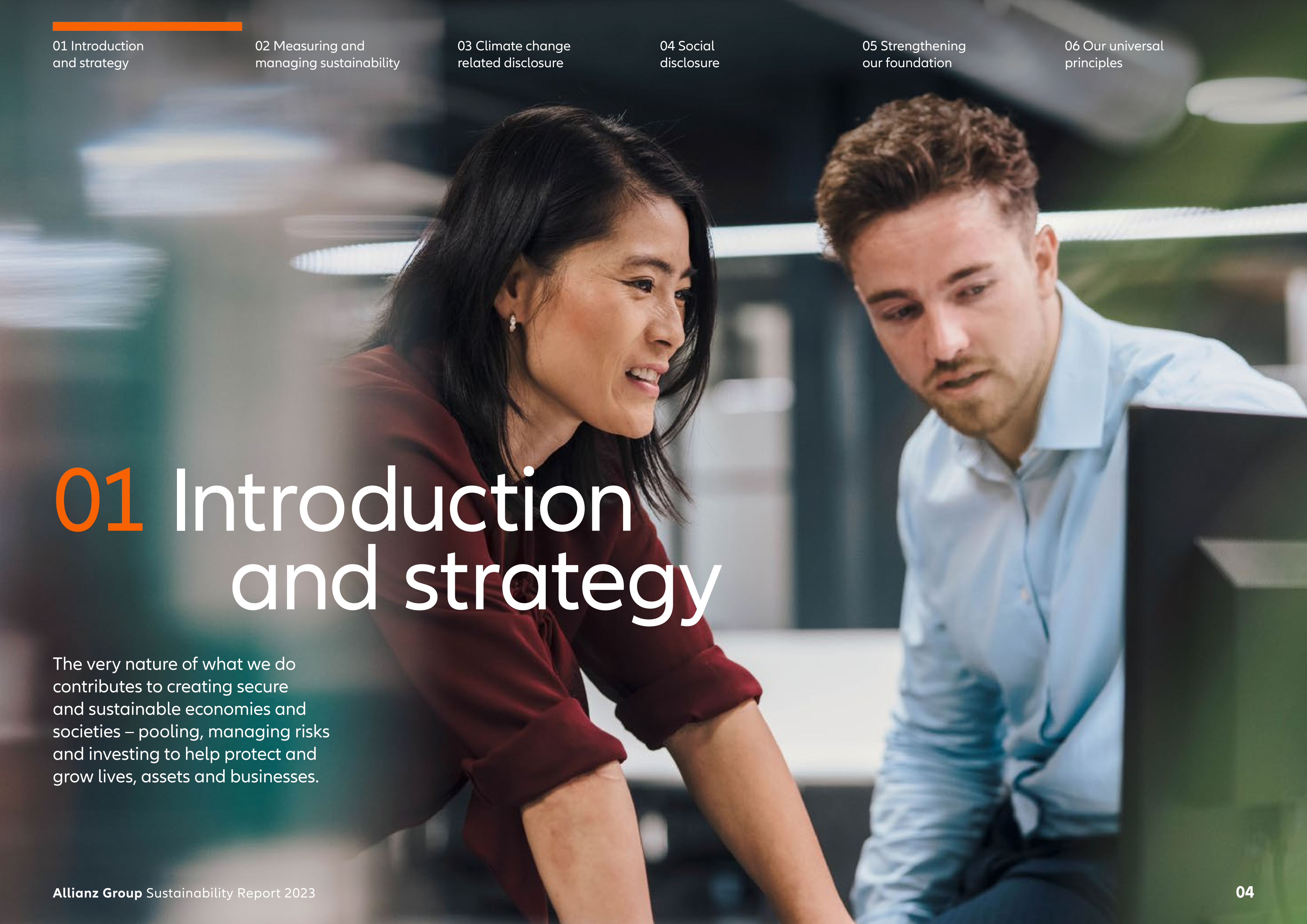

**Allianz Group Tax Strategy** – Setting our key strategic tax objectives, providing clarity on our tax approach and the roles and responsibilities.


You can find our further sustainability reports and publications in the download center on our website.

# Contents



Due to rounding, numbers presented may not add up precisely to the totals presented and percentages may not precisely reflect the absolute figures.



# 01 Introduction and strategy

The very nature of what we do contributes to creating secure and sustainable economies and societies – pooling, managing risks and investing to help protect and grow lives, assets and businesses.

## 01.1 Message from the CEO

# Building confidence in Allianz

**Dear Reader,**

**As Allianz's business model is built on long-term time horizons, sustainability is at the core of our enterprise and rooted in our purpose. This is the 23rd edition of the Allianz Group's annual Sustainability Report, but our sustainability story started much earlier. Allianz was founded 134 years ago on the premise of sustainability – to manage risk for customers, employees and society, ultimately reinforcing their resilience.**

That is why, as a global insurer, investor and employer, Allianz invests to positively influence not only the present, but also the future living conditions in the communities in which we operate. For example, we promote employability through our educational programs, with a special focus on underprivileged populations, to help them access decent work and thrive in today's rapidly-changing environment. These efforts, along with our aspiration to protect what is most valuable to our customers, help stabilize society by reducing inequality and supporting financial security.

Stabilizing society, however, also requires that we focus on addressing climate change. Its impact on individuals and businesses is profound: climate change threatens people's incomes, homes and health, just as it puts companies' physical assets and business continuity at risk. This also holds true for Allianz. It is therefore paramount that we address climate change in everything we do. Allianz has had a Climate Change Strategy in place since 2005. In 2021, we set our first intermediate targets for 2025, covering our own operations and parts of our proprietary investment portfolio. With the publication of our first comprehensive net-zero transition plan in 2023, we further detailed our commitment to achieve net-zero emissions by 2050, covering proprietary investments and, for the first time, our P&C insurance business. Delivering a net-zero transition plan, based on science and in line with the Paris Agreement to limit global warming to 1.5°C, holds us accountable and serves as a blueprint to help other companies on their decarbonization journeys.

**I invite you to read the full published plan here.**

Today's challenges, however, are too big for a single organization to solve by itself. At Allianz, we believe in the power of partnerships to multiply our sustainability impact. To build a united, decarbonized and resilient society, we need to overcome polarization and conflict. Our role in helping to form the U.N.-convened Net-Zero Asset Owner Alliance is an example of bridging the gap between policy concept and private sector implementation. Members represent asset owners from across the world, each with their own sustainability mandates, but united towards a common objective of addressing climate change.

The work detailed in the following pages strengthens my confidence in the ability of determined individuals to collaborate and find solutions to even the world's most challenging problems. Please enjoy reading this Allianz Sustainability Report. We are in this together. Today, more than ever before.

Sincerely yours,

Oliver Bäte

**Oliver Bäte**

**Chairman of the Board of Management**

Allianz SE

# 01.2 Company description and strategy

**Allianz Group is one of the world's leading insurers and asset managers with around 125 million private and corporate customers[1] in almost 70 countries.**

Our customers benefit from a broad range of personal and corporate insurance services. This includes property, life and health insurance, assistance services, credit insurance and global business insurance.

As one of the world's largest investors, Allianz manages around € 737 billion on behalf of its insurance customers. Our asset managers – PIMCO and Allianz Global Investors – manage € 1.7 trillion of third-party assets.

In 2023, almost 155 thousand employees achieved total revenues of € 161.7 billion[2] and an operating profit of € 14.7[3] billion for the Group.

**Our strategic objectives:**

- **Growth:** We consistently seek to capture growth opportunities for our business and to create growth opportunities for our employees. This is how we ensure our leading position in the market. The breadth of products and services means that we can offer comprehensive solutions that meet our customers' needs and make us a trusted partner.
- **Margin expansion:** We need to be profitable and efficient. To achieve this, we are continuously improving our productivity. This includes our distribution channels, while also seeking to grow within high-margin business segments. Additionally, we will continue our transformation to become more simple, digital and scalable.
- **Capital efficiency:** We consistently seek ways to use our capital in the most effective way and take action when it falls below our Return on Equity (RoE) threshold.

Thanks to the systematic integration of ecological and social criteria within our business processes and investment decisions, we are among the insurance industry leaders in the Dow Jones Sustainability Index.

**For further details about the Group's Corporate Strategy, please see the Allianz Group Annual Report 2023, section "Corporate responsibility governance and strategy" and the materials published as part of our Inside Allianz Series.**

## Sustainability approach

Building upon our business strategy, we have set sustainability priorities that reflect our values and the areas where we think we can have an impact across Environment, Social, and Governance (E, S and G):

**Environment** – our priority is Climate action/SDG 13. Our business, spanning insurance, investment and asset management, is focused on understanding and shaping the climate transformation.

**Social** – our priority is Decent Work and Economic Growth/SDG 8, including education upskilling and employability.

We want to be a partner to our customers, governments, regulators and societies. Our goal is to support the next generations and people with disabilities, so that they can access high-quality employment. Investing in learning and development for our diverse workforce is key to making all of this happen in the changing world of work.

**Governance** – our priority is to create trust through strong leadership. We aspire to be a trusted partner for protecting and growing our stakeholders' most valuable assets. Against this background, strong leadership is a key contributor to a company's culture and governance.

We prioritize three UN Sustainable Development Goals (SDGs) to guide the integration of sustainability across Allianz and help us to contribute to societal, environmental, and economic change. In addition to SDG 13, Climate action, we have chosen SDG 8, Decent Work and Economic Growth, as an orientation for our work. We believe that delivering the sustainability agenda is only possible through stakeholders working together. This is why we also prioritize SDG 17, Partnership for the goals.

1 Including non-consolidated entities with Allianz customers and excl. emerging consumers.
2 Based on Total business volume.
3 For details about Allianz Operating Profit definition, please refer to the Group Annual Report – Notes to the consolidated financial statements, note 5_Segment reporting.

# 01.3 Our climate approach

## Climate change: The road to net-zero

**We want to help create sustainable societies and economies by working towards a social minimum for all without harming the planet. Climate change is among the biggest challenges we face today, not only for our business, but for the entire society.[1]**

Therefore, we focus our environmental efforts on climate change. One of our main milestones in 2023 was the publication of our first Net-Zero Transition Plan with concrete targets for our own operations, proprietary investments and our P&C underwriting business.

According to the Intergovernmental Panel on Climate Change (IPCC), to restrict warming to 1.5°C, emissions need to be almost halved every decade and reach net-zero emissions by the middle of the century, to maintain a reasonable chance to achieve this goal.

Climate change poses many risks and raises fundamental questions about how we operate. While we support efforts to adapt to the changing climate, we believe we are well placed to lead, support and facilitate new ways to mitigate and ultimately help reduce the impact of climate change.

As with any large-scale transformation, the way towards a net-zero world involves not only risks but also opportunities. For example, these can take the form of investing in and insuring of new technologies.

### Our Net-Zero Transition Plan

Since 2005, we have had a strategy to address climate change. It guides our actions in response to impacts, risks and opportunities spanning our operations and our insurance and investment businesses. This strategy supports the objectives of SDG 13 – Climate action. Since 2018, our Climate Change Strategy commits us to contributing to efforts that limit global warming to 1.5°C by the end of the century. To anticipate and enable this transition, we committed to net-zero greenhouse gases (GHG) for our proprietary investment and P&C underwriting portfolios.

We have an impact on climate change through the emissions we generate directly, from heating our offices to air travel for example. We also have an indirect impact, such as through the companies we insure and invest in.

The increasing pace and breadth of our actions saw the next milestone in 2023, with the publication of our Group's Inaugural Net-Zero Transition Plan. It sets our targets and commitments for 2030 including:

- Increase Climate Solutions investments by at least € 20 billion from current level (€ 37 billion as of 31 December 2023) until 2029, subject to market environment and constraints.[2]
- Showing progress in P&C insurance portfolios: Targets to reduce $CO_2$ emissions by 30 % absolute in the retail motor segment and 45 % with regards to the GHG intensity in the commercial insurance segment[3] by 2030.
- Increasing our ambition in proprietary investment portfolios: Having overachieved our 2025 GHG emission target we now aim to reduce emissions by 50 % by 2030 compared to 2019 for our corporate portfolio.
- Encouraging the net-zero transition: Reinforcing our goal to drive decarbonization with our customers, partners and policymakers through advocacy and partnerships.

## 1.3.1 Actions and progress across the value chain

At Allianz we have been focused on climate actions for several years.[4] We have, for example, been strategically investing in and insuring low-carbon assets for over a decade and our Sustainable Solutions framework provides products and services that contribute to environmental and social objectives. Our initial focus was on decarbonizing proprietary investments and our own operations and we are now also turning our attention to our P&C insurance. This chapter summarizes our policies and progress against the Net-Zero Transition Plan across three different areas of our business.

1 Intergovernmental Panel on Climate Change – Synthesis Report.
2 Climate Solutions are defined as economic activities contributing to climate change mitigation (including transition enabling) and adaptation, in alignment with existing climate-related sustainability taxonomies: E.U. taxonomy on sustainable finance climate category as well as SFDR Article 9 and beyond.
3 Target covers P&C corporate portfolio with reported emissions managed by AGCS. Base year for both is 2022.
4 We have started working on harmonizing terminology and underlying eligible technologies related to the targets for Climate Solutions (currently used for proprietary investments) and Transition Solutions (currently used for P&C insurance). We expect to conclude this work and report along it in FY 2024.

# 01.3 Our climate approach

## 1.3.2 Decarbonizing P&C insurance

For our P&C insurance portfolio, we have committed to reducing GHG emissions to net-zero by 2050.

Our inaugural 2030 targets focus on two core portfolios within our book:

1. Motor Retail insurance – insurance for the protection of cars.
2. P&C Commercial insurance – insurance coverage that is designed to protect businesses from financial loss due to property damage, liability claims, and other risks.

### Motor retail insurance

For motor retail insurance, our target is to reduce absolute carbon emissions[1] within our portfolio by 30 % by 2030, compared to the 2022 baseline which aligns with the goal of limiting global warming to 1.5°C.

We are focusing our efforts on the most relevant markets, where adequate and reliable data is also available: The emission reduction target applies to nine key European markets: Austria, Belgium, France, Italy, Germany, Netherlands, Spain, Switzerland and the UK. These targets cover roughly half of the premium and roughly 40 % of insurance-associated emissions of our overall motor retail segment.

The biggest levers for achieving the targets will be increasing our share of electric vehicles as well as incentivizing customers to drive less. Therefore, we have set two additional sub-targets:

- By 2030, we want to engage with 20 million current and potential customers to support their transition to electric mobility.
- We are committing to offering comprehensive insurance products for battery electric vehicles and the related ecosystem, to support our customers in their transition to this new technology. Therefore, the share of battery electric vehicles (based on the number of passenger vehicles) in our motor portfolio will exceed the share of battery electric vehicles in the respective markets.

Another key lever will be providing incentives for reducing emissions via mileage-based product offerings, as part of our existing sustainable solutions offering.

For more details see chapter 03.

### P&C commercial insurance

For P&C commercial insurance, we have set a target to decrease GHG emission intensity by 45 % by 2030 generated by some of the large companies that we insure as part of the AGCS corporate portfolio, compared to the 2022 baseline.

The targets are set for those companies for which greenhouse gas emissions data is available. These targets represent roughly 13 % of the Commercial segment premiums for which emission accounting methodologies are currently available.[2]

We are committed to driving decarbonization across all industry sectors by promoting transparency and supporting customers on their net-zero journey. Our actions include:

Engaging clients who are not reporting GHG emissions, particularly the top 100 by premium size and industry sector emission intensity, to develop emissions reporting and disclosure approaches.

- Engaging with aviation and marine sector customers to exchange best practice on decarbonization strategy and to close the GHG reporting gap.
- Dedicated engagement of high-emitting companies to help them develop science-based net-zero strategies with the support of our experts.

What's more, as part of our net-zero transition plan, in 2023 we set growth targets for low-carbon technologies. We are aiming for 150 % profitable business growth of transition solutions in our commercial insurance business by 2030, with respect to commercial property damage and business interruption coverages, against a 2022 baseline.

1 Absolute insurance-associated emissions are the share of an insured's absolute emissions that is associated with the insurer's underwriting portfolio and are expressed in $tCO_2$ with respect to our Motor Retail target.
2 In line with Lines of Business currently covered by the PCAF Standard. Scope coverage is unchanged compared to the Inaugural Net-Zero Transition Plan. Share of premiums related to GHG reduction target follows IFRS definition of gross written premiums and deviates from PCAF, which excludes external acquisition costs; following PCAF definition of insurance premiums, scope coverage represents roughly 16 % of the eligible premiums in the commercial segment. More details can be found in the explanatory notes.

# 01.3 Our climate approach

## 1.3.3 Contribute to a decarbonizing economy with our proprietary investments

Our first 2030 target for our proprietary investments is a 50 % reduction in absolute GHG emissions by 2030 for listed corporates (corporate bonds and public equity) against a 2019 baseline. Our second target is a 50 % emission intensity reduction by 2030 for all listed and unlisted corporate exposure.

Our investment targets, simply said, follow the rule of thumb that we need to halve emissions every 10 years and are in line with best available science. They are quite detailed; they depend on the asset class we invest in and cover most investments into corporations and real estate.

We use the target-setting framework of the UN-convened Net-Zero Asset Owner Alliance (NZAOA) Target Setting Protocol to embed best practice in setting climate targets for our proprietary investment portfolios. Our targets are set with two objectives: maximize our potential contribution towards a reduction of emissions and increase the resilience of our investment portfolio against negative effects stemming from climate change.

As we overachieved our first 2025 emission reduction decarbonization targets for corporate bonds and listed equities in 2023, we have updated our targets and ambitions for 2030 considering potential developments in key industries and learnings from previous years.

Our actions for reaching our targets in investments happen in the following three areas:

Firstly, we are re-allocating our portfolio with measures including:

- Allocating more capital towards climate leaders and over time reducing our exposure to laggards.
- Targets and frameworks for our asset managers to drive changes across asset classes, investees and sectors. This includes breaking global targets down to individual asset manager mandates and monitoring constantly decarbonization performance.
- Exclusion of certain companies based on global guidelines for fossil fuels.
- Financing the transition of companies which share our 1.5°C ambition in the hard to abate cement and steel sectors.

Secondly, we are decarbonizing our portfolio by engaging with investee companies through measures including:

Targeting GHG emissions reductions in investee companies and real estate investments, with specific approaches based on the ownership structure. For example, for fully-owned real estate assets, we directly influence emissions through deep refurbishments and we impact emissions for minority ownership assets through engagement or voting in shareholder meetings.

- Engaging with top emitters in our portfolio and participating in several multilateral engagement initiatives.
- Systematically evaluating all our asset managers on climate topics and engaging with laggards.
- Participating in sector engagements, especially in the oil and gas and steel sectors, to support our sector targets for 2030.

Thirdly we want to increase Climate Solutions investments by at least € 20 billion from current level (€ 37 billion as of 31 December 2023) until 2029, subject to market environment and constraints.[1]

These investments may take many forms including infrastructure projects such as renewables; sustainable green buildings; investments into sustainable forestry and hydrogen.

We strive to invest in companies with a high share of E.U. taxonomy aligned revenues via our listed corporate portfolio.

1 Climate Solutions are defined as economic activities contributing to climate change mitigation (including transition enabling) and adaptation, in alignment with existing climate-related sustainability taxonomies: E.U. taxonomy on sustainable finance climate category as well as SFDR Article 9 and beyond.

# 01.3 Our climate approach

## 1.3.4 Decarbonizing our own operations

For our own operations, we have set an intermediate target[1] to reduce the GHG emissions by 70 % as of year-end 2030 (65 % as of year-end 2029) against a 2019 baseline.

Our main levers for reducing GHG emission for our own operations are the following:

- Our aim is to source 100 % renewable electricity for our worldwide office buildings and data centers through our participation in the RE100 initiative, a global initiative bringing together the world's most influential businesses committed to 100 % renewable electricity.
- We are aiming to reduce our GHG emissions from business travel by 40 % by 2025 against a 2019 baseline. We are regularly reviewing our travel regulations to encompass climate-related topics and we promote digital meetings. In addition, we are aiming to electrify our corporate fleet by 2030 as part of EV100, a global initiative accelerating the transition to electric vehicles (EVs).
- We aim to reduce the energy consumption per employee in office buildings by 20 % against a 2019 baseline. We are targeting energy efficiency and energy reduction in our office buildings by applying environmental management systems and energy efficiency processes based on ISO[2] 14001 and 50001 standards. In addition, we have developed a Buildings Standards Catalogue to establish a harmonized approach to sustainability in buildings and promote best-practices across our operating entities.
- We are asking all global framework vendors to publicly commit to net-zero GHG emissions in line with a 1.5°C trajectory by 2025. Furthermore, we have updated our procurement policy and processes and included sustainability criteria in RFIs (Request for Information)/RFPs (Request for Proposal) and tenders for our IT partners.

1 As the specific definition of net-zero is still evolving for financial institutions and we anticipate Corporate Sustainability Reporting Directive (CSRD) requirements, we are no longer referring to the 2030 target for our own Operations as a net-zero commitment. We will instead refer to those as 2030 intermediate targets. The rest of the decarbonization and removal targets for own operations remain as communicated in the Inaugural Net-Zero Transition. For a detailed view on our GHG emissions and corresponding targets, please refer to the chapter "Own operations" in this report.

2 ISO = International Organization for Standardization.

# 01.4 Our social approach

## Our ambition

**Our social impact stems both from the nature of our business, and the effect that our global organization has on the wellbeing of the communities it is active in – from global society to the local communities where we live and work.**

Through our core business of providing risk protection and investing funds for the long-term, we enable lives, businesses and society to become more resilient.

We live our social responsibility in our workforce, for example, by making diversity a principle of our shared work. We give a special focus to supporting our workforce with training and skills development opportunities, so that they can adapt to changing market demands. We have an equal pay policy and support people with disabilities.

We also provide financial and non-financial support to underserved groups in our society. This involves offering affordable insurance solutions through our emerging consumer segment, catering to lower-income customers in Africa, Asia, and Latin America, where much of the world's population resides.

Another part of our overall social approach is our Corporate Citizenship strategy. It focuses on the physical health of young people with and without disabilities, complements their education, and supports their upskilling. All of this, in turns, enhances their employability.

> **For more details see chapter 04.4 Corporate Citizenship.**

As described in section 01.5, our sustainability approach is reflected in three U.N. Sustainable Development Goals (SDGs), which we have prioritized: SDG 8, Decent Work and Economic Growth in our social approach, with a particular focus on education and employability, SDG 13, Climate Action and SDG 17, Partnerships. Our work in supporting the SDGs enhances our positive impact.

With our total tax contribution, including taxes borne and collected, we make a relevant contribution to the economic and social development of the countries we operate in.

> **For more details see chapter 04.5 Tax transparency.**

**€ 14.7 bn**

**paid in wages by Allianz in 2023**

(2022: € 14.0 bn)

**€ 20.0 bn**

**Total tax contribution in 2023**

(2022: € 19.5 bn)

**50.0**

**Average training hours per employee contributed by Allianz in 2023**

(2022: 45.2)

## Our social strategy

Allianz aims to have a positive social impact through its social strategy, particularly on customers, employees and society:

1. **Customers:** Value delivered in insurance, investment and asset management.
2. **Employees:** Workplace and culture.
3. **Corporate Citizenship:** Supporting social resilience for the people who live and work in the communities in which we operate. We focus in particular on the support of young people with disabilities.

### 1. Customers

Our success is measured by the trust of all of our stakeholders, but particularly the trust of our customers. Customer satisfaction and loyalty lead to profitable growth and are key elements of our strategy.

Our customers trust that we competently deliver our expertise. This helps to protect society by providing recovery from unexpected shocks. It also provides financial security that fuels growth.

Across our value chain, we aim to enable social resilience and positive social impact through: our sustainable insurance and asset management products and solutions; investment in sustainable projects, and transformative public-private partnerships.

For example, we support our insurance customers to adapt to climate risks and minimize damage. And we encourage the net-zero transition by insuring and investing in low-carbon technologies. This is particularly important as we see more frequent and damaging natural catastrophes due to climate change.

# 01.4 Our social approach

We reach around 125 million customers[1] globally. Customer experience is extremely important, and we measure customer loyalty, using the globally-recognized Net Promoter Score (NPS). Our digital NPS (dNPS) score of 59 % Loyalty Leader segments indicates that our customers trust us and are willing to recommend Allianz to others.

**For more information on our approach to customer satisfaction see section 04.3.**

**For more information about our approach to investors, please see our Analyst Presentation 2023, as well as our Group Annual Report 2023.**

## 2. Civil society, NGOs and investees

We also bring commercial expertise and global scale to the table for civil society, Non-Governmental Organizations (NGOs) and investees. We listen to their feedback, needs and recommendations and collaborate on creating social solutions and resilience.

**For more information about our engagement with stakeholders see section 06.3.**

## 3. Employees

Only by working well together can we achieve good results, inside and outside of Allianz. Prioritizing employees in our sustainability efforts begins with creating a thriving and inclusive culture of continuous learning and development where employees are competent, confident and excited to grow and work.

Our Inclusive Meritocracy Index of 81 % for 2023 shows a high employee approval rating of Allianz's culture. The rating affirms our efforts to create a work environment where people and performance matter, where there is mutual trust and empowered collaboration, where diversity is appreciated and where customer satisfaction is a high priority.

To successfully deliver, we must attract, develop and retain qualified talent. Our talent strategy enables a virtuous cycle of social resilience and economic prosperity in the markets in which we live and operate.

To develop a thriving employee culture at Allianz, we prioritize the following areas[2]:

### Education

Lifelong learning and professional training and development secure the competencies needed in a fast-changing world and work environment. We see upskilling and reskilling of our workforce as a pre-requisite for long-term success, including through Strategic Workforce Planning.

To drive excellence in our core business of insurance, Allianz offers professional development that helps create a high standard of underwriting, pricing and claims excellence. Through the Property & Casualty (P&C)-Academy accreditations, which adhere to international standards and are certified by the Chartered Insurance Institute (CII), we strengthen and support our ability to scale the global know-how and best practices for which Allianz is known.

Our employees also educate us to better understand and fulfil the needs of our increasingly diverse customer base. Their feedback and engagement validate our investment in education and development programs.

### Diversity, equity and inclusion

A thriving working environment is one that is welcoming and inclusive. We drive gender balance and promote an inclusive culture along other dimensions, such as disability, nationalities/ethnicities, generations and LGBTQ+. This is evidenced by our leading position in the Refinitiv Index for Diversity and Inclusion and in the German Diversity Index.

### Health, safety and wellbeing

The health, safety and wellbeing of our employees is of utmost importance to support a thriving culture. With the 2020 pandemic casting a spotlight on the importance of physical health and mental wellbeing, we have since then introduced various new measures to support employees.

In 2023, our Work Well Index Plus (WWI+) score was five percentage points above the 2022 result of 71 %.

**For more details, please see section 04.1.**

**For more details, please see the Allianz People Fact Book 2023.**

1 Including non-consolidated entities with Allianz customers and excluding emerging consumers.
2 Further key priorities (see also section 04.1 on Employee matters): Employee engagement, Fair remuneration, Flexible working (in particular hybrid working), and Strategic Workforce Planning.

# 01.4 Our social approach

## Corporate Citizenship

Our Corporate Citizenship Strategy focuses on young people and people with disabilities, supporting them with their physical health, providing education and supporting their employability. This is reflected in the focus on SDG 8, Decent Work and Economic Growth, which aims to "promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all."

Our Corporate Citizenship activities are centered around three sub-targets of SDG 8:

- Target 8.5 – Achieving full and productive employment and decent work for all women and men, including for young people and people with disabilities, and equal pay for work of equal value.
- Target 8.6 – Substantially reduce the proportion of youth not in employment, education, or training.
- Target 8.10 – Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance, and financial services for all.

Our aim is to support our focus groups to overcome systematic social risks. Today's children and youth are the leaders, employees, customers and investors of tomorrow. They can face barriers to inclusion in a world beset by inequality and the impacts of issues, such as climate change.

We believe that education and physical activity are key enablers to help the next generations and people with disabilities overcome barriers and develop the skills and resilience needed to prepare for decent work and financial security. In 2023, for example, we have further strengthened our work in this space by launching programs oriented towards financial literacy, including an online Financial Literacy Hub, where people can find easy-to-understand information and explanations, and use interactive budgeting tools.

## The next generations and people with disabilities

We support young people and people with disabilities through, for example, our MoveNow program, local initiatives in our OEs, as well as our foundation, education and academic support work.

Through our academic partnerships, we offer scholarships and support medical and climate research through awards every year.

Leveraging our education, experience and partnerships in sports, we create programs that promote wellbeing, resilience and job-readiness for our focus groups.

> **For more details, please see section 04.4.**

## Activities for young people and people with disabilities

Both local and global Allianz Corporate Citizenship activities have their basis in the Group strategy. Our most relevant activities in 2023 were:

**MoveNow**

Allianz teamed up with the International Olympic Committee (IOC) and International Paralympic Committee (IPC) to launch the MoveNow program in 2022. The program's aim was to get young people back into physical and mental activities after the 2020 pandemic. MoveNow promotes accessible education and sport, both in physical camps and in digital formats.

> **For more details, please see section 04.4.**

**Allianz Social Impact Fund**

In 2023, the Allianz Social Impact Fund renewed its support for OE initiatives, allowing for a total of 18 Corporate Citizenship projects to be kicked off.

**Allianz foundations**

Our foundations around the world support next generations programs that enhance education, promote physical activity and enable employability.

In Germany, the Allianz Foundation in Berlin focuses on three new Next Generations flagship projects.

**Education, academic support**

Allianz offers various scholarships for establishments, including the ESMT Berlin Business School and the MIB Trieste School of Management. We also support scientific research through visiting scholars or host internships.

**Emergency relief**

We aim to support communities where we live and work in times of need. This means we make the expertise, resources and assets of our operating entities available to local communities within our markets.

**Employee volunteering and donations**

Employee volunteering and donations take place through Allianz's social impact programs, locally in OEs and through our 11 Allianz-affiliated foundations.

# 01.5 Our sustainability integration approach

**Our commitment to tackling ESG topics – referred to here as sustainability – applies to our own operations and our insurance, investment and asset management activities.**

As a global insurer, investor, and asset manager, understanding and managing sustainability matters allows us to reduce risks and capture impacts and opportunities in all areas of our business.

As well as managing risks, sustainability integration enables us to create products and services that add value to society, collaborate with clients and investee companies to deliver real-world benefits, and orientate capital flows towards sustainable outcomes for all stakeholders.

## 01.5.1 Sustainability opportunities and risks

As an insurance company that manages risks, ranging from single events to decades, it is important for Allianz to make a holistic assessment of risk.

In the Allianz Group Risk Policy, we define sustainability risks as events or conditions that could have significant negative impacts on the assets, liabilities, profitability or reputation of Allianz Group or one of its companies. Examples include environmental and climate change risks, human rights violations, risks to local communities, and workforce risks.

If they are not identified and managed effectively, sustainability risks can have significant repercussions for Allianz and our customers, suppliers and investee companies. This includes impacts on our reputation, supply chains, business continuity, quality, operations and finances.

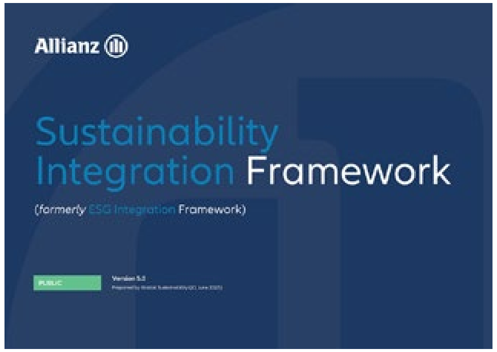
By screening insurance, investment and asset management projects from a sustainability perspective, we extend our understanding of risks and can seize potential business opportunities to benefit shareholders, customers and other stakeholders.

## 01.5.2 Our Group-wide rules and processes

Our Group-wide corporate rules and sustainability processes apply to all relevant underwriting, proprietary investment and operations activities. They require strong collaboration between relevant functions and business areas.

Key processes are included in the internal Allianz Standard for Reputational Risk Management (AS RRIM) and other corporate rules, such as the Allianz Standard for P&C Underwriting and Allianz ESG Functional Rule for Investments. A new corporate rule, the Allianz Standard for Integration of Sustainability (ASIS), captures and updates some of the sustainability components of the AS RRIM that came into effect on 1 January 2024.

The publicly-available Allianz Sustainability Integration Framework provides transparency around our sustainability-related processes and guidelines. We published the fifth version of the Framework in 2023.




For more details, please see the Allianz Sustainability Integration Framework, version 5.0, available here.

Our asset management units have set up their own set of processes, rules and governance on sustainability integration in their investment activities.

## 01.5.3 Embedding sustainability

The consistent application of sustainability processes within our own business operations, insurance and proprietary investment activities is crucial for mitigating risks. It also plays a vital role in capturing opportunities from the transition towards creating a more sustainable economy and society. It is also essential for our own transformation into a sustainable financial services provider.

Further details about our approach to integrating sustainability across our business operations, insurance, proprietary investments and asset management can be found in sections 02.1, 02.2 and 02.3 and in the Allianz Sustainability Integration Framework.

# 01.5 Our sustainability integration approach

## Our sustainability risk management framework

We continue to expand and strengthen our sustainability risk management framework. Understanding the requirements and limitations of our operating entities helps us to develop global sustainability processes that can be integrated into local processes and systems.

- We periodically review and update our sustainability risk management approach to ensure it is current and relevant in context of our core businesses. During 2023, we took the decision to update the approach for sustainability impact management through a new Group Standard, which is due to come into effect on 1 January 2024. The Allianz Standard for Integration of Sustainability captures and updates some of the sustainability components of the expiring guideline, the Allianz Standard for Reputational Risk Management and captures public statements regarding climate targets.

| Sustainability integration processes | Business areas | | | Details |
|---|---|---|---|---|
| | P&C Ins. | Proprietary Investments (listed) | Proprietary Investments (non-listed) | |
| **ESG referral and assessment process** (including sensitive business areas, sensitive countries) | ● | | ● | Systematic integration of sustainability risks by conducting case-by-case due diligence of critical transactions. |
| **ESG scoring process** (including carbon emissions, toxic emissions and waste, labor management, business ethics, etc.) | | ● | | Systematic integration of sustainability factors through sustainability scoring approach. |
| **ESG exclusions process** (including coal, oil sands, controversial weapons, human rights) | ● | ● | ● | Exclusion of investment and insurance transactions in critical business areas. |
| **ESG engagement and risk dialogues** (on sustainability, climate, and human rights topics) | ● | ● | | Systematic engagement with investee companies and clients on sustainability-related matters. |
| **ESG in business partner selection** (including asset managers, re-insurers, etc.) | ● | ● | ● | Inclusion of sustainability-related criteria in the selection, appointment and monitoring of business partners. |

**69.1 %**
**of assessed transactions proceeded**

**26.0 %**
**were approved subject to certain mitigation measures or conditions**

**4.9 %**
**were declined or not pursued**

# 01.5 Our sustainability integration approach

## 01.5.4 Regulation as a driver of sustainability integration

Regulation is necessary to drive integration of sustainability considerations in a structured way. We welcome sustainability regulation as a major driver for fair competition and a level playing field.

In this context, Allianz aims to contribute expert input with respect to the insurance industry, such as on the dual role of insurers as preparers and users of sustainability information as well as on existing interconnected regulation.

Two examples:

1. We aim to leverage regulation on sustainability by ensuring consistent implementation across all Allianz businesses. At the same time, we aim to build business opportunities in line with regulatory concepts.
2. Allianz has established a Sustainable Finance Regulation implementation project at Group level to drive this. Internal guidance is designed in close interaction with Group Centers and operating entities, to ensure consistent interpretation and implementation. Focus in 2023 was on implementation of Sustainable Finance Disclosure Regulation (SFDR), namely regarding pre-contractual and periodic product disclosure next to website disclosure on consideration of "Principal Adverse Impact" for Life-Asset product offering.

   The Group project offered regular calls with affected Operating Entities to share guidance for implementation, which is documented in Blueprints and Handbooks. Beyond regulatory compliance, the concepts are used to guide internal standards for product and business development.

> **For more details see section 05.3 Regulatory and public affairs.**

# 01.6 Our sustainability governance

**We are dedicated to clear and transparent governance principles. This includes our governance of sustainability matters as we work to embed and deliver sustainability objectives across our global business and organization.**

Allianz aims to fully integrate sustainability across the Group.

## 01.6.1 Key bodies involved in sustainability governance

Ultimate responsibility for matters relating to sustainability resides with the Board of Management of Allianz SE as the Group's parent company.

### Group Sustainability Board

To support the Board of Management in its role as ultimate decision-maker, Allianz Group established a dedicated Group Sustainability Board. It comprises of members of the Board of Management of Allianz SE and Group Center heads and meets quarterly.

Core responsibilities of the Group Sustainability Board:

- Suggesting strategic ambitions and developing proposals for sustainability-related targets relating to sustainability performance management within Allianz Group.
- Developing recommendations for Allianz's positioning and viewpoints on critical sustainability-related topics.
- Regularly informing and advising the Allianz SE Board of Management on sustainability-related topics and activities.
- Striving to embed sustainability-related matters in the strategy, activities and targets of Group Centers and operating entities.
- Aligning on sustainability-related internal and external communication, including reviewing the Group's approach to rating and reporting.
- Monitoring progress towards implementing and executing sustainability-related strategic ambitions.

**Supervisory Board** (incl. Sustainability Committee)

Board of Management (BoM)

Group Sustainability Board

Six BoM members + three Group Center heads

- Regular reporting to SE BoM
- Advising and aligning on all relevant Group sustainability matters
- Further elevate sustainability topics in governance and decision-making processes of the Group

Global Sustainability

Full-time support to Sustainability Board

Sustainability integration into organization and business

Regular exchange and alignment with committees and Heads of Group functions on sustainability matters

Regular exchange and alignment with representatives from operating entities on sustainability matters

# 01.6 Our sustainability governance

## Allianz SE Supervisory Board: Sustainability Committee

The Supervisory Board of Allianz SE established a Sustainability Committee in 2021. Its core objectives include:

- Advising the Supervisory Board on sustainability-related matters to support economically sound and sustainable development and positioning of Allianz Group.
- Closely monitoring and supporting oversight of the Management Board's sustainability strategy, in particular the management and execution of the strategic framework for Group-wide sustainability measures.
- Preliminary examination of sustainability-related statements in the Group's non-financial statement in the Annual Report and the Sustainability Report, including the Group's tax transparency information as part of the Supervisory Board's review.
- Supporting the Personnel Committee in the preparation of the sustainability-related target setting, as well as reviewing fulfilment of these targets for the Management Board's remuneration.

In 2023, the Sustainability Committee prepared the recommendation of the sustainability-related targets for the members of the Board of Management of Allianz SE, reviewed the respective achievements of the Board of Management and gave its recommendation to the Personnel Committee of the Supervisory Board. The Sustainability Committee was informed on the sustainability strategy and provided advice and guidance on critical matters.

## Global Sustainability

Since 1 January 2021, responsibility for Allianz's sustainability agenda has been led by the Group Center Global Sustainability.

The function is headed by the Chief Sustainability Officer (CSO) who reports to the Chairperson of the Group Sustainability Board.

The Group Center Global Sustainability supports the Group Sustainability Board in the execution of its responsibilities.

Core objectives of the Group Sustainability function:

- Preparing the overall Board sustainability framework for Allianz Group.
- Integrating sustainability into the Group's processes; into Allianz as an organization (operations and wider organization); and Allianz's business (investment, insurance and asset management).
- Overseeing and steering overarching sustainability matters, such as topics concerning climate, social strategy and governance.

The Group Center Global Sustainability supports Allianz's Group Centers and operating entities to effectively integrate the Group's sustainability strategy into their business processes and policy framework.

The Group Center Global Sustainability drives the integration of sustainability-related matters across the organization and business to ensure Allianz plays a shaping role in the societies and economies in which it operates.

All other Group Centers take responsibility for sustainability within their functions, with the aim of embedding sustainability across Allianz's organization and business.

Both the Group Center Global Sustainability and all other Group Centers work with an extensive network of sustainability and business experts located across Allianz's operating entities globally. They provide guidance and set standards to ensure they embed sustainability in their strategies and approaches. This network supports implementation of a Group-wide sustainability approach, the sharing of best practice and helps to scale positive impacts across the organization.

Several Group Committees play an important role in Allianz's decision-making processes to embed Sustainability.

Operating Entities have established a local sustainability governance with minimum two structures in place, a Sustainability lead and a Member of the Board responsible for Sustainability.

> **For more details on our sustainability governance please see chapter 06.4.**

# 01.6 Our sustainability governance

## Sustainability-related targets linked to the remuneration of the Board of Management

In 2023 and for 2024, the targets for the Board of Management have been further developed to reflect sustainability priorities. The table below describes the targets in more detail. Minor wording changes were applied, compared to the publications from last year, for consistency with the Allianz SE Board Member target letters. The underlying targets remain unchanged compared to last year.

| Our Targets | | Board Targets 2023 | Board Targets 2024 | More details in the chapter of the Annual Report |
|---|---|---|---|---|
| **Overarching** | | Achieve strong sustainability position (top performance in DJSI, MSCI) | Achieve strong sustainability position (top performance in DJSI, MSCI) | Corporate sustainability governance and strategy |
| | | Ensure sustainable solutions in proprietary investments and products | Ensure sustainable solutions in proprietary investments and products | Environmental matters and E.U. Taxonomy Regulation |
| | | Define positioning on Social in line with Allianz purpose focusing on Sustainable Development Goal 8 (SDG 8) | n.a. | Social matters |
| **Environmental** | **Decarbonization** | 50 % reduction of GHG (greenhouse gas) emissions per employee from Operations by 2023 (vs 2019) and 100 % renewable electricity (RE) as share of total electricity consumption in 2023 | Follow through on the transition plan to reach the net-zero commitments from our business and operations | Environmental matters |
| | | Follow through on net-zero ambition, in particular in line with our Net-Zero Alliances commitments | | Environmental matters |
| **Social** | **Customer Loyalty** | Digital Net Promoter Score (dNPS) development against previous year and overall ambition level | Digital Net Promoter Score (dNPS) development against previous year and overall ambition level | Responsible consumer/sales |
| | **Employee Engagement** | Inclusive Meritocracy Index (IMIX) and Work Well Index+ (WWI +) development against previous year and overall ambition level | Inclusive Meritocracy Index (IMIX) and Work Well Index+ (WWI +) development against previous year and overall ambition level | Employee matters |
| | **Employability & Lifelong Learning** | n.a. | Ensure Lifelong Learning | Employee matters |
| **Governance** | | Leadership Contribution with particular focus on Allianz People Attributes (Customer & Market Excellence, Collaborative Leadership, Entrepreneurship and Trust) | Leadership Contribution with particular focus on Allianz People Attributes (Customer & Market Excellence, Collaborative Leadership, Entrepreneurship and Trust) | Employee matters |

# 02 Measuring and managing sustainability

This chapter is structured along our business activities insurance, proprietary investments and asset management.

# 02.1 Sustainability in insurance

## Core performance data

Table ESG-1

ESG referrals and assessments: Total numbers per sector[1]

| As of December 31 | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| **Insurance** | # | 715 | 730 | 850 |
| Proceed with mitigation or additional conditions | # | 208 | 207 | 197 |
| Proceed with transaction | # | 473 | 490 | 584 |
| Do not proceed | # | 34 | 33 | 69 |
| **Investment** | # | 85 | 53 | 71 |
| Proceed with mitigation or additional conditions | # | 0 | 10 | 3 |
| Proceed with transaction | # | 80 | 42 | 61 |
| Do not proceed | # | 5 | 1 | 7 |
| **Total** | # | **800** | **783** | 921 |

Table ESG-2

ESG referrals and assessments: assessment outcomes[1]
% share of total referrals

| As of December 31 | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Proceed | % | 69.1 | 68.0 | 70.0 |
| Proceed with mitigation or additional conditions | % | 26.0 | 27.7 | 21.7 |
| Do not proceed | % | 4.9 | 4.3 | 8.3 |

1 The sustainability referral and assessment process for Procurement was updated during the reporting year 2022 (612 Procurement referrals in total in 2022, and 526 Procurement referrals in total in 2021) and KPIs are no longer being collected for reporting year 2023. The prior year KPIs and the % share of total referrals were updated accordingly. For further details about the new Procurement assessment process, please refer to Chapter 04.2 Our commitment to human rights.

# 02.1 Sustainability in insurance

Table ESG-3

ESG referrals and assessments: sensitive business areas[1]

| As of December 31 | 2023 | | | | 2022 | | | | 2021 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Proceed | Proceed with mitigation | Do not proceed | Total | Proceed | Proceed with mitigation | Do not proceed | Total | Proceed | Proceed with mitigation | Do not proceed | Total |
| Agriculture, Fisheries and Forestry | 12 | 19 | 1 | **32** | 13 | 11 | 0 | **24** | 23 | 11 | 1 | **35** |
| Animal Testing | 0 | 0 | 0 | **0** | 1 | 0 | 0 | **1** | 1 | 0 | 0 | **1** |
| Animal Welfare | 3 | 0 | 0 | **3** | 6 | 0 | 0 | **6** | 3 | 0 | 1 | **4** |
| Betting and Gambling | 4 | 0 | 0 | **4** | 6 | 0 | 0 | **6** | 4 | 1 | 0 | **5** |
| Clinical Trials | 4 | 0 | 0 | **4** | 13 | 2 | 0 | **15** | 39 | 5 | 0 | **44** |
| Defense | 5 | 13 | 1 | **19** | 18 | 21 | 2 | **41** | 42 | 17 | 7 | **66** |
| Human Rights | 9 | 30 | 4 | **43** | 12 | 24 | 6 | **42** | 13 | 20 | 13 | **46** |
| Hydro-Electric Power | 2 | 6 | 4 | **12** | 5 | 8 | 0 | **13** | 10 | 12 | 1 | **23** |
| Infrastructure | 76 | 24 | 4 | **104** | 82 | 30 | 2 | **114** | 97 | 18 | 17 | **132** |
| Mining | 18 | 22 | 5 | **45** | 21 | 24 | 2 | **47** | 26 | 26 | 9 | **61** |
| Nuclear Energy | 2 | 0 | 0 | **2** | 7 | 0 | 0 | **7** | 8 | 1 | 0 | **9** |
| Oil and Gas | 59 | 51 | 7 | **117** | 23 | 61 | 12 | **96** | 48 | 53 | 13 | **114** |
| Sex Industry | 0 | 0 | 0 | **0** | 0 | 0 | 0 | **0** | 1 | 0 | 0 | **1** |
| Other Sustainability and Reputational Issues | 359 | 43 | 13 | **415** | 325 | 36 | 10 | **371** | 330 | 36 | 14 | **380** |
| **Total** | **553** | **208** | **39** | **800** | **532** | **217** | **34** | **783** | **645** | **200** | **76** | **921** |

1 The sustainability referral and assessment process for Procurement was updated during the reporting year 2022 (612 Procurement referrals in total) and KPIs are no longer being collected for reporting year 2023. The prior year KPIs were updated accordingly. For further details about the new Procurement assessment process, please refer to Chapter 04.2 Our commitment to human rights.

# 02.1 Sustainability in insurance

Table ESG-6

## Emerging Consumers[1]

| As of December 31 | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Gross Written Premiums (GWP) | € mn | 793.8 | 557.8 | 510.2 |
| thereof from consolidated entities | € mn | 41.1 | 58.9 | 36.8 |
| thereof from non-consolidated entities | € mn | 752.7 | 498.9 | 473.4 |
| Number of in-force insured people | # | 85,450,393 | 57,170,290 | 62,221,110 |
| thereof from consolidated entities | # | 8,745,775 | 11,863,047 | 8,511,355 |
| thereof from non-consolidated entities | # | 76,704,618 | 45,307,243 | 53,709,755 |
| GWP per insured | € | 9.3 | 9.8 | 8.2 |
| Emerging Consumers Solutions[2] | # | 14 | 15 | 16 |

Table ESG-17

## Coal exemption requests[3]

| As of December 31 | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| **Total Referrals** | # | 2 | 50 | 72 |
| Exemptions granted | # | 1 | 22 | 20 |
| Exemptions not granted | # | 1 | 28 | 52 |

Table FIN-1

## Economic Value generated, distributed and retained[4]

| As of December 31 | Unit | 2023 | | 2022 | |
|---|---|---|---|---|---|
| **Economic Value Generated** | **€ mn** | **111,054.8** | **100.0** | **105,956.5** | **100.0** |
| Revenue from sale of goods | € mn | 91,250.7 | 82.2 | 86,984.9 | 82.1 |
| Revenue from rendering of services | € mn | 13,651.0 | 12.3 | 13,094.1 | 12.4 |
| Revenue from financial investments | € mn | 6,049.2 | 5.5 | 5,774.8 | 5.5 |
| Other operating income | € mn | 103.9 | 0.1 | 102.7 | 0.1 |
| **Economic Value Distributed** | **€ mn** | **112,190.9** | **101.0** | **107,356.8** | **101.3** |
| Operating expenses | € mn | 86,160.7 | 77.6 | 83,957.2 | 79.2 |
| thereof: Claims and insurance benefits | € mn | 57,934.4 | 52.2 | 55,307.2 | 52.2 |
| Claims P&C | € mn | 44,879.3 | 40.4 | 41,954.5 | 39.6 |
| Claims L&H | € mn | 13,031.4 | 11.7 | 13,330.3 | 12.6 |
| Wages and other payments to employees | € mn | 14,744.4 | 13.3 | 13,965.0 | 13.2 |
| Payments to provider of capital | € mn | 7,976.9 | 7.2 | 6,524.8 | 6.2 |
| Payment to shareholders | € mn | 6,727.5 | 6.1 | 5,683.3 | 5.4 |
| Payments to creditors | € mn | 1,249.3 | 1.1 | 841.5 | 0.8 |
| Payments to government | € mn | 3,190.6 | 2.9 | 2,775.5 | 2.6 |
| thereof: income tax expense | € mn | 2,751.4 | 2.5 | 2,381.8 | 2.2 |
| Community investments | € mn | 118.3 | 0.1 | 134.2 | 0.1 |
| **Economic Value Retained** | **€ mn** | **-1,136.1** | **n.a.** | **-1,400.3** | **n.a.** |

1 AZ Africa was deconsolidated in FY 2023. Prior year numbers were restated. In FY 2022 AZ Africa contributed € 9.19 million revenues and 1.31 million people insured, in FY 2021 the contribution was € 8.40 million revenues and 1.21 million people insured.
2 Number of solutions refers to solutions from consolidated entities only.
3 Data disclosed since 2022. 2021 data is not audited.
4 The data for 2023 is based on the newly-introduced standards IFRS 9/17. The comparative data for 2022 was updated accordingly. For 2021, no comparative figures are available.

# 02.1 Sustainability in insurance

## 02.1.1 Integrating sustainability in insurance

**Embedding sustainability considerations into our insurance business enables us to manage risks and act on opportunities to support sustainable development.**

### Sustainability risk management

Insurance is about understanding and managing risk, so embedding sustainability in insurance starts with embedding sustainable risk management. Our exposure to sustainability risks is mostly indirect, through the insurance risks Allianz takes on behalf of its insured clients. We embed sustainability risk management throughout our underwriting, referral and assessment processes.

Our sustainability referral and assessment processes are part of the risk management framework applied to all Allianz insurance businesses globally, whether we are the lead insurer or part of a panel.

Based on the outcome of a referral assessment, a transaction may proceed with or without conditions and, if severe, the transaction may be declined. In 2023, 715 insurance transactions were assessed for sustainability risks, slightly down from 730 transactions in 2022.

**For more details see tables ESG-1 to 3 for additional details.**

**Further information about the Allianz sustainability approach and processes relating to our insurance business can be found in the Allianz Sustainability Integration Framework and in chapter 01.6 of this report.**

We aim to add value through dialogue with stakeholders and by sharing our expertise on risk understanding and mitigation, and the management of sustainability risks. We are committed to the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance.

### Sustainability opportunities

To maximize our positive impact, we aim to share our sustainability expertise with clients, brokers and business partners and use it to develop our own sustainable solutions and processes.

We carry out in-depth research to stay ahead of emerging issues. This includes conducting research to understand natural disasters, claims and underwriting profitability. Further sector analytics are performed to understand growth opportunities and new service and advice solutions. We particularly focused on climate-related aspects in 2023.

## 02.1.2 Sustainable Solutions in Property and Casualty insurance business

In 2023 we rolled out an enhanced Allianz classification framework for sustainable insurance solutions in P&C. As a result, our overall approach for assessing and classifying sustainable solutions was revised. The former sustainable solutions definition and its application were replaced by the new Sustainable Solutions framework as of 1 January 2023. This also enables us to report on Sustainable Solutions based on the new Sustainable Solutions framework for the financial year 2023.

### Regulatory background

Under the Allianz Sustainable Solutions framework, Technical Screening Criteria defined by the E.U. Taxonomy Regulation serve as minimum requirements to qualify products as sustainable (with respect to lines of business in scope of the E.U. Taxonomy, such as “marine, aviation and transport insurance” and “fire and damage to property insurance”).

For non-life insurance activities, the E.U. Taxonomy Regulation has established “climate change adaptation” as (the only) potential substantial contribution to environmental objectives (as laid out in the Climate Delegated Act).

The Regulation predominantly expects insurance activities to adequately reflect climate-related risks and support customers and society in building resilience against the adverse effects of climate change. It consequently reflects the traditional role of the insurance industry as risk manager.

**Further information on our E.U. Taxonomy reporting as well as on the specific criteria laid out by the Regulation can be found here.**

### Approach and definition

The Allianz framework for sustainable products and services (Sustainable Solutions) is based on regulatory requirements (mainly the E.U. Taxonomy Regulation) as an integral part. However, it goes beyond and includes additional product elements which contribute to ESG objectives beyond climate change adaptation to support our customers in their transition.

We define a Sustainable (P&C insurance) Solution as an insurance product or service that substantially contributes to climate change adaptation and to one or more environmental, social, or governance objectives, without doing significant harm to any of the other objectives, is in line with the principles of Minimum Safeguards and hence supports our customers in

# 02.1 Sustainability in insurance

transitioning towards an environmentally or socially sustainable way of doing business or living.

To ensure Allianz Group-wide compliance, the Sustainable Solutions framework is codified in policies and applies as a harmonized and mandatory framework for all Allianz P&C entities, including a certification process for sustainable products and services. Eligible objectives and suitable product elements have been predefined. They were derived from the E.U. Taxonomy regulation – where available – and the United Nation Sustainable Development Goals, and can be summarized as follows:

**Environmental objectives:**

- Climate change mitigation: avoid, reduce or remove GHG emissions.
- Sustainable use and protection of water and marine resources: contribute to good status of water bodies.
- Transition to a circular economy: promote durability, re-use and recycling.
- Pollution prevention and control: improve quality of air, water, and land.
- Protection and restoration of biodiversity & ecosystems: protect, conserve, or restore biodiversity and ecosystems.

**Social objectives:**

- Encourage and expand access to insurance and services for helpers or socially disadvantaged groups.
- Foster socially responsible behavior or engagement.

Hence, the Sustainable Solutions framework contributes to our overall purpose: We secure your future.

### Implementation into our business

Our Sustainable Solutions framework and its application have been integrated into the binding Allianz Standard for P&C Underwriting, which governs the rules and principles for P&C underwriting within the Allianz Group and is an integral part of the overall Group risk architecture as described in the Group Risk Policy.

As of January 2023, all newly developed products and services must be assessed and classified under the Sustainable Solutions Certification Grid in the product development process by our Operating Entities. Results are validated by a dedicated function within our Group Center Global P&C, which has the responsibility to approve or not approve submitted products as a sustainable and in case of a positive approval, issue a respective certification.

In addition, as of January 2024, products or services may only be labelled, advertised, or in any other way promoted as sustainable solutions (or any other term that implies the sustainability of a solution, such as "green" or "social"), if the product or service is certified under our Sustainable Solutions framework.

### Allianz's actions and measurements

The Sustainable Solutions framework incorporates material ESG objectives into P&C decision-making and portfolio management processes. We aim to shift our product portfolio towards sustainable products by using the Sustainable Solutions framework as guiding considerations in the product development process.

Allianz has always offered comprehensive insurance cover for climate-related perils. Still, closing the insurance protection gap remains a major challenge in many markets. To increase the penetration rate of covers for natural catastrophes, our product strategy is moving towards coverage for natural catastrophes per default (with opt-out elements).

To manage climate-related risks adequately, we are continuously improving our risk- and pricing-models by integrating the latest data and information on climate change impacts through forward-looking NatCat scenarios and global hazard maps. However, effective adaptation to climate change does not only require adequate pricing of risks, but also individual measures by customers. We have therefore started considering preventative actions taken by the customer in our products and pricing models. Living up to our role as a climate risk manager, we are also integrating ESG advisory into our customer communication and provide relevant information to customers, how to build stronger resilience against climate-related events.

In addition, we are committed to offering comprehensive insurance products for low-carbon technologies – such as battery electric vehicles (BEV) and the related ecosystem – as well as for renewable energy technologies, to support the transition of our customers towards net-zero solutions. For instance, Allianz entities offer BEV insurance products, which meet the specific needs of the new ecosystem such as range anxiety, comprehensive coverage of accessory equipment, and coverage for battery disposal. Within our commercial energy and construction business, we offer insurance to cover the setup, installation, and operation of renewable energy projects such as solar and wind farms, both onshore and offshore.

# 02.1 Sustainability in insurance

Material ESG objectives are also considered in our claims processes. We have started integrating environmental standards into our claims processes by encouraging or incentivizing our customers, car repair shops, and manufacturers to repair instead of replace or to use refurbished parts, where possible. Moreover, we started increasing our claims payments to our customers to not only rebuild damaged assets such as buildings, but to use more sustainable or energy-efficient building materials or elements (build back better), as well as building more resilience against the adverse effects of climate change (build back stronger).

### Insurance revenues from Sustainable Solutions

In 2023, we generated € 3,025.5 million revenues from certified Sustainable Solutions in our P&C business. Hence, the Sustainable Solutions framework contributes to our overall purpose: We secure your future.

**Further information on Sustainable Solutions can be found in the NFS.**

## 02.1.3 Climate change adaptation and natural catastrophe management

Natural disasters have increased in magnitude and frequency in the last decade[1] with economic and insured losses increasing substantially. According to the World Economic Forum's (WEF) Global Risk Report 2023, four of the top five global risks over the next 10 years are linked to changes in climate and the environment: 1) failure to mitigate climate change; 2) failure of climate change adaptation; 3) natural disasters; and 4) extreme weather events and biodiversity loss. In the short-term (0–2 years), natural disasters and extreme weather events rank first in the list of critical risks threatening the world. Failure to mitigate climate change, is the most severe and likely long-term risk.

The annual Allianz Risk Barometer 2023[2], a survey of corporate clients, brokers, industry trade organizations, risk consultants, underwriters, senior managers and claims experts that collects more than 2,700 responses from 94 countries and 23 industry sectors, places natural catastrophes sixth (down from number three in 2022), followed by climate change which is ranked as the seventh highest risk (down from number six in 2022) in its ranking of global business risks.

**The full Risk Barometer can be accessed here.**

Recent years have shown the actual frequency and severity of weather events to be increasing. In 2022, global economic losses from disasters mounted to $ 275 billion, with insured losses covering 45 % of the damage, the fourth highest total for a single year on sigma records.[3]

Demographic shifts, increasing global interdependencies, socio-economic factors and climate change all play a role in weather-related insurance losses, which have increased 15-fold over the last few decades.

Anticipating the risk of a changing climate and ensuring we adapt to the changes is one of Allianz's strategic focus areas.

We embed the management of risks and opportunities resulting from climate change in our insurance business, with measures taken, including developing and adjusting our products and services, updating policies and processes, setting targets and limits and engaging with internal and external stakeholders.

Our risk management and adaptation processes and rules cover all insurance-specific processes and all lines of P&C business. However, the relevance of climate change impact and need for adaptation is differently pronounced across our portfolios.

The main risk management processes covering physical climate change adaptation include pricing risks, product and portfolio management, exposure and risk management, risk consulting, claims handling and governance.

We strongly focus on strengthening our capabilities in the areas of natural catastrophe management. To brace Allianz for what is to come, we are dedicated to continuously developing our expertise, understanding and tools to assess the impacts of climate change.

In doing so, we actively contribute to the Sustainable Development Goal (SDG) 13, Climate Action.

### 1. Pricing

Pricing risks adequately is key for a sustainable and resilient insurance operation. The Allianz approach to best-in-class pricing is the Technical Price System as part of our Technical Excellence initiative. Technical Price (TP) certifications are used to initially drive the implementation of must-have foundations, which progress to next level pricing to be the best in the market.

1 Source: Swiss Re Sigma Explorer.
2 Source: Allianz Risk Barometer 2023.
3 Source: Swiss Re Sigma, Natural catastrophes and inflation in 2022: A perfect storm.

# 02.1 Sustainability in insurance

The TP is the best estimate of the premium required for an individual insurance policy to achieve the long-term financial targets of Allianz Group, taking into consideration the expected cost of claims, external and internal expenses and re-insurance costs. Once embedded, the TP is continuously reviewed to ensure the price charged to customers is reflective of the most up-to-date internal and external factors, with a full review occurring at least yearly.

The predicted costs of natural hazards are well reflected in the TP as a best estimate of total future costs, using the output from hazard mapping, NatCat risk models and tariff calculations to reflect the expected claims cost from natural hazards. This includes forward looking scenarios, derived from internal data and external models. As such, an AP/TP ratio is monitored (Actual Price vs Technical Price, where the AP is the price charged) to ensure adequate premium is obtained for a risk or portfolio.

Where available, the exact geocoded position of each risk is derived from a geocoding system and used to read NatCat hazard values from a set of global hazard maps, which are then used to price for the impact of the exact location within the TP, utilizing historical data and predictive modelling. It is our aim to geocode all risks in order to assess the risk most accurately.

Such geocoding data can also be used for location-based portfolio accumulation control at the point of underwriting. Insights into risk patterns are also used elsewhere in the product development process, including risk modelling, tariff calculations, coverages and terms and conditions.

### 2. Product and portfolio management

For products, coverages, as well as terms and conditions, are designed with consideration to changing risk patterns, taking all relevant developments into account. Where possible, our terms and conditions and tariffs are already providing incentives for customers to protect their insured assets against natural hazards and other climate-related risks.

Our insurance contracts are renewed on a yearly basis, which allows relatively quick reactions to adapt to climate change effects continuously every year. This all occurs as part of our continuous portfolio management process.

Portfolio management aims to improve the overall performance of a defined portfolio of risks by applying methods of analysis, prediction and action steering. Portfolio performance assessments are conducted regularly by our Operating Entities (OEs) (with frequency requirements denoted in the technical price certifications) and at least twice annually for all relevant portfolios together with the responsible Group Center within Allianz SE. These exchanges are linked to the Group's financial process, including planning dialogues, for which changes in NatCat exposure are an integral part of the discussions.

The structured and standardized portfolio performance assessments use both backward (CoR, RoE) and forward-looking (AP/TP, rate change) indicators and provide transparency on portfolio composition, UW margin and profit momentum, as well as growth and margin opportunities between Allianz SE and OEs.

Given natural hazards are reflected in the TP, and subsequently the AP/TP ratio, it can be ensured that each OE takes appropriate actions to adapt to changing exposure patterns by repricing risks and redefining their local OE strategy and risk appetite. Adaptation measures with regards to climate change risks can comprise re-pricing actions, deductibles and changes in terms and conditions.

### 3. Exposure and risk management

Assessing risks as part of the underwriting process is a key element of our risk management framework. Before underwriting a risk, a thorough and rules-based risk assessment is performed, either automated (e.g., retail business) or individually (e.g., commercial business). The use of Geographic Information Service (GIS) tools enables automated or manual localization and risk assessment, including risk and pricing parameters for all required natural perils.

Risks are accepted and priced based on the exposure to hazards and the contribution to the performance of the overall portfolio. Risk management within the technical excellence framework ensures the hazard levels at insured locations are constantly assessed, appropriate products are offered (taking into consideration protection levels, risk participation and costs) and portfolios are actively managed to leverage diversification, lowering accumulation costs.

Accumulation can be steered with acceptance rules, with risk-based acceptance criteria based on exposure and risk type, utilization of capacity in case of local accumulation, and risk-based referral rules (e.g., the requirement for an onsite inspection).

In commercial business, underwriters and risk engineers can individually consult and advise our customers on prevention measures and thereby support our customers in adapting to changing risk patterns, including natural hazards. Effective preventative measures taken

# 02.1 Sustainability in insurance

by customers are adequately reflected in the risk premium, and provide risk-based rewards for customers to progress in their adaptation to climate-related perils.

The relevant natural perils are included in our re-insurance structure, which protects our capital base against volatility and financial impacts beyond defined thresholds (e.g., deductibles), especially relevant for natural hazards. Accumulation determines capital and re-insurance costs, which are part of the technical price calculation. By pooling our international NatCat risks, Allianz benefits from diversification and reduces the need for external capital (e.g., re-insurance), which ultimately reduces costs.

### 4. Risk consulting

The primary role of the insurance sector is to absorb strong financial impacts that would otherwise overwhelm the capabilities of retail and commercial customers. In doing so, it provides stability to societies and economies by ensuring businesses can be restarted quickly and people can, for example, rebuild their homes following a catastrophe.

We also advise customers on preventive measures to minimize their risks – both to reduce potential financial impacts and to keep businesses operational and homes habitable.

For large commercial customers, risk consulting services are a standard part of our underwriting practice and are embedded in our client services offering. Our risk engineers provide a range of risk consulting services – from natural hazards, fire safety, and human and organizational risk factors, to in-depth analysis of industry operations and financial exposures across all industry sectors and risks. We also focus on delivering training plans to help clients optimize risk management procedures in the long-term.

Examples include:

- Tech Talk – a technical document developed to assist clients in property loss prevention.
- Natural catastrophes checklists – bulletins designed to highlight key actions that can be taken by clients to address hazards within their business, and a sample checklist to provide guidance and heighten awareness of the risks.
- Loss lessons – a look back to damages and lessons learned to mitigate such losses in the future.

For commercial clients, risk engineers focus on reducing the frequency and severity of claims by working with insurers to understand, quantify, mitigate and, eventually, eliminate hazards. If hazards cannot be eliminated, risk engineers will recommend controls and protective actions to reduce the risk to an acceptable level, wherever possible. By reducing or avoiding risks entirely, Allianz supports customers to improve their risk quality and insurability, ensuring compliance with all applicable industry and trade-specific local standards and protects the value provided by a customer's business.

In order to increase resilience for customers and society, and as part of the global Pre-warning & Prevention initiative, Allianz launched GloRiA, a tool that is publicly available (initially only in Germany) and immediately assesses the risk of four common natural hazards at the users' home location: Flood, storm, wildfire and earthquake. This individual assessment is based on the tools Allianz uses to evaluate and calculate natural hazard risk around the world, but in a way that is easy to understand and act upon. As a very first step, the tool is designed to create awareness of the potential risks homeowners face. Additionally, checklists and explainer videos around preventative measures provide guidance on what they can do to protect themselves and their property.

Comprehensive understanding of risks and exposures at individual risk and portfolio level is a prerequisite for technical underwriters and portfolio managers to understand risks and exposures correctly. Support from risk engineers and consultants allows for risk identification, which provides underwriters and portfolio managers with adequate technical risk and exposure assessments.

### 5. Claims handling

Claims handling is one of the core business processes within an insurance operation and is required to be well prepared for NatCat events, which can lead to a rapid increase in claims notifications. The claims department, together with actuarial and underwriting, make an estimation on the expected size of a NatCat, based on the number of notified claims during the initial aftermath of an event. The estimation can utilize the support of predictive modelling tools, such as GIS, by analyzing the OE's exposure in the region affected by the event.

In the case an event causes claims in excess of a defined threshold, the affected OE sets up a task force with pre-defined responsibilities and processes, including the potential to outsource and use partner networks to cope with the extraordinary workload and support customers in post-disaster recovery.

Sourcing decisions for suppliers and partners are subject to supplier management governance, including due diligence and

# 02.1 Sustainability in insurance

an assessment of the suppliers with respect to ESG topics. Activation of the NatCat response plan is well documented and the performance and resilience of claims processes is regularly reviewed and improved.

### 6. Governance

Risk management processes are codified in internal rules (Allianz Standards and Functional Rules) that are mandatory for all OEs and Allianz employees and form an integral part of education and internal communication. The adherence to these standards and rules is reinforced by internal controls (e.g., file reviews). They are consistent with our internal control systems. Adequate sanction mechanisms are in place in case of non-adherence.

Major standards and rules include: the Allianz Standard for P&C Underwriting (ASU); Functional Rule for P&C Underwriting Retail, SME/SMC & Fleet; Functional Rule for P&C Cat Accumulation Management; Functional Rule for P&C Engineering and Risk Consulting; Functional Rule for P&C Global Commercial; Functional Rule for P&C Specialty LoB Underwriting; Functional Rule for P&C MidCorp Non-Specialty Underwriting; Functional Rule for P&C Cat Underwriting; Allianz Standard for Reputational Risk and Issue Management (AS RRIM).

The Technical Price System, which is part of the Technical Excellence initiative, is governed by Global P&C. This includes the establishment of definitions, matrixes and strategy templates, as well as the relevant governing standards including the Functional Rule for Minimum Data Requirements for P&C Pricing & Claims Function and the Functional Rule for P&C Pricing Governance.

### 7. Strengthening our capabilities in terms of natural catastrophe management

We are committed to continuously improving our tools to identify and manage risks and increase our understanding and modelling capacities of natural disasters for the benefit of our customers.

Experts at Allianz Reinsurance (Allianz Re) include meteorologists, hydrologists, geophysicists, geographers and mathematicians. Together, they model around 35 NatCat scenarios for the internal model of Allianz Group, using data captured according to advanced standards.

By applying this risk expertise to the Allianz portfolio with its insured values, our experts assess the overall exposure to NatCat risks. Vendor and in-house applications provide a comprehensive risk profile of any defined location, which can be used as the basis for effective risk management measures. This is also used to develop risk-based pricing for NatCat perils and to provide portfolio managers with insight into the local and regional accumulation of risks.

Allianz Re is actively driving the implementation of Cat Risk Management tools and solutions at Group and operating entity levels through the Cat Tools and Analytics (CTA) program. The past year saw further model updates on the Allianz Modelling Platform, which hosts all internally-developed NatCat risk models. Through a standardized framework and process automation, the platform leverages our catastrophe claims history and view of risk, for example, by incorporating an estimation of potential climate change impacts.

The Allianz Center of Competence for Natural Perils continues to enhance Allianz Group's geospatial tools and data landscape. For example, legacy GeoUnderwriting solutions are fully consolidated into our new risk assessment solution "SPHERE". This tool enables underwriters across Allianz Group to make an informed decision based on the exact location of a customer's home or production site when assessing natural catastrophe and climate change-related risk, as well as accumulation risk concentration at the point of underwriting.

In the future, Allianz plans to use this application to provide spatial biodiversity information to underwriters, for example, by covering protected areas and species/habitats. Beyond tooling, we are developing additional geoinformation products that support risk-adequate pricing for climate-related perils, such as windstorm and flooding.

A distinct catastrophe risk management approach is a high priority and we apply advanced standards in data modelling for natural catastrophe scenarios for Allianz Group. This includes having an in-depth understanding of our portfolio and applying the appropriate tools and models to carry out an appropriate hazard and risk analysis. Generally, we manage NatCat risks for Allianz Group through risk pooling. Remaining peak risks are managed through traditional retrocession (the re-insurance market) and capital market solutions, such as cat (catastrophe) bonds.

To scale our positive impact, we research and analyze the risk situation for natural perils in countries where we operate. We offer this knowledge to policymakers and the public to support sustainable development and shape resilience measures.

# 02.1 Sustainability in insurance

## 02.1.4 Emerging consumers

Our purpose – "We secure your future"– includes providing emerging consumers with affordable and effective insurance solutions.

Increasing the resilience of the most vulnerable against the risks they face is one way in which we create positive social impact through our core business. This ambition is strongly linked to Sustainable Development Goal (SDG) 8, Decent Work and Economic growth, and in particular, its sub-target 8.10, Access to Financial Services for All. It also links to SDG 17, Partnerships, as we leverage local and global partnerships to unlock access to insurance for the underserved.

### Reaching underinsured customers

The emerging consumers market – defined as lower-income populations in Africa, Asia and Latin America – consists of more than half of the world's population.

Allianz supports providing access to affordable insurance solutions to lower-income populations.

Developing non-traditional offerings, innovative distribution models and accessible payment channels are strategies to reach and service this target segment. Products and processes must be simple and relatable, and distribution models need to be cost-efficient to maximize client value. Digitalization is unleashing opportunities, with affordable insurance and health services increasingly delivered via mobile technology.

To leverage these opportunities, we seek partnerships with companies that provide digital technologies and go-to-market approaches to complement our core capabilities.

We have partnered with BIMA in Ghana to provide microinsurance products to underserved communities. BIMA leverages mobile technology to provide affordable insurance to low-income individuals, and Allianz underwrites and supports these policies. This partnership benefits the community by offering essential insurance coverage to protect against unexpected financial shocks, improving their overall wellbeing. It also increases overall insurance awareness and health literacy within these communities. Allianz also benefits by expanding its reach into emerging markets and fostering financial inclusion.

Acknowledging that it takes entire ecosystems to unlock the full potential of the segment and reach emerging consumers at scale, we continue to engage with institutional stakeholders, such as the Microinsurance Network and the Swiss Capacity Building Facility. Examples of our core emerging consumer solutions include credit life insurance, funeral insurance, health insurance and crop insurance.

In 2023, we insured 85.5 million people in the emerging consumers segment (2022: 57.2 million insured). Revenues were at € 793.8 million (2022: € 557.8 million) – equivalent to around € 9.3 in annual revenue per insured for this market. Allianz consolidated entities served 8.7 million insured (2022: 11.9 mn) and contributed revenues of € 41.1 million.

**For more details about our emerging consumer business can be found in tables ESG-6 on page 23.**

### Emerging consumer solutions

Emerging consumer solutions include affordable insurance products that cater to customers with lower incomes in Africa, Asia and Latin America, who are typically entering financial services markets for the first time.

Examples include:

- Life and health insurance products at affordable premiums.
- Weather crop insurance service against adverse weather events to safeguard smallholder farmers in India.

# 02.2 Sustainability in proprietary investments

## 02.2.1 Integrating sustainability in insurance investment assets

**A sustainable investment portfolio is important for our stakeholders. Investors, clients, employees and regulators increase their scrutiny as to how we deploy our capital. Supporting the E.U. action plan on sustainable finance is a key aspect for us.**

Allianz Investment Management (AIM)'s approach for its insurance investment portfolio of € 736.8 billion is rooted in four fundamental convictions:

- Match liabilities: We invest long-term, driven by the profile of our liabilities.
- Capture opportunities: We provide capital to sustainable business models because these will deliver better returns in the long run.
- Manage material risk: We are committed to managing all material sustainability risks for our portfolio.
- Manage impact: As a long-term investor, our decision-making process includes assessing and managing the impacts of our investments on the environment and society. Our business can only be successful if we respect planetary boundaries and contribute to people being able to live a decent life.

Our sustainable investing approach is based on these four fundamentals. Our ambition is to transition our global insurance investment portfolio to net-zero by 2050. This will contribute to Sustainable Development Goal (SDG) 13, Climate action and in particular its sub-target 13.1, "Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries". While the management of climate change risks is well integrated into our investment processes, based on our materiality assessment.

> **For more details see chapter 06.6.**

We consider certain nature-related topics as also material for our investment portfolio. We are currently in the phase of learning and developing a systematic approach for these areas.

We strive to implement best practices across all asset classes, guided by the recommendations of leading sustainable investor organizations such as the Principles for Responsible Investment (PRI)[1] and the Institutional Investors Group on Climate Change (IIGCC). At the same time, the world is changing fast, and our ambition is to shape the direction of travel through our contributions to partnerships, thereby fostering SDG 17, Partnerships. These include:

- Founding member of the UN-Convened Net-Zero Asset Owner Alliance (NZAOA), co-leading the Engagement track and key contributor to the Monitoring, Reporting and Verification (MRV) track.
- Founding member and strong supporter of The Linux Foundation's OS Climate (OS-C).
- Serving on the board of the Institutional Investors Group on Climate Change (IIGCC).
- Co-authoring fundamental position papers such as "The Future of Investor Engagement".[2]
- Providing our expertise to the E.U. regulator via membership in the E.U. Sustainable Finance Platform.
- Providing our expertise to the German regulator via membership in the Sustainable Finance Advisory Committee of the German Federal Government.
- Member of the E.U. High-Level Expert (HLEG) Group on Scaling up Sustainable Finance in Low- and Middle-Income Countries.

Indirectly, we contribute to a number of SDGs like SDG 7 Affordable and clean energy, through our strong engagement on climate change and by investing in renewable energy.

1 Allianz SE | Signatory profile | PRI (unpri.org). PRI is a United Nations-supported international network of financial institutions.
2 NZAOA_The-future-of-investor-engagement.pdf (unepfi.org).

# 02.2 Sustainability in proprietary investments

## Sustainability integration approach based on six pillars

All Allianz insurance investment assets, which total € 736.8 billion (2022: € 701.1 billion), are covered by an integrated sustainability approach with stringent management and continuous enhancements. This is based on six pillars and closely follows the PRI recommendations. Each of the pillars addresses impact (positive and/or negative), risks and opportunities as shown in the table on the right.

**For more information on the six pillars, please see chapters 2.2.1.1 – 2.2.1.6 and the Allianz sustainability integration framework: Allianz Sustainability Integration Framework, version 5.0.**

## Sustainability integration approach for Allianz insurance investment assets addressing impact, risks and opportunities

The following table provides an overview how our different pillars of our sustainability integration strategy contribute towards managing our impact, risks and opportunities. The six pillars are explained in detail in the following chapters.

### ESG integration processes – Six Pillars

| | Increase positive impact | Reduce negative impact | Reduce risks | Seize opportunities |
|---|---|---|---|---|
| 1. Selecting and monitoring asset managers | ● | | ● | ● |
| 2. Systematic ESG Integration: evaluation | ● | ● | ● | |
| 3. Systematic ESG Integration: ESG-Scoring | ● | ● | ● | |
| 4. Active engagements | ● | | ● | |
| 5. Exclusions of certain sectors, companies and sovereigns | | ● | ● | |
| 6. Sustainable Investments incl. climate solutions | ● | | | ● |

# 02.2 Sustainability in proprietary investments

### 02.2.1.1 Selecting and monitoring asset managers

Transitioning our investment portfolio to net-zero and achieving real-world change is only possible through close collaboration and support of our asset managers. We select and appoint asset managers that align their activities with our long-term interest in limiting climate change. We have defined minimum expectations and systematic engagement and monitoring practices for public and private asset managers, and we review them against these expectations. For private asset managers, we added a dedicated assessment of climate integration to our general sustainability due diligence. This creates a systematic and transparent basis for starting private asset manager engagements that target climate-specific expectations. Choosing best-in-class asset managers uniquely positions us to proactively seize business opportunities linked to low-carbon transition e.g., investing in climate solutions.

With our listed asset managers, we hold regular sustainability deep-dive meetings discussing topics that include sustainability performance and below-ESG-threshold investments in our portfolio.

We expect all asset managers to have qualified sustainability policies, including mandatory requirements for what these policies must fulfil, for example, sustainability governance structure with clear roles and responsibilities; sustainability-specific principles according to which the asset manager acts and decides on investments; and considerations of regulatory requirements.

Engagement dialogues focus on governance structures, to ensure clear responsibility for overseeing sustainability matters; systematic monitoring approaches for sustainability risks and opportunities; stewardship activities to ensure climate ambitions are aligned with our interests; and engagement approaches to positively impact sustainability practices in investee companies.

At the sourcing stage, we require all asset managers in the public equity asset class to meet the expectations outlined in the NZAOA proxy voting guidance document.[1] In addition, in 2023 we assessed all public equity asset managers in terms of how well they align their policy engagement with their net-zero commitments based on the best practice guidance published by the NZAOA.[2]

### 02.2.1.2 Systematic integration: Case-by-case Evaluation

For all non-listed investments in real estate, infrastructure and corporations, sustainability screening is mandatory. We conduct case-by-case reviews including the screening of Allianz sensitive business areas to ensure that our strict screening criteria for managing adverse impacts are taken into account.

We have published guidelines for assessing sensitive business areas. All potentially sensitive business is screened on a transaction-by-transaction basis by the asset manager and referred to the AIM Sustainable Investing team and Global Sustainability for detailed sustainability assessment, when necessary.

**For more details see the Allianz Sustainability Integration Framework.**

The process for assessing sustainability impact and the information required is specifically tailored to the respective asset or investment opportunity. Based on the outcome of this assessment, we decide whether to proceed with the transaction; whether to proceed with mitigation measures that proactively address the negative impact; or to decline the transaction on unmitigated sustainability risk or negative impact grounds.

### 02.2.1.3 Systematic integration: ESG scoring

We apply an ESG scoring process to all listed assets, including sovereign bonds, corporate bonds and public equity. The scoring process assesses the sustainability performance of individual issuers across 35 key issues (e.g., carbon emissions, toxic emissions and waste, labor management, business ethics) using sustainability data provided by external data provider MSCI ESG Research.

We have set a clear sustainability performance threshold per region, aligned with the bottom 10 % of companies assessed, below which investments are deemed "ESG-critical".

1 Elevating Climate Diligence 2.pdf (unepfi.org).
2 Aligning Policy Engagement with Net-Zero Commitments.

# 02.2 Sustainability in proprietary investments

Table ESG-15

Assets under Management below Sustainability threshold

| As of December 31 | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Market value dirty below sustainability threshold | € bn | 5.8 | 5.5 | 8.1 |
| Market value dirty below sustainability threshold | % | 0.8 | 0.8 | 1.0 |

Issuers in our portfolio that score below the threshold are closely monitored by the AIM Sustainable Investing team. An asset manager with investments on this list must "comply or explain" – meaning either reallocate to another issuer or explain and provide reasons for holding these issuers. The reasoning and approach taken by the asset manager is assessed through regular sustainability deep-dive meetings.

In cases where the reasoning provided is not sufficient to address sustainability concerns, an escalation approach is applied and we engage the issuer or consider excluding the issuer from our investable universe.

> **For more information see section 02.2.1.4.**

At an overall portfolio level, 0.8 % of our assets under management in terms of market value scored below the defined threshold in 2023 and hence stayed constant versus 2022.

The increase of absolute exposure below sustainability threshold versus previous year was mainly driven by an update of the thresholds beginning of 2023. For almost all issuers and regions the threshold was increased so that more issuers fall below the threshold.

In addition, we consider Principle Adverse Impact (PAI) Indicators (according to E.U. Sustainable Finance Disclosure Regulation (SFDR), Art. 4/7) to screen our investment portfolio. We check for adverse sustainability impacts in the areas of climate protection, biodiversity, waste and water management, and social and employee matters. If the PAI screening mentioned above indicates potential adverse impact of an investment in a certain company, this may trigger engagement conversations with the respective company as well.

### 02.2.1.4 Active engagement

Engagement is a cornerstone of how we see active ownership and is a core commitment to PRI Principle 2: "We will be active owners and incorporate sustainability issues into our ownership policies and practices".

Our customers and stakeholders expect engagement on sustainability topics. It also makes clear business sense as companies and external asset managers that effectively address sustainability concerns are less likely to encounter or contribute to events that harm their stakeholders and/or business performance.

When addressing climate change specifically, transitioning our investment portfolio to net-zero greenhouse gas (GHG) emissions reduces the risks resulting from the transition to a low-carbon economy. Engagement supports those taking action to decarbonize their operations and mitigate climate change in the real economy.

Supporting real-world decarbonization is an imperative for us because climate change poses a real threat to the insurance offerings that we provide to businesses and society.

In 2023, we joined the Investor Initiative on Hazardous Chemicals (IIHC). The initiative aims to reduce adverse impacts of manufacture and use of hazardous chemicals, especially chemicals that have a persistent impact on human health and the environment.

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Example for engagement topic in 2023:

We assessed and engaged our public equity asset managers with respect to how well they align their policy engagement with their net-zero commitments based on the best practice guidance published by the NZAOA (Aligning Climate Policy Engagement with Net-Zero Commitments: A foundation for asset owner engagement of asset managers – United Nations Environment – Finance Initiative).

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In 2023 we are including the total number of engagements conducted by Allianz entities for issuers in our proprietary investment portfolio. The total number of engagements conducted by ourselves, AllianzGI, and PIMCO was 663.

Including all Allianz entities in this figure greatly expanded the breadth and diversity of topics raised with companies, which explains the large portion of topics captured under "other".

# 02.2 Sustainability in proprietary investments

Table ESG-9

## Sustainability engagement: overview

| As of December 31 | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Number of active engagements | # | 663 | 57 | 61 |
| Thereof active bilateral engagements | # | 655 | n.a. | n.a. |
| Thereof active multilateral engagements with lead/co-lead | # | 8 | n.a. | n.a. |
| **Engagement outcomes** | | | | |
| Engagement closed successfully | # | 35 | 2 | 21 |
| Engagement closed with restrictions | # | 7 | 0 | 2 |
| Engagement on-going | # | 621 | 55 | 38 |

Table ESG-10

## Sustainability engagement: region

| As of December 31 | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Europe | # | 242 | 12 | 15 |
| North America | # | 286 | 20 | 17 |
| Asia Pacific | # | 89 | 6 | 22 |
| Emerging Markets | # | 46 | 19 | 7 |

Table ESG-11

## Sustainability engagement: sectors

| As of December 31 | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Oil, Gas and Energy | # | 168 | 40 | 34 |
| Metals and Mining | # | 34 | 4 | 7 |
| Steel and Cement | # | 3 | 5 | 7 |
| Chemicals | # | 7 | 2 | 3 |
| Construction and Engineering | # | 16 | 3 | 5 |
| Other | # | 435 | 3 | 5 |

Table ESG-12

## Sustainability engagement: topics

| As of December 31 | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Climate Change | # | 446 | 48 | 48 |
| Own Workers, Workers in Value Chain, and Affected Communities | # | 377 | 10 | 17 |
| Pollution | # | 47 | 4 | 6 |
| Consumers & End-Users | # | 74 | 1 | 2 |
| Biodiversity & Ecosystems | # | 92 | 3 | 4 |
| Other | # | 1,957 | 4 | 3 |

# 02.2 Sustainability in proprietary investments

### 02.2.1.5 Exclusion of certain sectors, companies and sovereigns

Our exclusion approach covers multiple aspects, with exclusion lists updated annually based on data from external service providers and in-house research. The following exclusion themes apply to Allianz portfolios globally:

#### 1. Controversial weapons

Weapons that fall under the scope of the following international conventions are excluded: Ottawa Convention (anti-personnel landmines); Convention on Cluster Munitions (cluster ammunition/bombs); Biological and Toxin Weapons Convention (biological weapons); Chemical Weapons Convention (chemical weapons).

In addition, since 2023, we have excluded companies that do not comply with the U.N. Nuclear Weapons Non-Proliferation Treaty.

#### 2. Coal-based business models

Allianz started to restrict financing coal-based business models in 2015. Equity stakes have been divested, existing fixed income investments put in run-off and no new investments have been allowed since 2015. In 2021, Allianz released an update of its guidelines on coal-based business models, which defined even more ambitious thresholds. From 1 January 2023, this is a 25 % maximum of allowed electricity generation from thermal coal or coal-based revenue. The threshold for the coal share in the business model will be reduced in steps to 0 % by 2040 at the latest, with 15 % being the next step in 2025.

For more details, see our Coal Policy.

Table ESG-8

Divestment from coal-based business models
Proprietary Investments € mn

| As of December 31 | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| **Cumulative divestment since November 2015** | | | | |
| Cumulative divestments since 2015 – Fixed Income | € mn | 7,490.1 | 5,995.0 | 5,983.0 |
| Cumulative divestments since 2015 – Equities | € mn | 379.3 | 350.7 | 347.5 |
| **Additional divestments** | | | | |
| Additional divestments – Fixed Income | € mn | 1,495.2 | 12.0 | 0.0 |
| Additional divestments – Equities | € mn | 28.6 | 3.2 | 0.0 |

#### 3. Oil and gas business models

In April 2022, Allianz released its new statement on Oil and Gas business models. As of 1 January 2025, we will expect the biggest hydrocarbon producers[1] to commit to net-zero GHG by 2050, in alignment with science-based 1.5°C pathways. In addition, we will reduce the revenue threshold for companies active in oil sands from 20 % to 10 %.

#### 4. Human rights concerns

We restrict investments in sovereign bonds from countries associated with severe human rights concerns and significant matters in managing them. To assess sovereign issuers, we use sustainability ratings from external data providers and review the human rights situation in a country using the Allianz Human Rights Risk Score, developed in 2022 and based on the United Nations Universal Declaration of Human Rights. Our internal experts assess countries' human rights risk exposure, using NGO information, as well as in-house research.

For more information on our Allianz Group Human Rights approach, see section 04.2.

#### 5. Unsuccessful engagement

While the majority of our engagements are successful, we have to close a small number without achieving any improvements. In these cases, we decide whether the topic on which we engaged on is so severe that we need to exclude the company from our portfolio.

### 02.2.1.6 Sustainable investments to capture opportunities

Our clear framework and strategy for sustainable investments allows us to provide capital for financing the transition to a sustainable, low-carbon economy. We actively pursue investment opportunities that support solutions to environmental and societal challenges, aligned with the UN SDGs.

In accordance with the E.U. Sustainable Finance Disclosure Regulation (SFDR) Article 2(17), under our definition, investments labelled as sustainable must comply with the following three criteria:

1. Positive contribution to an environmental and/or social objective;
2. Do no significant harm; and
3. Follow good governance practices.

1 This commitment will cover all three GHG emissions scopes for the companies with the largest hydrocarbon production (i.e., above 60 million barrels of oil equivalent production in 2020), which are estimated to represent approximately 85 % of the hydrocarbon production of the oil and gas industry.

# 02.2 Sustainability in proprietary investments

We have developed an assessment approach to identify sustainable investments across a range of asset classes with respect to these three criteria. We will periodically review this approach to develop a best-in-class sustainable investment framework.

**For more information, please see our Sustainable Investments Methodology in the Explanatory Notes.**

In 2023, we expanded our sustainable investments approach to include sub-sovereigns.

## Sustainable investments:

- Sustainable corporates (including green, social and sustainability bonds).
- Sustainable sovereigns, sub-sovereigns and supranationals (including green, social and sustainability bonds).
- Sustainable infrastructure (including renewables).
- Green buildings.
- Sustainable other (including impact, blended finance and decarbonization strategies).

## Financing the transition to net-zero

Allianz systematically investigates a large spectrum of potential investments to finance the low-carbon transition and achieve positive impact. This covers almost all asset classes, markets, technologies and strategies.

A meaningful way to approach financing the transition is to cluster different investment opportunities according to their stage of development.

1. **Identify opportunity:** We are developing an understanding of:
   - technical solutions, main challenges, cost profile/development, etc;
   - risks and impact (interaction with initiatives, NGOs, etc); and
   - market, main players and existing investment opportunities.
2. **Develop investment approach:** We reach out and interact with fund managers and develop an understanding of "lowest risk" options.
3. **Conduct first investments:** We have implemented first investments, established relationships with key market players and started outreach to investigate the potential of strategic partnerships with industry players and asset managers (structured outreach approach currently in build-up).
4. **Scale opportunity:** We are scaling our investments to a significant volume and setting up separately managed accounts to best suit our investment requirements. We also expand geographical coverage, include further operating entities and enhance our risk profiles and approaches.

Table ESG-7

Proprietary sustainable investments

Proprietary Investments € bn[1]

| As of December 31 | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Global Portfolio ESG screened | € bn | 736.8 | 701.1 | 849.2 |
| **Sustainable investments** | **€ bn** | **167.4** | **131.5** | **123.1** |
| Of which environmental objectives | € bn | 153.2 | 111.2 | 109.9 |
| Of which climate solutions | € bn | 37.1 | n.a. | n.a. |
| Of which pollution, water & marine resources, biodiversity & ecosystems, resource use & circular economy and other | € bn | 1.6 | n.a. | n.a. |
| Of which social objectives | € bn | 10.0 | 8.4 | 12.0 |
| Of which environmental and social objectives[2] | € bn | 4.3 | 11.8 | 1.1 |
| **Asset class breakdown** | | | | |
| Of which sustainable sovereigns, sub-sovereigns and supranationals | € bn | 121.2 | 98.0 | 84.1 |
| Of which sustainable corporates | € bn | 26.1 | 20.2 | 25.5 |
| Of which sustainable infrastructure (incl. renewables) | € bn | 10.4 | 7.0 | 7.0 |
| Of which sustainable other (incl. impact, blended finance, forestry, Article 9 funds) | € bn | 1.6 | 0.8 | 0.4 |
| Of which green buildings | € bn | 8.2 | 5.6 | 6.4 |

We aim to increase volumes in climate solutions and finance the transition of companies in the hard-to-abate cement and steel sector that are aligned with a 1.5 degree world and have well-defined decarbonization strategies.

1 Based on economic view.
2 Some investments with an environmental and social objective in 2022 were moved to environmental objective in 2023.

# 02.3 Sustainability in asset management

**Allianz Group's asset management segment sees the integration of sustainability factors as an important industry driver, where appropriate. As active managers with proven research capabilities, our two major asset managers, AllianzGI and PIMCO, continue to develop tailored investment solutions for clients, who have elected to implement sustainability-related investment objectives or criteria.**

The asset managers cater to a wide range of investors with bespoke needs – from retail fund investors to institutional clients. They also take an active role in dialogue within industry and market initiatives.

## Allianz Global Investors

As a diversified player, sustainable investing is a core part of AllianzGI's strategy, with € 175.2 billion of third-party assets (2022: € 139.6 billion) managed across various ESG approaches.

AllianzGI has continued to build out its offering of sustainable and impact-focused investment products and customized solutions across public and private markets, demonstrating its commitment to shaping pathways to a more sustainable future.

It has identified three themes – climate change, planetary boundaries and inclusive capitalism – which are critical to society, investors and AllianzGI as a business. These themes inform its research and stewardship activities, product development and industry commitments.

AllianzGI's **ESG risk-focused** portfolios incorporate material ESG risk considerations into the investment process across all asset classes to seek enhanced risk-adjusted returns without restricting the investment universe.

In doing so, they apply a systematic approach to identifying material ESG risks and opportunities when making investment decisions. Understanding these risks and opportunities is vital to inform investment decisions that deliver long-term performance for clients.

AllianzGI's **sustainability-focused** product offering aims to achieve financial returns for clients while following sustainability objectives and values. To do this, it applies a minimum exclusion list and sustainable investment approaches, including best-in-class Socially Responsible Investing (SRI) or a KPI-based approach targeting, for example, a carbon reduction pathway.

AllianzGI's **impact-focused** approaches aim to support investors, who want to enable positive change while generating a return. Impact investing contributes to specific material positive environmental and/or social outcomes that can be measured using KPIs against specific goals that are often consistent with the U.N. Sustainable Development Goals (SDGs).

Table AAM-1

### ESG-themed strategies for third-party assets from AllianzGI[1,2]

Third-Party Assets

| As of December 31 | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| AllianzGI – Total | € bn | 175.2 | 139.6 | 184.3 |
| ESG risk-focused | € bn | 22.7 | 17.2 | 43.1 |
| Sustainability focused | € bn | 147.9 | 118.5 | 136.4 |
| Impact focused | € bn | 4.6 | 3.9 | 4.8 |

Table AAM-2

### ESG-themed strategies for third-party assets from PIMCO

Third-Party Assets

| As of December 31 | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| AuM in Sustainability Strategies | € bn | 249.3 | 220.1 | 203.1 |

1 We renamed the table from "ESG-themed investments for 3rd party assets" to "ESG-themed strategies for third-party assets from Allianz Global Investors (Allianz GI)/PIMCO" to highlight the fact that assets are categorized based on strategies within which such assets are invested. Such strategies and their corresponding classifications are, in turn, driven by our clients' sustainability objectives. For further details please refer to the AllianzGI and PIMCO websites: Our approach | AllianzGI; Sustainable Investing | PIMCO.

2 From Q3 2022 onwards, amounts are presented in accordance with the amended definition of assets under management and include portfolios sub-managed by third-party investment firms. Comparative periods are not affected by the amendment.

# 02.3 Sustainability in asset management

## PIMCO

PIMCO defines its AuM in sustainability strategies as strategies that include (i) minimum standards that refine the investment opportunity set based on client-directed exclusion criteria ("exclusionary" portfolios); (ii) a focus on enhancing the sustainable characteristics of the portfolio in comparison to its investment universe ("enhanced" portfolios); or (iii) a focus on achieving a specific environmental/social objective in addition to a financial objective ("thematic" portfolios).

The above classifications from AllianzGI and PIMCO are internal and not related to any regulations.

**For further details please refer to the AllianzGI and PIMCO websites:**
- **Our approach**
- **Sustainable investing | PIMCO.**

PIMCO managed € 249.3 billion of third-party assets in 2023 (2022: € 220.1 billion) across sustainability strategies. PIMCO believes that the global bond market and its investors will be essential for meeting ambitious global climate goals, achieving the SDGs and financing a sustainable future. Its sustainability philosophy centers on being a steward of clients' capital with a fiduciary duty to manage risk, and a responsibility to use its scale to engage with issuers for the benefit of investment outcomes.

PIMCO provides industry-leading advice and solutions for clients on a range of issues, including sustainability and ESG, such as monitoring carbon emissions and other climate change-related matters. It has developed a range of methodologies and tools to help investors assess sustainability-related matters within their individual portfolios.

For PIMCO, sustainable investing is an approach that seeks to appropriately consider material matters in investment decision-making and portfolio construction. It includes issuers' impact on the environment and society, as well as how environmental, social and governance factors may impact the issuer more broadly. PIMCO analyzes the extent to which Environmental, Social and Governance (ESG) factors could impact valuations.

This approach can be achieved by integrating ESG into investment research and decision-making, where relevant, and material to ultimately help manage portfolio risks and identify opportunities. Sustainable investing can also be achieved by offering sustainable investment solutions that explicitly include and seek to optimize ESG factors. Sustainable investment solutions may encompass negative screening; the proactive selection of assets based on more favorable ESG factors relative to their investment universe (e.g., positive screening); and in certain circumstances, the selection of investments based partly on their contribution to broader objectives, such as alignment with the Paris Agreement, the SDGs or overall contribution to society, aligned with fiduciary duty and investment objectives.

PIMCO views sustainable investing as a broader approach than ESG investing. The Sustainable Investment Policy Statement details PIMCO's commitment to the following:

- The integration of relevant sustainable factors, including Environmental, Social and Governance factors in the firm's long-term investment process.
- Providing sustainable investment solutions designed to meet a client's objectives.
- Engagement with issuers to try to improve investment outcomes and dialogue on sustainability factors and the related risks.
- The evaluation of climate change and related risks in our investment analysis.
- Governance and oversight of these areas.

## Targets and commitments

As a member of the global net-zero asset managers initiative, AllianzGI is committed to supporting the goal of net-zero greenhouse gas (GHG) emissions by 2050 or sooner. It is also a member of the One Planet Asset Managers Initiative, which supports members of the One Planet Sovereign Wealth Funds (OPSWF) in the integration of climate-related risks and opportunities within long-term investment portfolios.

As a private markets investor, AllianzGI can engage and steward the assets and funds it invests in through its levers of influence, specific to each strategy.

The firm takes this role seriously and endeavors to keep pushing the markets towards higher standards, leveraging and inputting into industry initiatives that ensure high ESG standards across all markets, including private markets, where we continue to play an active role in associations to shape the industry.

For example, AllianzGI's head of Sustainable and Impact investing joined The European Sustainable Investment Forum (Eurosif), as an Independent Director in 2023. In the current landscape, where regulations play such a prominent role, Eurosif is ideally placed to promote the development of sustainable finance across Europe.

# 02.3 Sustainability in asset management

PIMCO is supportive of working with its asset owner clients on their decarbonization goals to help them reach net-zero emissions by 2050 or sooner. As an asset manager and fiduciary, PIMCO manages its clients' mandates and cannot unilaterally set such targets for clients who are the asset owners. PIMCO is keenly aware of the market and societal trends that are reshaping what it means to manage a global sustainable business in the 21st century – and it believes strongly in science-based evidence and scenarios.

PIMCO's Sustainability Leadership Team also oversees the evaluation and approval of the firm's participation in certain third-party sponsored partnerships (i.e., industry engagements and/or affiliations).

> **For more details see chapter 02.3.2.**

PIMCO views these partnerships as being important for adding value for their investors. This is achieved by increasing their knowledge and expertise and providing leadership in areas where internal sustainability stakeholders have strong views – all with the objective of reaching better investment outcomes. PIMCO's role as a fiduciary is a guiding principle for evaluating potential affiliations, which is of paramount importance to the firm's role as a steward of client assets.

This means that its investment activities and commitments must be led by client mandates, and considerations must be expressed through investment objectives, guidelines and/or restrictions. PIMCO believes that asset managers have a different role to play in sustainable investing relative to asset owners – while PIMCO can advise, educate and invest on behalf of its asset-owner clients, it is not appropriate to commit to any course of action collectively for all clients.

## 02.3.1 Allianz Global Investors progress

During 2023, AllianzGI added the following initiatives to its sustainability offering:

- Enriched its proprietary, state-of-the-art sustainable data architecture, which supports portfolio manager decision-making, with a new dedicated engagement module, as well as the continuous addition of new thematic data sets.
- Established an Impact Measurement and Management team within the Sustainable and Impact Investing platform. The team has developed and implemented an Impact Framework to consistently assess, measure and manage impact across private markets' impact investment strategies.
- Launched sustainable investing and taxonomy share commitments for all relevant sustainable- and impact-focused strategies, facilitated by an in-depth analysis of nearly 130 companies and over 460 business activities by AllianzGI's dedicated sustainability research team.

AllianzGI continues to apply its investment approach, which is focused on reducing the carbon footprint of portfolios. Funds managed in this way are either committed to reduce their GHG footprint along a set pathway by five percent per year or stay below their benchmark in terms of GHG intensity by 20 %. AllianzGI is also working on a net-zero alignment share sustainable investment approach, which it has defined and will be rolled out in 2024.

In 2023, AllianzGI continued to build out its thematic focus within its engagement activities. Key thematic engagement projects included net-zero transition, with a focus on high-emitting sectors, biodiversity, human rights and gender diversity.

AllianzGI's commitment to engagement in 2023 was reflected by 476 (2022: 438) company engagements covering 1,045 (2022: 996) topics in 371 (2022: 335) companies and 32 (2022: 28) markets.

Active investment strategies benefited from exercise of voting rights and proxy voting.

Across the year, AllianzGI voted at 9,137 shareholder meetings. In about 71 % of meetings, it voted against management, withheld or abstained with at least one vote. This reflects AllianzGI's approach to stewardship, the willingness to vote against proposals that do not meet its expectations of investee companies, and the fulfilling of its duty to act in the interests of clients by considering each proposal on merit.

Specifically in the private markets – where AllianzGI has over 10 years of history in delivering sustainable outcome-led investment offerings – several of its private markets teams have set the target to grow the share of low-emitting assets for new strategies and investments.

The firm is also one of the first movers in building out an Impact Team with capabilities in the impact private credit area. AllianzGI will also expand its offerings into impact private equity.

**For more information read AllianzGI's Sustainability Report.**

# 02.3 Sustainability in asset management

### Case study:[1] How can asset management support environmental and social solutions?

The Blended Finance Private Equity Team at AllianzGI provides equity financing to generate positive environmental and social outcomes in emerging markets.

The team manages three fund-of-funds strategies, two of which are emerging market-focused blended finance vehicles that bring together public investors to de-risk the underlying investment universe and mobilize large-scale institutional capital into these markets.

One of our vehicles, is a blended finance fund that finances climate mitigation and adaptation, as well as environmental projects in Africa, Asia, Latin America and the Middle East.

This vehicle has already executed multiple transactions across both climate mitigation and climate adaptation sectors, and is financing the expansion of renewable energy in the Middle East, Africa and Latin America and resilience to climate change in South Asia and Africa. One of its investments finances the development and operation of energy efficient cold chain infrastructure in East Africa. As climate change increases the frequency of extreme weather events, including drought and torrential rain, adequate cold storage facilities are vital to hold food reserves and extend availability of agricultural produce to non-harvest seasons. Without this capability, local communities are exposed to food insecurity associated with such weather events. Cold chain infrastructure facilitates a more resilient food supply stock and supports climate adaptation for climate vulnerable communities. It also addresses high rates of food losses and associated GHG emissions in East Africa, with rotting food a large source of methane, a GHG 25 times more powerful than $CO_2$.

This climate adaptation-focused transaction exemplifies this vehicle's focus on financing innovative solutions for climate transition in the real asset space. The strategy operates at the nexus of climate change – spanning mitigation and adaptation, food security and health, with a strong positive impact expected for agricultural producers, farmers and the broader population.

Other facilities across the region are at various stages of development and will be brought into operation over the next few years.

1 Investing involves risk. The value of an investment and the income from it may fall, as well as rise, and investors might not get back the full amount invested. Investing in fixed income instruments may expose investors to various risks, including but not limited to creditworthiness, interest rate, liquidity and restricted flexibility risks. Changes to the economic environment and market conditions may affect these risks, resulting in an adverse effect to the value of the investment. During periods of rising nominal interest rates, the values of fixed income instruments (including positions with respect to short-term fixed income instruments) are generally expected to decline. Conversely, during periods of declining interest rates, the values of these instruments are generally expected to rise. Liquidity risk may possibly delay or prevent account withdrawals or redemptions. Past performance does not predict future returns. If the currency in which the past performance is displayed differs from the currency of the country in which the investor resides, then the investor should be aware that due to the exchange rate fluctuations the performance shown may be higher or lower if converted into the investor's local currency. The views and opinions expressed herein, which are subject to change without notice, are those of the issuer companies at the time of publication. The data used is derived from various sources, and assumed to be correct and reliable at the time of publication. The conditions of any underlying offer or contract that may have been, or will be, made or concluded, shall prevail. This is a marketing communication issued by Allianz Global Investors GmbH, www.allianzgi.com, an investment company with limited liability, incorporated in Germany, with its registered office at Bockenheimer Landstrasse 42-44, 60323 Frankfurt/M, registered with the local court Frankfurt/M under HRB 9340, authorized by Bundesanstalt für Finanzdienstleistungsaufsicht (www.bafin.de). The Summary of Investor Rights is available in English, French, German, Italian and Spanish at https://www.regulatory.allianzgi.com/en/investors-rights The duplication, publication, or transmission of the contents, irrespective of the form, is not permitted; except for the case of explicit permission by Allianz Global Investors GmbH.

# 02.3 Sustainability in asset management

## 02.3.2 PIMCO's progress

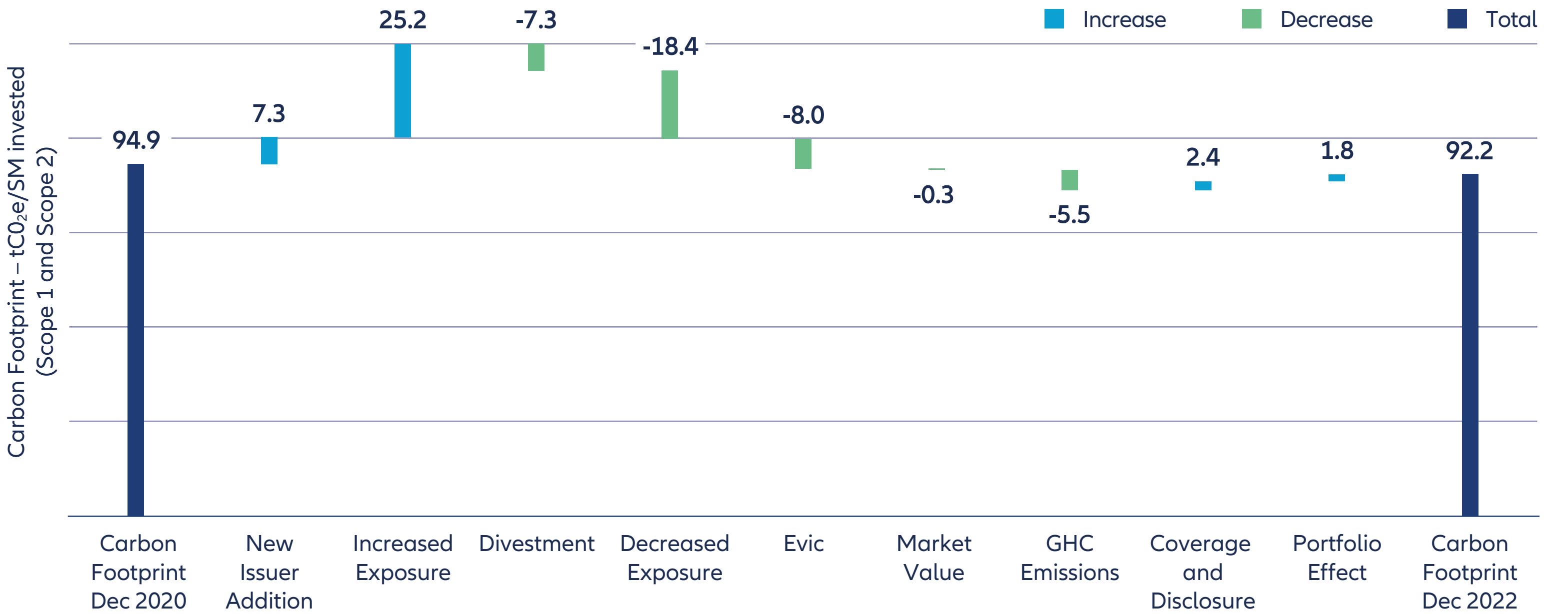
PIMCO is committed to providing the best advice and solutions for clients on a range of sustainability matters, including climate change. With this in mind, it has developed a framework for interested investors seeking to target long-term decarbonization in their portfolios. This framework is supported by carbon emission data covering corporate issuers. One overarching challenge has been the lack of data or standards to quantify whether portfolio decarbonization is linked to actual greenhouse gas emission reductions in the real economy.

In response to concerns about the reliability of data, PIMCO has developed a proprietary carbon attribution tool. This tool measures and reports the contribution of different factors to carbon emissions across different corporate issuers in a portfolio. We then measure the emission data against a broad benchmark and across time periods.

For example, the slight decrease in the carbon footprint of the Bloomberg Global Aggregate Credit Index between December 2020 and December 2022 (shown in the chart on the right) was mainly driven by changes in its exposure to certain issuers, while the greenhouse gas emissions reductions of issuers only marginally contributed to the change evaluated over this period.

The carbon attribution tool can help make more informed decisions regarding the most effective levers to decarbonize a portfolio's emissions while encouraging actual emissions reduction from issuers.

**Bloomberg Global Aggregate Credit Index – Carbon footprint change (Dec 2020 – Dec 2022)**



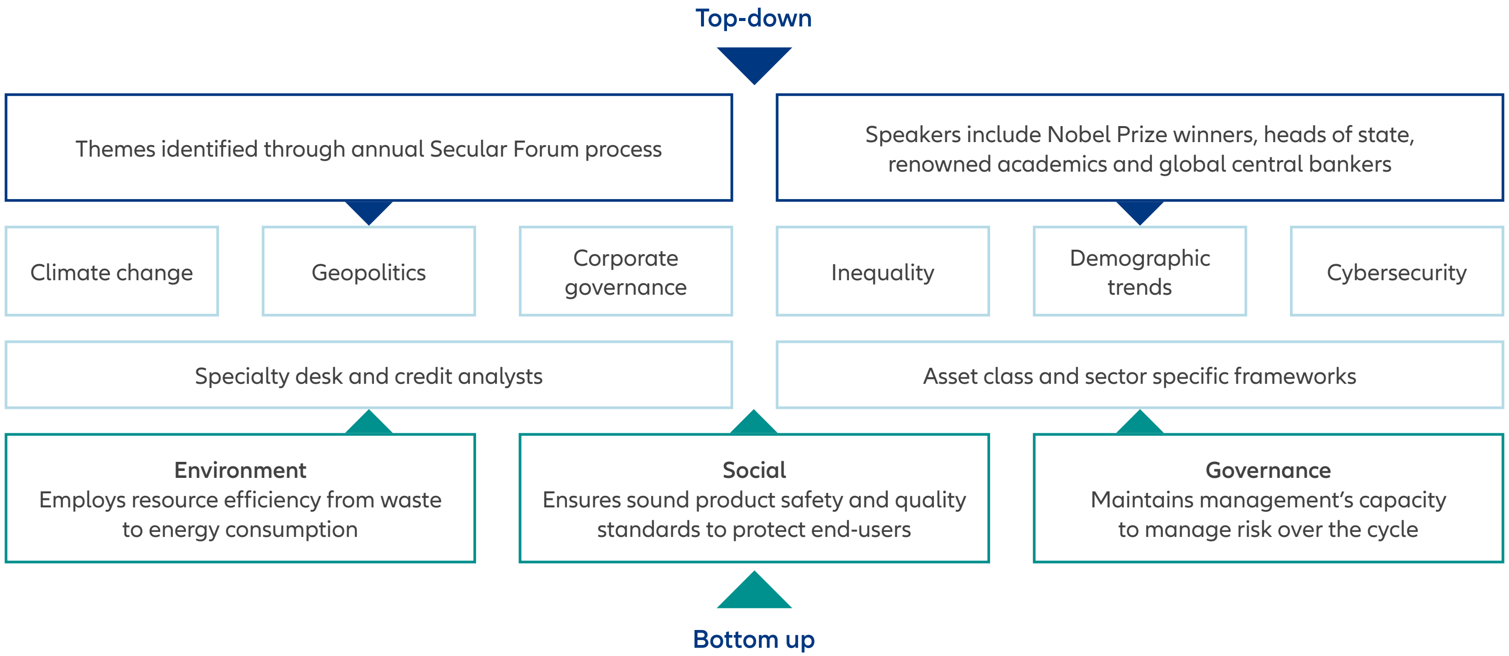

Source: PIMCO, MSCI. As of 31 December 2022.

Absolute corporate GHG emissions attributed to the portfolio or benchmark divided by the market value, expressed as $tCO_2e$/$M invested (Scope 1 and Scope 2). Scope 1 refer to direct emissions from owned or controlled sources. Scope 2 refers to indirect emissions from the generation of purchased energy.

The factors displayed on this chart include increased or decreased exposure (changes in the weights to existing positions), new issuer addition or divestment (changes in the universe or positions held in the portfolio), changes to issuer's enterprise value including cash (EVIC), the market value of the portfolio, GHG emissions and data coverage. Portfolio effect refers to the residual part of the decomposition due to data limitations and the interaction between factors. PIMCO climate and carbon metrics and methodologies may change over time and may not be comparable to prior period metrics reported. The firm's proprietary methodologies are not verified by a third-party and may vary from other independent carbon-discounting methodologies.

# 02.3 Sustainability in asset management

### PIMCO's Approach to Sustainability (For illustrative purposes only)




### PIMCO integrates ESG factors from a top-down and bottom-up perspective

As outlined in PIMCO's sustainable investment policy statement, the firm believes the consideration of relevant ESG factors is part of a robust investment research process. Where material, ESG factors can be important considerations when evaluating long-term investment opportunities and risks across asset classes in both public and private markets.

ESG factors may include climate change risks, resource efficiency, natural capital, human capital management, human rights, regulatory risks and reputational risk at an issuer level. PIMCO recognizes that they are increasingly essential inputs when evaluating global economies, markets, industries and business models. An example is the effect of stranded assets on the energy sector. The materiality of ESG considerations to investment decisions varies across asset classes, strategies, products and valuations. Integrating relevant factors into the evaluation process does not mean that ESG-related information is the sole or primary consideration for an investment decision; instead, PIMCO's portfolio managers and analyst teams consider a variety of factors, including their materiality, when making investment decisions. By increasing and diversifying the information available to the Portfolio Management Team, PIMCO is able to provide a more holistic view of an investment, which they believe will benefit clients.

PIMCO analysts engaged 1355 (2022: 1371) corporate bond issuers in 2023 across a range of industries and regions. More than 39 % of those 1355 issuers were engaged in depth, meaning that PIMCO held discussions with the issuer on ESG topics and provided specific feedback for consideration.

As one of the largest bondholders in the world, PIMCO has a large and important platform with which to engage issuers on sustainability matters. Engagement is an essential tool for both improving investment outcomes and influencing sustainability outcomes. PIMCO believes that sustainable investing is not only about partnering with issuers that already demonstrate a deeply unified approach to sustainability, but also about engaging with those issuers that are evolving their sustainability practices. While engagements seek to benefit our clients' investment objectives, they may also benefit additional stakeholders, including employees, customers, broader society and the environment.

> **Please refer to the case study from PIMCO on the next page.**

# 02.3 Sustainability in asset management

The PIMCO Prime Real Estate[1] business, which PIMCO assumed in 2020, has updated the ESG assessment for real estate fund investments and increased the scope by adding Asia Pacific (APAC) funds.

It has also refined the engagement approach for funds, further improved the capabilities and coverage of the European environmental data management platform and continued its efforts to meet disclosure requirements in the context of regulations, such as SFDR. This has included broadening its data coverage, ensuring the highest assurance standards and starting its first CSRD workstreams.

New acquisitions will additionally be assessed against 1.5°C GHG and energy pathways, and the investment needed to meet related targets will be considered. Procurement of renewable energy and engagement to convince tenants to switch to green electricity will be a priority (e.g., via standard lease agreements).

Where deep refurbishments are required, completed buildings will be highly energy efficient to ensure long-term compliance with the 1.5°C GHG pathway.

**Case study:[2]**

PIMCO manages a strategy that invests opportunistically in a broad spectrum of climate-focused instruments and debt of climate leaders. Indeed, the strategy seeks optimal risk-adjusted returns, consistent with prudent investment management, while giving consideration to long-term climate-related risks and opportunities, and its investments ordinarily include labeled and unlabeled "green" bonds, as well as the debt of issuers demonstrating leadership in addressing risk and opportunities around climate-related change.

When considering whether an issuer has demonstrated leadership in addressing risk and opportunities around climate-related change, PIMCO can consider a variety of factors to determine whether an issuer qualifies, including whether they provide low-carbon solutions, have implemented or prepared a transition plan to a low-carbon economy or other factors that it may determine are relevant.

To evaluate climate-related factors, PIMCO can use, among other resources, its own proprietary research and scoring process, and also evaluate the issuer's alignment with international commitments deemed relevant, such as the 2016 Paris Agreement. To evaluate an issuer's environmental practices, PIMCO can use its own proprietary assessments of material environmental and climate-oriented issues, as well as the reference standards established by recognized global organizations, such as entities sponsored by the U.N.

**Read more in PIMCO's ESG Investing report.**

1 PIMCO and PPRE maintain operational separateness. As a result, ESG assessments are developed and implemented independently for the respective businesses.
2 Investors should consider the investment objectives, risks, charges and expenses of a fund carefully before investing. If available for investment in your jurisdiction, this and other information are contained in a fund's prospectus and summary prospectus, if available, which may be obtained by contacting your investment professional or PIMCO representative or by visiting www.pimco.com. Please read these details carefully before you invest or send money.

# 03 Climate change related disclosure

This chapter contains content from our Non-Financial Statement from the CSRD convergence to ESRS E1 Climate Change.

Focus is on the climate transition plan with specific targets for reducing emissions in our proprietary investments, P&C underwriting and own operations.

# 03.1 Environmental matters

Non-Financial Statement

## 03.1.1 The net-zero challenge

**Human-made climate change, one of the greatest global challenges of our time, has already caused far-reaching negative consequences and losses for nature and people. Various human and natural systems are being stressed beyond the limits of their adaptive capacity. Therefore, irreversible damage has already started to occur.**

In order to mitigate these developments, the 2015 Paris Agreement set the goal of limiting global warming to a maximum of 1.5 °C by the end of the century. This has resulted in a fixed greenhouse gas emissions (GHG) budget; i.e., an upper limit for global emissions that may still be released. Based on modelled emission pathways from the Intergovernmental Panel on Climate Change (IPCC) **6th Assessment Report**, emissions need to be almost halved every decade to restrict warming to 1.5 °C with limited or no overshoot, with a 50 % probability of success. This would allow carbon ($CO_2$) emissions to reach net-zero by 2050, meaning that residual emissions would be balanced by atmospheric carbon removal. Climate scientists estimate that halting GHG emissions on a net level would subsequently put a stop to further warming.

In 2022, however, annual energy-related carbon emissions reached a record level of 37 billion tons according to the **International Energy Agency**. If current trends continue, the GHG budget will be exceeded way before 2030 and the target of 1.5 °C will be overshot significantly. This increases the need for an even more rapid transition later on, as well as the use of atmospheric carbon removal – i.e., negative emission solutions – to bring warming back to 1.5 °C by the end of this century. **Recent research** has shown this is still possible but requires urgent action by companies and policymakers alike.

## 03.1.2 Transition plan & strategy

Our approach to climate change is grounded in the Allianz Group Climate Change Strategy. First published in 2005, it steers our response to climate-related impacts, risks, and opportunities in our insurance and investment business. Since 2015, the Climate Change Strategy has been built around our efforts to anticipate climate risks, care for our customers, and enable the net-zero transition.

Since 2018, our Climate Change Strategy has committed us to contribute to pursuing efforts that limit global warming to 1.5 °C by the end of the century. To anticipate and enable this transition, Allianz has committed to net-zero greenhouse gases (GHG) for our proprietary investments, Property-Casualty insurance, and our own operations. In September 2023, we published our **Inaugural Net-Zero Transition Plan**, which describes our intermediary targets for 2030 and key actions to achieve them. This approach builds on the previously released 2025 emissions targets for proprietary investments and own operations.

Our priorities include quantitative emission targets, strategic growth of financing and insuring of low-carbon technologies that support net-zero, targeted restrictions for fossil fuel-based business models to manage transition risks, and a systemic approach to investee engagement and policy advocacy, supported by climate action in our own operations.

These elements, which address the impacts, risks, and opportunities of climate change, are explained in more detail in the subsequent sections on insurance, investments, own operations, and risks. Our ambition is to be a trusted partner for our customers and investee companies across different sectors in their transition toward net-zero.

Since the net-zero transition is a systemic issue, it requires a whole¬of-society response. Therefore, we are also seeking to join forces with other stakeholders. Our approach on the investment side builds on the work of the U.N.-convened Net-Zero Asset Owner Alliance, which Allianz co-founded and currently chairs. Furthermore, we encourage companies to implement net-zero strategies via our participation in The B Team, Climate Action 100+, the Transition Pathway Initiative, and the Principles for Responsible Investment.

> **For further information and a full list of sustainability related memberships, please refer to the section Stakeholder engagement.**

### Climate-related opportunities

Our materiality analysis under CSRD found climate-related opportunities to be material for the Property-Casualty

# 03.1 Environmental matters

## Non-Financial Statement continued

insurance and proprietary investments. Our business strategy and our net-zero transition plan aim to systematically leverage opportunities to finance and insure a low-carbon and climate-resilient future, e.g., by investing in renewable energy, energy efficiency in real estate, and electric vehicle infrastructure.

We have strategically insured and invested in low-carbon assets for over a decade. With our 2023 Inaugural Net-Zero Transition Plan, we have also set quantitative targets for investing and insuring solutions that are needed in the net-zero transition. Our Sustainable Solutions program provides products and services that aim to create positive impacts with our (re )insurance activities and investments. Growing sustainable solutions is among the topics included in the annual financial planning processes of our operating entities, in order to systematically identify growth and profitability potential.

> **For further information on sustainable solutions, please refer to the Remuneration Report.**

We believe our intermediate climate targets will help us realize growth potential. For commercial insurance in particular, our transition plan includes a target to achieve 150 % profitable growth in revenues from renewable energy and low-carbon technology solutions by 2030.

### Climate policy dialogue

We can achieve our targets only jointly with public policy and the real economy, as the necessary changes require broad support. For instance, sufficient frameworks and market incentives are required to bring down demand for emission-intensive products and to allocate capital in line with a 1.5 °C trajectory. The private sector, including insurers, can play an important role in raising awareness and making the business case for getting on track to limit global warming. To that end, we also work with policymakers and regulators to support sustainable financing and achieve the goals laid down in the Paris Agreement. We are advocating for global effective climate policy which should achieve the following:

- Embedding "net-zero by 2050" in short and long-term governmental climate targets, climate strategies, and emissions reduction plans, following the latest climate science in line with pathways of no or low overshoot of a 1.5 °C temperature rise.
- Developing sector policies to promote a swift and socially fair transition, including the development of more granular short-, medium- and long-term net-zero infrastructure plans.
- Implementing stringent carbon pricing to internalize the external costs of pollution, including a phase-out of direct and indirect fossil fuel subsidies.
- Protecting nature and supporting regenerative forestry and agriculture. Supporting and redirecting fossil fuel-related subsidies to scale up new technologies that will provide solutions in hard-to-abate sectors, e.g., carbon capture and storage, and green hydrogen.
- Promoting mandatory assured climate disclosure, including transition plans, GHG emissions, associated reduction targets, and alignment with 1.5 °C trajectories, ideally aligned internationally.
- Ensuring sustainable finance regulation that provides a defined, science-based, and reliable framework via a common taxonomy of sustainability, clarification of asset managers' duties, inclusion of sustainability in prudential regulation, and enhanced transparency of corporate reporting.

### 1.5 °C alignment of targets

Our emission targets are aligned with credible, science-backed climate scenarios – such as those provided by the IPCC[1] – that limit global warming in 2100 to 1.5 °C with only a limited or no overshoot of this temperature during this century. While the individual scenarios differ in their assumptions and narratives, they agree on a necessary emission reduction range for $CO_2$ emissions of 36 % to 69 % from 2020 to 2030, with a median reduction of 48 %.[2] All our existing sub-portfolio targets with a global focus are in line with this. For our motor retail portfolio, the targeted reductions, which apply to nine European markets, are aligned with respective net-zero pathways.[3]

1 6th Assessment Report. Further scenarios used include the IEA's Net-Zero by 2050 and the One Earth Climate Model.
2 For GHG emissions, the range is 34 to 60, with a median of 43.
3 Target applies to the most relevant markets for Allianz, where adequate and reliable data is available.

# 03.1 Environmental matters

## Non-Financial Statement continued

Our target year 2030 is defined as year-end 2029. Our base years for the 2030 targets in proprietary investments and operations continue to be the base year 2019 (building on existing 2025 targets). This also allows us to filter out the temporary effects of the COVID-19 pandemic. The approach taken for our P&C insurance targets was to focus on the most recent year for which data was available, this being 2022.

### Decarbonization levers

For our portfolio targets, there are generally two levers for decarbonization, that is reducing GHG emissions: either our portfolio companies – i.e., the customers we insure or the companies we invest in – reduce their GHG emissions, or we change the composition of our portfolio over time.

The former relies directly on GHG emission reductions in the real economy, which is not under our control. The latter can also occur naturally as part of typical insurance and investment business cycles in different lines of business, sectors, and individual customers, and is generally more under our control.

We aim to achieve GHG emission reductions through actions such as engaging customers, increasing exposures to lower-carbon business, and setting targets for lower-carbon technologies, as well as reducing our exposure to defined fossil-fuel business such as thermal coal. For our own operational GHG emissions, the main levers for reduction are Electricity, Buildings as well as Fleet, Business Travel, and Procurement. These elements are described in more detail in the following sections.

We apply both absolute and intensity GHG emission targets. Absolute GHG emissions refer to an absolute amount of GHG emissions associated with the respective business activity such as investing or insuring; absolute GHG emission targets seek to reduce the absolute amount of GHG emissions. GHG emission intensity and associated targets, on the other hand, harmonize the GHG emissions through a denominator that relates to a business activity. For example, GHG emissions per million invested or per million of premium.

### Property-Casualty insurance

The GHG emissions associated with our commercial portfolio will be reduced as we continue the planned implementation of our underwriting guidelines for coal as well as for oil and gas in line with announced thresholds and timelines. Our portfolio will also change as we continue to expand our risk appetite in the segment of renewable energy, low-carbon, and transition technologies. We will also benefit from GHG emission reductions in the real economy that our corporate customers pursue as part of their own net-zero strategies as required by governments, investors, and other stakeholders, and in addition, enabled by us as an insurer. A supportive policy environment is crucial here and is an important lever both for the net-zero transition in the global economy and for our target achievement.

The GHG emissions associated with our motor retail portfolio are planned to be reduced through various initiatives; firstly, by increasing our share of battery electric vehicles for our markets in scope. It is also clear from **market research** that customers want to drive less, so we will encourage sustainable behaviours by providing offerings that reward these lifestyle changes. Another key lever will therefore be providing further incentives for reducing GHG emissions via mileage-based product offerings. When considering potential initiatives we took into account future projections in each of the countries for which we have set targets, including energy usage, vehicle usage and vehicle types. Our incentives will therefore balance the improvements we expect to see in the respective markets with Allianz actions aimed at closing the gap to our stated targets. We will therefore actively steer our in-scope portfolios to be more sustainable whilst benefiting from changes we predict to observe in market behaviour.

We will also engage with customers to support their transition to electric mobility and meet their changing needs. We are committed to offering comprehensive insurance products for battery electric vehicles and the related ecosystem, and to supporting our customers in transitioning to new forms of mobility.

### Proprietary investment

Our investment management function allows us to influence our portfolio allocation by setting targets and frameworks for our asset managers. These include defining concrete decarbonization targets for individual mandates, excluding certain high-emitting companies without reduction plans, and increasing target volumes for investments in climate solutions.

# 03.1 Environmental matters

## Non-Financial Statement continued

In order to achieve GHG emission reductions in the companies in our portfolio, we cultivate all types of engagement: bilateral, multilateral, and asset manager engagement. As part of our multilateral engagement activities, the transition of whole sectors is a particular focus.

### Own operations

As the specific definition of net-zero is still evolving for financial institutions and we anticipate CSRD requirements, we are no longer referring to the 2030 target for our Own Operations as a net-zero commitment. We will instead refer to it as a 2030 intermediate target. The rest of the decarbonization and removal targets for Own Operations remain as communicated in the Inaugural Net-Zero Transition Plan.

By 2025 we aim to reduce GHG emissions per employee by 50 % versus a 2019 baseline across Scope 1, Scope 2, and selected Scope 3 emissions.

> **For more details see chapter Current Emissions.**

For year-end 2030, we target GHG emission reductions of 70 % and for year-end 2029, -65 %[1] versus a 2019 baseline.

To address the remaining 30 %[2] of the emissions we will use high-quality carbon removal solutions.

Key levers for GHG emission reduction will be the areas of Renewable Electricity, Buildings, as well as Fleet, Business Travel, and Procurement. In the area of Renewable Electricity, we source 100 % renewable electricity from 2023 onwards and implement energy efficiency measures.[3] For Buildings, we have developed a Buildings Standards Catalogue that includes various measures addressing GHG emission reduction. For Fleet and Business Travel, we aim to shift to a fully electric corporate car fleet by 2030 at the latest, achieve a 40 % reduction of GHG emissions from travel activities by 2025 compared to a 2019 baseline, and purchase sustainable aviation fuel (SAF) in order to address GHG emissions from air travel. For Procurement, we will ask 100 % of global framework vendors in our supply chain that provide services globally to establish a public commitment to net-zero GHG emissions in line with the 1.5 °C path by 2025.

### Carbon removal and carbon credits

In the past reporting year, we did not use carbon removal and associated carbon credits when accounting for our GHG and the associated reduction targets. Our net-zero targets will likely require the use of atmospheric carbon removal in the respective net-zero targets year. For this, we expect to only use high-quality carbon removal. Our focus remains on GHG emission reductions.

### Governance

Ultimate responsibility for all matters relating to sustainability, including climate, resides with the Board of Management of Allianz SE as the Group's parent company. This includes climate change and the net-zero transition plan, which has been approved by the Board of Management. Climate-related matters are typically part of all Group Sustainability Board meetings, which are held at least quarterly.

> **For further information, please refer to Corporate sustainability governance and strategy section.**

Our Climate Change Strategy is rooted in the established sustainability governance.

> **For further information, please refer to the Corporate sustainability governance and strategy section.**

And its associated policies on sustainability, climate, and the energy sector.

> **For further information, please refer to the section Overarching Policies below.**

### Progress

In the following section chapters on insurance, investments, and operations, we report on the details and progress of the implementation of the transition plan.

## 03.1.3 Overarching policies

The Allianz sustainability approach integrates climate and sustainability-related considerations by applying group-wide corporate rules and sustainability instruments across underwriting and investment activities. Key processes include the internal Allianz Standard for Reputational Risk Management (AS RRIM) and other corporate rules,

1 The strategy review for own operations is currently ongoing and will be updated accordingly in 2024.
2 Remaining 30 % means, that if we achieve 70 % reduction by year-end 2030, we will remove 30 %. If the reduction target is overachieved, then we remove the remaining gap to 100 %.
3 For more details about the sources of the renewable electricity, please refer to chapter Energy & consumption mix.

# 03.1 Environmental matters

## Non-Financial Statement continued

such as the Allianz Standard for P&C Underwriting (ASU) and Allianz ESG Functional Rule for Investments (EFRI).

The AS RRIM has been in place since 2013 and establishes a core set of principles and processes for the management of reputational risks and sustainability issues within the Group. It is owned by Group Risk, authorized by the Group Finance and Risk Committee and acknowledged by the Allianz SE Board of Management. The objective of the Standard is to proactively identify business decisions and business activities with the potential to trigger reputational issues and, where appropriate, take action to minimize their probability and/or impact. This Standard is mandatory for all operating entities of the Allianz Group. For 2024, the intention is for it to be superseded by the Allianz Standard for Communications and the Allianz Standard for Integration of Sustainability.

Furthermore, Allianz has four energy-related guidelines in place: **thermal coal, oil sands, oil & gas**, and **renewable/low-carbon energy.** The guidelines are owned by Global Sustainability and authorized by the Allianz SE Board of Management. They apply to proprietary investments and P&C insurance, including facultative reinsurance. Their common goals are to contribute to the transition from fossil fuels to cleaner energy technologies, to manage sustainability and reputational risks, and to achieve our net-zero related targets. The three fossil fuel guidelines define business practices and business models where we do not provide further services or investments along defined technical exclusion criteria. They typically differentiate between single-site restrictions – which apply to stand-alone P&C covers as well as direct project investments – and restrictions on company-level exposures. Purely to support renewable and low-carbon technologies, we allow ring-fenced coverages of and investments into projects and subsidiaries of companies that are otherwise restricted due to the fossil-related energy guidelines. This is described in the Renewable/Low-Carbon Energy Guideline. The guidelines were introduced in 2015 (thermal coal), 2021 (oil sands), 2022 (oil & gas), and 2023 (renewable/low-carbon) respectively.

As in previous years, we report on the exemptions granted based on the rules outlined in the guideline to companies breaching thermal coal thresholds. In 2023, we received two coal-related requests from our operating entities to exempt corporate clients from company-based restrictions related to both P&C insurance and proprietary investment segments. Of these, one was granted and one was not granted. The granted one was a 1.5 °C exemption, which means that the company was assessed to be on a 1.5 °C pathway despite its coal exposure. The option to grant a grace period of one year for companies aligned with well below 2 °C was granted four times in 2022. As of January 2023, this was no longer possible as per the guideline's rules. The requirement to refer business for so-called green exemptions – i.e., permission to underwrite or invest in renewable energy projects of companies restricted based on the coal guideline, for example – was removed in February 2023 when the new Renewable/Low-Carbon Energy Guideline was published. As a result, there is no further reporting on those exemptions.

The publicly available 5th version of the **Allianz Sustainability Integration Framework** (formerly the ESG Integration Framework) lays out these main internal policies and processes related to our overarching sustainability risk approach.

The subsequent sections will outline specific policies applicable to proprietary investments and insurance.

### 03.1.4 Insurance

#### Current emissions

According to the GHG protocol, reporting on emissions associated with insurance underwriting activities is optional. In our motor retail and commercial insurance portfolios, we have made important progress in measuring insurance-associated emissions and we set inaugural emission reduction targets in 2023. For these targets, we follow the methodology of the Partnership for Carbon Accounting Financials (PCAF) Insurance-Associated Emissions Standard.[1]

1 For further details on the methodology please refer to the explanatory notes on the Allianz company website. An exception to the application of the PCAF standard is made for the calculation of Insurance-Associated Emissions (IEAs) for insurance policies as defined in the Allianz Statement on renewable/ low-carbon energy, as the standard does not yet specify accounting rules for the measurement of IEAs related to these types of assets.

# 03.1 Environmental matters

## Non-Financial Statement continued

According to the standard, insurance-associated emissions (IAE) for commercial lines are calculated by multiplying an attribution factor (i.e., for commercial lines this is the insurance premium divided by insured customer's revenue) by the absolute GHG emissions of the re/insured customer or asset. The attribution factor determines what share of the absolute emissions of an insured customer or asset is attributable to re/insurance.

For the portfolio in scope of the emission reduction target for commercial insurance, the baseline insurance-associated emissions in 2022 was 1.00 mn t $CO_2e$ and the insurance-associated emission intensity was 0.26 kt $CO_2e$/€ mn€ mn GWP.[1] Given the lack of reliable and comparable data on customer Scope 3 emissions, our commercial baseline currently only covers our customers' Scope 1 and Scope 2 emissions.

For motor retail, the calculation considers the Scope 1 and 2 emissions of insured vehicles within a portfolio and multiplies them by an attribution factor. The attribution factor represents the insurance industry's share of the total cost of ownership of a vehicle, which includes other costs such as depreciation, fuel, and maintenance. The carbon emissions of the insured vehicles are multiplied by the industry attribution factor (calculated by PCAF as 6.99 % for 2023) to calculate the insurance-associated emissions.

For the motor retail portfolios covered by the emission reduction target, the baseline for absolute insurance-associated emissions in 2022 was 2.10 mn t $CO_2$[2] (Scope 1 and Scope 2 emissions) in line with the PCAF standard.

### Overall GHG emission reduction target

For commercial insurance, we are setting an intensity target for the sub-portfolio of large companies in all sectors, which is managed by Allianz Global Corporate and Specialty. We are focusing on those companies for which GHG emission data is available. For the 2022 baseline, this cohort represented 13 % of the premiums in the commercial segment for which emission accounting methodologies are currently available.[3] Our target is to reduce the emission intensity of this sub-portfolio by 45 % by 2030 against our 2022 baseline (see table "2030 Targets for insurance-associated emissions").

Our target of a 45 % emission intensity reduction for this sub-portfolio refers to emission intensity as the main KPI and not to the absolute insurance-associated emissions (in tonnes of $CO_2e$). Emission intensity shows the volume of customer-generated emissions associated with every € 1 million of premium we write (tonnes $CO_2e$/million EUR). While defining an intensity target allows us to reflect the expected growth of our portfolio by 2030 in a dynamic way, our targeted reduction is still within the scenario range of necessary absolute reduction to limit global warming to 1.5°C.

> **For further information, please refer to section Transition Plan & Strategy.**

In addition to factoring in expected portfolio growth, our target definition was also informed by the anticipated real economy decarbonization, which we modelled using authoritative scenarios such as the Stated Policies Scenario (STEPS) of the International Energy Agency.

2030 Targets for insurance-associated emissions

| | Unit of targets | Target 2030 | Baseline 2022 | Delta target 2030 vs Baseline 2022 (%) |
|---|---|---|---|---|
| Commercial | kt $CO_2e$/ € Mio GWP | 0.14 | 0.26 | (45.0) |
| Retail motor | mn t $CO_2$[4] | 1.47 | 2.10 | (30.0) |

1 With an average data quality score of 2.41. For more details on the calculation of the data quality score following the PCAF standard, please refer to the explanatory notes on the Allianz company website.
2 With an average data quality score of 2.61. For more details on the calculation of the data quality score following the PCAF standard, please refer to the explanatory notes on the Allianz company website.
3 In line with Lines of Business currently covered by the PCAF Standard. Scope coverage is unchanged compared to the Inaugural Net-Zero Transition Plan. Share of premiums related to GHG reduction target follows IFRS definition of gross written premiums and deviates from PCAF, which excludes external acquisition costs; following PCAF definition of insurance premiums, scope coverage represents roughly 16 % of the eligible premiums in the commercial segment. More details can be found in the explanatory notes.
4 Motor retail target is $CO_2$ emissions only, not $CO_2e$, to be consistent with the data which is currently available.

# 03.1 Environmental matters

## Non-Financial Statement continued

Our first intermediary target for commercial lines targets the sub-portfolio with the largest climate impact and adequate GHG data quality. This will allow us to steer our portfolio and measure our progress based on reasonable and verifiable GHG emission data, rather than overly relying on sector estimates.

For retail insurance, we are setting a target to reduce the absolute carbon emissions within our motor retail portfolio. For the motor retail portfolio, the target covers nine key European markets, namely: Austria, Belgium, France, Italy, Germany, the Netherlands, Spain, Switzerland, and the UK. Our target is to reduce the absolute carbon emissions within our in-scope portfolios by 30 % by 2030 against our 2022 baseline. Portfolios classified as in scope are aligned with the PCAF standard for personal motor.

For the 2022 baseline, the in-scope portfolios within these markets represent 55 % of the motor retail premiums. The target focuses on the most relevant motor markets for Allianz where the biggest impact can be made. This includes where there is adequate and reliable data available, in order for emissions to be measured and progress against our target to be accurately tracked.

In addition, our target setting is aligned with limiting global warming to 1.5°C and was informed by the anticipated real economy decarbonization, which we modelled using scenarios from external data partners.

### Decarbonization levers

#### Insured customers decarbonization

In the commercial insurance business, our aim is to drive decarbonization across all industry sectors and partner with our customers on their net-zero journeys by leveraging collaboration, sustainability expertise, and best practice, as well as our influence as a major global insurance company.

To this end, we will proactively approach customers to foster dialogue and encourage a shift toward science-based net-zero strategies. Firstly, each year we will engage with the top 100 customers, selected by premium size and average industry sector emission intensity, who do not currently have an emissions reporting or a disclosure approach and are therefore currently not in scope for our emission reduction target. By taking this step, we are endeavouring to raise awareness for increased transparency and data exchange and ultimately aiming to close the GHG reporting gap in our portfolio. Secondly, we will engage with customers within the transportation industry – specifically aviation and marine – by leveraging best-practice exchanges on decarbonization strategies for these sectors. Thirdly, we will seek dedicated exchanges with two to three companies per year on their net-zero strategies. For this engagement category, we will screen our portfolio to identify high-emitting companies who have not yet developed science-based net-zero strategies. Sustainability teams within AGCS will support in the selection of engagement candidates and prepare the engagement dialogues, which will be conducted jointly with the distribution and underwriting teams.

For motor retail insurance, we will also actively engage with our customers to encourage the transition to net-zero. We aim to engage with 20 million current and potential customers by 2030 to support their transition to electric mobility, mainly through Allianz-developed online platforms, newsletters and advertising. The 20 million target reflects the current and estimated future number of customers in the markets defined as in scope, who do not own a battery electric vehicle (BEV). Engagement will include focusing on the benefits of switching to electric mobility and the practicalities of doing so, for example home charging infrastructure and insurance options.

To increase our share of sustainably-minded customers, we will offer mileage-based products to reward customers who are actively seeking to reduce their emissions. Our aim in offering such solutions is to encourage change across the insurance sector in how we, as an industry, approach motor insurance.

By offering mileage-based products, we will ensure fair and risk-adequate pricing for our customers that aligns with our technical excellence program. Increasing our market share of BEVs will enable us to collect more data and thus improve the accuracy of our risk models. We are committed to understanding the risks, gathering data, and being actively involved in research in order to ensure our net-zero plan invests in society to the benefit of all.

# 03.1 Environmental matters

## Non-Financial Statement continued

To support the implementation of our actions, a dedicated team within Global P&C at Allianz SE will support engagement activities, which will be achieved in collaboration with OEs

### Portfolio steering

Furthermore, for commercial portfolios, we are committing to actively supporting the net-zero transition by fostering profitable growth and scaling up of renewable energy, low-carbon and other transition technologies that are a key element of the net-zero transformation. Concretely, we aim to profitably grow revenues in Property Damage (PD) and Business Interruption (BI) coverages related to these transition solutions[1] by 150 % by 2030 compared to 2022.

In addition, we are applying the energy-related guidelines as laid out in the section Overarching Policies. The focus on these high-emitting sectors is an important lever and contributor to the targeted reduction of emissions intensity at portfolio level.

Restricted companies are listed in the Global ESG Risk List, which is available to all underwriters globally. Training on the application of the policies is offered regularly to support underwriting teams with their implementation.

To ensure we deliver on our targets, we have clearly defined roles and responsibilities to allow for ownership of the topics and monitoring of progression toward completion. Although targets are stated as 2030, there are clear internal interim timelines and reporting processes that will allow for regular monitoring of progress.

Additionally, to support the implementation of our decarbonization strategy for commercial lines, we have set up two dedicated sustainability teams in the AGCS Chief Technical Office (CTO). The Sustainability Governance team oversees the implementation of portfolio strategy, target setting, monitoring, and reporting. The Sustainability Solutions team focuses on business growth and expansion in line with our "insuring the transition" actions. Both teams work closely together and support our distribution and underwriting teams. In addition, our Allianz Risk Consulting teams continue to provide expertise on emerging technology requirements and challenges.

To further support the transition to net-zero within our motor retail portfolio, we aim by 2030 to insure a larger percentage of BEVs in the Allianz portfolios compared to the share of BEVs in the respective in-scope markets.

To enable this portfolio change, we are committed to offering comprehensive insurance products for BEVs and the related ecosystem, in order to support our customers in transitioning to this new technology. Our ambition is to be a market leader for BEVs and we have implemented a mobility strategy in order to support this transition. This strategy is an ongoing project with key deliverables and drives our ambition to be a market leader through strategy development, global exchanges, monitoring, and reporting.

A workstream within the technical area oversees the implementation of our mobility strategy. This workstream has a focus on technical leadership in electric vehicles, supporting our markets in the development and implementation of action plans to meet our targets, as well as ensuring the regular delivery and monitoring of key performance indicators. It also utilizes Allianz's global presence through regular exchanges with OEs as part of internal Mobility Smart Circle meetings and optimizing the pooling of mobility data across countries, leveraging the Group's expertise.

Additionally, to support the implementation of the overall decarbonization strategy for motor retail, a dedicated team within Global P&C at Allianz SE oversees target and strategy development, portfolio steering, reporting and monitoring, data maintenance, and quality assurance.

1 Transition solutions include the technologies mentioned in the Allianz Renewable/Low-Carbon Energy Statement, as well as waste to energy, carbon capture and storage (CCS)/direct air capture, battery storage and grid-stability-related investments, smart grids and electrification, electric transportation, EV and battery manufacturing plants, electric mass transit infrastructure construction (rail), certified green buildings, industry projects related to energy transition (ammonia and bio-based/synthetic fuels), and green shipping. We have started working on harmonizing terminology and underlying eligible technologies related to the targets for climate solutions (currently used for proprietary investments) and transition solutions (currently used for P&C insurance). We expect to conclude this work and report on it in 2024 fiscal year.

# 03.1 Environmental matters

## Non-Financial Statement continued

### Insurance-specific policies

All relevant aspects of our insurance portfolios are governed by the Allianz Standard for P&C Underwriting (ASU). Ownership and execution of the Standard sits with Global P&C and is governed by the Group Underwriting Committee (GUC). However, ultimate responsibility resides with the Allianz SE Board of Management. The ASU governs the rules and principles for P&C Underwriting within the Allianz Group and is an integral part of the overall Group risk architecture. Its rules and principles focus on underwriting sustainable and profitable business. The ASU includes our principles for sustainability and codifies roles and responsibilities within operating entities related to the decarbonization of underwriting portfolios.

The objectives of the Sustainable Insurance section of the ASU include: developing sustainable business opportunities, building resilience and anticipating future developments and adapting to them, safeguarding against reputational risks, and taking adequate corporate responsibility for our planet.

The ASU is published in the Allianz Corporate Rules Book and is available to all relevant internal stakeholders.

## 03.1.5 Investment

### Current emissions

For our proprietary investment portfolio, we are calculating financed GHG emissions according to PCAF guidance and expanding the methodology to asset classes not yet covered by PCAF. Although we aspire to calculate financed GHG emissions for as much of our portfolio as possible, we are constrained by the development of methodologies and availability of data. Nevertheless, we remain committed to progressively expanding the coverage of our portfolio over time.

We do not calculate financed GHG emissions for covered bonds, ABS/MBS and cash as there is no methodology available yet for these asset classes.

> **To see these asset classes, please see lines "no methodology" in tables "Financed emissions" and "2030 Targets for emissions associated with proprietary investments".**

We calculate three types of financed GHG emissions defined by the underlying investment: 1) Corporates, which includes all investees with a balance sheet, i.e., – in PCAF terminology – listed equity and corporate bonds, business loans and unlisted equity, as well as project finance; 2) Real Estate, which includes commercial real estate loans and real estate equity investments; and 3) Public Debt, which includes sovereign debt, sub-sovereign debt, and supranational debt. As there is no specific PCAF guidance on carbon accounting for sub-sovereigns and supranationals, we have adapted the methodology for sovereign debt to these two asset classes. We do not cover 100 % of our exposure in these three types of financed GHG emissions (i.e., Corporates, Real Estate and Public Debt) due to the lack of relevant emission data information. To see this data coverage gap, please see column "coverage" in table "Financed emissions".

> **For a detailed description of our carbon accounting methodology, please refer to our explanatory notes on the Allianz company website.**

In 2023, our total financed GHG emissions were 57.3 mn t $CO_2e$ compared to 46.4 mn t $CO_2e$ in 2022 (see table "Financed emissions"). The increase was driven in particular by adding new asset classes like sub-sovereigns, supranationals, and infrastructure debt.

Our total coverage of financed GHG emissions increased from 59.6 % to 62.1 %.

The table on the next page shows the book value, financed GHG emissions, and coverage (i.e., percentage of book value for which financed GHG emissions are calculated) per carbon footprint methodology and is split into IFRS 9 asset classes.

# 03.1 Environmental matters

## Non-Financial Statement continued

Financed emissions

| | 2023 | | | | 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Book value (€ bn)** | **Absolute financed emissions (mn $tCO_2e$)** | **Carbon Footprint (t $CO_2e$/ € mn invested)** | **Coverage (%)** | **Book value (€ bn)** | **Absolute financed emissions (mn $tCO_2e$)** | **Carbon Footprint (t $CO_2e$/ € mn invested)** | **Coverage (%)** |
| Corporates | 294.2 | 20.1 | 64.7 | 90.6 | 194.3 | 16.6 | 75.1 | – |
| Public debt | 166.6 | 36.7 | 204.1 | 99.5 | 130.8 | 29.5 | 192.6 | 99.7 |
| Real estate | 110.6 | 0.4 | 9.7 | 22.9 | 35.0 | 0.3 | 10.5 | 74.3 |
| No methodology yet[1] | 165.4 | – | – | – | 343.3 | – | – | – |
| **Total** | **736.8** | **57.3** | **77.6** | **62.1** | **703.3** | **46.4** | **115.8** | **59.6** |
| Corporates | 237.6 | 18.1 | 70.5 | 94.5 | 161.9 | 14.5 | 77.3 | – |
| Public debt | 159.3 | 35.8 | 204.9 | 99.5 | 122.3 | 28.1 | 194.9 | – |
| Real estate | 68.6 | 0.0 | 6.2 | 1.0 | 0.0 | 0.0 | 49.3 | – |
| No methodology yet[1] | 69.1 | – | – | – | 231.5 | – | – | – |
| **Debt investments at fair value through other comprehensive income** | **534.7** | **53.9** | **93.5** | **71.8** | **515.6** | **42.6** | **128.4** | – |
| Corporates | 25.3 | 1.1 | 48.7 | 90.8 | 21.2 | 1.1 | 52.4 | – |
| Real Estate | 0.7 | 0.0 | 2.1 | – | – | – | – | – |
| No methodology yet[1] | 1.0 | – | – | – | 5.5 | – | – | – |
| **Equity investments designated at fair value through other comprehensive income** | **26.9** | **1.1** | **46.5** | **85.3** | **26.6** | **1.1** | **52.4** | **–** |
| Corporates | 7.3 | 0.3 | 34.8 | 64.4 | 4.1 | 0.3 | 69.1 | – |
| Real estate | 10.7 | 0.3 | 24.9 | 77.1 | 9.1 | 0.2 | 20.5 | – |
| No methodology yet[1] | 3.3 | – | – | – | 9.3 | – | – | – |
| **Shares in affiliates and associated enterprises** | **21.2** | **0.6** | **26.9** | **60.9** | **22.4** | **0.5** | **35.7** | **–** |

1 This includes asset classes for which no methodology exists yet, e.g. covered bonds

# 03.1 Environmental matters

## Non-Financial Statement continued

### Financed emissions continued

| | 2023 | | | | 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Book value (€ bn) | Absolute financed emissions (mn $tCO_2e$) | Carbon Footprint (t $CO_2e$/ € mn invested) | Coverage (%) | Book value (€ bn) | Absolute financed emissions (mn $tCO_2e$) | Carbon Footprint (t $CO_2e$/ € mn invested) | Coverage (%) |
| Real estate | 23.9 | 0.1 | 4.2 | 64.9 | 25.9 | 0.1 | 4.9 | – |
| **Real estate held for investment** | **23.9** | **0.1** | **4.2** | **64.9** | **25.9** | **0.1** | **4.9** | **–** |
| Corporates | 7.3 | 0.0 | 0.8 | 9.5 | 0.0 | 0.0 | 1.5 | – |
| Public debt | – | – | – | – | – | – | – | – |
| Real estate | 0.4 | – | – | – | – | – | – | – |
| No methodology yet[1] | 65.9 | – | – | – | 66.6 | – | – | – |
| **Investment funds at fair value through profit and loss** | **73.6** | **0.0** | **0.1** | **0.9** | **66.6** | **0.0** | **1.5** | **–** |
| Corporates | 17.4 | 0.7 | 39.1 | 80.3 | 7.1 | 0.7 | 87.9 | – |
| Public debt | 6.0 | 0.9 | 175.0 | 99.6 | 8.5 | 1.4 | 153.5 | – |
| Real estate | 6.0 | 0.0 | 2.4 | 12.6 | – | – | – | – |
| No methodology yet[1] | 27.1 | – | – | – | 30.5 | – | – | – |
| **Other (book value < 20 bn € and cash)** | **56.5** | **1.6** | **37.7** | **36.7** | **46.1** | **2.1** | **121.7** | **–** |

1 This includes asset classes for which no methodology exists yet, e.g. covered bonds

# 03.1 Environmental matters

## Non-Financial Statement continued

### Target setting – introduction

We deem the framework laid out by the UN-convened Net-Zero Asset Owner Alliance (NZAOA) for target setting to be best practice. Thus we in general follow the recommendations of the NZAOA for setting intermediate decarbonization targets. While the NZAOA Target Setting Protocol (NZAOA TSP) defines targets for engagements, sectors and financing the transition, we display these as actions in line with ESRS E1. The NZAOA TSP was aligned with all relevant stakeholders and vetted in a public consultation and was developed with a strong reference to the 1.5°C no/low overshoot climate scenarios in the latest report of the IPCC.

> **For further information, please see section "The scientific basis for establishing net-zero targets" of the NZAOA TSP.[1]**

We have already reached our intermediate 2025 decarbonization target for corporate bonds and listed equities in 2023 as we reduced our financed GHG emissions by 44 % against the target of a 25 % reduction.

> **For full 2025 target reporting, please refer to chapter 03.2.**

We have also reached our targets for engagements and financing the transition.

> **For further information, please refer to the section Decarbonization Levers.**

We have therefore decided to update our complete range of targets in 2023 and define new targets for 2030. When setting these targets, we considered potential future developments in large industries, especially the E.U. and the U.S., based on the latest climate law and regulation; i.e., "Fit for 55" and the "Inflation Reduction Act". We also wanted our new targets to include what we have learned from previous years; e.g., related to data availability. The targets remain in line with the latest science (IPCC report) and industry best practice (NZAOA TSP) and are broader in terms of coverage and depth.

> **For a detailed explanation of our 2030 targets, please refer to Explaining Allianz Intermediate Climate Target Setting 2030 for Proprietary Investments[2] on the Allianz company website.**

As of the financial year 2024, we will only report on our new 2030 targets.

### Overall GHG emission reduction target

We have set an absolute GHG emission reduction target for listed corporates (corporate bonds and public equity). Our target is to reduce absolute GHG emissions in the respective asset classes by 50 % by 2030 compared to the 2019 baseline emissions.

We have added a 2030 emission intensity reduction target covering all listed and unlisted corporate exposure (e.g., infrastructure debt) in the amount of 50 % compared to the 2019 baseline emission intensity.

**See table "2030 Targets for emissions associated with proprietary investments".**

A reduction of 50 % is in line with latest IPCC scenarios and equals the midpoint of the respective scenario range from 40 % to 60 %.

> **For further information, please refer to section "1.5°C alignment of targets" and the work of the NZAOA with the IPCC scenarios.[3]**

For unlisted corporates, we are still in the process of gathering emission data and we do not know beforehand how many of our portfolio companies and indirect investments via funds will deliver data in the coming years until 2030. As data coverage is uncertain and changing, we cannot set a reasonable absolute GHG emission reduction target for our overall corporate portfolio. An intensity metric does not rely on coverage as absolute GHG emissions are divided by the respective portfolio exposure. We therefore decided to set an emission intensity reduction target for our listed and unlisted corporates portfolio for 2030.

We have set 2030 targets that are aligned with the Carbon Risk Real Estate Monitor (CRREM[4]) for our real estate equity and debt portfolios. These sectoral decarbonization pathways are based on the latest science, supported by the Science Based Targets initiative, and widely accepted as best practice.

1 AOA-Target-Setting-Protocol-Third-edition.pdf
2 Explaining Allianz Intermediate Climate Target Setting 2030 for Proprietary Investments.
3 Target-Setting Protocol Third Edition – United Nations Environment – Finance Initiative.
4 https://www.crrem.eu/

# 03.1 Environmental matters

## Non-Financial Statement continued

Our progress toward target achievement will be monitored regularly and reported in the Non-Financial Statement.

The table below shows Allianz intermediate 2030 decarbonization targets as well as the respective baseline year values, where available. We have defined GHG emission reduction targets for corporates and real estate.

### 2030 Targets for emissions associated with proprietary investments

| | Book value 2023 (€ bn) | % of total | Unit of targets | Target 2030 | Current year 2023 | Baseline year 2019 | Delta Target 2030 vs Baseline 2019 (%) |
|---|---|---|---|---|---|---|---|
| All Corporates (Listed and Unlisted) | 294.2 | 39.9 | t $CO_2$e/ € mn invested | 54.0 | 64.7 | 108.1 | (50.0) |
| thereof: Listed Corporates (Traded Equity / Corporate Bonds) | 192.2 | 26.1 | mn t $CO_2$e | 12.5 | 14.0 | 24.9 | (50.0) |
| Real Estate (Equity and Debt)[1,2,5] | 110.6 | 15.0 | kg $CO_2$/m2 | ca. 25.0 | 33.5 | – | – |
| No methodology for carbon accounting[3] | 165.4 | 22.4 | – | – | – | – | – |
| No target yet[4] | 166.6 | 22.6 | mn t $CO_2$e | – | 36.7 | – | – |
| **Total** | **736.8** | **100.0** | **–** | **–** | **–** | **–** | **–** |

1 Including 50 % of real estate funds and w/o retail mortgages.
2 Including Pimco Prime Real Estate portfolio.
3 This includes asset classes for which no methodology exists yet, e.g. covered bonds and cash
4 This includes asset classes for which we calculate owned emissions but have no targets yet, e.g. sovereign bonds.
5 Target 2030: Exact target depends on regional and sectorial portfolio composition 12/2029.

### Decarbonization levers:

#### Portfolio allocation change

The scope of actions outlined below to implement portfolio allocation changes is in line with the scope of our overall GHG emission reduction targets; i.e., covering our global exposure in corporates and real estate.

As an investment management function, we have set targets and frameworks for our asset managers that will ultimately lead to a change in our portfolio allocation with respect to asset classes, investees, and sectors.

As we have set overall GHG reduction targets on a Group-wide level, we start by breaking down the global target to individual mandate level. Each asset manager is then responsible for reaching the respective mandate decarbonization target by taking appropriate actions. For real estate, for example, these actions might include tenant engagement, portfolio transactions, and deep refurbishments. We hold regular deep-dive meetings where we monitor and discuss the decarbonization performance of our asset managers against the set targets.

As well as setting decarbonization targets per mandate, we exclude certain companies in line with our global energy-related guidelines for thermal coal, oil sands, oil & gas.

> **For further information, please refer to section Overarching Policies.**

These exclusions therefore contribute to the implementation of our sector targets for oil & gas and utilities that are outlined below. All excluded companies are included in the Allianz Group Risk Global Restricted List and are shared with all asset managers on a regular basis. Asset managers are obliged to comply with these restrictions.

We aim to finance the transition of companies in the hard-to-abate cement and steel sector that are aligned with a 1.5-degree world and have well-defined decarbonization strategies. We will therefore create a separate emission bucket and adjust the sub-portfolio target for listed equity and corporate bonds to reflect additional exposure in those transition leaders included on our new steel and cement climate list.

# 03.1 Environmental matters

## Non-Financial Statement continued

We have set sector targets for the high-emitting sectors listed below. These targets will trigger three types of actions supporting our overall GHG emission reduction target: sector engagements (for further information, please refer to section Portfolio company decarbonization), exclusions, and moving from climate laggards to climate leaders within the respective sectors:

- Oil & Gas (coverage Allianz O&G 100 list):
  - Scope 1, 2 and 3 (cat 11): 43.07 g $CO_2e$/MJ in line with IEA Net-Zero GHG Emissions by 2050 scenario
  - 100 % of AuM to set net-zero targets across all 3 emission scopes (target year 2025).
- Utilities (Coverage Transition Pathway Initiative (TPI)):
  - Scope 1: 0.17 t $CO_2e$/MWh in line with IEA Net-Zero GHG Emissions by 2050 scenario
  - Coal phase out in line with 1.5-degree pathway.
- Steel (Coverage TPI):
  - Scope 1 and 2: 1.18 t $CO_2e$/t steel in line with IEA Net-Zero GHG Emissions by 2050 scenario.
- Automobile (Coverage TPI):
  - Scope 3 (cat 11): 41.68 g $CO_2e$/km in line with IEA Net-Zero GHG Emissions by 2050 scenario.

In 2023, we added the sectors Steel and Automobile. For both sectors, we are currently implementing data flows as a first step.

Portfolio decarbonization will also be fostered by increasing our share in Sustainable Investments. We have achieved our 2025 target for financing the transition; i.e., we have created between 4 and 5 new blended finance vehicles and have made initial investments in forestry and hydrogen.

We have therefore included a quantitative 2030 target for investments in climate solutions, which is to increase climate solution investments by at least € 20 billion by 2030, subject to market environment and constraints.

As a first step to reach this target, we have defined all low-carbon technologies that qualify as climate solutions.[1] We need to develop a process to align and agree on concrete volumes per annum with all relevant stakeholders: operating entities, asset managers, and relevant Group centers.

We have defined two additional requirements for our investments. Firstly, we will predominantly invest in Article 8 or Article 9 funds (or equivalent) as defined by the EU Sustainable Finance Disclosure Regulation (SFDR). Secondly, we will require a credible transition plan for all unlisted direct investment with a carbon intensity above 100 t $CO_2e$ / € mn invested.

### Portfolio company decarbonization

The extent to which we can achieve reduction of GHG emissions for our investee companies and real estate investments depends on the respective ownership structure. For example, in the case of fully-owned real estate assets, we can directly influence GHG emissions by deep refurbishments.

However, if we are only a minority owner, we are restricted to indirectly impacting GHG emissions through engagement, for example, or proxy voting (public equity).

One indirect lever to reach our 2030 GHG emission reduction targets is therefore continued engagement and support of our portfolio companies. We have consequently implemented a systematic and strong engagement approach across all types of engagements: bilateral, multilateral, and asset manager.

**For further information on our engagement approach, please refer to our 2023 – Allianz Investment Management – Our Engagement Approach on the Allianz company website.**

We have already achieved our 2025 engagement targets in 2023 as we have engaged the top 30 (non-aligned) emitters in our portfolio, increased our engagement activities by 100 %, and fully participated in all NZAOA sector and asset manager engagements.

1 We have started working on harmonizing terminology and underlying eligible technologies related to the targets for climate solutions (currently used for proprietary investments) and transition solutions (currently used for P&C insurance). We expect to conclude this work and report on it in FY2024.

# 03.1 Environmental matters

## Non-Financial Statement continued

We have therefore updated our engagement targets earlier than originally planned. By 2030 (versus September 2023), we firstly want to engage with all external asset managers who are "below expectations" based on a systematic assessment. In order to reach this target, we initially need to perform a systematic sustainability assessment of all of our public and private asset managers. If an asset manager does meet our minimum expectations, we will start engagement to close identified gaps. We regularly review our public equity asset managers against best practice guidance (e.g., NZAOA guidance on best practice for proxy voting and climate lobbying).

Secondly, we want to participate in 30 multilateral engagements (at least 15 of them with a focus on climate), either as the lead organization or as a member. In order to reach this target, we will continuously review existing or new multilateral engagement initiatives. In 2023, we joined the collaborative engagement initiative "Investor Initiative on Hazardous Chemicals" (IIHC).

Thirdly, we aim to engage with 15 non-multilaterally engaged portfolio emitters among the top 100. We will screen the financed GHG emissions of our portfolio companies to identify those qualifying for engagement; i.e., those with the highest financed GHG emissions that are not already engaged.

As many of our high emitters in the portfolio can only decarbonize properly if the whole sector – including the value chain – decarbonizes, we are also active in sector engagements via multilateral engagement initiatives. Sector engagements are supporting our sector targets for 2030, in particular in the oil & gas and steel sectors.

**For more information on our sector targets, please refer to section Portfolio allocation changes.**

The whole investment management function of Allianz is responsible for implementing climate topics in the existing processes and hence in the investment portfolio.

### Proprietary investment specific policies

We are committed to managing climate change risk identified as a material risk for our proprietary investment portfolio.

To align our investment management function with this commitment, we have set ambitious GHG emission reduction targets that incentivize respective decision-making.

**See table "2030 Targets for emissions associated with proprietary investments".**

Our Allianz ESG Functional Rule for Investments (EFRI) sets out the rules, principles, and processes that govern the integration and application of climate topics to the Insurance Investment Assets of Allianz.

The EFRI provides a detailed description of all relevant processes for integrating climate into the investment processes and managing climate risk:

- Selecting and monitoring asset managers: Asset managers need to adhere to their own qualified sustainability policy including climate as a key topic. Regular review meetings with asset managers covering sustainability topics need to be performed.
- Systematic evaluation and scoring of investments: For unlisted assets, a case-by-case evaluation needs to be performed to identify potential sustainability risks. For listed assets, sustainability criteria based on MSCI data are used to screen all investments and inform our investment decision-making.
- Active engagements: As an integral part of our strategy, we perform bilateral engagements based on systematic sustainability scoring, multilateral engagements, and asset manager engagements.
- Exclusions of certain sectors, companies and sovereigns: Certain investments need to be excluded based on the Allianz guidelines for Oil and Gas and Coal-based business models. Some exclusions are triggered by engagement.
- Sustainable Investments: We define sustainable investments in line with the SFDR Article 2 (17) and actively pursue investment opportunities that support solutions to environmental and societal challenges, aligned with the U.N. Sustainable Development Goals (U.N. SDGs).
- Risk management: The Allianz Climate Change Risk Solution (ACCRiS) tool must be used to assess physical climate change risk for fully owned real estate and prospectively for all single location

## Non-Financial Statement continued

assets. Whenever a certain level of physical risk is identified, a climate change adaptation plan needs to be implemented.

**For further details, please refer to section Integrating sustainability in proprietary investments.**

The EFRI applies to all proprietary investment assets excluding unit-linked assets and is owned by the Sustainable Investing team. It is authorized by the respective Allianz SE Board Member responsible for Investments. The EFRI is published in the Allianz Corporate Rules Book and is available to all relevant stakeholders.

The EFRI is mandatory within the Allianz Group for all insurance and reinsurance legal entities, including related pension schemes and all types of investment assets. Sustainability governance is fully integrated into existing governance structures and makes use of existing committees (e.g., the Group Investment Committee).

## 03.1.6 Own operations

### Current emissions

In our own operations, we aim to reduce our environmental footprint over time. We have established a dedicated unit – Group Sustainable Operations – within Group Operations & IT to align the strategic approach across all Allianz entities, with the aim of reducing their environmental footprint and accelerating impact through setting clear targets and sharing best practice. The main operations in scope are Travel and Fleet, Procurement, Facility Management, and IT.

The total GHG emissions arising from Allianz Operations were 136,448 t $CO_2$e in 2023. Of that, 31,774 t $CO_2$e result from Scope 1, 7,929 t $CO_2$e from Scope 2, and 96,745 t $CO_2$e from Scope 3. Included Scope 3 GHG emissions from categories 3.1, 3.3, 3.6 and 3.7 cover fuel- and energy-related emissions, business travel, remote working, public cloud, and paper use. Scope 3 GHG financed emissions which fall under category 3.15 are excluded.

Greenhouse gas emissions
t $CO_2$e

| | 2023 | 2022 | Delta (%) |
|---|---|---|---|
| Gross Scope 1 GHG emissions | 31,774 | 30,953 | 2.7 |
| Gross market-based Scope 2 GHG emissions | 7,929 | 30,490 | **(74.0)** |
| Gross location-based Scope 2 GHG emissions[1] | 112,228 | 138,339 | **(18.9)** |
| Gross Scope 3 GHG emissions (selected)[2] | 96,745 | 92,467 | 4.6 |
| **Total emissions from own operation and further value chain** | **136,448** | **153,910** | **(11.3)** |

1 Not included in the calculation of total emissions.
2 Including fuel- and energy- related activities, business travel, remote working, paper and public cloud.

For further information, please refer to section Insurance Overarching and section Investments Overarching.

**For further details on 2023 GHG emissions and a comparison to 2022 GHG emissions, please see table "Greenhouse gas emissions".**

### Own operations GHG emission reduction target

As explained in the Transition Plan & Strategy chapter, anticipating CSRD, we are no longer referring to the 2030 target for our Own Operations as a net-zero commitment. We will instead refer to it as a 2030 intermediate target.

Our decarbonization and removal targets for Own Operations remain as communicated in the Inaugural Net-Zero Transition Plan.

By 2025 we aim to reduce GHG emissions per employee by 50 % versus a 2019 baseline across Scope 1, Scope 2, and selected Scope 3 emissions.

**For more details see chapter Current Emissions.**

For year-end 2030, we target GHG emission reductions of 70 % and for year-end 2029,- 65 % versus a 2019 baseline. The target was defined in alignment with the latest climate science. The progress towards our 2030 target is assessed on a yearly basis as part of our annual reporting cycles. In 2023, we made progress by reducing our GHG emissions by 62 % per employee compared to our 2019 baseline.

## Non-Financial Statement continued

### Greenhouse gas emission targets

t $CO_2$e per employee

| | Emissions Target 2030 | Emissions Target 2025 | Target 2023 | Achievement 2023 | Emissions current year 2023 | Emissions Baseline 2019 | Delta Target 2030 vs Baseline 2019 | Delta Target 2025 vs Baseline 2019 |
|---|---|---|---|---|---|---|---|---|
| Scope 1, 2 and selected scope 3 emissions[1] | 0.828 | 1.183 | We expect in 2023 emissions at a comparable level to 2022 with some post COVID-19 corrections. | Our carbon footprint per employee was 0.9 tons (2022: 1.0). This represents a 62 % reduction (2022: 57 %) against a 2019 baseline. This reduction was mainly the result of sourcing 100 % renewable electricity for our office buildings and data centers and a reduction in our energy consumption, which balanced increasing business travel post COVID-19. | 0.894 | 2.367 | (65.0) % | (50.0) % |

### Energy consumption & mix

In 2023, we had a total energy consumption of 1,574,357 GJ.

We achieved a 47 % reduction in energy consumption in our office buildings per employee against a target reduction of 20 % by year-end 2025 against a 2019 baseline (2022: 32 % reduction).

100 %[3] of the electricity we used in our office buildings and data centers came from renewable, low-carbon sources (2022: 89 %).

The above was achieved through a combination of green tariffs (65.7 %), expanding the use of on-site renewable technologies (0.2 %), and sourcing unbundled renewable Energy Attribute Certificates (EACs) (34.1 %). For a comprehensive overview of our energy consumption and mix, please see table "Energy consumption and mix".

### Energy consumption and mix

| As of 31 December 2023 | | 2023 | 2022 | Delta (%) |
|---|---|---|---|---|
| Energy consumption from office buildings | GJ | 1,232,510 | 1,578,675 | (21.9) |
| Energy consumption from data centers | GJ | 286,312 | 325,212 | (12.0) |
| **Total energy consumption[4]** | **GJ** | **1,574,357** | **1,965,294** | **(19.9)** |
| Energy consumption from office buildings per employee | GJ/ employee | 8.1 | 10.4 | (22.3) |
| Energy reduction in office buildings per employee since 2019 | % | (47) | (32) | (15.1) %-p |

1 Scope 3 includes fuel- and energy- related activities, business travel, remote working, paper and public cloud.
2 For more details about the sources of the renewable electricity, please refer to chapter Energy & consumption mix.
3 For more information, please refer to the section Decarbonization levers – Renewable Electricity.
4 The total energy consumption includes also energy from remote working.

# 03.1 Environmental matters

## Non-Financial Statement continued

### Energy source
%

| As of 31 December 2023 | 2023 | 2022 | Delta (%) |
|---|---|---|---|
| Electricity | 72.5 | 67.4 | 5.1 %-p |
| Fossil fuels | 9.6 | 12.4 | (2.8) %-p |
| Long distance heating | 16.8 | 18.8 | (2.0) %-p |
| Other sources (incl. energy from own sources including photovoltaic, internal waste heat) | 1.1 | 1.4 | (0.3) %-p |

### Renewable electricity

| As of 31 December 2023 | | 2023[1] | 2022 | Delta (%) |
|---|---|---|---|---|
| Renewable electricity | GJ | 1,122,821 | 1,153,987 | (2.7) |
| Renewable electricity as a share of all electricity | % | 100 | 89 | 11.4 %-p |

To achieve our GHG emission reduction targets, we have the following decarbonization levers:

### Decarbonization levers

#### Renewable electricity

As a signatory of the RE100 initiative, we have committed to sourcing 100 % renewable electricity (RE) for our group-wide operations and data centers by 2023. RE100 is a global initiative bringing together businesses committed to 100 % renewable electricity.

Energy sourcing has been a strategic procurement function since 2021 and plays a key role in our transition toward 100 % renewable electricity, mainly by shifting energy procurement from locally driven to globally driven processes.

Activities in 2023 included leveraging opportunities to agree green tariffs with local power providers and holding conversations with landlords supported by green lease clauses. We encourage green tariffs and local direct investments in Allianz-owned self-generation, centrally supported by PIMCO Prime Real Estate. Furthermore, renewable Energy Attribute Certificates have played a role in the transition to 100 % renewable electricity as an interim solution for markets and Allianz entities with limited access to renewable electricity.

In 2023, we achieved our goal of covering 100 % (2022: 89 %) of our electricity for all office buildings and data centers with renewable, low carbon sources. 98.6 % of this is in line with the RE100 technical criteria and 1.4 % is secured via renewable Energy Attribute Certificates from neighbouring countries as we operate in some countries like Ukraine, Saudi Arabia and Ghana[2] where there is currently no availability of renewable electricity meeting the RE100 criteria. We continue our efforts to cover all our renewable electricity in line with RE100 technical criteria and will closely monitor the market development in the respective countries.

#### Buildings

Embedding sustainability in our buildings encompasses energy efficiency and reduction. We aim to reduce the energy consumption in our office buildings per employee by 20 % by year-end 2025 against a 2019 baseline.

We implement environmental management systems (EMS) and energy efficiency processes based on ISO14001 and ISO50001 standards to improve environmental management governance practices at some of our major locations and entities. Some locations also pursue certifications such as LEED, BREEAM[3], etc. To address energy efficiency and reduction holistically, our operating entities are encouraged to develop approaches to reduce energy consumption.

We have set up a Buildings Standards Catalogue to harmonize Allianz's approach to sustainability in buildings. This comprehensive listing of minimum standards includes elements of governance/certifications, furnishings, construction/renovations, renewable energy, energy efficiency, water, waste, food, and commuting, as well as guidance on green lease selection criteria.

1 For more information, please refer to the section Decarbonization levers – Renewable Electricity.
2 Full list of countries: Hong Kong, Bahrain, Cameroon, Ghana, Tunisia, Ivory Coast, Kenya, Lebanon, Senegal, Madagascar, Laos, Myanmar, Qatar, Reunion Island, Saudi Arabia, Ukraine.
3 LEED (Leadership in Energy and Environmental Design) and BREEAM (Building Research Establishment Environmental Assessment Methodology) are certifications assessing the sustainability of buildings based on a rating system. sustainability of buildings based on a rating system.

# 03.1 Environmental matters

## Non-Financial Statement continued

In 2023, we achieved a 47 % reduction in energy consumption in our office buildings per employee compared to our 2019 baseline (2022: 32 %).

### Fleet and business travel

When it comes to fleet and business travel, our aim is to continuously reduce corresponding GHG emissions now that COVID-19 measures have been lifted and business trips are permitted again. We aim to reduce our GHG emissions from business travel by 40 % by 2025 against a 2019 baseline. As a signatory of the EV100 initiative, Allianz has committed to fully electrify the company fleet by 2030 at the latest.

The current travel regulation is under review and – once updated in 2024 – will encompass climate-related topics for business travel. In addition, our travel tools offer a sort and transparency function based on $CO_2$ emissions for flight searches. Further, meetings should be held digitally whenever possible.

In 2023, GHG emissions from business travel were reduced by 44 % per employee against a 2019 baseline[1] (2022: 47 %). As of 2023, 22.0 % of our fleet vehicles are electrified[2] (2022: 10.9 %).

### Procurement

With regard to our supply chain, our target is to ensure that 100 % of global framework vendors – i.e., vendors providing products and services for Allianz globally – have made a public commitment to net-zero GHG emissions in line with a 1.5°C path by 2025.

The procurement function sources services and products for the Allianz Group by partnering with thousands of vendors all around the world for activities such as IT, professional services, and marketing. Our procurement policy and processes are reviewed regularly. In 2022, they were updated to align with the Allianz Group sustainability strategy and to embed the operations sustainability strategy across procurement activities. To ensure our IT partners are following our decarbonization ambition, we have implemented sustainability criteria in all Requests for Information (RFIs)/Requests for Proposal (RFPs) and tenders. The catalogue of questions covers environmental aspects in four categories (Hardware, Software, Application/ Infrastructure & Communication) and produces a rating based on defined sustainability criteria.

Our assessment indicates that, in 2023, 76 % of global framework vendors had an existing net-zero commitment (2022: 65 %).

1 GHG emissions from business travel were restated for 2019 (new absolute: 140,787 t $CO_2$e, new relative: 1.0 t $CO_2$e per employee).
2 Including battery electric and plug-in hybrid vehicles.

## 03.1.7 Sustainability incentive schemes

Sustainability forms part of the individual contribution factor of the remuneration of each member of the Allianz SE Board of Management. This extends to the decarbonization targets of proprietary investments as well as own operations.

> **For further information, please refer to Remuneration Report and section “Corporate responsibility governance and strategy”.**

## 03.1.8 Climate-related risks

Climate change will materially affect global economies and Allianz, with its international footprint and many different lines of business, is no exception – as already highlighted in the section on materiality analysis. The risks and opportunities emerging today will evolve and increase over the mid to long term. They include acute and chronic physical impacts on property and human health, such as increasing temperatures, extreme weather events, rising sea levels, intensifying heatwaves, droughts, and potential changes in vector-borne diseases.

Risks and opportunities also result from the cross-sectoral structural change stemming from the transition to a low-carbon economy. These transition risks include the impacts of changes in climate policy, technology, and market sentiment, and their impact on the market value of financial assets, as well as impacts resulting from climate change litigation.

### Impact on and impact of our business

The Allianz Group is exposed to risks that are influenced by climate change in a multitude of ways. Our core business activities mean that we are affected in two key ways, both of which can influence the ability of assets to generate long-term value:

# 03.1 Environmental matters

## Non-Financial Statement continued

- As an insurer providing insurance policies – e.g., covering health impacts, property damage, or litigation claims – and through changes in the sectors and business models we underwrite.
- As a large-scale institutional investor with significant interests in various economies, companies, infrastructure, and real estate that might be affected by the physical impact of climate change and the transition to a low-carbon economy.

As well as being impacted by climate change, the choices Allianz makes about how to conduct our business have an impact on climate change, e.g., by investing in or insuring activities that either cause or reduce GHG emissions. To manage potentially detrimental impacts on both the climate and our business, we have committed to align our proprietary investment and insurance underwriting portfolios to 1.5°C climate scenarios.

### Strategy resilience, stress tests, and climate scenario analysis

Climate change considerations are an integral part of our insurance and investment strategy.

We apply various quantitative and qualitative strategies when carrying out climate stress testing and scenario analysis. Considerations in this regard include the long-term horizons over which climate change may unfold and the high level of uncertainty over the direction of future climate and economic developments. Our objective is to foster risk awareness, build expertise in the assessment of financial risks from climate change, test our business strategy resilience, and inform risk management and business decision-making.

We perform sensitivity and scenario analyses with time horizons up to 2050 and including scenarios ranging from 1.5°C to 4°C of average warming by the end of the century. While time horizons naturally differ depending on the lines of business under consideration, the range of scenarios we apply allows us to better assess a variety of risks associated with climate change.

When we conduct analyses that assess 1.5°C scenario alignment, we adjust our scenario selection using guidance developed by the NZAOA that is focused on 1.5°C scenarios with no or low overshoot of 1.5°C of warming. This limits the need to remove GHG emissions from the atmosphere in the second half of the century.

When conducting outside-in impact scenario analysis, we use a broader range of scenarios in terms of temperature outcomes and characteristics. Qualitative assessments are conducted to explore to what extent and across which channels climate change risks affect distinct aspects of our business, unconstrained by the still limited availability of quantitative models to fully cover all aspects of climate change across our entire business activities. We deploy quantitative assessments for indicative sizing of our exposure to climate change risks. A top-down approach is developed to assess risks at the level of our balance sheet. Complementary bottom-up modelling for the most relevant exposures provides insights into climate change risks at the level of individual investment or underwriting projects and may support contextualization of results from top-down analyses.

It should be noted that the analyses included in this report reflect our current approaches to climate change risk assessments. Prevailing methodological and data limitations as well as the high degree of uncertainty inherent in any long-term analysis may still limit the decision-making usefulness of some results. However, these approaches will change over time as climate scenarios evolve in line with research, developmental-stage methods improve further, and industry best practices emerge.

### Qualitative assessment of climate change risks

#### Approach

The guiding objective of the qualitative climate change risk assessment is comprehensiveness, whereby it is important to identify the many ways that Allianz's risk profile can be adversely affected across all areas of the business, in both the short, medium and long term. There are multiple ways in which climate change may trigger risk events, so it is essential that this understanding is established in enough detail for it to provide a solid basis for applying risk-based prioritization with the aim of evaluating mitigation effectiveness and management actions.

To achieve full coverage of Allianz's business footprint, the assessment was structured along the business areas of investments, property-casualty underwriting, life/health underwriting, operations, with the investment and underwriting business areas further

# 03.1 Environmental matters

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subdivided into asset class and line of business, respectively. For each business area (or alternatively, asset class for investments, and line of business for underwriting), the main relevant climate change-related risk drivers were identified. In this context, a risk driver is any development or event wholly or primarily attributable to climate change that potentially impacts Allianz's risk profile. Such risk drivers can be categorized into technological, regulatory, legal, and consumer behaviour developments (transition risks), as well as physical risks such as floods, drought, or wildfires.

For each risk driver, a range of potential short- to medium-term and long-term impacts for the insurance sector was considered, utilizing knowledge acquired via a combination of desktop research and consultation with subject matter experts both internal and external to Allianz.

Lastly, the potential magnitude of each of these risk impacts was assessed against various dimensions of financial and non-financial performance.

The initial qualitative risk assessment was performed throughout 2022 at the Allianz Group level. During 2023, subsidiaries adapted the assessment according to their local risk profiles. The outcome of this exercise provides further insights into the relevance of climate change risk drivers for both the Allianz Group as a whole and individual subsidiaries, taking into account their specific business profile, geographical presence, and locally applicable regulations.

### Results

**For a summary of the main climate change risks faced by the Allianz Group as well as corresponding impacts derived from the qualitative risk assessment, please see tables "Key climate change transition risks" and "Key climate change physical risks".**

### Key climate change transition risks

| Risk driver | Context | Main potential risk impacts |
|---|---|---|
| Emerging technologies | Climate change mitigation and adaption is driving the rapid development of new or modification of existing technologies (e.g. sustainable aviation fuels, carbon capture and storage, electric vehicles).<br><br>Although many of these technologies presently face challenges in terms of quickly scaling up – whether due to prohibitive cost, an inadequate supply of raw inputs, missing infrastructure, customer scepticism or a need to further develop the technology itself – it is expected that many of these issues will be resolved over time and the technologies will become widely adopted. | **Investments**<br>• Companies that fail to adopt these new technologies may face future cost disadvantages via a combination of higher energy costs, higher financing costs or costs from participation in carbon emissions trading schemes. On the revenues side, customers may become adverse towards companies that fail to adopt climate-related technologies. This risk is particularly relevant for those business sectors with a comparatively high emissions footprint, such as energy, transportation and construction.<br>• Stranded assets are also possible, whereby technological breakthroughs render older, high emission technologies obsolete, in particular when further squeezed by decarbonization-related regulations. Conversely, it is also possible that promising technologies ultimately fail to deliver on their potential and earn a return on substantial investments in research and development.<br>• Allianz is susceptible to financial market losses based on investment exposures to those companies and sectors most likely to be impacted by the above developments.<br>**Underwriting**<br>• The introduction of new technologies may lead to more frequent and severe malfunctions, damage or process disruptions, especially in the early application phase. Areas of particular vulnerability include electric vehicles and renewable energy technologies, such as battery energy storage systems. In this context, providing insurance coverage may represent a challenge for insurers due to the lack of historical claims data as a basis for modelling and pricing, which may trigger an increase in insured manufacturers' product liability exposure. |

# 03.1 Environmental matters

## Non-Financial Statement continued

### Key climate change transition risks continued

| Risk driver | Context | Main potential risk impacts |
|---|---|---|
| Regulatory developments | As signatories to the Paris Agreement, many countries have adopted legally binding commitments in line with the Paris Agreement target of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.<br><br>To deliver on these commitments countries are enacting increasingly stringent regulations designed to reduce carbon emissions, such as the phase out of combustion engines, encouraging the adoption of heat pumps or increasing the share of sustainably produced energy. Given the swift and drastic reduction required, the impact of these regulations is widespread across many business sectors, although naturally most consequential for those responsible for the largest share of emissions. | **Investments**<br>• Increasingly complex and partly untested regulations promoting mitigation and adaptation to climate change may trigger significant costs or losses for companies operating in high emission sectors, both in terms of implementation costs and as a direct consequence of the policies themselves. Direct consequences include write-down costs, whereby as a result of a regulatory directive, the projected financial return on company assets is diminished.<br>• Furthermore, fragmentation of regulations at a regional and global level may lead to competitive disadvantages based on a company's geographic location, especially for companies that are highly dependent on international trade. Competitive disadvantages may result from either operating under a comparatively strict set of regulations relative to peers (e.g. carbon emission limits), or conversely, due to regulations enacted to counter such environmental arbitrage (e.g. border taxes, restricted market access for companies with poor climate practices).<br>• Allianz is susceptible to financial market losses based on investment exposures to those companies and sectors most likely to be impacted by the above developments.<br>**Operations**<br>• Allianz is committed to full compliance with all climate-change regulations applicable to the organization. The design and implementation of processes needed to comply will require investments in employees, external expertise, 3rd party databases, IT systems and more.<br>• Beyond the direct costs, regulations are likely to result in an increase in Allianz' operational complexity – for example in the form of expanded data gathering and reporting requirements or additional sustainability considerations to be applied in the design, marketing and service of products. This increased complexity in turn may drive an increase in the likelihood and severity of process failures and accompanying operational losses. |

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## Non-Financial Statement continued

### Key climate change transition risks continued

| Risk driver | Context | Main potential risk impacts |
|---|---|---|
| Climate litigation | Climate change has emerged to become a source of potential high-impact litigation, whether in terms of monetary losses (e.g. fines, awarding of damages) or through court ordered changes in defendants' business practices that negatively impact profitability or – in extreme cases – viability of the business model itself.<br><br>This trend is expected to continue as both litigants seek compensation for climate related damages and activists turn to court systems in response to real or perceived political and business failures to adequately address climate change. | **Investments**<br>• Companies may be subject to litigation arising from discrepancies between publicly declared long-term net-zero commitments and emissions reductions that are realistically achievable based on actions taken, as well as general (vague) sustainability statements deemed misleading or otherwise not supported by actual outcomes ("Greenwashing").<br>• Climate attribution science supports the assignment of responsibility for climate-change related damages to those companies historically responsible for a large share of emissions, whether from the extraction and processing of fossil fuels or their consumption via production or product use (e.g. energy generation, transportation). As the confidence levels of climate attribution models improve they may increasingly be recognized by courts and juries in determining culpability and corresponding damages. Given past studies suggesting a relatively small number of companies are responsible for an outsized share of total historical emissions – primarily within the oil & gas and utility sectors – the legal exposure of these companies in particular may be quite significant.<br>• In addition to the costs or losses directly attributable to climate-change related regulations, companies also face legal exposures for failure to comply. Against the backdrop of sweeping regulations and tight timelines for their adoption – which is unavoidable in the light of nations' legally binding emission reduction commitments – it may prove challenging for certain companies or even entire sectors to fully comply. This is relevant not only for operations and product design, but also climate-change related reporting and disclosure requirements.<br>• Allianz is susceptible to financial market losses based on investment exposures to those companies and sectors most likely to be impacted by the above developments.<br><br>**Underwriting**<br>• The above climate litigation drivers for investments may also adversely impact Allianz' risk profile with respect to Underwriting Risks. Greenwashing, advances in climate attribution science, new and expanded regulations and an overall increase in climate-change related litigation all introduce new and potentially significant legal exposures for many of Allianz' commercial policyholders, especially those operating in high-emission sectors such as oil & gas, energy generation or transportation. Allianz risk exposures arise from indemnity coverages for legal proceedings against these policyholders, in particular within the D&O and Liability lines of business. |

# 03.1 Environmental matters

## Non-Financial Statement continued

### Key climate change physical risks

| Risk driver | Context | Main potential risk impacts |
|---|---|---|
| Extreme weather<br><br>(acute physical risk event) | Climate change is the primary driver behind a contemporary increase in the frequency and severity of extreme weather events, which trigger losses in the form of human casualties, physical damages and disruptions to business or leisure activities. | **Investments**<br>• Within the real estate sector property valuations may increasingly be dependent on exposure to extreme weather events, both from a macro- and micro-geographic perspective. The most exposed properties might experience higher losses from property damage, a loss of rental income due to business disruptions and higher insurance and financing costs. While measures may be taken to help mitigate the real estate impact of extreme weather events, such as strengthening structures against wind and flood damage, these typically require costly investments. These issues also largely apply towards the construction and infrastructure sectors as well.<br>• At a sovereign level, government finances may become strained through an ever increasing need to finance recovery and repair efforts following catastrophic weather events. Over time this support may lead to a deterioration in the creditworthiness of sovereign debt, further compounding losses via higher debt servicing costs, or in extreme cases may even lead to default scenarios. Alternatively, governments may choose to invest in mitigation or adaption initiatives, however in many cases these solutions come with high costs that may likewise place pressure on government finances.<br>• At a more general level, corporate bonds and equities may be impacted to various degrees depending on the sector and geographic location. For example, floods, fires, droughts and heat waves can trigger large loss events in many different sectors, such as agriculture, tourism, energy production, shipping and manufacturing. This injects a new source of risk and volatility into corporate financial outcomes, which may challenge their ability to consistently deliver reliable profits or, in extreme cases, trigger instances of bankruptcy. Ultimately these issues will be reflected in share prices and bond valuations.<br>• Allianz is susceptible to financial market losses based on investment exposures to those companies and sectors most likely to be impacted by the above developments.<br>**Underwriting**<br>• Increases in the frequency and severity of claims are almost certain to occur across both retail and commercial P&C business lines. This projection concerns not only property claims due to direct physical damage, but other coverages as well, such as those typically contained within business interruption, accident, entertainment, and travel policies.<br>• Claims for liability coverages may also increase insofar as policyholders are considered negligent in protecting customers or other third parties from damages caused by extreme weather events.<br>• In addition to impacts derived from policy exposures, it may also become increasingly cost-prohibitive for Allianz to obtain reinsurance coverages in line with our risk appetite and risk bearing capacity. Such developments might restrict our ability to underwrite some risk exposures and – in extreme cases – precipitate an exit from certain insurance markets. |

# 03.1 Environmental matters

## Non-Financial Statement continued

### Key climate change physical risks continued

| Risk driver | Context | Main potential risk impacts |
|---|---|---|
| Climate volatility<br><br>(chronic physical risk event) | A meaningful portion of economic activity is dependent on the climate and susceptible to changes against the current status-quo. For example, with respect to raw materials, a volatile climate may lead to losses of arable land to desertification, losses of timber due to wildfires, reduced fishery yields due to ocean acidification or water scarcity that diminishes production capacity in high water use sectors, such as the manufacturing of apparels and textiles.<br><br>Impacts beyond availability of resources include phenomena such as permanent decreases in worker productivity due to frequent heatwaves or a loss in attractiveness for those tourist destinations no longer reliably providing the desired weather. | **Investments**<br>• An increased volatility in the availability – and therefore price – of raw materials has various implications at the individual company level, especially for those companies whose value generation is primarily dependent on the processing of raw materials. Collectively, these implications may have consequential impacts on overall economic activity.<br>• Resource availability will emerge as an increasingly important consideration in the capital investment decisions of companies within certain sectors (e.g. manufacturing, timber, agriculture, fisheries). Volatility and scarcity risks in raw material inputs will increase the required risk-adjusted return on such investments, which may lead to a higher number of boardroom decisions to forego potential profit-generating opportunities (i.e. will trigger corporate retrenchment instead of expansion).<br>• Companies may struggle to optimally price their goods against a backdrop of higher price volatility for their production inputs. Participation in commodity markets to hedge against price volatility will likely come with a higher cost than in the past, as commodity markets react to the volatility by increasing the risk premium on futures contracts.<br>• Beyond manufacturing and raw material processing, temperature volatility may also adversely impact weather dependent sectors, such as construction, tourism and sustainable energy generation.<br>• Allianz is susceptible to financial market losses based on investment exposures to those companies and sectors most likely to be impacted by the above developments.<br>**Underwriting**<br>• Insurance portfolios may experience consequential shifts in the risk profile for those regions or sectors with the highest exposures to climate volatility, affecting both claims and insurance demand. In contrast to acute physical risks, these risks are not attributable to individual extreme weather events, but rather reflect permanent trends or slow-developing climate change impacts.<br>• For example, rising sea levels that make coastal areas more prone to flooding are likely to increase claims costs and expenses for both retail and commercial property coverages. On the revenues side, necessary premium increases may not be able to fully capture increased losses due to political and consumer pressure to maintain insurance affordability, while in the most exposed regions the uninsurability of certain risks may cause a reduction in the total size of the insurance market.<br>• Overall, while climate volatility risks are generally considered more long term in nature, if not carefully managed these developments will increase the potential risk for Allianz of losing market share, premium income or profitability. |

# 03.1 Environmental matters

## Non-Financial Statement continued

The results on the previous page demonstrate that the most relevant climate change risks for Allianz as an organization relate to proprietary investments and property-casualty underwriting. Risks related to company operations and life/health underwriting are also present, albeit to a lesser extent.

In terms of time frames, the assessment foresees transition risks as more significant in the short to medium term than in the long term under scenarios where alignment with the goals of the Paris Agreement is rigorously pursued. This reflects the view that a large proportion of measures to address climate change will need to be introduced in the next 5 to 15 years, which will constitute a comparatively dynamic period of transition risk relevance.

In terms of the most relevant physical risks, acute physical risks are likewise considered more significant over the short to medium term than the long term. While this may run contrary to the understanding that acute physical risks will continue to increase in both magnitude and frequency, the presumption is that adaptive measures will help blunt impact severity in the longer term. This includes both adaptive measures by external parties – such as regulations restricting or encouraging movement away from disaster prone areas – and mitigation measures by Allianz, such as improvements in the management of insurance risk concentrations and the pricing of insurance coverages.

When considering the above results, it is important to understand that outcomes of this qualitative process are highly dependent on the input of individual risk experts. Although the process leveraged research and statistical information where possible, professional judgment was applied in determining the impacts specific to Allianz. Provided that professional judgment is subject to various forms of bias, results are liable to change. In addition, the emergence of further statistical and other fact-based research may also influence conclusions.

> **For further information on mitigation measures to address and manage risk impacts, please refer to the section "Conclusion".**

### Quantitative assessment of climate change risks

#### Approach

The integrated climate change stress test presented in the following section complements the holistic qualitative risk assessment with quantitative information for a limited set of risks and risk transmission channels. It demonstrates our continuing efforts to build capabilities and capacities for quantitative climate change risk assessments and gain experience with sizing balance sheet exposures to climate change risks.

The stress test covers both sides of the balance sheet by measuring asset- or liability-specific stress impacts, as well as their dependencies for a static balance sheet. We take into account a period up to 2050, which is relevant both for the implementation of key political and business strategies linked to the Paris Climate Agreement and for the onset of increasing global warming and its negative consequences. Impacts are estimated for market stresses, as well as property-casualty and life/health underwriting stresses, using NGFS[1]/IPCC[2] scenario-based data from various sources. NGFS scenarios are selected for this analysis since they are compiled on behalf of central banks and supervisory authorities for financial stress testing, provide pathways for macroeconomic variables in a variety of scenarios representing different levels of transition and physical risk, and are available open source. IPCC Representative Concentration Pathways (RCPs) are the starting point of well-established scientific studies on the development of climate-related hazards in climate change scenarios, which can be adapted for modelling underwriting risks. All entities contributing to the Allianz Group's Solvency II model are in scope for the assessment. The main focus of the analysis is to provide a best estimate for market value balance sheet impacts.

#### Scenarios

For the current implementation of the integrated climate change stress test, we have considered five scenario narratives from the suite of NGFS reference scenarios. The (1) Net Zero 2050 scenario is determined by an orderly transition to net-zero emissions

1 NGFS: Network for Greening the Financial System.
2 IPCC: Intergovernmental Panel on Climate Change.

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by 2050 following the target to limit global warming to 1.5°C through stringent climate policies at the cost of moderate economic strain in the initial years. The (2) Below 2°C scenario assumes an early and orderly transition to a low-carbon economy, with an unambitious policy target to limit global warming to below 2°C by the end of the century. In this scenario, policy action has limited impact on economic growth. In the (3) Delayed Transition scenario, GHG emissions remain high until 2030, when strong policy measures are taken to limit warming to below 2°C. Physical risks are relatively small in these scenarios over the 2050 time horizon.

The (4) Nationally Determined Contributions scenario includes all pledged climate policies, even if not yet implemented. However, these pledged policies are still insufficient to limit global warming to below 2°C, leading to increasing physical risks. Accounting only for climate policies that were in place before 2019, the (5) Current Policies scenario is characterized by limited transition risks and high physical risks, which start to become more visible over the second half of the projection period.

### Methods, assumptions, and limitations

NGFS scenarios are used to obtain financial market variables for application in the market stress module of the integrated climate change stress test. The market stresses themselves are applied to market values of both assets and liabilities of in-scope entities, where a simplified approach is used to assess the mitigation of stress impacts due to policyholder profit sharing. Scenario variables used in the property-casualty and life/health underwriting stress modules are derived from hazard models that are contingent on the IPCC's RCPs 2.6, 4.5, 6.0, and 8.5. For the life/health underwriting stress module, stress variables are based on a study by Gasparrini et al.[1] that projects temperature-related excess mortality under various heat and cold pathways and their net change up to the end of the century. The life/health underwriting stresses are applied to the best estimate of liabilities for biometric risk exposure. The property-casualty underwriting stress module relies on projections for Average Annual Loss under RCP scenarios for a selection of the most climate change-relevant country and peril combinations (i.e., inland flooding, hail and tropical cyclone) developed by NatCat modelling experts at Allianz Re. The property-casualty underwriting stresses are applied to the best estimate of liabilities for NatCat risk exposures.

To separate the impact of climate change risk from trend growth, stress levels are assessed relative to a baseline or counterfactual scenario as defined by the NGFS, a hypothetical scenario in which neither progression of climate change nor the implementation of transition measures is assumed. Furthermore, the calculation of stress impacts is based on instantaneous stresses on the static year-end 2023 balance sheet, without adaptation or mitigation actions from Allianz and its business partners. In particular, internal measures such as contract repricing, deployment of reinsurance strategies, or portfolio steering have not been taken into account, as well as external measures such as public investment in flood defences. Impact estimates from the different stress test modules are integrated based on a matching of global mean temperatures for 2050 between NGFS and IPCC scenarios as well as consideration of the overall scenario characteristics. No diversification between market stresses and underwriting stresses is assumed for the aggregation.

Impact estimates from the integrated climate change stress test rely on scientific research and scenario data that is available and considered relevant as of the current point in time. Nevertheless, the magnitude of outcomes has to be treated with caution when accounting for the significant uncertainties inherent in climate change modelling and the crucial role of assumptions in long-term projections. These include, but are not limited to, uncertainties in the scientific studies underlying the projected distributions of NatCat events, uncertainties in the modelling of macroeconomic impacts of physical risks, as well as uncertainties due to the limitations of climate change scenarios in capturing environmental, social, and economic cascading effects or tipping points. Uncertainties around assumptions for the counterfactual scenario can also have a critical impact on results.

1 Gasparrini et. al. (2017) Projections of temperature-related excess mortality under climate change scenarios, Lancet Planet Health 1(9):e360-e367.

# 03.1 Environmental matters

## Non-Financial Statement continued

### Results

In terms of the aggregate market and property-casualty and life/health underwriting stress impacts, two key overarching observations may be derived. Firstly, with the exception of the Delayed Transition scenario, cumulative market value balance sheet impacts over the first 5–10 years of the projection period are largely determined by the different levels of transition risk in the scenarios, whereas impacts from physical risks are small in comparison but increase gradually. Secondly, market stress is the largest contributor to overall cumulative market value balance sheet impacts, exceeding the combined contribution from property-casualty and life/health underwriting stresses by a considerable margin.

Expounding upon the above general observations at the individual scenario level, we note the following

- Moderate cumulative market value balance sheet impacts are realized in the Net Zero 2050 scenario, where the initial economic strain subsides rapidly until 2030.
- The orderly implementation of the not too ambitious policy target in the Below 2°C scenario comes with a low transition risk initially. While stress impacts in the long term in the Below 2°C scenario are comparable to stress impacts in the Net Zero 2050 scenario, an overall negative trend compared to the 1.5°C scenario is predicted in the second half of the century due to higher physical risk associated with higher mean temperatures.
- In the Delayed Transition scenario, very low stress impacts materialize in initial years, followed by high cumulative market value balance sheet impacts of (13.6) % after 2035 with the start of the delayed implementation of a policy ambition that is comparable to that in the Below 2°C scenario. Economic recovery is rather slow in this scenario.
- Initial losses from transition risk in the Nationally Determined Contributions scenarios, comparable to losses in the Below 2°C scenarios, turn into losses from physical risk in later years that gradually increase over time.
- In the absence of stringent climate policy implementation, stress impacts are relatively muted until the second half of the time horizon for the Current Policies scenario, similar to the Delayed Transition scenario, where stress impacts from physical risk phase in bringing about moderate cumulative market value balance sheet impacts of approximately (5.5) % in the long term. Beyond this period, both the Current Policies and the Nationally Determined Contributions scenarios are expected to entail even more material losses as impacts from physical risks increase and outweigh transition risk impacts.

An excerpt from the aggregated stress test results is shown in table “Estimated maximum adverse cumulative market value balance sheet impacts in NGFS/ IPCC scenarios relative to a baseline scenario without climate change”. The complete analysis covers the period from now until 2050, whereas the excerpt here shows the estimated maximum adverse impacts over the 5–20 year period, taking into account, amongst other considerations, that the current NGFS scenarios are primarily aimed at modeling long-term climate-economic relationships.

#### Estimated maximum adverse cumulative market value balance sheet impacts in NGFS/ IPCC scenarios relative to a baseline scenario without climate change

| Scenario | Long-term 5–20 y |
|---|---|
| Net Zero 2050 | (2.8) |
| Below 2°C | (2.7) |
| Delayed Transition | (13.6) |
| Nationally Determined Contributions | (5.2) |
| Current Policies | (5.5) |

### Conclusion

It is apparent from a review of the results of the qualitative risk assessment and consideration of potential risk responses that while some new mitigation measures (such as processes, controls, strategies) tailored to climate change may be necessary, the current risk management approaches are generally either adequate, or only require smaller modifications. For example, with respect to property-casualty underwriting, well-established

# 03.1 Environmental matters

## Non-Financial Statement continued

techniques such as premium adjustments, changes in coverages, exclusions, expansions, or revisions to risk limits can all be effectively utilized. Despite this conclusion, the consequences in areas where climate change is set to fundamentally transform insurance markets are less predictable and require strategic attention. Fundamental transformation includes aspects such as coverage affordability, the shrinkage of existing markets, or the emergence of new markets, as well as products or coverages encompassing difficult-to-price risks (e.g., similar to industry experience around the emergence of cyber insurance).

From the quantitative perspective, the overall impact estimates derived from the integrated climate change stress test are considered to be within Allianz's risk tolerance, considering both the magnitude of predicted losses and the time horizon over which they materialize. Extending this analysis to a dynamic balance sheet view would further support this assessment; for example, accounting for risk mitigating management actions such as adaptation of derivatives hedging and reinsurance programs, repricing of insurance products, or strategic repositioning of investment and insurance portfolios. The approximate estimates we carried out on the effectiveness of selected management actions confirm this view.

Addressing the immediate effects of climate policy implementation requires the incorporation of climate change-specific measures. These include long-term strategies aimed at aligning investment and insurance portfolios with climate policy targets, as formulated in our transition plan, see our "Transition plan & strategy" section. However, successfully managing an economic crisis that may unfold as an indirect effect of climate policy implementation – e.g., in the Delayed Transition scenario – necessitates having well-established mitigation measures ready and operational, such as limiting or hedging equity and corporate bond exposures, or effective asset liability management.

We will continue to refine our climate change risk assessments in line with the evolving understanding of assessment methodologies and improving data availability and quality, while also accounting for a shifting climatic and political baseline.

# 03.2 Supplementary environmental disclosure

Table ENV-7

## Water consumption

| As of December 31 | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Total water consumption | $m^3$ | 1,178,788.0 | 1,307,990.1 | 1,237,598.0 |
| Drinking water | % | 91.9 | 93.0 | 93.0 |
| Rain water | % | 0.8 | 0.8 | 0.5 |
| Natural water | % | 7.3 | 6.2 | 6.4 |
| Water consumption per employee | $m^3$/empl | 7.7 | 8.6 | 8.4 |
| Water consumption reduction per employee since 2019<br>Target -10% by year-end 2025 | % | -45.1 | -38.8 | -41.0 |

Table ENV-8

## Waste

| As of December 31 | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Total waste | t | 9,768.0 | 10,838.5 | 12,064.3 |
| Waste Incinerated | % | 35.8 | 38.7 | 36.2 |
| Waste Recycled | % | 47.2 | 43.2 | 46.6 |
| Waste to Landfills | % | 16.4 | 17.8 | 16.9 |
| Special Waste Treatment | % | 0.6 | 0.3 | 0.3 |
| Waste per employee | kg/empl | 64.0 | 71.3 | 81.5 |
| Waste reduction per employee since 2019<br>Target -10% by year-end 2025 | % | -53.4 | -48.1 | -41.0 |
| % of OEs have "Action on Plastic" in place (on head count basis) | % | 67.1 | 70.7 | 67.0 |

Table ENV-9

## Paper consumption

| As of December 31 | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Total paper consumption | t | 6,663.0 | 7,317.2 | 8,466.1 |
| Paper sourced from certified sustainable sources | % | 77.3 | 73.5 | 76.0 |
| Paper consumption per policy | g/policy | 41.6 | 46.7 | 54.3 |
| Reduction in paper use per policy since 2019<br>Target -20% by year-end 2025 | % | -48.8 | -43.0 | -33.0 |
| Total GHG emissions from Paper | $tCO_2e$ | 5,647.0 | 6,258.9 | 9,232.4 |

# 03.2 Supplementary environmental disclosure

## Water consumption

**45 %**

**water reduction by year-end 2023 against a target reduction of 10 % per employee by year-end 2025 against a 2019 baseline**

(2022: 39 % reduction)

This reduction was achieved through water-saving measures applied across our locations. These measures include the installation of rainwater collection systems at Allianz Türkiye, where collected rainwater is used for toilet flushing and other water supply that does not require drinking-water quality; Allianz Benelux, where water-efficient toilet systems were installed; and Allianz Spain, where automatic taps with motion sensors were installed.

Minimizing our water consumption is a key principle under our Group Environmental Guidelines.

Our office-based operations mostly do not result in significant water use but we understand the increasing need to use water efficiently, especially considering the impacts of climate change. This is especially important in areas at risk of water stress such as India and Singapore.

Approximately two-thirds of Allianz employees are situated in countries with medium to extremely high water-stress.[1]

## Managing waste

**53 %**

**waste reduction in 2023 against a target reduction of 10 % per employee by year-end 2025 against a 2019 baseline**

(2022: 48 % reduction)

We aim to minimize the waste we generate and to re-use and recycle materials wherever possible.

Our office-based operations mostly generate household-type waste. Waste reduction awareness campaigns are in place across Allianz entities to encourage behavioral change in this area.

Tackling waste from single-use-plastic has become a particular focus. We have developed global guidelines to systematically work towards operations that are free from single-use plastic. We introduced this topic in our reporting for the first time in 2021. We have defined "Action on plastic" measures at three levels:

Level 1: Assessment of baseline usage of single-use plastic across our operations.

Level 2: Definition of targets and action plans per operating entity, including allocation of resources and launch of implementation.

Level 3: Progress assessed and reported to the project management sponsor, action plan checked and reviewed within reporting period.

67 % of operating entities (by headcount) had completed at least level one by the end of 2023 (2022: 71 %).

Allianz is also partnering with international marine conservation organizations to support the removal of plastic from oceans and rivers.

> **For more information on our corporate citizenship activities see section 04.4 Corporate Citizenship.**

## Reducing paper use

**49 %**

**reduction in paper use by year-end 2023 against a target reduction of 20 % per policy by year-end 2025 against a 2019 baseline**

(2022: 43 % reduction)

Paper use at Allianz is mainly linked to external communications (e.g., marketing and customer communications) with a smaller amount used for internal office printing.

Our efforts to reduce paper consumption are underpinned by the shift to digital communication.

Looking ahead, we will seek to maximize the share of paper we use that comes from certified sustainable sources, which accounted for 77 % of our paper in 2023 (2022: 74 %).

1 According to our most recent assessment conducted in 2019.

# 03.2 Supplementary environmental disclosure

## Assessment of 2025 Intermediate Targets for Proprietary Investment Portfolio

The following table shows our progress towards the legacy targets we had set for parts of our proprietary investments portfolio for the target year 2025 in our net-zero by 2050 journey. This table will not be shown in subsequent reporting years as those targets have been superseded by the 2030 targets which are outlined in chapter "03.1 Environmental Matters" table.

| Target Type | 2025 Targets (as published in January 2021) | Base Year 2019 | Current Year 2023 | Assessment |
|---|---|---|---|---|
| Quantitative Sub-portfolio targets | Corporate Bonds & Listed Equity: -25 % absolute owned GHG emissions (Scopes 1+2) | • 24.9 mn tons of $CO_2e$[1] | • 14.0 mn tons of $CO_2e$ | • Achieved; 44.2 % reduction as of Q4 2023 versus Q4 2019:<br>Δ EVIC[2]: -12.1 %<br>Δ Allocation: -28.6 %<br>Δ Emissions: -3.5 % |
| | Infrastructure Equity: -28 % absolute carbon reduction | • 0.6 mn[3] tons of $CO_2e$ | • 0.4 mn tons of $CO_2e$ | Achieved; 36 % reduction as of Q4 2023 versus Q4 2020 |
| | Real Estate: Fully owned real estate portfolio[4] aligned with 1.5 degree pathways of CRREM[5] | • 67.5 $kgCO_2e$/sqm | • 33.7 $kgCO_2e$/sqm | Achieved; 50 % reduction as of Q4 2023 versus Q4 2020 |
| Other Sub-portfolio targets | • Infrastructure Equity:<br>– Full transparency on financed emissions latest by 2023<br>– New direct investments in high emitting assets only in case a 1.5°C aligned decarbonization plan in place<br>• Funds and Private Debt[6]:<br>– All investments: Carbon transparency on financed emissions latest by FY 2024 reporting<br>– New investments:<br>– Phase in of net-zero targets by 2025<br>– E.U. CREL: targets aligned with 1.5°C pathways of CRREM[5]<br>– Infrastructure debt in high emitting assets only in case a 1.5°C aligned decarbonization plan in place<br>– Existing assets: engagement approach | | | <br>• Achieved<br>• Achieved<br><br>• On track<br><br><br>• On track<br>• On track<br>• On track<br> |

1 $CO_2e$ refers to carbon dioxide equivalent, which includes $CO_2$ and other greenhouse gases.
2 Enterprise Value including Cash.
3 Internal Estimation.
4 Direct and Joint Venture.
5 CRREM: Carbon Risk Real Estate Monitor.
6 Asset classes: Infrastructure debt, infrastructure funds, real estate funds, private equity funds and E.U. CREL.

# 03.2 Supplementary environmental disclosure

## Assessment of 2025 Targets continued

| Target Type | 2025 Targets (as published in January 2021) | Base Year 2019 | Current Year 2023 | Assessment |
|---|---|---|---|---|
| Engagement | • Coverage of Top 30 (non-aligned) emitters in portfolio | | | Achieved; bilateral engagements ongoing. |
| | • Full participation in all available AOA organized sector and asset manager engagements | | | |
| | • Increase engagement activities by 100 % | | | |
| Sector Targets | **Oil & Gas:** | | | |
| | • 50 % of Asset under Management to set net-zero 2050 targets and | • Ca. 40 % | • Ca. 43 % | • Not yet achieved; Data availability is bad for smaller companies and few additional O&G companies committed to net-zero in past two years. We estimate 43 % of our O&G AuM to have net-zero targets as of year-end 2023. Overlap with Allianz Oil & Gas Policy becoming effective as of 2025. |
| | • Aim for upstream intensity of 20 $kgCO_2e$/boe[1] for Scope 1+2 in line with OGCI[2] | • N/A | • N/A | • Not yet achieved due to data unavailability and low data quality (O&G production intensities). Multiple efforts with existing and potential data providers were attempted to get access to reliable upstream intensity values without success to date. |
| | **Utilities:** Increase exposure to renewable energy by 5.85 % per year (IRENA[3] global pathway) | | | |
| | • Direct debt | • EUR 2.9 bn | • EUR 2.8 bn | • Direct: Not yet achieved due to unfavorable market developments. |
| | • Direct equity | • EUR 4.3 bn | • EUR 4.7 bn | |
| | • Indirect | • N/A | • N/A | • Indirect: Not available for indirect investments in utility companies due to low data quality from data providers. |
| | • Coal phase out in line with 1.5 degree pathway | | | • Coal phase out on track. |
| Climate Solutions (prev.: "financing transition") | • Blended finance 4–5 new vehicles | | | • Achieved, so far 4 new blended finance vehicles. |
| | • Start investing into e.g., Forestry, Hydrogen and other | | | • Forestry and Hydrogen done. |

1 BOE: Barrel of oil equivalent.
2 OGCI: Oil & Gas Climate Initiative.
3 IRENA: The international Renewables Energy Agency is an intergovernmental organization supporting countries in their transition to a sustainable energy future.

# 03.2 Supplementary environmental disclosure

## Overview of climate scenarios applied by Allianz Group

For our scenario analyses we use multiple scenarios with differing average warming by the end of the century, incl. 1.5°C. Applying a range of scenarios allows us to better assess the variety of risks and opportunities associated with climate change also as scenarios and underlying models have different assumptions and scenario narratives. The table below shows an overview of the most important external scenarios we use. You can read more on our approach to climate risk assessment in the chapter 03.1 E1 Climate change.

| Aspects covered | Scenarios used | Scenario provider |
| --- | --- | --- |
| Transition and physical | • Net-zero 2050<br>• Below 2°C<br>• Delayed Transition<br>• Nationally Determined Contributions<br>• Current Policies | Network for Greening the Financial System (NGFS) |
| Transition | • 97 C1 scenarios in Assessment Report 6 (no and low overshoot) | Intergovernmental Panel on Climate Change (IPCC) (building on multitude of scenario providers) |
| Transition | • Net-zero by 2050 (NZE2050)<br>• Sustainable Development Scenario (SDS)<br>• Beyond 2° Scenario (B2DS)<br>• Stated Policies Scenario (STEPS)<br>• 2° Scenario (2DS) | International Energy Agency |
| Transition | • One Earth Climate Model (OECM) | University of Technology Sydney |
| Transition | • Required Policy Scenario (RPS)<br>• Forecast Policy Scenario (FPS) | Inevitable Policy Response |
| Physical | • Representative Concentration Pathway (RCP) 2.6<br>• RCP 4.5<br>• RCP 6.0<br>• RCP 8.5 | IPCC |

# 03.3 TCFD requirements mapping

## TCFD requirements mapping

| TCFD recommendation | Respective SR23 section |
|---|---|
| 1a) **Governance**: board oversight | 01.6 Our sustainability governance |
| 1b) **Governance**: management oversight | 01.6 Our sustainability governance |
| 2a) **Strategy**: climate risks and opportunities identified over short/mid/long time horizon | 03.1.8 Climate-related risks |
| 2b) **Strategy**: impact of climate risks and opportunities on business, strategy and financial planning | 03.1.8 Climate-related opportunities |
| | 03.1.8 Climate-related risks |
| 2c) **Strategy**: Resilience of strategy under climate scenarios | 03.1.8 Climate-related risks |
| 3a) **Risk management**: Processes for identifying and assessing climate risks | 03.1.8 Climate-related risks |
| 3b) **Risk management**: Processes for managing climate risks | 03.1.8 Climate-related risks |
| 3c) **Risk management**: How are these processes integrated in overall risk management | 03.1.8 Climate-related risks |
| 4a) **Metrics & Targets**: Metrics used to assess climate risks & opportunities | 03.1.4 (P&C Insurance) |
| | 03.1.5 (Investments) |
| | 03.1.6 (Own Operations) |
| | 03.1.8 Climate-related risks |
| 4b) **Metrics & Targets**: Carbon footprint scope 1+2+3 | 03.1.4 (P&C Insurance) |
| | 03.1.5 (Investments) |
| | 03.1.6 (Own Operations) |
| 4**c) Metrics & Targets**: Targets used to manage climate R&O's and performance against targets | 03.1.4 (P&C Insurance) |
| | 03.1.5 (Investments) |
| | 03.1.6 (Own Operations) |

# 04 Social disclosure

This chapter contains content from our Non-Financial Statement from the CSRD convergence to ESRS S1 own workforce in chapter 04.1. In the further chapters we focus on measuring and managing the social impacts of our organization on people and the society including the tax transparency reporting.

# 04.1 Employee matters

## Non-Financial Statement

**All employee matters are managed by the People and Culture function at Allianz Group level and across all Allianz operating entities. The KPI tables in the following sections anticipate future CSRD requirements under ESRS S1 where applicable, indicated in the table name.**

### 04.1.1 Group People and Culture strategy highlights

"We secure your future" is our corporate purpose and living up to it starts with our 154,862[1] (see table S1-6.1) employees. Our Group People and Culture strategy is based on fulfilling this purpose and on our employer value proposition "We care for tomorrow", staying true to our brand promise of expressing confidence in tomorrow, and putting our customers at the center of what we do. This is what drives our decisions and actions and we do it in line with our people attributes: Entrepreneurship, Customer & Market Excellence, Trust, and Collaborative Leadership.

Our ambition is to be the top employer in the financial services industry globally. We work to attract top talent and support our employees on their growth and development journey, delivering a strong business impact and making a positive social contribution wherever we operate.

To reach this ambition, we have based our People and Culture strategy on three pillars:

1. The **Employees and Candidates** pillar includes all our strategic priorities that enable us to attract top talents and to engage, retain, and develop our employees. Strong employee engagement is important to us, and we foster a culture and working environment where people and performance matter. We ensure lifelong learning and are committed to growing and developing our people to be prepared for the future. Fair remuneration as well as health and safety for our employees are of utmost importance. Accordingly, we offer a broad range of flexible work options.
2. The **Business** pillar includes our Diversity, Equity, and Inclusion (DEI) engagement and Strategic Workforce Planning (SWP) initiative, which fuel our business to deliver on Allianz's strategic goals. We are committed to strengthening diversity, equity, and inclusion in the workplace by providing equal opportunities for all, fostering gender balance, and embracing a diverse workforce not only in terms of gender representation but also in terms of generations, disability, nationalities, ethnicities, religious beliefs, and LGBTQ+ identity. A diverse workforce enables us to better understand and fulfill the needs of our equally diverse customer base. Strategic Workforce Planning, on the other hand, aims to understand workforce development in response to global megatrends and how we can equip our workforce with the skills they need for today and for the future.
3. The **Brand and Society** pillar displays the contribution our People and Culture function makes to business and society and that we create positive social impact. Our contribution is verified and acknowledged by external certifications like Great Place to Work® (GPTW) and EDGE as well as global rankings like Refinitiv. Furthermore, we engage with the World Economic Forum, for instance, as a member of the Good Work Alliance for a more resilient, equitable, inclusive, and humane future of work. Our People and Culture operations contribute to generating sustainable and inclusive growth and help to deliver on U.N. Sustainable Development Goal 8, "Decent work and Economic growth".

### 04.1.2 Policies related to Own workforce

Policies are instrumental in implementing our Group People and Culture strategy. We consider our established Allianz Corporate Rules as policies according to the ESRS' policy definition. At Allianz, we are committed to respecting the human rights outlined in the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organization (ILO) on Fundamental Principles and Rights at Work, and the International Bill of Human Rights. Furthermore, Allianz explicitly supports the goal of observing and implementing the fundamental rights of these external charters.

› **For further information, please refer to the section "Compliance/anti-corruption and bribery matters", the section "Collective bargaining coverage and social dialogue", and the section "Human Rights in own workforce".**

1 Contracted headcount working in companies fully covered under global People and Culture reporting standard. Contracted headcount working at consolidated Allianz Group operating entities: 157,883.

# 04.1 Employee matters

## Non-Financial Statement continued

The **Allianz Group Code of Conduct** reflects our values and principles and thus guides our employees in their actions and decisions. How we act, how we operate, and the decisions that we make are focused on caring for each other and treating everyone fairly and with respect. The Allianz Group Code of Conduct outlines the importance of diversity, equity, and inclusion as well as the health and safety of our employees and clearly commits to a zero-tolerance policy toward discrimination, bullying, or harassment.

> **For further information on the Allianz Group Code of Conduct, please refer to section "Compliances/anti-corruption and bribery matters".**

The **Allianz Standard for Human Resources (ASHR)** establishes core rules and principles for People and Culture management, and it specifies the role of the respective Group People and Culture functions including professional, organizational, and procedural requirements. The People and Culture function is committed to these principles and acts as a service provider for the business. The Standard applies to the entire Allianz Group except Allianz Asset Management companies which are covered by separate standards aligning the general principles outlined in the ASHR. The following People and Culture topics are covered by the ASHR: Learning and development and performance management (see section "Learning and development and performance management") and health and safety (see sub-section "Health and safety"). The ASHR is reviewed once a year and considers interests of key stakeholders, particularly Allianz SE Group centers. Material changes must be approved by the respective Allianz SE Board Member in charge of People and Culture. The ASHR will be reviewed in 2024 and updated due to the requirements of CSRD and the German Supply Chain Due Diligence Act, for instance.

The **Allianz Group Remuneration Policy** establishes the general and specific basic principles of the remuneration system. It defines processes related to performance evaluation, the remuneration system (including remuneration plans), and corresponding roles and responsibilities.

Compliance with the Group Remuneration Policy is mandatory within the Allianz Group. The implementation of the policy is guided by the principle of proportionality, taking into account the nature of business, size, complexity, and regulation of the respective operating entity. This principle of proportionality only applies to the "how" and not to the "if" of the implementation.

The Group Remuneration Policy is reviewed once a year in accordance with the regulatory requirements under Solvency II and approved by the Allianz SE Board of Management. The review process considers the interests of key stakeholders, particularly Allianz SE Group centers.

Group People and Culture ensures consistent implementation and application of the Group Remuneration Policy. Each operating entity concerned is obliged to provide a Statement of Accountability to the management of Allianz SE to confirm local implementation of the Group Remuneration Policy. Both the ASHR and the Group Remuneration Policy are published in the Allianz Corporate Rule Book.

Our **Allianz Functional Guidelines for Diversity, Equity, and Inclusion (DEI)** describe our strategy, rationale, and principles for DEI. They show which targets and ambitions we have set ourselves, and how we implement and monitor those targets. In 2023, we published an update that includes our 2024 Diversity, Equity, and Inclusion targets and ambitions.

The Guidelines are applicable to the entire Allianz Group except Allianz Asset Management companies, which have their own initiatives to promote equal opportunity. Our Functional Guidelines for DEI describe our commitments to the U.N. Women's Empowerment Principles, the U.N. Free & Equal LGBTQ+ Standards of Conduct, and membership of the Valuable 500.

Our Allianz Global Anti-Harassment & Anti-Discrimination Functional Guideline outlines our global zero-tolerance standard against harassment (including but not limited to sexual harassment) and discrimination. We encourage employees to speak up in line with our open communication and feedback culture and to use the Allianz Group's whistleblowing channels.

> **For further information please refer to section "Compliance/anti-corruption and bribery matters".**

To reflect important changes, both the Allianz Functional Guidelines for DEI and the Anti-Harassment & Anti-Discrimination Functional Guideline are updated by the respective departments and subsequently approved by the Group People and Culture Officer.

# 04.1 Employee matters

## Non-Financial Statement continued

All mentioned policies are reviewed once a year. If one of the mentioned policies or single items within the policy are in conflict with local law or regulations, the local law or regulations will prevail.

Beyond policies, it is crucial that targets and ambitions are implemented according to our Group People and Culture strategy.

Table S1-5 shows our targets as defined under CSRD as well as our ambitions where relevant.

Table S1-5

### Overview of Employees matters, targets and ambitions

| | Employee matters section | Employee matters sub-section | Targets and ambitions 2023[1] | Achievements[1] | Targets and ambitions 2024[1] |
|---|---|---|---|---|---|
| 1st Strategic Pillar: Employee and Candidates | Engaging with our workforce | AES Survey | Inclusive Meritocracy Index (IMIX) and Work Well Index+ (WWI +) development against previous year and overall ambition level. | 81 % IMIX<br>76 % WWI + | Inclusive Meritocracy Index (IMIX) 75 % plus and Work Well Index+ (WWI +) development against previous year and overall ambition level. |
| | Learning and development and performance management | Training and skills development | | 50.01 hours/empl. | 43 hours of learning on average per employee p.a. |
| | | Performance management | 80 % of the Allianz executive[2] population complete the Personal Development Plan. | 83.87 % of the Allianz executive[2] population with completed Personal Development Plan | 80 % of the Allianz executive population complete the Personal Development Plan.<br>60 % of the Allianz non-executive population complete the Personal Development Plan. |
| 2nd Strategic Pillar: Business | Diversity, Equity, and Inclusion (DEI) | Gender | | Allianz Global Executives (AGE): 25.96 % female<br>Allianz Senior Executives (ASE): 27.90 % female<br>Allianz Executives (AE): 35.51 % female | Allianz Global Executives (AGE): 30 % female.<br>Allianz Senior Executives (ASE): 30 % female.<br>Allianz Executives (AE): 40 % female. |
| | | Generations | | 34.31 % employees < 35 years old | At least 25 % of our global workforce is younger than 35 years old. |
| 3rd Strategic Pillar: Brand and Society | | | | EDGE certification in the sub-section Fair remuneration<br>Refinitiv in the subsection Diversity, equity, and inclusion (DEI) | Secure Allianz's position as DEI leader by global rankings and through certifications. |

1 Allianz Asset Management companies do not apply the Allianz Global Grading System. They have their own initiatives to promote equal opportunity.
2 Liverpool Victoria General Insurance Group Limited, Guildford and Liverpool Victoria Insurance Company Limited, Guildford are excluded from Allianz UK's data due to grading data unavailability for PDP.

# 04.1 Employee matters

## Non-Financial Statement continued

### 04.1.3 Characteristics of our employees

As of 31 December 2023, 154,862[1] employees hold a working contract with Allianz (for more information on number of employees, please see table S1-6.1 and refer to section "44_Other information"). This contracted headcount figure is the basis for the figures in the remainder of the "Employee matters" section.

The metrics in the "Employee matters" section are collected centrally by Allianz Group People and Culture according to globally defined standards. Their definitions are documented in our People and Culture metrics definition handbook.

The split into the different business segments in tables S1-6.2 and S1-6.4 reflects the Allianz Group structure and ensures consistency throughout the report.

> **For further information, please refer to chapter Business operations.**

In addition, Germany as a country is displayed separately in accordance with CSRD requirements as it represents over 10 % of the total contracted headcount.

Table S1-6.3 shows that the majority of our employees hold a permanent contract. Temporary contracts are sometimes offered to new employees before an offer of permanent employment is made, to seasonal workers to meet customer demands, or to career entrants for summer internships in some operating entities. A minor part of our employees, for instance, those operating as medical professionals for Allianz or working students, are non-guaranteed hours employees. The majority of our active headcount are full-time employees, while some employees use the flexibility that Allianz offers to work part-time.

> **For more information, please refer to section Work-life balance.**

Table S1-6.1

Employee headcount[1], broken down by gender

| As of 31 December 2023 | Number of employees (headcount) |
|---|---|
| Male | 73,884 |
| Female | 80,949 |
| Not reported as female or male[2] | 29 |
| **Total employees** | **154,862** |

Table S1-6.2

Employee headcount in Allianz's business segments and in countries with at least 10 % of Allianz's total number of employees

| As of 31 December 2023 | Number of employees (headcount) |
|---|---|
| German Speaking Countries and Central & Eastern Europe | 35,595 |
| Western & Southern Europe, Allianz Direct and Allianz Partners | 40,286 |
| Asia Pacific | 15,887 |
| USA | 2,125 |
| Global Insurance Lines & Anglo Markets, Iberia & Latin America, Middle East and Africa | 25,648 |
| Asset Management | 6,999 |
| Corporate and Other[3] | 28,322 |
| **Total employees** | **154,862** |
| thereof: Germany[4] | 38,792 |

1 Number of employees in Allianz's companies fully covered under global People and Culture reporting standard (which includes all companies in and related to the insurance, asset management, and banking business). Contracted headcount working at consolidated Allianz Group companies: 157,883.

2 Comprises non-binary and not reported.

3 For further information on Corporate and Other (incl. Allianz Technology) figures, please refer to note 5 to the consolidated financial statements.

4 Location of employees.

# 04.1 Employee matters

## Non-Financial Statement continued

Table S1-6.3

### Employee headcount, broken down by gender

| As of 31 December 2023 | Female | Male | Not reported as female or male[1] | Total |
|---|---|---|---|---|
| Number of employees (headcount) | 80,949 | 73,884 | 29 | 154,862 |
| Number of permanent employees (headcount) | 76,318 | 70,310 | 28 | 146,656 |
| Number of temporary employees (headcount) | 4,631 | 3,574 | 1 | 8,206 |
| Number of non-guaranteed hours employees (headcount)[2] | 56 | 27 | – | 83 |
| Number of full-time employees (active headcount)[3] | 62,826 | 68,929 | 29 | 131,784 |
| Number of part-time employees (active headcount)[3] | 14,774 | 3,802 | – | 18,576 |

1 Comprises non-binary and not reported.
2 Employees with a working contract but without a guaranteed number of working hours and thus not having a guaranteed salary.
3 Full-time and part-time employees are calculated based on active headcount, excluding, e.g., employees on sabbatical leave, in military or civilian service, or on parental leave

# 04.1 Employee matters

## Non-Financial Statement continued

Table S1-6.4

Employee headcount by contract type, broken down by business segment

| As of 31 December 2023 | Number of employees (headcount) | Number of permanent employees (headcount) | Number of temporary employees (headcount) | Number of non-guaranteed hours employees (headcount)[1] | Number of full-time employees (active headcount) | Number of part-time employees (active headcount) |
|---|---|---|---|---|---|---|
| German Speaking Countries and Central & Eastern Europe | 35,595 | 32,948 | 2,647 | – | 26,478 | 7,222 |
| Western & Southern Europe, Allianz Direct and Allianz Partners | 40,286 | 38,430 | 1,856 | 68 | 33,299 | 5,825 |
| Asia Pacific | 15,887 | 14,003 | 1,884 | 1 | 15,120 | 598 |
| USA | 2,125 | 2,117 | 8 | – | 2,097 | 20 |
| Global Insurance Lines & Anglo Markets, Iberia & Latin America, Middle East and Africa | 25,648 | 24,941 | 707 | 8 | 22,539 | 2,563 |
| Asset Management | 6,999 | 6,673 | 326 | – | 6,506 | 365 |
| Corporate and Other[2] | 28,322 | 27,544 | 778 | 6 | 25,745 | 1,983 |
| **Total Group** | **154,862** | **146,656** | **8,206** | **83** | **131,784** | **18,576** |
| thereof: Germany[3] | 38,792 | 35,533 | 3,259 | 9 | 28,805 | 7,948 |

1 Non-guaranteed hours employees are employees with a working contract but without a guaranteed number of working hours and thus not having a guaranteed salary.
2 For further information on Corporate and Other (incl. Allianz Technology) figures, please refer to note 5 to the consolidated financial statements.
3 Location of employees.

# 04.1 Employee matters

## Non-Financial Statement continued

Table S1-6.5

Employee turnover

| As of 31 December 2023 | Number of employees (headcount) | 2023 |
|---|---|---|
| Total external leavers[1] | # | 21,181 |
| Employee turnover rate[2] | % | 13.97 |
| Total external leavers[1] excl. employees whose temporary contract ends during the reporting period | # | 19,616 |
| Employee turnover rate[2] excl. employees whose temporary contract ends during the reporting period | % | 12.94 |

### 04.1.4 Processes to remediate negative impacts and channels for own workforce to raise concerns

**For further information, please refer to the section "Compliances, anti-corruption and bribery matters".**

### 04.1.5 Human rights in our own workforce

At Allianz, we are committed to respecting the human rights outlined in the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organization (ILO) on Fundamental Principles and Rights at Work, and the International Bill of Human Rights.

**For further information, please refer to the Allianz company website.**

Allianz SE, as the holding company of the Allianz Group, has been subject to the Lieferkettensorgfaltspflichtengesetz (German Supply Chain Act (GSCA)) since January 2023. The GSCA requires us to establish worldwide risk management systems concerning the human rights of our own employees and the employees of our suppliers, amongst others.

In our own operations, Allianz has established a risk management system that is designed to identify, analyze, and prioritize risks to the human rights of employees. Allianz will continue to further rollout and strengthen these processes over the course of 2024.

Among protected rights listed in the GSCA, the risk categories that are most relevant for our own operations are: occupational health and safety, equal treatment (which includes DEI and equal pay), freedom of association / collective bargaining, and adequate / living wages.

If risks are identified, we take preventive measures to mitigate those risks.
If violations are found, Allianz is legally obliged to remedy them promptly.
The effectiveness of measures is regularly reviewed.

Our risk management system also encompasses an annual (public) Policy Statement on Human Rights, a global complaints mechanism (**SpeakUp@ Allianz**), independent monitoring through the Group Human Rights Officer, and an annual (public) report to the Federal Office for Economic Affairs and Export Control.

### 04.1.6 1st Strategic Pillar: Employee and Candidates

The section 1st Strategic Pillar: Employees and Candidates outlines the topics Engaging with own workforce, Learning and development and performance management, fair remuneration, benefits and social protection, health and safety, work-life balance, and collective bargaining and social dialogue.

#### Engaging with own workforce

Listening and engaging with our employees are the cornerstones of implementing our People and Culture strategy. The member of the Board of Management responsible

1 Employees who left the company during the reporting period due to layoffs, (un)voluntary leaving, retirement, death, and other.
2 The employee turnover rate is defined as the number of total external leavers divided by average contracted headcount. The average contracted headcount is calculated over the four quarters of the current year and the last quarter of the previous year. Hence, it is the sum of contracted headcount of the four quarters of the current year and the last quarter of the previous year divided by 5.

# 04.1 Employee matters

## Non-Financial Statement continued

for People and Culture is accountable for developing our framework for listening to employees and steering activities to ensure progress towards implementation of our ambition and reaching our ambitions. Operational responsibility is assigned to the Global People and Culture Officer and Local Human Resources Directors. Our employee listening framework consists of the annual Allianz Engagement Survey (AES) and biannual Pulse surveys.

The AES is our well-established employee platform for gathering employee feedback globally and has been in place since 2010. Our two key indicators recorded with the survey are the Inclusive Meritocracy Index (IMIX) and the Work Well Index+ (WWI +). The IMIX measures our progress in building a culture where both people and performance matter, meaning that we enable employees to unlock their full potential. The IMIX score is derived out of a basket of ten questions. In 2023, the IMIX increased by 2 % points to 81 % (2022: 79 %). Improvements in our IMIX scores demonstrate that we are making progress in the areas of leadership, performance, and corporate culture.

The WWI + measures employee well-being. A higher index score is associated with higher employee well-being. The WWI+ score rose by + 5pp to 76 % (2022: 71 %).

> **For further information, please refer to section "Health and safety".**

These positive 2023 results were achieved against the backdrop of deteriorating scores of external global benchmarks. We consider these good results to be a positive reflection of our ongoing follow-up activity in the aftermath of the survey and our efforts to continuously enhance the employee experience. Each Allianz entity thoroughly analyzes its results to gain an in-depth insight and agree on effective action plans with their teams. In addition, we expanded our global Engagement Matters program in 2023. This initiative provides frameworks of measures to increase employee engagement, offering support to all entities in identifying initiatives to implement on a global and local level in response to the feedback received. The focus areas identified are connected locally and globally so that Allianz operating entities can work on impactful measures.

The AES results are directly linked to the performance targets of the Allianz Board of Management. We aim to achieve an IMIX score above 75 % and WWI+ development against previous year and overall ambition level in 2024.

Our global Pulse surveys constitute the second employee listening channel. Pulse surveys took place in the first and second quarters of 2023 to check the impact of engagement plans and ask our employees about focus topics including Sustainability, Health and Safety, Personal Development and Risk Culture.

Our efforts in engaging with our employees have been recognized with awards and certifications. In 2023, we proudly achieved GPTW certifications at 43 entities across 26 countries, marking a substantial leap from 15 entities certified in 2022. Allianz also reached a commendable 82 % in the Trust Index and further narrowed the gap to the 86 % score required for Top 25 World's Best Workplaces. Moving forward, our ambition is to increase the number of GPTW-certified entities as well as the number of OEs on the National Best Workplace lists.

> **For further information on our processes for engaging with our workforce, please refer to section "Collective bargaining coverage and social dialogue".**

### Learning and development and performance management

This section addresses the strategic sub-section Training and skills development including Performance management.

#### Training and skills development

Learning and development is a key differentiator in the financial services industry where customer need are constantly changing in response to a rapidly evolving external context, as observed in various industries. Our ambition is for employees to develop skills for today and for the future to ensure Allianz is prepared for emerging trends and opportunities and able to attract the best talent.

Allianz fosters personal, professional, and leadership skills, as well as digital skills and technical expertise, and emphasizes the development of EQ (emotional quotient, such as curiosity, resilience, "we mentality", and flexibility) as well as

# 04.1 Employee matters

## Non-Financial Statement continued

IQ (intelligence quotient, such as digital and data, problem-solving and business, sustainability, and leadership) skills. Allianz is committed globally to employee lifelong learning and development.

To live up to this commitment, we offer global learning through our global #learn initiative. We have set up programs targeted to key areas, such as property and casualty, life and health, IT, strategy, finance, sustainability, communications, market management, and operations. Allianz operating entities have access to global and local offers as part of their broader action plans to support employee learning and development.

A special focus in 2023 was put on the topics of IT, data, and artificial intelligence. We offered generative AI and ChatGPT training to all managers with the aim of explaining the new technology to Allianz leaders and in order to develop relevant use cases for Allianz. More than a thousand managers took part in the training between October and December 2023. Additionally, we held the inaugural global Fit4IT day in 40 operating entities, covering approximately 85 % of employees. Our employees were able to invest half a day in upskilling, familiarizing themselves with various IT tools.

We are also proud of our Allianz Sustainability Training for all our employees which covers the basics on sustainability - why it is important and what Allianz is doing to integrate sustainability into our business model – and offers inspiration on how employees can contribute to a more sustainable future.

Allianz employs a wide range of learning and development approaches including on-the-job learning, mentoring and coaching, classroom trainings, peer circles, and digital learning. We encourage employee learning in all formats, and all are included in the learning hours reported. The total hours reported in table S1-13.1 thus include self-directed learning (such as videos and podcasts) as well as other, alternative, learning formats (such as coaching), which together account for 32.08 % of total learning hours.

We have a strong focus on digital learning. Through our digital learning ecosystem, employees are able to source learning both from our AllianzU learning platform powered by Degreed and LinkedIn Learning. Our internally developed global learning offers are available in five languages and are available to all employees. Learning consumption is measured globally on a monthly basis.

Developing our leaders is of the utmost importance to us. We run five global programs every year to develop strong leaders:

- **#lead Ignite** is targeted at new people leaders who qualify as potential or new Allianz executives. It aims to equip them with the knowledge, mindset, and skills needed to lead at Allianz.
- **#lead Empower** develops the leadership capabilities needed for leaders at the future and recently identified Allianz Senior Executive level to make the transition from leading teams to leading leaders and the business.
- **#lead Transform** was created for future and recently appointed top executives. The program is built around our core #lead mindsets: curiosity, resilience, “we-mentality”, and flexibility.
- **#lead Accelerator** prepares future and current board members for leading the organization with strategic project work, board exposure, peer coaching, and external insights.
- **#sheleads** sets the standard for effective gender balance via sponsorship, peer coaching, and learning sessions with our alumni community. The program enables our female leaders to make their next career move.

In addition to the global programs, all leaders are encouraged to obtain the Allianz Leadership Passport, which is the “license” to be a people leader at Allianz globally. The program sets minimum standards for all people leaders, with an equal focus on hard and soft skills, for our leaders to balance IQ and EQ. After obtaining their Leadership Passport, leaders must refresh their passports on a yearly basis by undertaking further training. Monitoring and reporting on the take up of the #lead passport as well as the five global programs is managed globally by Group People and Culture. We monitor usage and learning consumption on a monthly basis.

To achieve our commitment to employee lifelong learning, Allianz set the global target of a yearly minimum average of 43 hours of training per employee by 2024. In 2023, our employees learned on average for 50.01 hours, as reported in table S1-13.1. Additionally, a commitment to

# 04.1 Employee matters

## Non-Financial Statement continued

lifelong learning is included in the Board of Management targets for 2024. To support strong performance in current and future responsibilities, employee upskilling and development, we offer them a minimum of one hour working time per week dedicated to training.

The training hours per employee metric is monitored on a quarterly basis.

Table S1-13.1

### Average training hours per employee, broken down by gender

| As of 31 December 2023 | 2023 |
|---|---|
| Average training hours[1] | 50.01 |
| Female | 47.52 |
| Male | 52.67 |
| Not reported as female or male[2] | 69.99 |

### Performance management

At Allianz, we are committed to developing and growing our people, including through performance management. Our performance management aims both to enhance the employees' individual performance and to align their priorities with Allianz's corporate purpose and strategic business goals. Setting priorities properly and conducting regular check-ins enables employees to let their full potential unfold, which in turn helps Allianz achieve its business ambitions. Performance management is an ongoing, continuous process of communicating on-the-job priorities, performance expectations, and development goals.

The framework for Performance Management is implemented within the Allianz Group, documented in the **Allianz Group Remuneration Policy**.

The global People and Culture template on our leading People and Culture IT system enables the consistent application of the key steps making up the performance management cycle. The template is available to both the executive and non-executive employee populations. Execution and outcomes of the Performance Management process are subject to local legal regulations and respective governance bodies, e.g., local or global Compensation Committees.

The key steps of the Performance Management Process at Allianz can be described as follows:

- **Priority setting** is the initial kick-off of the annual performance management cycle and refers to setting clear, transparent, outcome-oriented, and flexible goals to be achieved throughout the year while giving guidance on desired behaviors.
- **Mid-year check-in** is the time to request and provide feedback for the first half of the year. Line manager and employee reflect on priorities and behaviors, and agree on joint measures to continuously improve performance through development opportunities on the job and off the job. Mid-year check-in is supported by our Multi-Rater feedback process. The Multi-Rater feedback is a tool for getting 360-degree feedback from colleagues. It is mandatory for Allianz's executive population, whereas implementation for the non-executive population is subject to the local rules and regulations of our operating entities. Based on the "People Attributes", Multi-Rater provides employees with valuable insights into their strengths and developmental areas.
- The **Personal Development Plan (PDP)** lays out the employee's yearly development goals. Employees are expected to agree with their manager on their individual development measures, usually during the mid-year review discussion. The PDP helps the employee record and track progress towards their own development goals. The 2023 target of 80 % PDP completion by the Allianz executive population was achieved, as displayed in table S1-13.2. The same target is set for 2024. For the Allianz non-executive population, the 2024 target is a 60 % PDP completion rate.
- **Year-End-Review** is the assessment of individual performance of an employee by the line manager at the end of each year. The assessment is based on a 3-point rating scale: below, at, or above target. The overall individual performance of an employee is reflected in the Individual Performance Assessment.
- **Performance and Talent Dialogue** is a calibration of an employee's individual performance on the basis of cross-comparison within the relevant population.

1 Calculated as a ratio of total training hours divided by active headcount.
2 Comprises non-binary and not reported.

# 04.1 Employee matters

## Non-Financial Statement continued

This ensures the application of consistent performance standards and an appropriate level of differentiation with close attention to non-discrimination of employees in any regard.

- **Communication of final Individual Performance Assessment** is the feedback discussion between the line manager and employee, which normally takes place in 1Q of the following year and seeks a common understanding of accomplishments and development opportunities.

Table S1-13.2

Allianz Executives and levels above[3,4] (AE+) with a Personal Development Plan (PDP), broken down by gender

in %

| As of 31 December 2023 | 2023 |
|---|---|
| Executives with a PDP[1] | 83.87 |
| % of male executives with a PDP out of all male executives | 83.31 |
| % of female executives with a PDP out of all female executives | 84.94 |
| % of not reported as female or male executives with a PDP out of all executives not reported as female or male[2] | – |

1 Includes all executive positions (Allianz Global Executive Positions, Allianz Senior Executive Positions, and Allianz Executive Positions).

2 Comprises non-binary and not reported.

3 Allianz Asset Management companies excluded from global reporting of AE and ASE cluster as Allianz Global Grading System is not applicable to them.

4 Liverpool Victoria General Insurance Group Limited, Guildford and Liverpool Victoria Insurance Company Limited, Guildford are excluded from Allianz UK's data due to grading data unavailability for PDP.

### Fair remuneration, benefits, and social protection

This section summarizes the topic of Adequate Wages and outlines the strategic topic Fair remuneration. Furthermore, we will address the topics Benefits and Social Protection.

#### Adequate wages

In accordance with the **Allianz Group Remuneration Policy**, internal and external benchmarking is performed to ensure appropriateness of (individual) remuneration and general pay levels.

Allianz expects all operating entities to follow the principles described in the Allianz Group Remuneration Policy.

#### Fair remuneration

Allianz is committed to equity and fairness as defined in our Allianz Group Code of Conduct. This includes ensuring Allianz operating entities enforce equal pay for equal work in the same or comparable roles for all genders. This principle is outlined in our **Allianz Group Remuneration Policy**. An annual global equal pay review across the organization identifies equal pay gaps which can be mitigated with appropriate action.

In addition to equal pay, there is also a gender pay gap to be considered. This consists of the difference in average remuneration between men and women across a whole organization, irrespective of role or seniority. If one gender is more represented in higher paid, senior roles in one organization, for example, there will be a gender pay gap. Allianz takes several actions to foster gender equity in representation and thus close the gender pay gap. One important action is the ambition to have higher female representation in senior positions. To reach our gender representation targets, we monitor the percentage of our female employees on a quarterly basis and implement concrete actions towards target achievement. We also foster best practice exchange among operating entities to drive gender equality in representation (see also the section "Diversity, Equity, and Inclusion (DEI)").

To measure our progress towards equity and fairness and to continue to move forward on our journey, in 2021 we launched the EDGE (Economic Dividends for Gender Equality) certification process for our insurance business segment and several global lines, currently covering 73 % of the Allianz Group's global headcount. EDGE is the leading standard for diversity, equity, and inclusion and monitors companies' progress on gender equality against established criteria, including equal pay. We are proud that Allianz has been recertified by EDGE in 2023.

# 04.1 Employee matters

## Non-Financial Statement continued

### Benefits

Reward and recognition at Allianz go beyond remuneration. Allianz also supports its employees around the world with attractive benefits. This shows that we care about employees' Health, Money, Career, and Time and support them to find professional and personal fulfillment.

Our Global Benefits Strategy for the insurance business is structured around these four pillars. We introduced minimum standards for benefits available to employees across Allianz in 1Q 2023, and we expect our global rebranding and communication campaign to further increase the transparency and visibility of Allianz benefits among employees in 2024.

Benefits take economic, environmental, and social factors into account, and incentives are oriented towards creating long-term value and financial protection. The Allianz Employee Share Purchase Plan (ESPP) for instance offers employees Allianz shares at favorable conditions in 43 countries, allowing them to benefit from the success of the company and its long-term performance. As a token of appreciation for meeting previous year Group targets, Allianz offered one Allianz Free Share – or its cash equivalent in countries that do not offer the ESPP – to employees globally in 2023.

**For further information on employee benefits, please refer to our People Fact Book 2023 and our Global recruiting homepage.**

### Social protection

At Allianz, we operate in countries where our employees have at least access to social protection programs against loss of income due to major life events: sickness, unemployment, employment injury, parental leave, and retirement. In countries where social protection is not provided through public social security schemes, we aim to close potential gaps through additional offerings. Best practice examples are our entities in the United States, where Allianz provides health insurance benefits, or India, where we provide paternity, and carer leave options.[1]

### Health and safety

The health, safety, physical, and mental well-being of our employees is a top priority. We aim to sustain and improve employee health and well-being across our global workforce. Two key levers to achieve this ambition are our Minimum Health Requirements and our Occupational Health and Safety (OHS) Management system.

The four Minimum Health Requirements are:

1. **Professional Support:** Allianz offers employees 24/7 free of charge access to professional psychological support through Employee Assistance Programs.
2. **Leadership Enablement:** Allianz offers targeted health and well-being training for people leaders, through both the #lead program and other platforms to ensure managers are equipped with the knowledge to sustain employee health and well-being as well as to strengthen resilience in their teams.
3. **Employee Feedback:** Employees have the opportunity to give once a year feedback on their health and well-being through global surveys, such as Pulse surveys. For≈further information, please refer to section "Engaging with own workforce".
4. **Focus Time:** Meeting-free calendar days have been introduced to provide most employees with time to focus on their work.

The four Minimum Health Requirements are reinforced by the "Agreement on Guidelines concerning Work Related Stress and Minimum Health Requirements" between the Allianz SE and the (European) SE Works Council of Allianz SE. It applies to Allianz SE and its subsidiaries with registered offices in the Member States of the EU, the contracting states of the EEA, the UK, and Switzerland. All best endeavors will be made to adopt the minimum health requirements across the Allianz Group, where national legislation does not prevent this.

The minimum health requirements were monitored regularly and reported to both management and employee representatives once a year, which shows our commitment to the well-being of our global workforce.

1 The following major exceptions apply: Unemployment benefits are not available for non-citizens in Malaysia and Taiwan who are usually expats covered by their home countries' social welfare benefits. In a few countries, unemployment benefits are excluded in case of self-termination of work contract, for example in Croatia or in Türkiye. In Singapore and Hong Kong unemployment benefits are generally not part of the social security system.

# 04.1 Employee matters

## Non-Financial Statement continued

To effectively manage OHS matters, most local Allianz entities have furthermore implemented OHS management systems. They include OHS risk and hazards assessments, dedicated action plans to mitigate these risks as well as emergency actions. Internal inspections take place frequently and progress in reducing and preventing health issues and risks is assessed against targets on a regular basis. This includes procedures to investigate work-related injuries, ill health, diseases, and incidents. Our workforce is trained regularly to raise awareness and reduce operational health and safety incidents.

The health and safety of our global workforce is measured via our Work Well Index+ (WWI +) and other KPIs.

- **Work Well Index+:** To track well-being globally, we refer to the WWI+ index, which monitors the progress of health and well-being throughout the organization. We also use pulse check surveys to check in with employees during the year.

> **For further information, please refer to section "Engaging with own workforce".**

- **Regular monitoring of further health and safety indicators:** Local Employee Assistance Program providers perform quarterly monitoring of additional indicators, which are reported to the Allianz Board of Management on a semiannual basis. Finally, CSRD-compliant KPIs, covering work-related injuries, ill health, accidents, fatalities, and days lost (see table S1-14) are monitored annually and serve as a point of reference for the health, safety, and well-being of our global workforce.

### Work-life balance

This section covers Flexible working options and the Family-related leave topic.

#### Flexible working

Allianz offers a wide range of offerings. For us, hybrid working combines the best of both worlds: the flexibility of mobile working with the benefits of targeted collaboration and in-person connection.

1 The data of reporting unit Allianz Partners Service is not included in cases of recordable work-related ill-health and number of days lost to work-related injuries/fatalities/accidents/ill health.
2 Globally, where national legislation or local culture/ norms do not prevent this.

Table S1-14
Health and safety

| As of 31 December 2023 | Unit | 2023 |
|---|---|---|
| Number of fatalities related to work-related injuries/ill health | # | 1 |
| Number of recordable work-related accidents | # | 847 |
| Rate of recordable work-related accidents | Per one million work hours | 3.71 |
| Cases of recordable work-related ill health | # | 355 |
| Number of days lost to work-related injuries/ fatalities/ accidents/ ill health[1,2] | # | 16,665 |

Flexible work options are key for talent attraction and employee engagement, while regular in-person touch points help us foster team spirit, co-creation, and cross-team exchange.

Most of our employees across the globe have the opportunity to spend a minimum of 40 % of their working hours working from outside the office. Our global minimum offering provides a lot of empowerment, trust, and flexibility to our local teams to decide what works best for their customers, their business, and their teams. The flexible work offerings therefore differ in our operating entities but for all of them customer centricity and customer needs are the north star.

We track the actual employee time that was spent working outside the Allianz offices on a bi-annual basis and collect employee feedback in our AES survey. The survey results show that flexible work has been one of the positive drivers for employee engagement in 2023.

**For further information on further flexible work options, please refer to our People Fact Book 2023.**

#### Family-related leave

Being a parent and caring for family members are important responsibilities. Our Allianz employees deserve support in fulfilling these roles and keeping a positive work-life balance. Allianz is committed to supporting parents and families by

# 04.1 Employee matters

## Non-Financial Statement continued

offering childcare facilities, leisure activities, emergency assistance, and other family services. Family-related leave is specific to countries and usually covers maternity leave, paternity leave, parental leave, and carers' leave. Allianz adheres to all statutory requirements in the countries we operate in and aims to exceed those standards where possible and appropriate.

### Collective bargaining coverage and social dialogue

We aim to ensure that employee rights are protected across all Allianz operating entities. Allianz was one of the first companies to create pan-European worker participation standards and to establish a European SE Works Council under the legislation for Societas Europaea (SE) companies (an agreement concerning the participation of employees in Allianz SE).

Through this body and the regular dialogue between management and employee representatives and their trade unions, Allianz ensures effective representation of all its employees at European level. Our (European) Works Council Executive Committee is evidence that Allianz endorses the establishment of employee representatives in its Group companies and welcomes their cooperation with the trade unions.

Employee representation is widespread across Europe. The right of workers to establish workers' representative bodies and thus negotiate working conditions is guaranteed by law in many jurisdictions. The mandate of workers' representatives and the role of the employer in regard to collective bargaining and the social dialogue is very much shaped by local legal requirements.

Allianz supports the principles enshrined in the ILO (International Labour Organization) core conventions on freedom of association and collective bargaining.

Table S1-15

Work-life balance metrics

In %

| As of 31 December 2023 | 2023 |
|---|---|
| Employees entitled to take family-related leave (share of total employees) | 99.07 |
| Employees that took family-related leave (share of entitled employees) | 8.56 |
| Male (share of employees that took family-related leave) | 32.78 |
| Female (share of employees that took family-related leave) | 67.06 |
| Not reported as female or male (share of employees that took family-related leave)[1] | 0.16 |

Table S1-8

Collective bargaining coverage and social dialogue

| | Collective Bargaining Coverage | | Social Dialogue |
|---|---|---|---|
| Coverage Rate | Employees – EEA[2] | Employees Non-EEA[3] | Workplace representation (EEA only)[2] |
| 0–19 % | – | Corporate and Other[4] | – |
| 20–39 % | – | Asia Pacific | – |
| 40–59 % | – | Global Insurance Lines & Anglo Markets, Iberia & Latin America, Middle East and Africa | – |
| 60–79 % | Germany[5] | | – |
| 80–100 % | – | – | Germany[5] |

1 Comprises non-binary and not reported.
2 For countries with at least 10 % of Allianz's total number of employees.
3 For business segments with at least 10 % of Allianz's total number of employees.
4 For further information on Corporate and Other (incl. Allianz Technology) figures, please refer to note 5 to the consolidated financial statements.
5 Location of employees.

# 04.1 Employee matters

## Non-Financial Statement continued

In countries where those principles have been enshrined in local law, we fully respect and implement local rules on trade unions and worker representation. In countries that have not ratified the relevant ILO conventions, we respect the primacy of local laws and look for ways to allow our employees to organize and voice their interests vis-à-vis management. Globally, the percentage of Allianz's workforce covered by collective bargaining agreements is 48.46 %.

According to CSRD reporting requirements, "coverage" includes the number of employees to whom the companies concerned are obliged to apply the collective agreements. Irrespective of the obligation, there are a large number of companies that apply the collective agreements and provisions on a voluntary basis.

We work closely with employee representatives (members of the (European) SE Works Council's Executive Committee and employee representatives on the supervisory board of Allianz SE) to support change implementation, manage impacts on employees, and promote opportunities. The "social dialogue" is our pan-European forum that has existed for over a decade. It supports the progress of our business strategy, our agenda, and our response to the increased pace of change in topics such as the digital revolution. Discussions in 2023 included the Strategic Workforce Planning program.

### 04.1.7 2nd Strategic Pillar: Business

This section outlines the two strategic sub-sections Diversity, Equity, and Inclusion (DEI), focusing on Gender and Age distribution, and Persons with disabilities. We further describe the Strategic Workforce Planning topic.

#### Diversity, Equity, and Inclusion (DEI)

Diversity is a core element of our culture. Our customers are diverse, and in order to best understand and serve them, our workforce needs to be diverse, too. We believe that diverse teams create better results, show higher resilience, and are more innovative and more productive, provided they can act in an environment where everyone can be themselves and unique views are appreciated. Being both diverse and inclusive has a positive impact on our business.

We are committed to strengthening inclusion in our workplace, by ensuring equal opportunities for all, and shaping a diverse workforce along five DEI dimensions: gender, people with disabilities, nationalities/ethnicities, generations, and LGBTQ+. With our Allianz Functional Guidelines for DEI and our Anti-Harassment & Anti-Discrimination Functional Guideline, we aim to ensure that across our operating entities and functions there is no discrimination for reasons including gender, age, sexual orientation, ethnicity, nationality, physical or mental abilities, religious beliefs, or social background.

At Allianz, we want to achieve our targets and ambitions for our DEI dimensions in a sustainable manner. The key to this is an inclusive workplace environment. We have multiple actions in place to strengthen our inclusive workplace environment, such as:

- **Global Inclusion Council:** Our Global Inclusion Council (GIC) sets the DEI strategy and plays a crucial role in driving initiatives to achieve our targets and ambitions, in integrating DEI into the business and monitoring progress. The GIC has been in place since 2007 and consists of more than 20 Allianz senior managers from operating entities, Allianz Group Center representatives, and the leads of our five global employee networks for DEI which leads to 81 local network chapters.
- **DEI Employee Networks:** Employee networks enable us to engage with our employees. They help us to raise awareness, support employees, advocate for change, and shape the agenda for DEI. We have five global employee networks: "Allianz NEO" for gender inclusion, "Allianz Beyond" for disability inclusion, "Allianz GRACE" for ethnicity and cultural inclusion, "Allianz Engage" for generational inclusion, and "Allianz Pride" for LGBTQ+ inclusion. 15 new networks operating locally were added in 2023.
- **DEI as part of daily business – Mentoring Campaign:** At Allianz, DEI is integrated into the way we conduct business. Our global Mentoring Campaign #KeepExploring, which took place throughout 2023, championed an intersectional approach featuring personal experiences of employees presenting more than one diversity dimension, e.g. combining different generations with nationalities, and/or genders.

# 04.1 Employee matters

## Non-Financial Statement continued

Global People and Culture monitor the development of our targets and ambitions on a regular basis and report progress to the Allianz Board of Management on a semi-annual basis (for gender, this is done on a quarterly basis). Additionally, we support operating entities in setting up their individual local action plans to reach DEI targets and foster best practice exchange.

The achievements of our DEI strategy are recognized by external global awards and rankings. For example, Refinitiv – a global Diversity and Inclusion Index – identifies the top 100 publicly traded companies with the most diverse and inclusive workplaces. In 2023, Allianz was ranked #1 in the Insurance industry and #1 in Germany across all industries. Our reputation as a DEI leader strengthens Allianz's brand as a trusted provider of financial services.

**For further information on DEI targets and ambitions, see our DEI booklet 2023.**

### Gender

At Allianz, we have already attained overall numerical gender parity in our workforce with 80,949 female and 73,884 male employees. We are committed to equal opportunities for all, regardless of gender, and put measures in place to see this reflected in the staffing of leadership positions. As outlined in our Allianz Functional Guidelines for DEI[1], our 2024 targets are to have 30 % women in Allianz Global Executive positions, and 30 % women in Allianz Senior Executive positions. In addition, we aim to have 40 % women in Allianz Executive positions and 50 % women in our talent pools. For further information, please refer to section "Fair remuneration". Allianz NEO, our employee network for gender inclusion currently has 20 local networks in place. Allianz NEO focuses on helping to find concrete improvement opportunities, creating dialogue and allyship, and endorsing new perspectives and novel working models for both women and men.

1 The Guidelines including any targets stated therein do not apply to Allianz Asset Management companies, which have their own initiatives to promote equal opportunity.

### Generations

With five different generations currently working together at Allianz, we are committed to leveraging the combined strengths, individual skills, and experiences of all generations. We aim to have a balanced generational representation, where GenZ and GenY (employees under 35) represent at least 25 % of our global workforce. As of the end of 2023, 34.31 % of our global workforce (see table S1-9.2) is younger than 35, which ensures a balanced generational representation.

Our efforts for age inclusion are strongly supported by Allianz Engage, our employee network for generational diversity with 11 local networks in place. Through Allianz Engage, our employees are invited to proactively contribute to a company culture where the knowledge of all generations is called upon, for example, through mentoring. In the Allianz Group, we have more than 700 mutual mentoring arrangements in place, allowing people from different generations to enter into mentoring partnerships to connect and to share knowledge, experiences, skills and perspectives in a genuine learning exchange beneficial for everyone involved.

### Persons with disabilities

**Allianz Functional Guidelines for DEI** explicitly outline that we prioritize the well-being of all our employees and work hard to ensure that our processes and workplaces are equally accessible to everyone, irrespective of their disability status.

Allianz Beyond, our employee network for disability inclusion, currently has 12 local networks in place, with three local networks launched in 2023. It focuses on raising awareness of disability inclusion, identifying ways to make Allianz more accessible (physically and digitally). It also aims at creating a safe space for employees to disclose their disability and voice their workplace assistance needs in order to perform at their best. And it promotes Allianz externally as an attractive employer for people with disabilities.

Allianz has been a Valuable 500 member since 2020 and is committed to increasing transparency on disabilities in the corporate landscape through increased disclosure. As an Iconic Leader, Allianz played a crucial role in the identification and definition of five Valuable 500 Disability Inclusion KPIs.

# 04.1 Employee matters

## Non-Financial Statement continued

Table S1-9.1

### Diversity, Equity & Inclusion

| As of 31 December 2023 | 2023 | |
|---|---|---|
| | # | % |
| Gender distribution | – | – |
| in Allianz SE Supervisory Board | 12 | – |
| Male | 7 | 58.33 |
| Female | 5 | 41.67 |
| Not reported as female or male[1] | – | – |
| in Allianz SE Board of Management | 9 | – |
| Male | 6 | 66.67 |
| Female | 3 | 33.33 |
| Not reported as female or male[1] | – | – |
| in Executive positions (top management)[2] | 6,788 | – |
| Male | 4,461 | 65.72 |
| Female | 2,327 | 34.28 |
| Not reported as female or male[1] | – | – |
| in Allianz Global Executive (AGE) positions | 235 | 3.46 |
| Male | 174 | 74.04 |
| Female | 61 | 25.96 |
| Not reported as female or male[1] | – | – |
| in Allianz Senior Executive (ASE) positions[3] | 803 | 11.83 |
| Male | 579 | 72.10 |
| Female | 224 | 27.90 |
| Not reported as female or male[1] | – | – |
| in Allianz Executive (AE) positions[3] | 5,750 | 84.71 |
| Male | 3,708 | 64.49 |
| Female | 2,042 | 35.51 |
| Not reported as female or male[1] | – | – |

Table S1-9.2

### Age distribution

| As of 31 December 2023 | 2023 | |
|---|---|---|
| | # | % |
| Age distribution[4] | | |
| Share of employees < 30 years old | 28,757 | 19.13 |
| Share of employees 30–50 years old | 82,598 | 54.93 |
| Share of employees > 50 years old | 39,004 | 25.94 |
| Share of employees < 35 years old | 51,595 | 34.31 |

These were announced at the World Economic Forum in 2023 and cover five dimensions: Workforce Representation, Goals, Training, Employee Resource Groups, and Digital Accessibility. Allianz reports on the Valuable 500 Disability Inclusion KPIs in our **DEI Booklet 2023** and is working with Valuable 500 to secure commitment from other members to disclose Disability Inclusion KPIs and ultimately grant people with disabilities more equity in the workplace.

Allianz has been a trusted partner of the Paralympic Movement since 2006 and became the first international partner of the International Paralympics Committee (IPC) in 2011. Through our continuous support, we recognize the athleticism and professionalism of Paralympians. Our efforts have a positive impact on career opportunities for people with disabilities, including through career fairs for Paralympic and Olympic athletes, with tangible results, leading to the hiring of 27 Paralympians and Olympians.

**For further information, see also our People Fact Book 2023.**

1 Comprises non-binary and not reported.
2 Includes all executive positions (Allianz Global Executive Positions, Allianz Senior Executive Positions, and Allianz Executive Positions).
3 Allianz Asset Management companies excluded from global reporting of AE and ASE cluster as Allianz Global Grading System is not applicable to them.
4 Age distribution is calculated based on active headcount, excluding, e.g., employees on sabbatical leave, in military or civilian service, or on parental leave.

# 04.1 Employee matters

## Non-Financial Statement continued

Allianz is committed to strengthening its inclusive workplace culture for its entire global workforce, including employees with disabilities.

**For more details regarding our local ambitions, please see our DEI Booklet 2023.**

### Strategic Workforce Planning

Allianz has implemented Strategic Workforce Planning (SWP) to create transparency on upcoming workforce developments. SWP compares workforce supply by cluster of job profiles (called Talent Segments) against projected workforce demand over the next five years. At Allianz, this is a structured yearly process that is integrated into the annual planning cycle. The result goes far beyond providing transparency on possible recruiting gaps. We are able to steer the mix of roles that we need in our workforce in order to implement Allianz strategies and fulfil our future vision. SWP provides a quantitative assessment of the resources required for ongoing transformations and indicates how our workforce can be equipped with the skills they need to remain employable in the future.

This global transparency allows us to decide what to focus our work on and customize solutions for up- and reskilling as well as retention and recruiting. SWP currently covers approximately 85 % of our 2023 employee population. Global monitoring and steering using SWP KPIs ensures the implementation of Strategic Workforce Planning and maximizes its value within the business functions.

### 04.1.8 3rd Strategic Pillar: Brand and Society

Good working conditions along with equal treatment and equal opportunities for all are the basis for the CSRD convergence approach discussed in this Employee matters section. These subjects are an integral part of our brand value and societal commitments, as reflected in our ratings.

Our positive social impact is verified and acknowledged by external certifications and global rankings

**For further information, please refer to Great Place to Work certification in the section "Processes to engage with own workforce", EDGE certification in the section "Fair remuneration", and Refinitiv in the section "Diversity, equity, and inclusion" (DEI).**

Beyond certifications and rankings, Allianz is a member of the Valuable 500 and a trusted partner of the International Paralympics Committee.

**For further information, please refer to section "Persons with disabilities".**

Allianz is a member of the World Economic Forum Good Work Alliance.

**For more information, please refer to the Good Work Alliance website.**

We are committed to human rights.

**For further information, please refer to "Human Rights in our own workforce".**

The U.N. Charter, U.N. SDGs, as well as our external certifications, rankings, and partnerships.

**For further information on our social positioning, please refer to section "Corporate Citizenship".**

# 04.2 Our commitment to human rights

## 04.2.1 Allianz commitment

**Allianz is committed to supporting and respecting the protection of international human rights, as well as ensuring it is not complicit with the abuse of human rights.**

The human rights that Allianz is committed to respecting are those agreed by governments in:

- the International Bill of Human Rights; this comprises the Universal Declaration of Human Rights; the International Covenant on Economic, Social and Cultural Rights; as well as the International Covenant on Civil and Political Rights and its two Optional Protocols.
- the core International Labor Organization (ILO) Conventions, these include the prohibition of child labor and forced labor; freedom of association and the right to collective bargaining; occupational health and safety; and the elimination of discrimination in respect of employment and occupation.

Allianz has been a member of the U.N. Global Compact (UNGC) since 2002, and uses the UNGC principles as orientation for its business activities. These principles cover human rights, labor rights, environmental protection and anti-corruption.

**For more details about Allianz's Communication on Progress, see the UNGC website.**

Allianz aims to identify, prevent, mitigate or remediate adverse human rights impacts linked to our business activities and operations, including our supply chain. Our approach has been guided by the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

## 04.2.2 Human rights in our own operations and supply chain

In line with our Allianz commitment to human rights, we expect our employees and our suppliers to also respect human rights.

The Allianz Code of Conduct reflects our values and principles and gives our employees guidance on their actions and decisions, including actions to uphold human rights.

**For more details on employee rights, gender equality and diversity initiatives, see Employee matters.**

**Read the Allianz Group Code of Conduct.**

Allianz expects its suppliers to act with integrity, and to respect the rights of their own employees and other people who may be affected by the supplier's business activities. These expectations are embedded in our Group Vendor Code of Conduct, which all Allianz suppliers are requested to accept.

In addition, the Allianz Sustainable Procurement Charter sums up our sustainable procurement aspirations for Allianz, including our human rights approach. It provides guidance for both internal buyers and external suppliers.

**Read the Allianz Group Vendor Code of Conduct.**

**Read the Allianz Group Sustainable Procurement Charter.**

Since 2023, Allianz's human rights due diligence in our own operations and supply chains worldwide has been governed by the German Supply Chain Due Diligence Act.

**See box for details on page 101.**

## 04.2.3 Human rights in our business activities

Allianz's scrutiny of proprietary investments and commercial insurance business activities from a sustainability perspective includes taking a risk-based approach to human rights due diligence via our Human Rights Guideline and Sensitive Countries List.

The Human Rights Guideline is one of 13 sensitive business areas, where relevant human rights aspects are reviewed as part of the overall risk assessment for any commercial insurance and proprietary investments into non-listed asset classes in any sector.

In addition, Allianz has developed a watch list for sensitive countries where systematic human rights violations occur. For any business in those countries, and when a human rights risk is identified by an underwriter or investment manager, a mandatory referral process starts for further due diligence by sustainability experts and the involvement of central units, such as the risk and communication departments.

Where an issue is detected and the (re)insurer/investor has leverage (in a lead position or with good contact with the client/broker/investee company), engagement is encouraged to address and mitigate a potential human rights risk.

**For more details see Sustainability Integration Framework.**

**For more details see chapter "Measuring and Managing Sustainability".**

# 04.2 Our commitment to human rights

## German Supply Chain Due Diligence Act

Allianz SE has been subject to the German Supply Chain Due Diligence Act (GSCA) since 1 January 2023. GSCA applies to large Germany-based companies and their "own business area." The own business area of Allianz SE (as the holding company of Allianz Group) encompasses all entities that are part of the Allianz System of Governance, irrespective of location. Therefore, our GSCA risk management covers all those Allianz entities and their suppliers worldwide.

At Allianz, the GSCA risk management framework that we have established in 2023 consists of the following due diligence processes:

- regular and ad hoc risk analyses in own operations and supply chains, the results of which are communicated to all relevant decision-makers;
- appropriate preventive/remedial measures for risks/violations identified in own operations and supply chains;
- a worldwide complaints mechanism (SpeakUp@Allianz);
- a policy statement on our human rights strategy that is updated at least annually;
- monitoring of risk management through the function of a human rights officer;
- ongoing documentation of all due diligence efforts; and
- an annual report to the Federal Office for Economic Affairs and Export Control (Bundesamt für Wirtschaft und Ausfuhrkontrolle, BAFA) that is also published on our company website, Allianz.com.

**For more details, see the Allianz Human Rights Policy Statement.**

In 2023, Allianz conducted a first round of risk analyses for human rights and certain environmental risks according to Sec. 5 GSCA. No violations of any of the rights listed in Sec. 2 GSCA[1] were found in either its own operations or supply chains in 2023. Most of the risks that were identified were assessed as "low." In 2023, Allianz Group Compliance did not substantiate any breaches relating to GSCA-protected rights on the basis of reports submitted through our global complaints mechanism.

### Human rights risks in own operations

With operations in over 50 countries, Allianz utilized a risk-based approach for the risk analysis within its own operations in 2023. For this, we focused mainly on Allianz entities in jurisdictions that, according to publicly available data, have relatively higher human rights risk, for example, in Asia and Latin America.

Based on an analysis of publicly available data on sectoral human rights risks, we prioritized the following risk categories for the annual risk analysis within our own operations: occupational health and safety; discrimination and unequal treatment; freedom of association and the right to collective bargaining; living wages.[2]

The entities that conducted a concrete risk analysis in their local own operations in 2023 assessed only a limited number of risks as "medium" or "high". Among the risks they identified in 2023, they assessed risks in the category "occupational health and safety" as the most relevant for their local operations, in particular physical safety and emergency preparedness, as well as physical/mental health and wellbeing.

Allianz already has extensive preventive measures in place to address risks relating to the safety, health and wellbeing of our employees.

**For more details also see our corporate website.**

Entities that still assessed some such risks as "medium" or "high" have taken additional preventive measures to minimize them.

1 GSCA refers to labor standards, such as equal treatment, the prohibition of child and forced labor and occupational health & safety and some other human rights risks, for example, relating to untrained security forces or disregard for land rights. GSCA further covers certain environmental risks relating to mercury, persistent organic pollutants, and the export of toxic waste, as well as pollution (of soil, water, air) so severe that it affects human health or livelihoods.

2 All Allianz experts, who conduct risk analyses for GSCA risk management are nevertheless trained in all 20 protected positions listed in Sec. 2 GSCA.

# 04.2 Our commitment to human rights

## German Supply Chain Due Diligence Act continued

### Human rights risks in Allianz supply chains

For the 2023 annual risk analysis, Global Sourcing & Procurement compiled information on all direct suppliers of all entities that are part of the "own business area" of Allianz SE (as the holding company of Allianz Group). In line with a risk-based approach, we focus on potentially higher-risk suppliers, using abstract risk filters on country risk, sectoral risk, and our ability to influence the respective supplier.

We sent an extensive questionnaire to all potentially high-risk suppliers for a concrete risk analysis. The analysis of the responses we received showed that, generally, risks to human rights and labor standards in the assessed companies were "low." Only a very small number of risks were assessed as "medium" or "high." These risks fell into different categories. Nearly all identified risks were related to procedural issues, for example, that the supplier could not describe certain due diligence processes.

Allianz already has extensive preventive measures in place to ensure that suppliers respect human rights, including our Vendor Code of Code and sustainability (incl. human rights) criteria for supplier on-boarding. For the limited number of suppliers for which some risks were nevertheless assessed as "high", the local procurement function, in cooperation with the affected suppliers, have started implementing additional preventive measures.

**Read the Allianz SE Human Rights Policy Statement.**

**Access the Allianz complaints mechanism.**

# 04.3 Customers

Table CS-1

Customer Loyalty %

| As of December 31 | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Digital Net Promoter Score (dNPS) loyalty leadership in their market[1]<br>Target 50 % by year-end 2024 | % | 59.0 | 58.0 | n.a. |

**Our ambition is to create meaningful solutions and experiences that attract and retain customers. We want to earn their trust.**

As customer experience is an enabler of growth and long-term success at Allianz, we want to earn the trust of our customers through the quality of our products, the level of our services and the expertise of our employees.

## 04.3.1 Allianz's customer experience strategy

Customer satisfaction and loyalty lead to profitable growth and are key elements of our strategy. Our customer experience framework gives customers a direct voice and enables us to use their feedback in shaping local and global experiences. It consists of:

### Listening to customers

The closer we are to our customers, the more we can be there for them in the moments that matter.

Listening to customers is the starting point of our journey together. Our Voice of the Customer (VoC) program applies a holistic and standardized methodology to monitor and improve customer journeys by collecting real-time qualitative and quantitative feedback.

After each touchpoint a customer has with Allianz, they are invited to state their satisfaction on a five-star scale at predefined moments along five customer journeys. If a customer rates their experience with three stars or less, we follow up with them to resolve the issue and gather more insights.

The five customer journeys map the main interactions a customer has with Allianz. They are: Sales and On-boarding; Claims; Issue Resolution and Contract Management; Renewal, Cancellation and Termination; and Outbound Communication.

At the end of 2023, 40 operating entities and global lines had implemented the VoC program. This means we have rolled out the VoC program in at least one of the five mandatory journeys within our major operating entities.

## 04.3.2 Using data to improve the customer experience

We use insights from VoC, dNPS, customer ratings and verbatim feedback to improve our products, services, communications and processes.

We combine and analyze sources of customer data in strict accordance with privacy laws to prioritize and implement structural improvements.

Local operating entities use customer feedback to derive concrete actions. Learnings gained through the VoC and dNPS programs are also helping us design the global Allianz experience for customers.

In 2023, we continued our journey to build one global Allianz customer experience by co-creating and scaling three additional initiatives.

First, we pushed forward the Annual Policy Review, launched in November 2022, as a communication to engage with customers in their best interest.

Second, we worked with a behavioral economist to draft renewal communication templates that provide customers with clear, transparent and timely communications about policy renewals, particularly when their premium increases.

And finally, in June 2023, we launched an initiative focused on helping customers mitigate the impact of climate change on their property. Working with climate scientists and risk experts across the Group, we co-created the Global Risk Assessment (GloRiA) tool and customer education assets, which enable users to learn more about the NatCat risks associated with their place of residence. After understanding their location's risk classification, customers can access checklists and videos that explain preventative measures and how they can prepare themselves for the future. This program is currently being scaled across all of our Property & Casualty (P&C) markets.

The Xperience Habits guidelines for our contact centers, which were rolled out in 2022, have had a small, but measurable impact on our dNPS. This is further supported by VoC scores for customers who used a contact center.

1 Overall, our customer satisfaction scores have also improved compared to the previous year. This is mainly due to actions taken on improving customer service along the claims journey, and initiatives targeted to engage with customers via frequent and relevant communication. Since we switched to a Digital NPS measurement in 2022, the study timeframe runs from October of the previous year to September of the current year.

# 04.3 Customers

### Measuring customer loyalty

We use the globally-recognized Net Promoter Score® (NPS) to measure customer loyalty through customers' willingness to recommend Allianz.

In 2022, we switched to digital NPS tracking. Digital NPS allows us to measure customer loyalty continuously, eliminating seasonality and deepening our understanding of customer sentiment.

This approach also sets higher standards for our operating entities, which are measured against a broader set of competitors. We have, once again, achieved a remarkable NPS of 59 % Loyalty Leadership across all of our business segments, exceeding both our global target and last year's results. The main drivers were actions to address customers' pain points and targeted communication campaigns.

Digital NPS enables us to respond faster to the impact of our initiatives on our customers' experience and perception of Allianz. For example, using insights from the previous years, we have been able to identify five "detractor" personas and create initiatives to target them.

In 2023, we developed a structured approach to support operating entities in closing the gap to loyalty leadership. The so-called "NPS Walk" is a customer experience activation roadmap for operating entities, which outlines the specific initiatives needed to achieve NPS Loyalty Leadership (and positive NPS) by 2024.

Our overall global target is: 50 % target for Allianz Group business segments to be in a Loyalty Leader position by 2024.

## 04.3.3 Transforming our business for our customers

Our customers want us to sell simple products that meet their demands and needs, use easy-to-understand language and provide faster claims handling.

We constantly strive to adapt our business to meet these needs. This includes simplifying and digitalizing our products, processes and platforms to provide our customers with greater access to advice and support, while more efficient processes are improving our customer service.

The Allianz Customer Model is our end-to-end global business model, which puts the customer at the center of our business and enables Allianz to be simple, digital and scalable.

Our ambition is to simplify and harmonize our business globally. Within this context, the Allianz Customer Model was designed, first for our retail property and casualty lines, and then extended to health, life, B2B2C, midCorp, large corporate and re-insurance.

Our target has been to continuously roll the model out across Allianz's operating entities. As of Quarter Two of 2023, ACM has been rolled out to 39 operating entities, comprising 99 % of Gross Written Premium (GWP) for our retail property and casualty business.

A tangible example of how the Allianz Customer Model is transforming our business is our master products. A master product is a template available in the Allianz Product Lab, with streamlined product elements that are linked to harmonized claims and pricing values.

Allianz OEs can configure master products to create the right product for their market and make adaptations that are required by regulation. We are creating master products, which will reduce the number of products in most relevant OEs.

By having harmonized master products, we can efficiently scale essential IT assets, such as Quote & Buy and First Notification of Loss in the Business Master Platform. This platform digitalizes the business requirements of the Allianz Customer Model. It comprises a combination of scalable technological elements, systems and services, plus functionalities and configurations to better serve our customers, intermediaries, partners and employees.

The Business Master Platform also showcases the Allianz Customer Model philosophy by providing an outstanding user experience that gives our customers, agents and partners anywhere in the world the same satisfaction when interacting with Allianz.

For example, the claims tracker provides full transparency to customers throughout the claims process. Customers can easily access the tracker and navigate with just a few clicks to choose the preferred settlement option and repair shop, and receive confirmation of the repair appointment.

Currently, 27 different assets have been implemented across six operating entities.

### Responsible sales

The Allianz Group Sales Compliance Standard aims to promote fair treatment and protect the interests of our customers. Its principles must be adhered to by Allianz Group OEs in all interactions with customers. The standard covers five key areas, all designed to address conduct risk that may occur in different stages – from pre-contractual discussions between customers and OEs to the fulfilment of all contractual obligations. These areas are: Product Oversight and Governance; Incentives and Steering of Distributors; Standard of Distribution; Sales Force Selection and Training; and Monitoring and Reporting.

The standard is pivotal in sustaining customer trust, bolstering stakeholder confidence and upholding public respect.

# 04.4 Corporate Citizenship

**We are aware that our actions have the potential to influence the future living conditions, employability and wellbeing of young people, and that our decisions can play an integral part in determining this future.**

This social impact stems from both the nature of our business and the effect that our global organization has on the wellbeing of the communities it is active in – from global society to the local communities where we live and work.

Allianz wants to shape its social impact in a positive way. We focus on supporting and upskilling young people and people with disabilities in a way that helps them get into education and employability.

This focus is based on the United Nations (UN) Sustainable Development Goals (SDGs), with a priority given to SDG 8: Decent Work and Economic Growth. Our activities are centered around three sub-targets and closely linked with SDG 17, Partnerships for the Goals and SDG 13, Climate Action:

- Target 8.5 – Achieving full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
- Target 8.6 – Substantially reduce the proportion of young people not in employment, education or training.
- Target 8.10 – Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.

**Read more about our Corporate Citizenship strategy on our website.**

Our ambition is shaped by our Company purpose, "We secure your future," defined by our Group-wide business strategy, and brought to life through our employees and the local efforts of our operating entities.

## 04.4.1 Corporate Citizenship strategy

Corporate Citizenship at Allianz includes initiatives with positive social impact in local communities where we operate, volunteer activities, partnerships and other philanthropic initiatives.

### Support for sport and physical activity

We believe that for young people and people with disabilities, education and physical activity are key enablers to overcoming barriers and developing the skills and resilience needed to foster their employability, support their health and prepare for decent work and financial security. Sport also plays an important role in developing essential social and employability skills that are valued and demanded by employers, such as leadership, teamwork responsibility and sportsmanship. We use our experience and partnerships to create programs that promote wellbeing, resilience and job-readiness for young people and people with disabilities. We have a long history in sport, and work closely with our partners the International Olympic Committee (IOC), FC Bayern München and the International Paralympic Committee (IPC).

Our sports programs include for example an annual "Global MoveNow Camp" with FC Bayern München, which provides a nurturing platform for young talent around the world to develop their skills and showcase their potential. Through training and mentorship programs that introduce children to different sports, such as football, basketball or wheelchair basketball, we have been able to impact over 100,000+ people of the next generation through 50+ different activities.

### Economic and social support

We commit to helping build an inclusive society. Financial education is an important lever in this context, particularly for vulnerable groups in society. It contributes to uplifting people's financial resilience and, over the long-term, improving their wellbeing. To help bridge the financial literacy gap, we have launched an online Financial Literacy Hub, where people can find easy-to-understand information and explanation, use interactive budgeting tools and register for free coaching from Allianz experts.

**This can be followed on our website as a self-learning journey, or the material can be downloaded to be used in classrooms.**

Around the world, our operating entities, together with their employees, clients, non-profits and local communities are active in a diverse range of activities that are aligned with our social commitments laid out above.

# 04.4 Corporate Citizenship

## 04.4.2 Corporate Citizenship focusing on young people and people with disabilities

When assessing and prioritizing the SDGs with which we align our Corporate Citizenship activities, we consider the impact on our various stakeholders – customers, employees, partners, society, governments and investors – and on our overall capacity to contribute positively to the goal.

As part of our focus on education and employability, in 2023, Allianz reinforced its Allianz Social Impact Fund (SIF). This supports the implementation of our Corporate Citizenship strategy and helps Allianz's global operating entities in their cooperation for social purposes with a local partner. The SIF picks up and leverages existing formats from our partnerships with the IOC and the IPC. An example is the MoveNow program, whose mission is "to prepare the next generation now. To move their bodies, minds and souls."

All actions need to follow the Allianz Guidance for Corporate Citizenship Activities, which focuses on creating measurable impact and building partnerships between sectors.

## 04.4.3 Measuring our social impact

To drive our contribution towards creating systemic change across our target SDGs, we must measure and analyze our impact. This can be challenging, because interventions are complex, take place over long periods of time and address multiple stakeholders. We use the Allianz Social Impact Measurement Framework to help operating entities set their ambitions and measure and report on the impact of Corporate Citizenship activities locally.

We measure:

- Input – what we contributed.
- Output – what happened.
- Impact – what has changed.

The impact measurement framework captures impact for beneficiaries, society and Allianz.

| | We mean | | We measure | | |
|---|---|---|---|---|---|
| | Longer-term impacts | Systematic changes to achieve SDG 8 | The short-term impact of Corporate Citizenship activities contribute to positive changes for society in the long-term | Impacts for Allianz | |
| Step 4<br>Step 3 | Short-term impacts/outcome | Value-add to our beneficiaries/ effectiveness of CC activities meeting program objective | • of beneficiaries reporting impacts<br>• of organizations reporting impacts | • of employee reporting impacts<br>• of recruitment<br>• of business innovation | Contributes towards social license to operate |
| Step 2 | Outputs | Activities that take place and beneficiaries supported | • of activities<br>• of beneficiaries reacted (young people, people with disabilities)<br>• of activities held | • # of employee participants | Positive reputation for Allianz |
| | Inputs | What we invest in our communities, including our CC activities | | | |
| Step 1 | | | Set objectives – how we intend to make change | | |

# 04.4 Corporate Citizenship

This four-step approach is illustrated by YouthBridge-New York, an Allianz Foundation for North America initiative that gathers young leaders from all five boroughs of New York City and promotes youth leadership, dialogue and action relating to Diversity, Equity and Inclusion (DEI).

| | We mean | We measure | |
|---|---|---|---|
| **Longer-term Impacts** | Enhancement of college and career perspectives for youth from diverse backgrounds | All teens gain a deep awareness of the complexities and benefits of inclusion from this program | Allianz supports the implementation of DEI principles in business and society |
| **Short-term Impacts/ Outcome** | Direct application of corporate DEI principles in social sector NPO/NGO networking 100 % of youth trained to make a difference | 100 % of teens develop knowledge in the committee areas of healthcare inequalities, criminal justice reform, and food justice and are trained for advocacy | Recruitment of AZFNA interns<br>Possible pipelines for emerging talent at Allianz |
| **Outputs** | Monthly workshops and career talks, speed-mentoring and program graduation events | 25 teens reached annually<br>100 % of youths manage grant programs through three committees and become change agents for DEI | Ca. eight AZ volunteers annually for speed-mentoring |
| **Inputs** | US$50,000 grant annually | In-kind donation of space use throughout the academic year at Allianz in NYC (e.g., for speed mentoring and graduation events) | |

**Step 4**
**Step 3**
**Step 2**

Contributes towards social license to operate; positive reputation for Allianz

**Step 1** Promote youth leadership, dialogue, and action around DEI-related issues as a core part of college/career prep

# 04.4 Corporate Citizenship

## 04.4.4 Activities for the next generation and people with disabilities

### MoveNow

As part of the commitment to ensuring that more young people benefit from participation in sport, Allianz commissioned independent research in partnership with the IOC to understand the current levels of youth sport participation and the factors that influence it.

**For more details see our website about MoveNow.**

Based on the lessons learned from existing efforts and the results of this research initiative, Allianz has further developed our MoveNow program, which aims to improve the health, wellbeing and employability of the younger generation and people with disabilities, and "move their body, mind, and soul." MoveNow also offers educational elements, in line with its mission, see MoveNow (allianz.com). In 2023, we added financial and insurance literacy to the MoveNow program, with the "MoveNow Future Workout – a digital learning journey".

**For more details on next generations and athletes see "Future Workout".**

The three-week training plan is designed to teach financial and insurance literacy and empower young people to manage their finances with confidence.

### Corporate Citizenship at operating entities

The corporate citizenship activities of Allianz's operating entities are aligned with the Group's global strategy. The SIF supports strategic opportunities that deliver social impact beyond charitable donations, with operating entities cooperating in intersectoral partnerships.

Our Global Sustainability Team develops the strategic approach for Corporate Citizenship and provides guidance on local delivery. Local so-called Corporate Citizenship Leads are responsible for embedding the global approach within operating entities.

Guidance for Corporate Citizenship activities is designed to build a consistent understanding of social impact, strategically channel resources towards our goals, monitor outcomes and encourage collaboration and the sharing of best practice.

In 2023, the Allianz SIF supported 18 Corporate Citizenship projects at OEs. These projects have demonstrated a clear alignment with Allianz's SDG 8 commitment to next generations and people with disabilities by supporting initiatives relating to education and employability. Projects include financial literacy, training and mentorship, and 16 of them have been supported by the MoveNow ecosystem, demonstrating synergies with the MoveNow program.

Because the MoveNow program takes a holistic approach that involves various partners and stakeholders worldwide, it gives our Corporate Citizenship projects wider resonance. The joint efforts of SIF and MoveNow have created a momentum and accelerated Allianz's efforts to support education and employability for target groups. Including financial and insurance literacy as strategic topics into the MoveNow program helps us focus in more depth on SGD 8 sub-targets, including 8.10, "Strengthen the Capacity of Domestic Financial Institutions to Encourage and Expand Access to Banking, Insurance and Financial Services for all", and to better serve the call for action in this area.

# 04.4 Corporate Citizenship

### Employability projects for youths and people with disabilities

The 18 new Corporate Citizenship activities are:

| Location | Project | Focus Area | Target Beneficiaries | MoveNow Component |
|---|---|---|---|---|
| Allianz Malaysia | Financial literacy and social entrepreneurship + Junior Entrepreneur Race Camp | Education, training, learning and upskilling | Children | ✔ |
| Allianz Singapore | MoveNow Mentoring Program | Education, employability, upskilling | Youth, people with disabilities | ✔ |
| Allianz Portugal | Super Powers School by Allianz | Education, training, employability | Youth, children | ✔ |
| Allianz Taiwan Life | Grass roots integration and football project | Education, training | Youth, children | ✔ |
| Allianz Indonesia | EcoLeap: Bridging the Gap to Green Careers for Youths in Indonesia | Education, training, and employability | Youth, people with disabilities | ✔ |
| Allianz Spain | Disability awareness in schools | Education, training | Children | ✔ |
| Allianz UK & AGCS UK | MoveNow Future Festivals | Education, learning, upskilling | Youth, children, people with disabilities | ✔ |
| Allianz Trade US | MoveNow Camp | Education, training, learning | Youth, people with disabilities | ✔ |
| Allianz Turkey | Allianz Motto Movement | Training, learning, upskilling | Children | ✔ |
| Allianz Bulgaria | MoveNow Summer Camp | Education | Youth, people with disabilities | ✔ |
| Allianz Czech Republic | Wind in Your Hair | Training | Children, people with disabilities | ✔ |
| Allianz Benelux | Sailing experience for kids with disabilities | Employability, education, training | Children, children with disabilities | ✔ |
| Allianz Partners France | Sports and Beyond | Education, training | Children, people with disabilities | ✔ |
| Allianz Italy | Snow4All | Employability, training, improved access | People with disabilities | ✔ |
| Allianz AGCS South Africa | School meals are life-changing for the world's poorest children | Education, upskilling | Children, local women | ✔ |
| Allianz Slovenia | Paralympic camp for families | Education, training, improved access | Youth, people with disabilities | ✔ |
| Allianz Services Romania | Lights, Camera, EduACTION | Education, learning, upskilling, and improve access to education | Children | |
| Allianz Ghana | Bright Futures: Empowering youth through vision care | Improved access to employment and education opportunities | Youth and children | |

# 04.4 Corporate Citizenship

## Examples of support for next generations

### Allianz Ghana's "Bright Futures: Empowering Ghana's Youth through Vision Care"

Unemployment in Ghana affects two out of three female individuals, particularly young females. Around 15 % of young adults also suffer vision loss, which impacts their quality of life and productivity at work or school. Vision Spring, an NGO with experience in the field, aims to provide free-of-charge eye care and glasses for young adults, particularly women, who are attending vocational or training schools. Vision Spring was kicked off in 2023 and expects to screen around 5,000 students and provide glasses or referrals for those who need it. The program aims to unlock the full potential of youngsters and secure brighter educational and professional opportunities. Allianz employees work as volunteers to interview individuals, and collect feedback and stories, which engage Allianz employees further in the program.

### Allianz Malaysia's "Financial Literacy & Social Entrepreneurship"

Financial illiteracy in Malaysia's rural communities leads to debt and financial instability. This project aims to provide approximately 80 children with financial management, investment and employment skills. Beneficiaries will also be able to build communication, teamwork and problem-solving skills. The end goal of the program is to improve children's financial literacy and empower them to succeed in the future. Allianz Malaysia employees can work with the NGO, Incredible Hearts, to design and deliver the program.

## Examples of education and academic support towards people with disabilities

People with disabilities make up 15 % of the global population; one billion people experience some form of disability. On average as a group, people with disabilities are more likely to experience adverse socio-economic outcomes than people without disabilities.

We have provided opportunities for people with disabilities for many years. Now, as a Worldwide Paralympic Partner, we became one of the 13 iconic leaders of The Valuable 500, a global movement working to put disability on the agenda of business leadership.

> **For more information, please see section 04.1 Employee matters.**

We have made support for people with disabilities a component of our Corporate Citizenship strategy to unlock barriers for this group in a more strategic and impactful way.

### Allianz Bulgaria's "MoveNow Summer Camp"

The project, organized in collaboration with the Bulgarian Red Cross, seeks to organize a summer camp for ten children from different backgrounds with special education needs, to help them with their self-confidence and career development. The project includes career lectures, mock interviews, psychology support, and workouts, plus motivational talks from Allianz employees and athletes.

### Allianz Czech Republic's "Wind in Your Hair"

Through this project, NGO, Cerni kone, prepares, assembles and distributes hand bikes for children with disabilities, promoting inclusion and personal development. During this year, the NGO has helped over 230 children with disabilities and plans to assemble 30 to 50 hand-bikes during the second half of 2023.

Allianz Czech Republic has supported this NGO and project for six years, through financial donations and employee engagement.

## Education and academic support

Allianz offers various scholarships, including at the European School of Management and Technology (ESMT), where up to 15 places are available annually for social entrepreneurs from Africa and the CEE region.

We also continue to support scientific research through the Allianz France annual medical research award, which will have been running for 40 years in 2024, and the Allianz Climate Risk Award. Allianz SE also supports visiting scholars for Jewish Islamic Studies at Munich's Ludwig Maximilian University (LMU).

## World Cleanup Day

World Cleanup Day is a global movement that unites 191 countries for a cleaner planet. Allianz entities around the world take part, and we encourage employees, customers, agents, and partners to join this global concerted effort for our planet.

Over 2,250 volunteers from across Allianz took part in 2023, representing 33 operating entities and collecting 17 tonnes of waste.

# 04.4 Corporate Citizenship

### Allianz foundations

Allianz has 11 foundations around the world that support programs for next generations focused on education and employability.

The foundations often cooperate with the local operating entities on activities for next generations and people with disabilities. In Italy, Fondazione UMANA MENTE focuses on children and young people with disabilities through projects aiming to increase their employability and foster inclusion, for example, the "Managing Disability" online platform launched to promote a positive disability culture in Italy.

### Allianz emergency relief

In addition to focusing on next generations and people with disabilities, our Corporate Citizenship activities support communities where we live and work, especially in times of need. This means making our expertise, resources, and the assets of our operating entities in those markets, available to local communities.

### Türkiye and Syria

Allianz responded to the earthquakes that struck Türkiye and Syria by announcing it would make € 6 million available to support the relief and recovery efforts. The Red Cross Society in Türkiye and Syria, UNICEF Türkiye, and Zeltschule benefited from the donations.

The contributions were used to provide immediate relief to people directly affected by the crisis and to protect children, offering trauma counselling in schools in Türkiye and supporting the repair of educational facilities in Syria. The donation is also supporting a three-year nationwide earthquake awareness program for youth and children in Türkiye, led by Allianz Teknik. An Allianz employee donation platform raised over € 600,000, with the donation matched by Allianz.

### New Zealand

In response to Cyclone Gabrielle and the Upper North Islands floods in New Zealand, Allianz donated € 20,000 to support New Zealand Red Cross response and recovery efforts. The aid was used to provide psychosocial support to affected communities, restore connectivity and deliver critical supplies to afflicted areas. The New Zealand Red Cross also supported civil defense centers, helping with practical needs and coordination efforts.

### Morocco

In response to the earthquake that hit Morocco in September, Allianz contributed € 50,000 to the German Red Cross (DRK) through its Disaster Response Fund. Funds were distributed to sister organization, the Moroccan Red Crescent, which coordinated the emergency response in the affected areas alongside local authorities and other organizations on the ground. In addition, an employee donation platform was set up, which has raised € 10,000 to date.

Table CC-1

Corporate Citizenship data

| As of December 31 | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Corporate giving total (cash contributions) | € mn | 35 | 43 | 28 |
| Number of foundations | # | 11 | 12 | 12 |
| Volunteering hours[1] | hours | 87,045 | 79,137 | 72,580 |
| Employee satisfaction around volunteering (AES question) | % | 78 | 82 | 78 |

## 04.4.5 Employee volunteering and donations

Allianz's social impact programs and corporate volunteering activities are run by local operating entities and our 11 affiliated foundations.

In 2023, our combined contributions totaled € 34.8 million (2022 € 42.8 million); and 87,000 hours (2022: 79,000 hours) in corporate volunteering.

We measure employee satisfaction with volunteering opportunities through the Allianz Engagement Survey question: "Our company offers enough opportunities for me to environmentally and socially support the community that we operate in." In 2023, we achieved a score of 78 % (2022: 82 %).

1 Data collection process is dependent on OE data availability. Numbers are dependent on the reporting effort of each OE, which is different from year to year.

# 04.5 Tax transparency

## 04.5.1 Tax transparency

In 2023, we consolidated our tax transparency reporting products while keeping the same level of information. We are presenting our total tax contribution and our country-by-country reporting now in our Sustainability Report along with information about current tax topics and developments. Additionally, we are publishing our Group Tax Strategy as a separate document on our website.

### Our tax approach

Our ambition is to take a responsible approach to the management of taxes. We aim to be recognized as a compliant, cooperative and reliable taxpayer in each country we operate.

**For a comprehensive description of our approach, see our Group Tax Strategy.**

## 04.5.2 Tax-related developments in 2023

### Tax compliance management system

As one of our general principles we implement certified tax compliance management systems wherever possible. For German Allianz companies, our tax compliance management system has been officially certified by an external auditor based on the IDW PS 980 audit standard. This certification has been renewed and its scope expanded in 2023. It now includes also the process of country-by-country reporting towards fiscal authorities, and the adequacy of the Allianz Standard for Tax Management regarding Group Tax's fulfillment of the governance function. Comprehensive tax control systems that are officially certified by an external auditor have also been implemented for example at Allianz Austria. Additionally, good tax governance/processes have been officially confirmed by tax authorities in several countries, for example, China, Singapore and Slovakia.

### Approach to transfer pricing (TP) documentation

Properly pricing and documenting our intercompany transactions to comply with multiple jurisdiction rules and laws is essential to managing tax risk and to ensure we pay our fair share of taxes in each country where we operate. For an efficient TP documentation approach, Allianz started the rolling out of a centralized TP documentation process in 2022 and continued in 2023, with the key objectives of compliance, standardization and the application of appropriate technology.

Our TP documentation process is reviewed on an ongoing basis to determine if improvements are needed and to further centralize and streamline the overall process.

### Stakeholder dialogue and tax advocacy

Allianz has always welcomed the work for a transparent and fair tax system at national and international level. We develop our tax positions in dialogue with key stakeholders and present them transparently. Relevant associations in which we are engaged, either directly or through our subsidiaries, include Business at OECD (Organization for Economic Cooperation and Development) and Insurance Europe, as well as national insurance associations in France, Germany, Italy, Spain, Switzerland, the U.K., U.S. and other jurisdictions.

### Our engagement in current international projects

One of the major legislative changes in 2023 was the Europe-wide implementation of global minimum taxation (GloBE). To ensure a uniform implementation while limiting the administrative burden, Allianz worked with various national and international associations, as well as in direct contact with the administrations of various member states.

In addition, the E.U. Commission presented the draft for a framework for corporate income taxation (BEFIT[1]) in 2023. As with the regulations provided for global minimum taxation, the BEFIT tax base should also be calculated based on the consolidated financial statements of the companies covered. Consistent implementation could not only reduce the administrative burden for companies, but also eliminate or at least reduce the number of tax issues that still exist.

However, these goals can only be achieved if the BEFIT regulations are based as much as possible on the accounting standards used, and if national deviations are limited to a minimum and include a significant reduction of the administrative burden for companies. To support these developments, Allianz is already taking part in political discussions via direct contacts in various national and international associations.

1 Business in Europe: Framework for Income Taxation.

# 04.5 Tax transparency

### Our engagement with stakeholders

Discussions with stakeholders, such as the B Team[1] and changing requirements from non-governmental organizations, such as the GRI[2] have encouraged and influenced the further development of Allianz positions. Allianz learns about changing stakeholder expectations through our participation in various sustainability ratings and benchmark studies, which are often adjusted to evolving public interest. For example, we participate in the S&P Global Corporate Sustainability Assessment (CSA), an annual evaluation of companies' sustainability practices, which includes a section for tax strategy. Another example is the Tax Transparency Benchmark published by the Dutch Association of Investors for Sustainable Development (VBDO). This benchmark provides a comparative study of the tax transparency of several Dutch and E.U.-listed companies.

## Regulatory environment

### Global minimum tax (OECD Pillar 2)

The implementation of global minimum taxation (GloBE) will lead to significant additional operational efforts for tax and accounting functions within Allianz Group. To share technical knowledge, the centralized GloBE working group provided training and regular updates on local GloBE implementation status to locally-nominated "GloBE Champions." The quantitative and operational impact of GloBE was assessed by performing a GloBE "dry run". Overall, it is not expected that Allianz Group will be significantly affected by top-up taxes based on GloBE regulations.

## Digitalization

### Tax compliance tool

To safeguard the proper governance of tax compliance in every country where we operate, we recently began to implement a web-based tax compliance tool. It aims to provide state-of-the-art collection of tax compliance data and timely monitoring of processes. By using the tool, we also aim to continuously improve our tax compliance documentation processes (e.g., workflow management, data availability and data storage) and to enhance the data basis for management decisions. Our entities in the U.K. are already on-boarded for corporate income tax, and our German entities have implemented the tool for corporate income tax, trade tax and value added tax. The rollout will continue steadily across the Allianz Group, with the goal of having the tool in place globally.

1 More information can be found on the B-Team website (The B Team).
2 More information can be found on the GRI website (GRI – Home (globalreporting.org)).

# 04.5 Tax transparency

## 04.5.3 Our total tax contribution

Allianz's total tax contribution of € 20.0 billion reflects our contribution to the economic and sustainable development of the countries where we operate and can be split into taxes borne by Allianz (as a taxpayer) and taxes collected by Allianz and remitted to tax authorities specifically for our policyholders, employees or service providers. Accordingly, the taxation of our business activities can be described as follows:

### Taxes borne by Allianz

We mainly generate taxable profits from insurance and asset management activities. As an insurance company, we are offering policyholders insurance coverage for payment (i.e., premiums) whereby the most common forms of insurance coverage relate to life/health and property/casualty insurance. Our taxable profits stem from premiums received and investment income generated, less administration/commission expenses and settled claims/guarantees.

Under the umbrella of our Allianz asset management units, we also manage client funds through active investment strategies. Here, our taxable income results in particular from fees received for asset management activities.

The profits from our insurance and asset management operations are subject to tax at the income tax rates applicable in the country in which such profits are generated. Additional costs result from other taxation e.g., non-recoverable value added tax (VAT) on purchased services, employer share in wage taxes and social security contributions, financial transaction tax, stamp duties and other taxes.

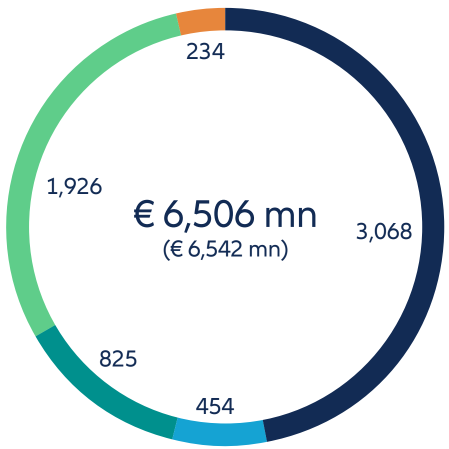
### Taxes collected and remitted by Allianz

We are obliged to collect and remit taxes for certain activities. The most relevant taxes collected and remitted relate to insurance services purchased by the policyholder (insurance premium taxes), salaries paid to our staff (wage taxes and social security contributions) and investment return payments to policyholders and other customers (policyholders/other customer taxes).

# € 20,039 mn

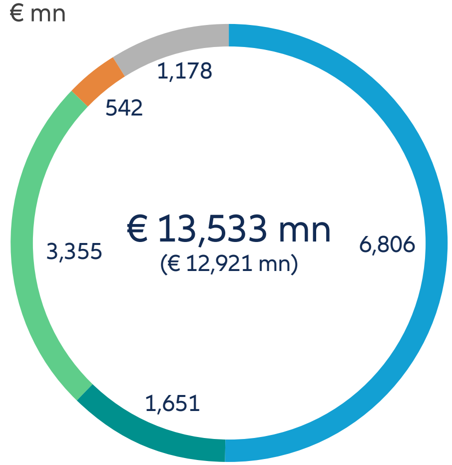
**Total tax contribution in 2023 (2022: € 19,463 mn)**

Taxes borne by Allianz in 2023[1]
€ mn




- Income taxes paid
- Insurance premium taxes
- Value added tax
- Wage taxes and social security contributions
- Other taxes

Taxes collected by Allianz 2023[1]
€ mn




- Insurance premium taxes
- Value added tax
- Wage taxes and social security contributions
- Other taxes
- Income taxes collected (taxes on payments to PH/other customers)

Total amount of recoverable VAT € 1,023 mn (€ 1,006 mn)

1 Amounts may not add up due to rounding. Last year's data is shown in brackets.

# 04.5 Tax transparency

## Detail of tax contribution by country 2023

| | Taxes borne by Allianz | | | | | | Taxes collected by Allianz | | | | | | Total Allianz |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| in mn euros | Income taxes | Insurance premium taxes | Valued added taxes | Wage taxes and social security contributions | Other taxes | Sum per country | Taxes on payments to policyholder/ customers | Insurance premium taxes | Valued added taxes | Wage taxes and social security contributions | Other taxes | Sum per country | **Total per country** |
| Austria | 73 | 4 | 11 | 54 | 0 | 142 | 9 | 512 | 41 | 74 | 0 | 636 | **778** |
| Belgium | 25 | 0 | 6 | 27 | 10 | 69 | 51 | 91 | 11 | 58 | 7 | 217 | **286** |
| France | 42 | 57 | 32 | 528 | 50 | 708 | 35 | 960 | 247 | 249 | 132 | 1,622 | **2,331** |
| Germany | 869 | 102 | 410 | 460 | 19 | 1,860 | 258 | 2335 | 165 | 1172 | 0 | 3,929 | **5,789** |
| Ireland | 45 | 32 | 21 | 15 | 0 | 113 | 0 | 9 | 20 | 42 | 0 | 70 | **183** |
| Italy | 64 | 0 | 138 | 219 | 20 | 440 | 200 | 957 | 83 | 29 | 166 | 1,435 | **1,875** |
| Netherlands | 64 | 0 | 16 | 15 | 0 | 95 | 41 | 169 | 4 | 35 | 0 | 248 | **343** |
| Poland | 121 | 0 | 18 | 17 | 19 | 175 | 3 | 0 | 26 | 27 | 0 | 56 | **231** |
| Spain | 41 | 23 | 23 | 62 | 5 | 153 | 26 | 295 | 45 | 66 | 13 | 444 | **598** |
| Switzerland | 105 | 0 | 8 | 58 | 8 | 179 | 3 | 86 | 8 | 44 | 0 | 141 | **321** |
| Türkiye | 71 | 13 | 1 | 11 | 1 | 97 | 0 | 35 | 3 | 24 | 72 | 134 | **231** |
| United Kingdom | 69 | 0 | 67 | 121 | 7 | 264 | 0 | 708 | 113 | 341 | 0 | 1,162 | **1,425** |
| Other | 161 | 156 | 55 | 73 | 33 | 478 | 22 | 172 | 48 | 144 | 3 | 389 | **866** |
| **Europe** | **1,750** | **387** | **805** | **1,660** | **172** | **4,774** | **647** | **6,327** | **813** | **2,304** | **392** | **10,484** | **15,258** |
| Brazil | 46 | 2 | 3 | 20 | 13 | 84 | 0 | 63 | 3 | 14 | 30 | 110 | **194** |
| United States | 656 | 57 | 1 | 100 | 17 | 830 | 531 | 73 | 0 | 682 | 0 | 1,286 | **2,115** |
| Other | 104 | 2 | 4 | 14 | 3 | 127 | 0 | 15 | 170 | 35 | 8 | 227 | **354** |
| **Americas** | **806** | **61** | **7** | **133** | **33** | **1,041** | **531** | **150** | **173** | **731** | **38** | **1,623** | **2,664** |
| Australia | 363 | 0 | 1 | 78 | 3 | 444 | 0 | 313 | 487 | 154 | 82 | 1,036 | **1,480** |
| Other | 149 | 4 | 9 | 33 | 22 | 217 | 0 | 11 | 112 | 139 | 29 | 290 | **507** |
| **Asia Pacific** | **511** | **5** | **12** | **131** | **28** | **688** | **0** | **327** | **651** | **315** | **111** | **1,404** | **2,092** |
| **Africa** | **1** | **0** | **1** | **1** | **0** | **3** | **0** | **2** | **14** | **6** | **1** | **22** | **26** |
| **Total** | **3,068** | **454** | **825** | **1,926** | **234** | **6,506** | **1,178** | **6,806** | **1,651** | **3,355** | **542** | **13,533** | **20,039** |

# 04.5 Tax transparency

## Glossary

### Total tax contribution

Total tax contribution comprises the taxes actually paid in the current year.

The Group's tax contribution not only reflects taxes in a strict sense, other public charges (e.g., social security contribution) with an equivalent economic purpose are also included. Taxes paid are allocated to jurisdictions depending on where they are actually paid.

### Income taxes paid

Income taxes paid relate to taxes imposed on Allianz entities' income or profits (taxable income) paid in the relevant fiscal year including taxes withheld by other tax jurisdictions. It may include also payments related to prior years.

Income taxes paid may differ from income taxes accrued in the current financial statements, which is more a reflection of the economic view used for the calculation of the profit earned per year. There are several reasons for differences, e.g., payments or refunds relating to prior financial years, differences between profit in the financial statements and the taxable income in the tax returns and income taxes, which have to be recognized directly in equity. The allocation follows the OECD rules applicable to the country-by-country reporting, but including income taxes on fully consolidated dividends.

### Insurance premium taxes borne

Insurance premium taxes (IPT) borne include IPT which is charged to Allianz entities for insurance services purchased. Additionally, in some countries IPT is levied on insurance premiums the insurance company is liable for.

### Insurance premium taxes collected

Insurance premium tax (IPT) collected is a type of indirect tax levied on insurance premiums. The IPT is charged to the policyholder and, in most countries, remitted by the insurer to the nominated tax office. The IPT rates differ from country to country and depend on the type of insurance (motor, fire, etc.).

### Taxes on payments to policyholders/other customers collected

In some countries, we are required to deduct tax from annuity/pension payments made to our policyholders and remit this to the relevant tax authority. Additionally, Allianz is required to deduct taxes from other insurance or bank/investment product payments for our other customers and remit this to the relevant tax authority. The tax rates differ from country to country. In general, the policyholders/other customers are allowed to credit this tax on their personal income tax liability.

### Value added taxes (VAT) borne

Allianz Group incurs VAT and similar sales taxes on goods and services (e.g., among others, GST on insurance contracts) that it purchases. In most countries, insurance products are exempt from VAT and sales tax; therefore, our insurance businesses can usually only recover a small portion of the VAT and sales tax incurred, while the non- recoverable part results in a cost to the Group.

### Value added taxes (VAT) collected

VAT is a type of indirect tax levied on certain revenues of Allianz acting as entrepreneur and is remitted to the nominated tax office. As well as VAT, collected GST on insurance contracts is also included.

### Wage taxes and social security contributions borne

Wage taxes and social security contributions borne include income taxes and social security contributions (employer share).

### Wage taxes and social security contributions collected

Wage taxes are collected on behalf of our staff and which we are required to withhold from wages; they are usually calculated as a percentage of the salaries we pay and include income taxes and social security contributions (employee share).

### Other taxes borne

Other taxes borne include all other taxes borne not mentioned in one of the special categories, e.g., property taxes and stamp duties.

### Other taxes collected

Other taxes collected include all other taxes collected not mentioned in one of the special categories, e.g., stamp duties collected on behalf of policyholders or other customers.

# 04.5 Tax transparency

## 04.5.4 Country-by-country reporting

In anticipation of the public country-by-country reporting (CbCR) as required by the E.U. Directive 2021/2101, we are publishing our CbCR data for the FY 2023. The following table provides data for each country concerning the CbCR KPIs based on IFRS financials. A list of all Allianz constituent entities 2023 can be found on the Allianz company website.

Detail of country-by-country reporting 2023

**in mn of euros**

| Countries | Revenues Unrelated party[1] | Revenues Related party[2] | Revenues Total[3] | Profit (Loss) Before Income Tax[4] | Income Tax Paid[5] | Income Tax Accrued[6] | Stated Capital[7] | Accumulated Earnings[8] | Tangible Assets[9] | Number of Employees[10] | Expected Income Tax Rate[11] | Effective Income Tax Rate[12] | Comment reference[13] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Germany | 27,113 | 14,854 | 41,967 | 1,530 | 859 | 592 | 281,564 | 28,789 | 7,377 | 34,999 | 31.0 % | 38.7 % | a |
| United States | 13,243 | 3,688 | 16,931 | 2,551 | 656 | 288 | 65,862 | -4,124 | 1,981 | 8,400 | 21.0 % | 11.3 % | b |
| France | 11,495 | 2,246 | 13,741 | 682 | 41 | 214 | 26,116 | 19,950 | 7,081 | 12,093 | 25.8 % | 31.3 % | c |
| United Kingdom | 7,678 | 1,895 | 9,573 | 627 | 69 | 90 | 10,031 | 3,027 | 249 | 11,090 | 19.0 % | 14.3 % | d |
| Italy | 7,588 | 864 | 8,452 | 1,065 | 63 | 252 | 6,569 | 2,986 | 2,943 | 5,960 | 24.0 % | 23.7 % | |
| Ireland | 3,815 | 2,122 | 5,937 | 437 | 45 | 65 | 3,537 | 1,089 | 21 | 1,944 | 12.5 % | 14.8 % | e |
| Switzerland | 3,929 | 1,985 | 5,913 | 901 | 105 | 142 | 5,896 | 2,470 | 4,818 | 2,918 | 18.0 % | 15.8 % | f |
| Australia | 4,900 | 241 | 5,141 | 309 | 363 | 69 | 2,750 | 1,213 | 31 | 6,325 | 30.0 % | 22.3 % | g |
| Spain | 3,355 | 640 | 3,996 | 146 | 41 | 60 | 1,733 | 1,277 | 1,097 | 4,949 | 25.0 % | 41.4 % | h |
| Netherlands | 1,409 | 1,781 | 3,190 | 1,323 | 58 | 116 | 44,298 | 19,741 | 79 | 1,407 | 25.8 % | 8.8 % | i |
| Brazil | 1,999 | 199 | 2,197 | 61 | 46 | 45 | 2,390 | -346 | 11 | 3,469 | 40.0 % | 73.5 % | |
| Türkiye | 1,979 | 14 | 1,993 | 231 | 71 | 79 | 38 | 383 | 153 | 2,843 | 25.0 % | 34.1 % | j |
| Poland | 1,430 | 174 | 1,604 | 307 | 121 | 42 | 863 | 1,404 | 444 | 2,660 | 19.0 % | 13.6 % | k |
| Luxembourg | 2,233 | 226 | 2,459 | -214 | -63 | 16 | 58,617 | 26,052 | 1,368 | 211 | 24.9 % | -7.3 % | l |
| Singapore | 1,043 | 359 | 1,402 | 256 | 10 | 17 | 2,418 | 230 | 9 | 868 | 10.0 % | 6.5 % | m |
| Belgium | 1,061 | 212 | 1,272 | 167 | 25 | 34 | 1,005 | 1,350 | 368 | 1,188 | 25.0 % | 20.3 % | n |
| China | 1,152 | 47 | 1,199 | -16 | -1 | 1 | 1,235 | 385 | 395 | 2,285 | 25.0 % | -5.8 % | |
| Malaysia | 1,074 | 66 | 1,140 | 205 | 47 | 34 | 442 | 856 | 17 | 2,292 | 24.0 % | 16.4 % | o |
| Hong Kong | 316 | 577 | 894 | 79 | 21 | 15 | 330 | 71 | 3 | 444 | 16.5 % | 19.4 % | |
| Thailand | 844 | 41 | 885 | 162 | 9 | 28 | 461 | 961 | 23 | 3,576 | 20.0 % | 17.2 % | |
| Czech Republic | 780 | 103 | 883 | 146 | 27 | 20 | 159 | 604 | 146 | 930 | 19.0 % | 13.6 % | p |
| Bermuda | 471 | 408 | 879 | 4 | 0 | 10 | 67 | 126 | 0 | 22 | 0.0 % | 263.8 % | |
| Argentina | 810 | 2 | 812 | 105 | 19 | 64 | 234 | 57 | 26 | 412 | 35.0 % | 60.7 % | q |
| Romania | 648 | 108 | 756 | 85 | 15 | 16 | 229 | 171 | 18 | 2,763 | 16.0 % | 19.2 % | |
| Indonesia | 742 | 0 | 743 | 100 | 3 | 24 | 106 | 564 | 7 | 1,480 | 22.0 % | 24.0 % | |

# 04.5 Tax transparency

## Detail of country-by-country reporting 2023 continued

**in mn of euros**

| Countries | Revenues Unrelated party[1] | Revenues Related party[2] | Revenues Total[3] | Profit (Loss) Before Income Tax[4] | Income Tax Paid[5] | Income Tax Accrued[6] | Stated Capital[7] | Accumulated Earnings[8] | Tangible Assets[9] | Number of Employees[10] | Expected Income Tax Rate[11] | Effective Income Tax Rate[12] | Comment reference[13] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Austria | 520 | 208 | 728 | -1,053 | 73 | 9 | 10,286 | 832 | 1,387 | 2,536 | 25.0 % | -0.8 % | r |
| Taiwan | 469 | 225 | 694 | 232 | 12 | 14 | 268 | 618 | 9 | 881 | 20.0 % | 6.2 % | s |
| Mexico | 658 | 21 | 679 | 93 | 33 | 8 | 19 | 369 | 5 | 1,968 | 30.0 % | 8.4 % | |
| Portugal | 641 | 21 | 662 | 71 | 10 | 22 | 84 | 171 | 52 | 900 | 31.5 % | 31.1 % | |
| Canada | 673 | 19 | 693 | 153 | 37 | 32 | 62 | 18 | 7 | 758 | 28.0 % | 21.0 % | t |
| Slovakia | 568 | 34 | 603 | 148 | 36 | 40 | 157 | 510 | 156 | 1,007 | 21.0 % | 26.9 % | u |
| Hungary | 521 | 30 | 551 | 42 | 9 | 12 | 142 | 201 | 116 | 1,163 | 9.0 % | 27.9 % | |
| Greece | 501 | 21 | 521 | 14 | 2 | 2 | 165 | 85 | 60 | 1,417 | 22.0 % | 15.6 % | |
| Colombia | 444 | 7 | 451 | 29 | 12 | 15 | 65 | 140 | 6 | 1,086 | 35.0 % | 50.4 % | |
| Japan | 396 | 28 | 424 | 68 | 25 | 22 | 89 | 21 | 2 | 318 | 30.0 % | 32.1 % | |
| Saudi Arabia | 241 | 2 | 243 | 9 | 0 | 2 | 152 | 32 | 1 | 464 | 20.0 % | 26.0 % | |
| Bulgaria | 204 | 15 | 219 | 70 | 6 | 7 | 92 | 281 | 28 | 859 | 10.0 % | 9.9 % | |
| Egypt | 180 | 6 | 186 | 44 | -1 | 8 | 0 | -1 | 2 | 957 | 22.5 % | 19.1 % | |
| Liechtenstein | 80 | 84 | 164 | 57 | 3 | 9 | 463 | 255 | 0 | 9 | 12.5 % | 15.0 % | |
| India | 63 | 100 | 163 | 42 | 14 | 15 | 6 | 32 | 11 | 10,411 | 34.7 % | 34.3 % | |
| Croatia | 147 | 3 | 150 | 36 | 10 | 2 | 43 | 83 | 3 | 324 | 18.0 % | 5.1 % | |
| Norway | 148 | -2 | 146 | 43 | 51 | 37 | 52 | -23 | 153 | 24 | 22.0 % | 87.4 % | |
| Sweden | 119 | 23 | 142 | 36 | 12 | 5 | 592 | 26 | 607 | 52 | 20.6 % | 15.1 % | |
| Philippines | 123 | 2 | 125 | 21 | 2 | 2 | 48 | 75 | 2 | 357 | 25.0 % | 10.2 % | |
| South Africa | 109 | 9 | 118 | 10 | 2 | 2 | 21 | 45 | 1 | 761 | 28.0 % | 19.6 % | |
| Denmark | 85 | 26 | 112 | 26 | 2 | 3 | 28 | -13 | 1 | 79 | 22.0 % | 12.1 % | |
| Morocco | 98 | 5 | 103 | 21 | 0 | 6 | 5 | 11 | 0 | 140 | 37.0 % | 29.2 % | |
| Cote d'Ivoire | 78 | 4 | 82 | 11 | 0 | 2 | 0 | 0 | 0 | 38 | 25.0 % | 16.4 % | |
| Russia Fed. | 46 | 27 | 73 | 13 | 0 | 1 | 7 | 11 | 0 | 93 | 20.0 % | 7.5 % | |
| UAE | 54 | 16 | 70 | 5 | 0 | 0 | 1 | 16 | 1 | 768 | 0.0 % | 0.0 % | |
| Sri Lanka | 54 | 0 | 54 | -7 | 0 | 0 | 28 | 7 | 2 | 1,987 | 30.0 % | 0.0 % | |
| Lebanon | 41 | 5 | 45 | -11 | 0 | 2 | 0 | -12 | 1 | 333 | 17.0 % | -14.3 % | |
| South Korea | 40 | 5 | 45 | 21 | 1 | 1 | 0 | 0 | 2 | 36 | 27.5 % | 2.4 % | |

# 04.5 Tax transparency

## Detail of country-by-country reporting 2023 continued

**in mn of euros**

| Countries | Revenues Unrelated party[1] | Revenues Related party[2] | Revenues Total[3] | Profit (Loss) Before Income Tax[4] | Income Tax Paid[5] | Income Tax Accrued[6] | Stated Capital[7] | Accumulated Earnings[8] | Tangible Assets[9] | Number of Employees[10] | Expected Income Tax Rate[11] | Effective Income Tax Rate[12] | Comment reference[13] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cameroon | 43 | 0 | 43 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 33.0 % | -631.1 % | |
| Finland | 34 | 5 | 39 | -10 | 22 | 1 | 141 | 83 | 205 | 25 | 20.0 % | -6.1 % | |
| Lithuania | 34 | 0 | 34 | 10 | 0 | 0 | 5 | 76 | 0 | 129 | 15.0 % | 0.2 % | |
| New Zealand | 23 | 11 | 34 | 11 | 2 | 3 | 24 | 21 | 0 | 89 | 28.0 % | 22.6 % | |
| Mauritius | 8 | 24 | 32 | 1 | 0 | 2 | 6 | -3 | 1 | 1,064 | 15.0 % | 168.1 % | |
| Slovenia | 30 | 0 | 30 | -3 | 0 | 0 | 0 | 0 | 0 | 35 | 19.0 % | 0.0 % | |
| Laos | 28 | 0 | 28 | 1 | 0 | 0 | 2 | 6 | 3 | 115 | 20.0 % | 20.0 % | |
| Qatar | 26 | 0 | 26 | 2 | 0 | 0 | 0 | 0 | 0 | 25 | 10.0 % | 10.9 % | |
| Kenya | 24 | 0 | 24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 30.0 % | -2.0 % | |
| Tanzania | 19 | 0 | 19 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 30.0 % | 12.0 % | |
| Senegal | 16 | 0 | 16 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 30.0 % | 10.8 % | |
| Uganda | 14 | 0 | 14 | -4 | 0 | -1 | 0 | 0 | 0 | 0 | 30.0 % | 33.2 % | |
| Madagascar | 8 | 0 | 8 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 20.0 % | 11.4 % | |
| Puerto Rico | 8 | 0 | 8 | 8 | 3 | 3 | 0 | 0 | 0 | 1 | 37.5 % | 34.7 % | |
| Nigeria | 7 | 0 | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 30.0 % | -11.4 % | |
| Ghana | 5 | 0 | 5 | -5 | 0 | 0 | 0 | 0 | 0 | 0 | 25.0 % | 2.3 % | |
| Burundi | 3 | 0 | 3 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 30.0 % | 18.0 % | |
| Bahrain | 1 | 2 | 3 | -3 | 0 | 0 | 8 | 12 | 0 | 24 | 0.0 % | -15.8 % | |
| Ukraine | 3 | 0 | 3 | 0 | 0 | 0 | 2 | 1 | 0 | 42 | 18.0 % | 52.4 % | |
| Tunisia | 1 | 1 | 2 | 1 | 0 | 0 | 1 | 5 | 0 | 64 | 15.0 % | 15.3 % | |
| Oman | 2 | 0 | 2 | 0 | 0 | 0 | 0 | -1 | 0 | 17 | 15.0 % | -32.7 % | |
| Chile | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 24 | 27.0 % | 22.2 % | |
| Botswana | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 22.0 % | 14275.0 % | |
| Andorra | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 % | 0.0 % | |
| Cyprus | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9 | 12.5 % | 0.0 % | |
| Namibia | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 32.0 % | -191.1 % | |
| Guernsey | 0 | 0 | 0 | 0 | 0 | 0 | 2 | -2 | 0 | 0 | 0.0 % | 0.0 % | |
| Pakistan | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 29.0 % | 0.0 % | |

# 04.5 Tax transparency

## Detail of country-by-country reporting 2023 continued

in mn of euros

| Countries | Revenues Unrelated party[1] | Revenues Related party[2] | Revenues Total[3] | Profit (Loss) Before Income Tax[4] | Income Tax Paid[5] | Income Tax Accrued[6] | Stated Capital[7] | Accumulated Earnings[8] | Tangible Assets[9] | Number of Employees[10] | Expected Income Tax Rate[11] | Effective Income Tax Rate[12] | Comment reference[13] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cayman Islands | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 % | 0.0 % | |
| Guam | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 21.0 % | 0.0 % | |
| **Total** | **108,749** | **33,843** | **142,592** | **11,506** | **3,031** | **2,619** | **530,017** | **113,277** | **31,491** | **146,915** | | **22.8 %** | |

1 Unrelated party revenues generated from transactions with independent parties.
2 Related party revenues generated from transactions with related (fully consolidated) parties.
3 Revenues total include insurance revenues, interest result, realized gains/losses, valuation result, net insurance finance result, fee and commission income, net result from investment contracts and other income according to the Group Income Statement. Since revenues also include net amounts, there can be negative amounts in some jurisdictions.
4 Profit (loss) before income tax includes intercompany transactions (except for dividends from constituent entities) and may include extraordinary income and expense items.
5 Income tax paid relates to taxes imposed on Allianz entities' income or profits (taxable income) paid in the relevant fiscal year including taxes withheld by other tax jurisdictions. It may also include payments related to prior periods.
6 Income taxes accrued are due on local taxable profits of the current accounting period. It is not decisive whether the tax has been paid.
7 Stated capital includes capital paid in and capital reserves.
8 Accumulated earnings are the sum of an entity's profits after dividend payments since the entity's inception.
9 Tangible assets include IFRS book values of the tangible assets not including cash or cash equivalents, intangible assets or financial assets.
10 Employees include employees on a full-time equivalent basis.
11 Expected income tax rate is the country specific income tax rate (local taxes are basically included).
12 Effective income tax rate is calculated by dividing the income taxes accrued by the profit before income taxes.
13 Provided for countries with profit/loss before income taxes > absolut EUR 100 million and deviation between expected and effective tax rate of more than 3 %p. Please note that the effective income tax rate is strongly influenced in case the profit before income taxes is rather low compared to the absolute effects.

# 04.5 Tax transparency

## Comments reference

a) Higher tax rate: deferred taxes on tax losses (benefit) and deferred taxes on temporary differences (benefit) not included for CbCR; tax exempted loss from sale of fully consolidated participations; partly offset by benefits from tax deductibility of allocations to policyholder participation reserves.

b) Lower tax rate: deferred taxes on tax losses (expense) not included for CbCR; benefits from windfarm investment/low income housing tax credits.

c) Higher tax rate: deferred taxes on temporary differences (benefit) not included for CbCR partly offset by tax benefits from tax deductible merger loss.

d) Lower tax rate: deferred taxes on temporary differences (expense) not included for CbCR.

e) Higher tax rate: deferred taxes on temporary differences (benefit) not included for CbCR.

f) Lower tax rate: beneficial tax regime for mixed company.

g) Lower tax rate: deferred taxes on temporary differences (expense) not included for CbCR.

h) Higher tax rate: deferred taxes on temporary differences (benefit) not included for CbCR.

i) Lower tax rate: tax exempted gain from internal sale of fully consolidated participation.

j) Higher tax rate: deferred taxes on temporary differences (benefit) not included for CbCR; non taxable hyperinflation adjustments.

k) Lower tax rate: deferred taxes on temporary differences (expense) not included for CbCR.

l) Higher tax rate (pre-tax loss): deferred taxes on tax losses (benefit) and deferred taxes on temporary differences (benefit) not included for CbCR.

m) Lower tax rate: deferred taxes on temporary differences (expense) not included for CbCR.

n) Lower tax rate: deferred taxes on temporary differences (expense) not included for CbCR.

o) Lower tax rate: deferred taxes on temporary differences (expense) not included for CbCR; benefits from lower taxed investment income.

p) Lower tax rate: lower taxed investment income.

q) Higher tax rate: expenses from non-taxable hyperinflation adjustments; expenses from additional local income taxes.

r) Higher tax rate (pre-tax loss): non deductible loss from sale of fully consolidated participation partly offset by deferred taxes on tax losses (expense) and temporary differences (expense) not included for CbCR.

s) Lower tax rate: deferred taxes on temporary differences (expense) not included for CbCR.

t) Lower tax rate: application of different tax rates.

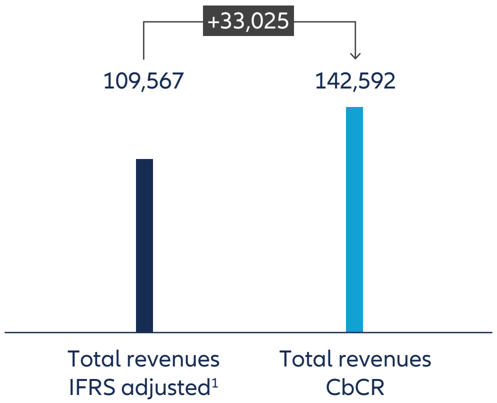
u) Higher tax rate: expenses from additional local income taxes.

# 04.5 Tax transparency

## 04.5.5 Reconciliations – IFRS to CbCR

In the following reconciliations from the IFRS Group figures to the CbCR figures for the Financial Year 2023 for all countries in total are provided with regard to the CbCR KPIs (in million euros): total revenues, profit before income taxes and income taxes accrued. Additionally, the main drivers for the respective differences are explained.

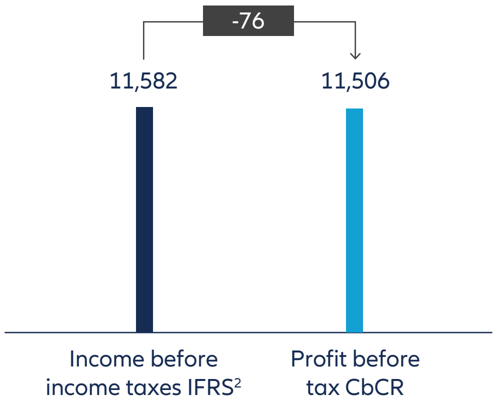
### Total revenues




The Group CbCR revenues are 33,025 million euros higher compared to Group IFRS total revenues especially due to the following reasons:

- Revenues from intercompany services are eliminated for IFRS Group but not for CbCR purposes.
- Gains and losses from the sale of assets and liabilities between Group entities are eliminated for IFRS Group but not for CbCR purposes.
- Gains and losses from external sales of Group entities are calculated for CbCR based on the results from a sale of a participation. For IFRS Group purposes the results are calculated based on the deconsolidated assets/liabilities of the sold participation.

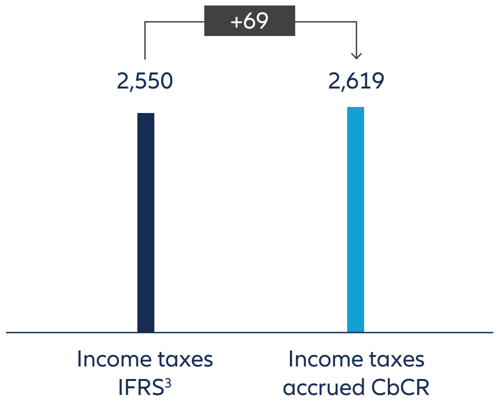
### Profit before income taxes (pbit)




The Group CbCR profit before income taxes is 76 million euros lower compared to IFRS Group especially due to the following reasons:

- Gains and losses from the sale of assets and liabilities between Group entities are eliminated for IFRS but not for CbCR purposes.
- Gains and losses from external sales of Group entities are calculated for CbCR based on the results from a sale of a participation. For IFRS Group purposes the results are calculated based on the deconsolidated assets/liabilities of the sold participation.

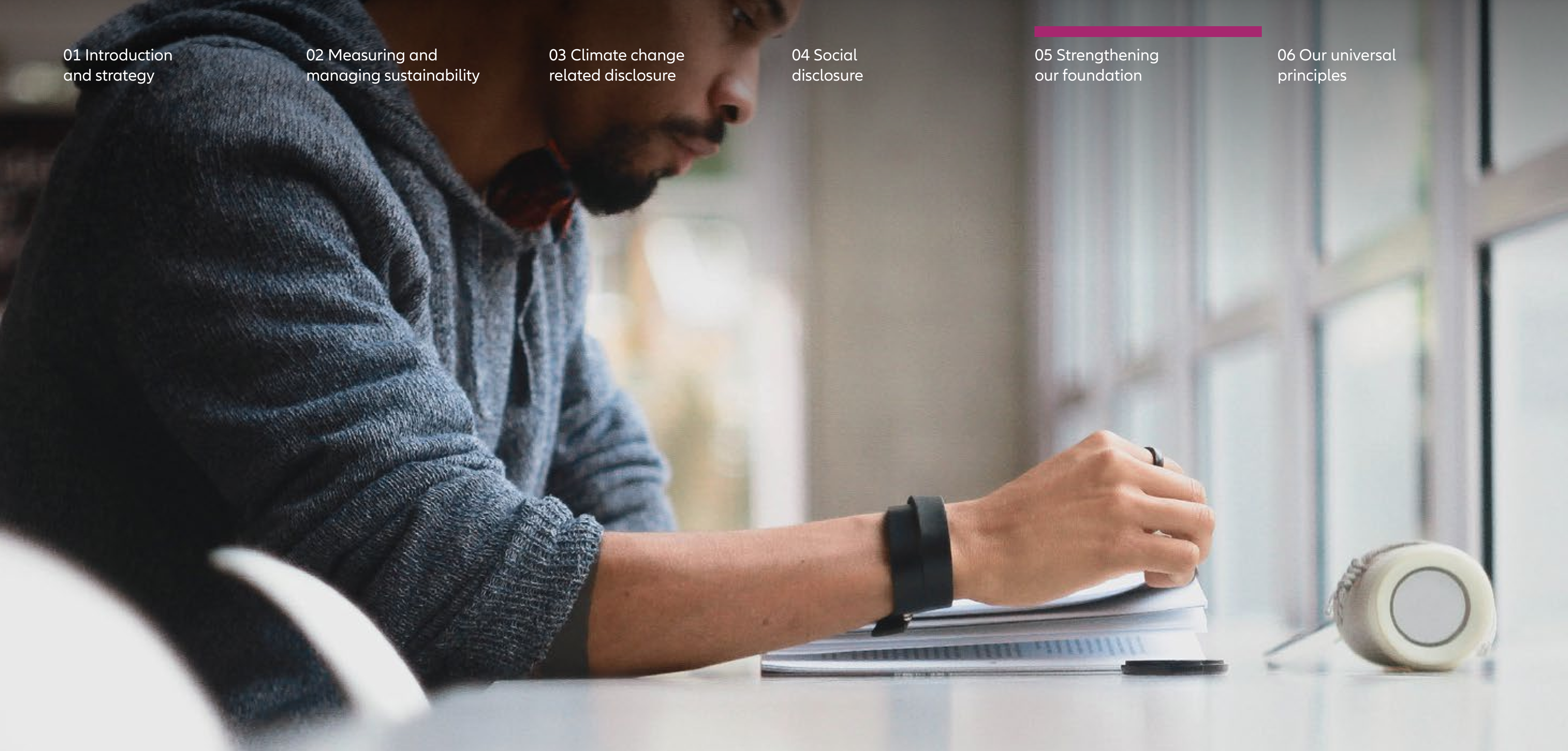
### Income taxes




The Group CbCR income taxes accrued are 69 million euros higher compared to IFRS Group income taxes especially due to the following reasons:

- IFRS includes deferred income taxes on temporary differences between the IFRS accounting value and the corresponding tax base of an asset/liability as well as deferred income taxes on tax loss carry forwards. CbCR does not include any deferred income taxes, but only current income taxes.
- IFRS includes current taxes related to the current fiscal year as well as current taxes related to previous years. For CbCR only current income taxes for the current year are taken into account.

1 Total revenues IFRS adjusted include insurance revenues, interest results, realized gains/losses, valuation result, fee and commission income, net results from investment contracts and other income.
2 Income before income taxes IFRS is the income before income taxes as shown in the IFRS Group Financial Statement within the Consolidated Income Statement.
3 Income taxes IFRS as shown as income taxes in the IFRS Group Financial Statement within the Consolidated Income Statement.



# 05 Strengthening our foundation

In this chapter, we discuss further approaches to integrate sustainability in the way we run our business in an ethical and responsible manner, and how we interact with stakeholders on topics that are important to them, as determined in our materiality assessment.

# 05.1 Cybersecurity

**The Allianz Risk Barometer 2023 continues to rank cyber risk as a major risk faced by companies, with 34 % of respondents globally highlighting it as a top risk. We are constantly evolving our solutions to enable more customers to manage the risks.**

Cyber risk is assessed and tracked as one of the top risks faced by Allianz. It is closely managed alongside key risk indicators covering security maturity, risk exposure and security operations across the Allianz Group, following Allianz's defined cyber risk management strategy.

### Managing cyber risk for our customers

Ransomware has become an increasing risk for businesses across all sectors. With no easy remedy in sight, the responsibility is on individual companies to invest in cybersecurity to make life harder for criminals to launch ransomware attacks. Companies that take steps now to prevent attacks and mitigate the impact will be far less likely to fall victim to cyber-attacks and will find it easier to secure required levels of cyber insurance. As insurers, we will continue to work with our clients, using a combination of policy and service improvements to help businesses understand the need to strengthen their controls.

## 05.1.1 Information security and cyber risk

Information security is the application of technologies, processes and controls to protect systems, networks, programs, devices and data from unauthorized access and against cyber-attacks. It also encompasses compliance with related regulatory requirements and raising employee awareness about these issues.

Our dedicated information security function aims to ensure the confidentiality, availability and integrity of information across Allianz Group. As a core business discipline, information security is managed globally through a robust and mature governance framework aligned with international standard ISO 27001.

Our approach is closely monitored by a dedicated Group Chief Information Security Officer (CISO) function and the Allianz Group Board of Management. An executive accountability regime supports the enforcement of the governance framework for all entities.

The Allianz Information Security governance framework comprises multiple layers of corporate rules and processes. An overall policy establishes core principles, roles and responsibilities and the organizational framework for information technology and information security within Allianz Group. More detailed functional rules provide further details and specific implementation guidelines for operating entities.

The functional rules are complemented by detailed descriptions of best practices to be followed across 16 defined topics to ensure the "secure by design" principle. Information security is regularly audited, both internally and externally, and regular training is provided across all layers of the organization.

### Managing cyber risk in our business

Cyber risk is assessed and tracked as one of the top risks faced by Allianz. It is closely managed alongside key risk indicators, covering security maturity, risk exposure and security operations across the Allianz Group, following the defined cyber risk management strategy.

Performance against these indicators is discussed, reviewed and reported quarterly to the Board of Management and Supervisory Board. Monitoring cyber incidents and measures to prevent them are implemented at a global level and supplemented locally, where required, together with the local Chief Information Security Officers (CISOs) that exist in all Allianz operating entities.

Actions to improve security controls are continuously evaluated and developed, with priorities assigned on a global, risk-based view that is informed by the current and expected threat landscape. Actions to achieve our cyber risk targets focus on five key risk areas: reducing the likelihood of incidents; increasing detection likelihood; reducing damage from incidents; streamlining compliance; and training/educating the organization to further improve security awareness.

All employees are required to participate in cyber-awareness training at least quarterly. These include activities like simulated phishing e-mails, awareness campaigns or regularly offered dedicated information security training.

We also participate in industry and global/regional initiatives to support the security of the overall internet ecosystem.

# 05.1 Cybersecurity

## 05.1.2 Data privacy

### Strengthening our global privacy framework

The Allianz Privacy Standard (APS) is our global standard for data privacy and the foundation of the Allianz Privacy Framework.

The APS is the highest policy document in the Allianz Privacy Framework. It defines rules and principles for collecting and processing personal data.

The standard sets out 10 privacy principles that all employees must respect, wherever they are in the world:

1. Due care.
2. Data quality (purpose limitation, data minimization and storage limitation).
3. Lawful basis (personal data is only processed if we have a lawful basis to do so).
4. Transparency and openness towards employees and customers on where personal data is stored and used.
5. Relationships with data processors (ensure organizations that process personal data on our behalf adhere to our privacy requirements).
6. Adequate protection of personal data when it is transferred.
7. Security and confidentiality (appropriate technical and organizational security safeguards are in place to protect personal data).
8. Timely reporting of personal data breaches.
9. Privacy by design and default.
10. Cooperation with data protection authorities.

In addition to the APS, our data protection authority has approved our Binding Corporate Rules (BCRs).

These allow Allianz Group companies to lawfully transfer personal data from within the European Economic Area to other jurisdictions, where it is required for business purposes.

We also publish a privacy notice that explains who we are, how we collect, share and use personal data, and how individuals can exercise their privacy rights.

Our Group-wide privacy program continues to mature as we aim to provide services through our Digital by Default approach. The program includes embedding robust privacy controls and creating a privacy-focused culture by conducting Privacy Impact Assessments (PIAs), data ethics assessments, monitoring activities, and applying our Allianz Digital Privacy Guidelines.

This builds on the Allianz Privacy Framework, which provides:

- a global standard for data privacy (the APS);
- a privacy impact assessment and risk management process;
- integration with information security core functions;
- data privacy and protection monitoring activities; and
- training for employees on the appropriate processing of personal data belonging to customers, employees and other stakeholders.

In committing to the highest standards of data protection, we believe the maintenance of a state-of-the-art privacy program needs to be supported by diligent and continuous monitoring and assurance activities.

We monitor privacy governance activities and processes across our operating entities through a process that includes site visits, reviews of program documents, interviews and expert challenge calls.

Through privacy reviews, every operating entity, global line and regional office is required to undergo a rigorous examination of the design, implementation and effectiveness of its local privacy program and related process and controls.

The frequency of these reviews is determined based on risk, but they are carried out no less than once every five years.

As of the end of 2023, we had conducted 22 privacy reviews, including joint reviews with information security and peer Data Protection Officers (DPOs). For comparison, 16 and 14 reviews were undertaken in 2022 and 2021 respectively.

Privacy deficiencies and audit findings are tracked in a global database and, if necessary, escalated to top management to ensure timely remediation. In 2023, we completed the last year of our five-year privacy review cycle. The reports show that the maturity of our privacy control environment has significantly increased during this review cycle. We also identified common areas for improvement across operating entities, such as the necessity to have privacy embedded in the business functions and the quality of our Record of Processing Activities (RoPA). This helped us determine our targets and key actions for the following years, such as the appointment and training of Privacy Champions and the annual reassessment and in-depth review of our RoPAs.

# 05.1 Cybersecurity

As we begin the next privacy review cycle, ongoing monitoring remains essential for testing and strengthening the design and effectiveness of our privacy requirements.

## Our actions in 2023

The Allianz privacy strategy and framework enable our businesses to maintain the trust and confidence of customers, employees and other stakeholders in our handling of personal data.

Protecting personal data and maintaining trust in our processes are key priorities. Our customers, employees and other stakeholders expect their personal data to be treated with the utmost care, and we take this responsibility extremely seriously.

Allianz is committed to the highest standards of data protection and privacy compliance by handling personal data responsibly, transparently, with due care and in a fair and lawful manner. We use it only for specified and legitimate purposes, keep it for as long as is needed and never share it with anyone who is not authorized to access it.

We strive to communicate honestly and openly about actions that involve the personal data we process. Data protection is integrated into the design of our products ("Privacy by Design") and we take appropriate steps to protect personal data and keep it secure.

We also cooperate closely with other stakeholders involved in the updating and modernization of European privacy legislation, including industry associations, members of parliament and authorities.

Our 2023 focus continued to be on automating data privacy within our organization, enhancing the Privacy Monitoring and Assurance Program (PMAP) and embedding privacy through our network of the privacy champions.

Key actions in 2023 included:

- In addition to our annual reassessment process, we performed an in-depth review to ensure Record of Processing Activities (RoPA) and Privacy Impact Assessments (PIAs) are accurate and kept up-to-date.
- We increased the number of privacy reviews by 37 % compared with 2022.
- 230 and 408 Privacy Champions attended a dedicated training developed by Group Privacy on their roles and responsibilities in 2023 and 2022 respectively. Privacy Champions act as the communications channel between the business functions and data privacy and support the business function with privacy-related topics and data protection compliance. They act as the first line of defence and have a deep understanding of their functional area and use of personal data by function.
- We successfully attained the TÜV data protection certification for sale of property & casualty, life and health products and for the job applicant process in Germany.

## Privacy risk management

We identify and manage privacy risks at the operational process level to ensure they are measured, monitored and mitigated across our core businesses.

PIAs of processes that use personal data, such as customer health data and employee data, enable the early identification of risks and ensure they are managed appropriately. In 2023, our operating entities were required to conduct a self-assessment on the completeness and quality of their RoPA and PIAs. Group Privacy followed up this activity with sample-based targeted reviews of selected RoPA and PIAs for 21 operating entities. Any identified deficiencies are currently being remediated.

We are also committed to ensuring that adequate and effective controls are in place to address data privacy risks associated with the processing of personal data by external suppliers on behalf of Allianz.

Following the Data Protection Commissioner vs Facebook Ireland Limited, Maximillian Schrems ("Schrems II") decision, we have undertaken case-by-case Transfer Impact Assessments (TIA) for processes that transfer personal data from the European Economic Area (EEA) to suppliers in third countries.

In 2022, we designed a TIA template for our privacy management platform.

The TIA template was rolled out to all our operating entities in the EEA to ensure such assessments are conducted in a consistent, semi-automated way.

This does not replace existing compliance requirements under the APS to conduct PIAs. Rather, the TIA template is a tool to supplement existing data privacy compliance efforts and help operating entities ensure an adequate level of data protection is maintained when personal data is transferred.

# 05.1 Cybersecurity

### Employee training

Our employees play a critical role in upholding our commitment to protect personal data.

To ensure they have the knowledge to properly use and safeguard personal data, we continue to develop our robust privacy training program. This includes annual online training and awareness activities for all employees, as well as tailored training for employees with privacy management responsibilities, and for our Privacy Champions.

All employees are required to complete annual privacy training that covers the Allianz Privacy Framework requirements in detail and ensures a solid foundational understanding of core privacy concepts and the proper handling of personal data. In 2023, we added online training on the compliant use of instant messenger applications to our curriculum.

The purpose of this training is to increase awareness of our internal rules regarding the use of instant messengers for business communication, as the use of instant messengers poses data retention issues and data privacy concerns.

Ongoing awareness activities (panels and events) and communication campaigns (bi-monthly newsletter, intranet videos and articles) provide guidance on ad hoc topics, such as how to work securely and be privacy-compliant in a hybrid environment.

Five-day “Privacy Expert” training is focused on providing data protection Professionals and data protection Officers with the practical knowledge to effectively conduct their day-to-day activities.

For Privacy Champions, two-day Privacy Champion Training is focused on practical knowledge and exercises, helping those in the role to ensure data protection compliance within the business.

## 05.1.3 Data ethics

Allianz values data as a key asset and strives to position itself as a leading player in leveraging data in the most compliant and ethical way, both as an insurer and investor. Our activities in the areas of data ethics and AI respond to increasing regulatory initiatives and public debate on related topics to strengthen the internal governance framework for AI and position Allianz in the regulatory field.

We strive for responsible use of Artificial Intelligence (AI) in our business activities based on a strong AI governance framework. This includes ensuring a human-centric approach in our use of AI systems. Human control becomes even more crucial when using generative AI solutions. We have specifically addressed this in our overall AI governance framework.

Ensuring compliance with current and upcoming regulations and embedding best practices in anticipation of regulatory change are also high priorities for our data ethics activities.

At E.U. level, relevant legislation includes the GDPR and the upcoming AI Act, which could significantly broaden the scope of regulation. By working across functions – especially between Group Privacy and Group Data Analytics – to ensure the compliant, technically feasible implementation of regulatory requirements, it is possible to achieve both privacy and ethics by design.

We aim to communicate effectively on data ethics topics, especially our Allianz AI Governance approach, and how Allianz safeguards customers’ rights and interests.

Our aim is to maintain stakeholder trust and position Allianz as a leader in conducting data-driven business in a trustworthy and ethical manner. This includes elevating data ethics and selected data and analytics-related topics in the governance and decision-making processes of the Allianz Group.

### Our actions in 2023

Following its establishment in 2021, the Data Advisory Board (DAB) has continued its work to elevate and integrate data ethics into governance and decision-making, as well as supporting both the positioning of Allianz as a leading insurer and investor in the data ethics space and wider sustainability efforts.

In 2023, the DAB monitored the final implementation of the Allianz Practical Guidance for AI in OEs that are members of the Renewal Agenda Committee. In these OEs, Privacy and Ethics Impact Assessments were established to identify and address AI-specific risk through the determination of the appropriate level of human involvement.

# 05.1 Cybersecurity

Emerging risks regarding generative AI have been addressed by dedicated guidelines created as part of the further development of the Allianz Practical Guidance for AI.

In addition, training led by Group Privacy and Group Data Analytics has been extended to target a broader employee base, as well as employees who develop and/or use AI in applicable OEs. Additional training for generative AI has been introduced.

With these measures, data scientists, business and control functions dealing with AI solutions are supported to embed "Ethics by Design" in our organization and to oversee AI-related challenges and risks.

## 05.1.4 Cyber risk

### Developing new insurance solutions to manage cyber risks

Allianz Global Corporate & Specialty (AGCS) aims to protect organizations around the world against cybercrime and digital threats. The risks it covers include first-party losses (e.g., business interruption, restoration and crisis communications) and third-party losses (e.g., data breaches, network interruption and notification expenses).

Over the course of last year, AGCS has conducted a comprehensive market review and tender process with our external risk-scanning partners. This was to ensure we are using the most thorough and accurate tool to review and to help manage our clients' cyber exposure.

This is never a "set and forget" process and we are always looking to improve our approach. The cyber underwriting strategy, which has been implemented to address exposures to cyber risks, is reviewed at least annually. We continue our efforts to ensure relevant policies are updated and clarified in response to cyber risks.

Cyber insurance offers much more than just compensation for potential financial losses. It also includes valuable prevention and incident response services that enable companies to improve their cyber resilience and mitigate negative impacts after an incident. AGCS's expert consultants also support customers to recover from an incident and ensure the proper disclosure of a privacy incident to regulatory bodies and customers.

**For more information about our approach to insurance cyber risks see our website.**

# 05.2 Compliance

Table COM-1

## Compliance data – anti-corruption[1]

| As of December 31 | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Number of incidents of corruption confirmed[2] | # | 0 | 0 | 0 |

Table COM-2

## Anti-corruption training completion ratio[3]

| As of December 31 | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| **Employee** | | | | |
| Germany | % | 97.2 | 92.1 | n.a. |
| Eastern Europe | % | 96.8 | 96.4 | n.a. |
| Rest of Western Europe | % | 91.7 | 77.3 | n.a. |
| Middle East and Africa | % | 90.6 | 85.2 | n.a. |
| North America | % | 92.4 | 98.9 | n.a. |
| South America | % | 94.6 | 91.5 | n.a. |
| Asia Pacific | % | 95.1 | 82.3 | n.a. |
| **Board Member** | | | | |
| Germany | % | 96.2 | 88.2 | n.a. |
| Eastern Europe | % | 100.0 | 96.2 | n.a. |
| Rest of Western Europe | % | 93.0 | 83.1 | n.a. |
| Middle East and Africa | % | 100.0 | 90.0 | n.a. |
| North America | % | 100.0 | 100.0 | n.a. |
| South America | % | 96.2 | 95.6 | n.a. |
| Asia Pacific | % | 97.9 | 99.5 | n.a. |

1 Data disclosed since 2021.
2 In line with WEF requirements, the KPI includes the number of material violations of corruption laws or corresponding official proceedings reported to Group that would have been required to be disclosed to Allianz Group's Audit Committee.
3 The reported ratios are calculated from data delivered from Allianz's operating entities. The data also includes the rollout out of trainings close to the 2023 year-end, even though attendance may not occur until the following year.

# 94 %

**Completion ratio of anti-corruption training for employees**

The completion ratio of anti-corruption training in line with World Economic Forum (WEF) requirements is calculated as the number of employees/Board members of Allianz Group companies that completed the training versus the number of enrolled employees/Board members in the fiscal year 2023.
The KPI is calculated per region as defined by Allianz.

# 96 %

**Completion ratio of anti-corruption training for Board members**

# 0

**Number of anti-corruption cases**

The KPI in line with WEF requirements includes the number of material violations of corruption laws or corresponding official proceedings reported to Group that would have been required to be disclosed to Allianz Group's Audit Committee.

# 05.2 Compliance

**Our success is built on the trust that our customers, investors, employees and the public have in our performance and integrity. This depends on the personal ethical conduct and capability of all Allianz management and employees and their aim to create value for all stakeholders.**

Allianz fosters a corporate culture of individual and collective responsibility for ethical conduct and adherence to the rules. We act with integrity and are committed to complying with laws, regulations and other external rules that govern our operations.

The Allianz Compliance function facilitates this culture by:

- **enabling employees** to understand and live by the rules, and overseeing adequate and effective processes are in place to ensure adherence;
- **supporting the business** to identify, assess and mitigate compliance risks;
- **maintaining a confidential channel** to report concerns, act on them and protect those who speak up in good faith; and
- **interacting transparently** and truthfully with regulators.

## Allianz Group Code of Conduct

The Allianz Group Code of Conduct (CoC) is at the core of our corporate culture. It outlines the basic principles and values that guide the everyday decisions and conduct of all employees. The current version of the CoC was approved by the Allianz SE Board of Management in 2020. New joiners at Allianz are informed of their obligation to adhere to the CoC. The key principles addressed by the CoC and the accompanying training are mutual respect, integrity, transparency and responsibility. The CoC expresses Allianz's commitment to respecting the U.N. Guiding Principles on Business and Human Rights, which provide a framework for responsible business operations and activities. Allianz has been a participant in the U.N. Global Compact (UNGC) – which covers human rights, labor standards, environmental protection and anti-corruption – since 2002.

> **For further information about our commitment to human rights, see section 04.2.**

## Zero tolerance of fraud and corruption

Allianz has zero tolerance of fraud. We are committed to complying with all applicable anti-fraud, anti-bribery and anti-corruption laws and regulations in all jurisdictions in which we operate.

Zero tolerance applies, regardless of who benefits from the fraud – Allianz itself, another internal party (employee, tied agent, intermediary) or any third parties acting on behalf of Allianz. To protect against fraud, we will take prompt and appropriate action, where necessary – against employees, others acting on behalf of Allianz or third parties. This includes appropriately protecting customer and third-party data.

Similarly, Allianz does not tolerate bribery and corruption. Employees are strictly prohibited from directly or indirectly offering, requesting, accepting, providing, paying, soliciting, promising, authorizing or receiving anything of value (anything monetary or non-monetary that provides a benefit of any kind) to or from any public official or anyone in the private sector to obtain or retain business or gain an improper personal or business advantage.

Anti-corruption training must be provided at least once every three years to all employees.

## Anti-money laundering

We follow international standards and applicable laws related to money laundering and terrorism financing.

Allianz regularly assesses the obligations of all operating entities under applicable Anti-Money Laundering (AML) laws.

Each relevant entity must define a reasonable AML program framework that describes the AML program, and documents and describes the processes, procedures and controls that it will use to execute the internal safeguards, as outlined in the Allianz Standard for the Prevention of Financial Crime and Functional Rule.

At a minimum, the AML program framework usually includes rules regarding the following:

- Scope of application of AML law.
- AML risk assessment.
- Customer due diligence and transaction monitoring.
- Reporting requirements for suspicious activity.
- Communication, training and awareness.
- Record retention and protection of personal data.
- Reliability screening of employees.
- Ensuring continued effectiveness of the AML program.
- Ensuring appropriate measures to prevent the abuse of new products and technologies.
- Information-sharing (Group-wide if applicable).

# 05.2 Compliance

- Management Information (MI).
- Responsibilities and organizational obligations.

### Respecting economic sanctions and embargoes

Allianz is strongly committed to conducting business in full compliance and accordance with all applicable national and international laws and sanction regulations. It applies a robust review process for all transactions relating to sanctioned countries, entities and individuals. This process considers relevant risks, including legal and financial risks.

We take all reasonable steps to identify and mitigate sanctions risks relevant to the business, including risks arising under local law, as well as under foreign law. Allianz identifies and addresses financial sanctions risks by using financial sanctions screening tools. All operating entities must, at a minimum, use the sanctions lists issued by the European Union, United Nations, the U.S. Office of Foreign Assets Control, the U.S. Bureau of International Security and Non-Proliferation, the U.S. Department of State, the U.S. Treasury and the United Kingdom's HM Treasury, in addition to all other locally and regionally applicable lists.

Allianz maintains appropriate, risk-based processes to identify, mitigate and manage the trade sanctions risk posed by specific transactions, and respects the trade sanctions restrictions imposed under the laws applicable to the businesses. Our trade sanctions review processes include identifying, analysing and taking appropriate actions in respect of any payments or transactions relating to a sanctioned country. This includes contractual arrangements, financial services or any type of insurance business, amendments, extensions or renewals.

### Fair competition

We believe fair competition and access to the market drives innovation, stimulates growth and benefits the consumer. As a global player and a leading provider in our sector, we have a special responsibility to act in compliance with competition law. To meet this responsibility, we have developed and implemented the global Allianz Antitrust Program, which consists of the Allianz Antitrust Standard and the Antitrust Code.

The standard lays out the core principles and measures to be adopted across the Group to ensure compliance with antitrust law. It provides a set of core behavioral rules that employees must observe when dealing with competitors, customers and business partners. As in previous years, in 2023 we provided regular classroom and online training to top management and exposed employees to refresh and develop their understanding of antitrust rules and how they affect their daily business.

Feedback on the training content, including in the context of sustainability initiatives (e.g., on specific associations or on public statements within the ESG space), shows the positive impact and efficacy of this training.

### Voicing concerns

Employees are encouraged to report concerns and have multiple channels for doing so. These include via management, speaking directly with Group Compliance, by e-mail, and anonymously via a third-party solution provided by Business Keeper GmbH, which is accessible via the intranet.

The same tool is also accessible to external parties via **Allianz.com**. Some operating entities provide employees with the option to report via an ombudsman.

All reported incidents are assessed, documented and managed according to internal guidelines and with strict confidentiality. The Allianz Group has specific procedures in place to ensure that no retaliation measures are taken against whistleblowers, reflecting our commitment to enable a healthy SpeakUp culture within the company. Retaliation measures in any form are not accepted.

Group Compliance runs an annual awareness campaign to remind employees of the avenues available for reporting.

### Our actions in 2023

In 2023, the Compliance function continued to evolve the way it assesses Group and local compliance departments.

To assess the compliance culture of operating entities, we historically focused on the local implementation of global programs, for example, sanctions, anti-fraud, anti-corruption and anti-money laundering. We have now expanded our review procedures to confirm adequate compliance scope, ensure adequate skills to meet the scope and to confirm compliance with global programs and to local specificities.

By evaluating the status of a compliance function within the enterprise, for example, whether it has a role/voice in major strategic and operational considerations, these changes reinforce compliance by default and by design mindset.

# 05.2 Compliance

This holistic approach was initiated in 2021 through the Compliance Assurance of Risks and Effectiveness (CARE) program. While CARE is a challenged self-assessment exercise, it is reinforced with compliance reviews of operating entities that are completed and coordinated by Group Compliance. Compliance reviews are completed on a risk-based, three-yearly cycle.

These reviews are aligned with the CARE program, so that operating entities are encouraged to exercise more rigor in the assessment of control effectiveness against the background of anticipated confirmation activities.

Group Compliance is itself subject to external independent evaluation by one of the four largest accounting firms. It is evaluated based on CARE-elaborated criteria that have been certified as compliant with regulations that define requirements for compliance organizations.

Compliance reviews are supplemented by targeted reviews, which assess the implementation status and effectiveness of individual programs, such as antitrust or sales compliance.

This multi-faceted review and confirmation strategy has several benefits. First, operating entities are monitored more frequently and are engaged in more holistic assurance activities. Second, frequent interactions with operating entities provide additional opportunities to monitor, guide, and if necessary, enforce remedial activities. Finally, people can learn from local and Group best practices, which further reinforces our compliance culture.

An online compliance management tool provides an overview of issues detected in the course of the above activities. Users are required to use the tool to report and document actions taken to mitigate and follow up on any issues identified.

# 05.3 Regulatory and public affairs

## Guiding principles of our regulatory work

We base our regulatory work on four guiding principles:

| Embracing regulation | Shared effort | Good input, better regulation | Best results for all |
|---|---|---|---|
| We realize the benefits of building our business with security and acknowledge the opportunity cost of bad regulation. | Good regulation requires shared effort by all those involved in designing, implementing and evaluating policy within a structured and open process. | Good regulation is about delivering benefits for all stakeholders, including citizens, businesses and society. | We provide industry knowledge and real-world data that supports solution-finding. |

**As a financial services company, we operate in a highly regulated environment. It is crucial that we stay up-to-date with changes in the regulatory and political landscape and help shape effective regulation by contributing our knowledge and expertise.**

Our Group Regulatory and Public Affairs (GRPA) department is the center of competence and the central coordinator for all regulatory and political management activities across the Allianz Group. GRPA is based at Allianz's headquarters in Munich, with field offices in Berlin and Brussels. Its purpose is to enable Allianz to navigate and help shape the regulatory and political environment.

To keep abreast of regulatory changes, GRPA maintains a sound fact base of potential policy actions and likely outcomes.

It advises management to ensure that the impacts of regulatory and political developments are accounted for in the Group's strategy and business activities.

GRPA also supports local Allianz companies with regard to regulatory and political strategy, such as the interpretation and handling of upcoming regulations, and by sharing best practices and coordinating regulatory and political topics within the Group.

In our engagement with regulators and policymakers, we adhere to the Allianz Code of Conduct.

## Our engagements in 2023

Our engagements with regulators and policymakers in 2023 largely focused on the E.U. and included the following topics:

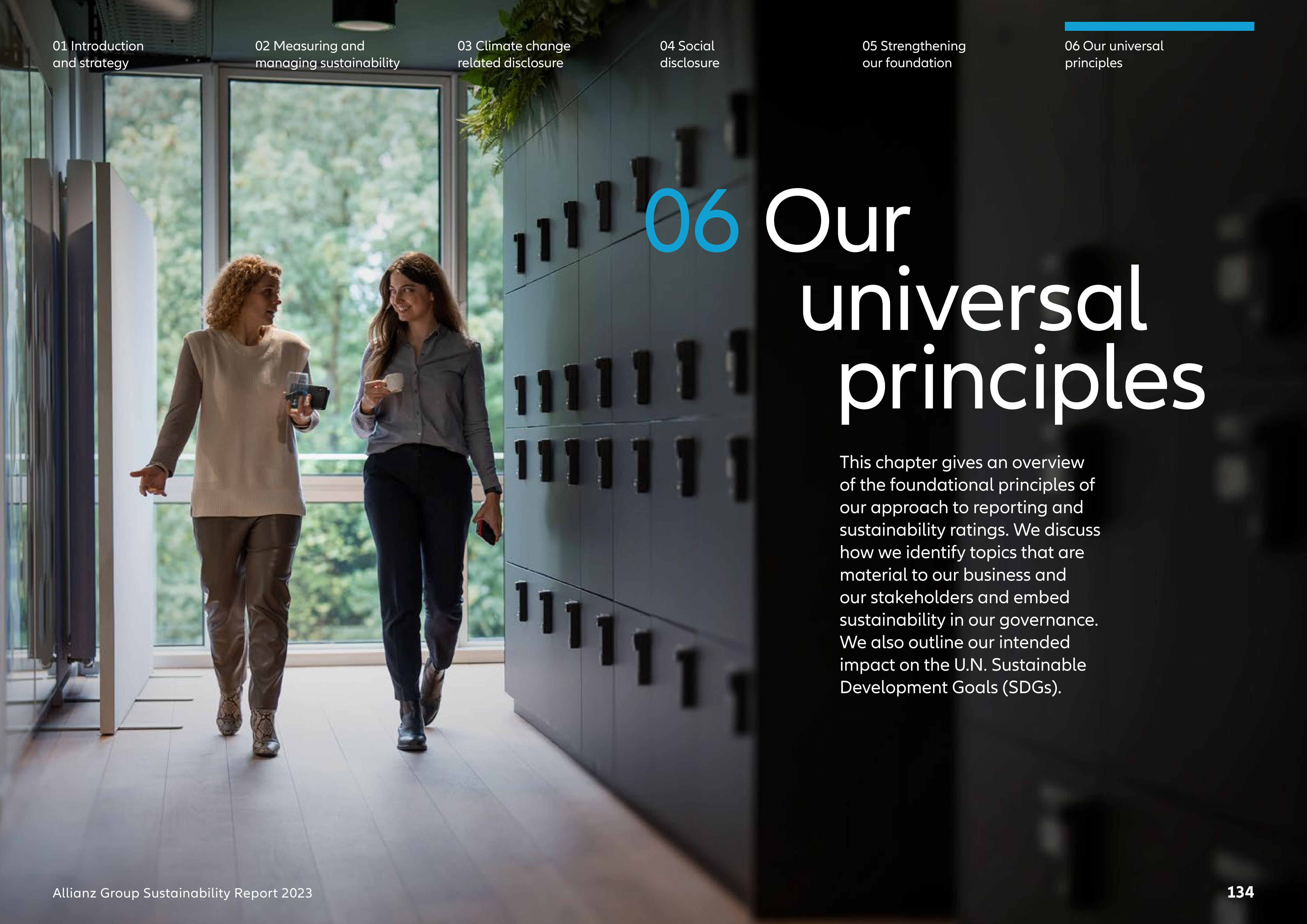
**Sustainable finance regulation:** Taxonomy Regulation; Sustainability Reporting & Disclosure legislation; Corporate Sustainability Due Diligence Directive.

**Prudential regulation:** Solvency II Review; Insurance Recovery and Resolution Directive; Insurance Capital Standard.

**Digital regulation:** Artificial Intelligence Act, Digital Operational Resilience Act (DORA); Financial Data Access (FiDA) Framework.

**Conduct regulation:** Retail Investment Strategy; Differential Pricing Practices Supervisory Statement.

**Public-private cooperation:** Promoting Blended Finance; Supporting the Financing of the Green and Digital Transitions.



# 06 Our universal principles

This chapter gives an overview of the foundational principles of our approach to reporting and sustainability ratings. We discuss how we identify topics that are material to our business and our stakeholders and embed sustainability in our governance. We also outline our intended impact on the U.N. Sustainable Development Goals (SDGs).

# 06.1 Target and objectives

## 06.1.1 Target and achievement tables

### Sustainability-related targets linked to the remuneration of the Board of Management

| Our Targets | | Board Targets 2023 | Achievements 2023 | Board Targets 2024 | More details in the chapter of the Annual Report |
|---|---|---|---|---|---|
| Overarching | | Achieve strong sustainability position (top performance in DJSI, MSCI) | DJSI/ S&P Global CSA[1]: 3rd MSCI[2]: AA | Achieve strong sustainability position (top performance in DJSI, MSCI) | Corporate sustainability governance and strategy |
| | | Ensure sustainable solutions in proprietary investments and products | Sustainable investments scope grew with the addition of sub-sovereigns, active increase, market value growth and further scope expansion; framework for sustainable Life savings products established and growth plan for Sustainable Insurance Solutions in Property-Casualty developed | Ensure sustainable solutions in proprietary investments and products | Environmental matters and EU Taxonomy Regulation |
| | | Define positioning on Social in line with Allianz purpose focusing on Sustainable Development Goal 8 (SDG 8) | Social positioning defined with focus on societal resilience, (financial-) education and employability, including Lifelong Learning | n.a. | Social matters |
| Environmental | Decarbonization | 50 % reduction of GHG (greenhouse gas) emissions per employee from Operations by 2023 (vs 2019) and 100 % renewable electricity (RE) as share of total electricity consumption in 2023 | GHG emissions from Operations reduced (-62 %) and renewable electricity share increased to 100 %[3] | Follow through on the transition plan to reach the net-zero commitments from our business and operations | Environmental matters |
| | | Follow through on net-zero ambition, in particular in line with our Net-Zero Alliances commitments | GHG emissions from Proprietary Investments reduced ahead of target (exceeding 40 %); Additionally, Allianz Net-Zero Transition Plan published, including 2030 targets for Proprietary investments, Property-Casualty and Operations | | Environmental matters |

1 Top 5 of assessed companies, which are DJSI eligible at industry level; 3rd highest score among the insurance industry with 82/100 – score date 31 December 2023.
2 The use by Allianz of any MSCI ESG research LLC or its affiliates ('MSCI') data, and the use of MSCI logos, trademarks, service marks or index names herein, does not constitute a sponsorship, endorsement, recommendation, or promotion of Allianz by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided as-is and without warranty. MSCI names and logos are trademarks or service marks of MSCI.
3 For more details about the sources of the renewable electricity, please refer to chapter Energy consumption & mix.

# 06.1.1 Target and achievement tables

## Sustainability-related targets linked to the remuneration of the Board of Management

| Our Targets | | Board Targets 2023 | Achievements 2023 | Board Targets 2024 | More details in the chapter of the Annual Report |
|---|---|---|---|---|---|
| Social | Customer Loyalty | Digital Net Promoter Score (dNPS) development against previous year and overall ambition level | Achieved 59 % Loyalty Leaders across all business segments[1] | Digital Net Promoter Score (dNPS) development against previous year and overall ambition level | Responsible consumer/sales |
| | Employee Engagement | Inclusive Meritocracy Index (IMIX) and Work Well Index+ (WWI +) development against previous year and overall ambition level | IMIX: 81 % (2022: 79 %)<br>WWI +: 76 % (2022: 71 %) | Inclusive Meritocracy Index (IMIX) and Work Well Index+ (WWI +) development against previous year and overall ambition level | Employee matters |
| | Employability & Lifelong Learning | n.a. | n.a. | Ensure Lifelong Learning | Employee matters |
| Governance | | Leadership Contribution with particular focus on Allianz People Attributes (Customer & Market Excellence, Collaborative Leadership, Entrepreneurship and Trust) | All board members fully meet leadership standards and requirements based on the evaluation of extensive 360 degree feedback (incl. peers, reporting lines and other personnel) | Leadership Contribution with particular focus on Allianz People Attributes (Customer & Market Excellence, Collaborative Leadership, Entrepreneurship and Trust) | Employee matters |

## Sustainability in our organization

### Objectives and actions: human rights matters

| Topic | Objectives | Progress and actions 2023 | Reference |
|---|---|---|---|
| Human rights | Allianz aims to identify, prevent, mitigate or remediate adverse human rights impacts linked to our business activities and operations, including our supply chain | Implemented risk management system in own operations and supply chains worldwide, as required by the German Supply Chain Due Diligence Act | Details in the Allianz SE Policy Statement on Human Rights and chapter 04.2 Sustainability Report, section “Human rights matters” NFS |
| | | In our business activities, we continued due diligence to screen and assess insurance and investment transactions for human right concerns. | Details in the Sustainability Integration Framework and chapter 04.1 Sustainability Report, section “Human rights matters” NFS |

1 Loyalty Leadership is a category within dNPS describing the performance of Allianz versus the rest of market at a local level. Loyalty Leadership is the best of four categories in the rating systematic (Below Market / At Market / Above Market / Loyalty Leader).

# 06.1.2 Objective and action tables

## Sustainability in our organization continued

### Objectives and actions: Own operations

| Topic | Objectives | Progress and actions 2023 | Reference |
|---|---|---|---|
| GHG emissions | Reduce GHG emissions per employee by 50 % by year-end 2025 compared to 2019 within Allianz Group | Achieved a reduction of 62 % in 2023 (2022: 57 %) compared to 2019 within Allianz Group | For further insight into our GHG emissions, please refer to section 03.1.6 and tables Greenhouse gas emissions and Greenhouse gas emission targets |
| Travel GHG emissions | Reduce GHG emissions from business travel by 40 % per employee compared to 2019 by year-end 2025 within Allianz Group | Achieved a reduction of 44 % in 2023 (2022: 47 %) compared to 2019 within Allianz Group | For further insight into our GHG emissions, please refer to section 03.1.6 and tables Greenhouse gas emissions and Greenhouse gas emission targets |
| Electrification of corporate fleet | Electrify the corporate fleet by 2030 | As of 2023, 22 % of the corporate fleet was electrified (2022: 11 %) | For further insight into our measures for our corporate fleet, please refer to section 03.1.6 |
| Renewable electricity | Achieve 100 % renewable electricity for all office buildings and data centers by 2023 within Allianz Group | Achieved 100 % renewable electricity in 2023 (2022: 89 %) for all office buildings and data centers within Allianz Group | For further insight into our electricity consumption, please refer to section 03.1.6 and table Renewable Electricity |
| Energy consumption | Reduce energy consumption from office buildings per employee by 20 % by year-end 2025 compared to 2019 within Allianz Group | Achieved a reduction of 47 % in 2023 (2022: 32 %) compared to 2019 within Allianz Group | For further insight into our energy consumption, please refer to section 03.1.6 and table Energy consumption and mix |
| Water consumption | Reduce water consumption by 10 % per employee compared to 2019 by year-end 2025 within Allianz Group | Achieved a reduction of 45 % in 2023 (2022: 39 %) compared to 2019 within Allianz Group | For further insight into our water consumption, please refer to section 03.2 and table ENV-7 |
| Waste consumption | Reduce waste generation by 10 % per employee compared to 2019 by year-end within Allianz Group | Achieved a reduction of 53 % in 2023 (2022: 48 %) compared to 2019 within Allianz Group | For further insight into our waste consumption, please refer to section 03.2 and table ENV-8 |
| Paper consumption | Reduce paper consumption by 20 % per policy compared to 2019 by year-end 2025 within Allianz Group | Achieved a reduction of 49 % in 2023 (2022: 43 %) compared to 2019 within Allianz Group | For further insight into our paper consumption, please refer to section 03.2 and table ENV-9 |

# 06.1.2 Objective and action tables

## Sustainability in our organization continued

### Objectives and actions: Societal impact

| Topic | Objectives | Progress and actions 2023 | Reference |
|---|---|---|---|
| **Corporate citizenship strategy** | Continue with the implementation of the new strategy and rolling out of the impact measurement framework | Integrated Social Impact Measurement Framework into data collection process to enhance input-output-outcome-impact (IOOI) reporting in support of local entities setting their ambitions and measuring the impact of Corporate Citizenship activities | For further insight into our long-term global partnerships, please refer to sections 01.4, 04.4 and 04.2. |
| **Corporate Citizenship activities** | • Continue to contribute to society through corporate giving and employee volunteering in alignment with our strategy<br>• Identify and launch activities that will be supported through the Allianz Social Impact Fund | Social Impact Fund supported 18 corporate citizenship programs led by operating entities (OEs) in partnership with NGOs in the delivery of social impact locally in alignment with global strategy | For further insight into our corporate citizenship activities, please refer to sections 01.4, 04.4 and 06.3. Also refer to our Non-Financial Statement, section Social matters, p. 79. |

# 06.1.2 Objective and action tables

## Strengthening our foundation

### Objectives and actions: Cybersecurity

| Topic | Objectives | Progress and actions 2023 | Reference |
|---|---|---|---|
| **Data privacy and data ethics** | • Ensure our Record of Processing Activities (RoPA) and Privacy Impact Assessments (PIAs) are accurate and kept up-to-date<br>• Deploy a rigorous training program for privacy professionals and Privacy Champions<br>• Monitor final implementation of the AI Practical Guidance in E.U. Renewal Agenda Committee (RACo) operating entities<br>• Develop guidance for generative AI usage | • A self-assessment on the completeness and quality of RoPA and PIAs was conducted by all OEs and followed up with sample-based targeted reviews of 21 OEs by Group data privacy<br>• Conducted 2 Privacy expert training and 4 Privacy Champion training, attended by 33 and 203 participants respectively<br>• Instituted a quarterly program to train relevant employees on the Practical Guidance for AI and Guidance for Generative AI<br>• Monitoring program and actions for final implementation of Practical Guidance for AI in E.U. RACo OEs | For further insight into data privacy and data ethics, please refer to section 05.1.2 and section 05.1.3. Also refer to our Non-Financial Statement, section Cybersecurity, p. 81–82. |

### Objectives and actions: Compliance/anti-corruption and bribery matters

| Topic | Objectives | Progress and actions 2023 | Reference |
|---|---|---|---|
| **Compliance** | • Continue to enhance the effectiveness of local compliance organizations by enriching our compliance reviews, to bolster further the governance and processes underlying compliance organizations across our OEs | • 2023 Compliance Review Plan executed | For further insight into our compliance, please refer to section 05.2 and tables COM-1; COM-2. |

# 06.1.2 Objective and action tables

## Climate related targets

### Objectives and actions: Climate change strategy

| Topic | Objectives | Progress and actions 2023 | Reference |
|---|---|---|---|
| **Phase out of coal-based business models** | • Fully phase-out coal-based business models across our proprietary investments and Property & Casualty (P&C) portfolios by 2040 at the latest, in line with the 1.5°C pathway<br>• Engage with companies in proprietary investment, as well as P&C portfolios to move away from coal | • Execution of guideline has been continued in 2023 | For further insight into our divestments, please refer to section 03.1 |
| **Transition away from oil and gas** | • Restrict specified oil and gas project investments and single-site P&C insurance as of 1 January 2023<br>• Set expectations to companies with largest oil and gas production to commit to net-zero GHG emissions across all emission scopes by 2050 by 1 January 2025 | • Guideline has come into full effect as of 1 January 2023. Engagements with key oil and gas companies started and conducted | For further insight into our transition away from oil and gas please refer to section 03 of this report |

# 06.2 How we report: Transparent reporting, ratings and performance

**Our ambition is to increase trust and transparency in all of our activities. We strive to reflect our values of integrity, competence and resilience in our sustainability reporting.**

We actively support the development of sustainability reporting standards globally, to streamline the reporting landscape and drive transparency and comparability of corporate reporting and performance worldwide.

Allianz currently bases its management approach and reporting on voluntary international standards and guidelines, such as the Global Reporting Initiative (GRI) and recognized sustainability indices. This report complies with the latest GRI standards.

We continually monitor developments in reporting standards and regulations, including initiatives by the European Commission (EC), the International Sustainability Standards Board (ISSB) and the World Economic Forum (WEF).

Our engagement aims to support the development of high quality reporting standards that are globally interoperable and consistent, as well as adequately meets stakeholders' information demands in a timely manner.

Allianz will be required to comply with CSRD regulations by the financial year 2024. To achieve this, a dedicated implementation project has been set up. We are moving toward compliance with the CSRD with our financial year 2023 reporting for climate change and Own workforce, in terms of anticipating the Act's structural, and many of its content requirements. For all material matters, disclosures in accordance with the CSRD will be fully covered as of financial year 2024 reporting. Going forward, the focus for Allianz will shift from Global Reporting Initiative (GRI) compliance towards CSRD compliance.

In addition, we support the establishment of a global baseline for sustainability reporting by the ISSB.

> **Details on our reporting standards, scope and materiality can be found in this section and section 06.6.**

**Our annual U.N. Global Compact (UNGC) Communication on Progress can be found on our website and the UNGC website.**

**Our GRI Content Index is available on our website.**

## Data and assurance

To assess the quality and reliability of our reporting, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) has conducted limited assurance reviews of our sustainability reports, processes and data since the 2016 reporting year, and since the 2021 reporting year for the tax-related content. In this reporting year, we are presenting our total tax contribution and country-by-country reporting, along with information about current tax topics as part of this report, and no longer as a separate report

> **For more details see section 04.5.**

Furthermore, we are publishing our Group Tax Strategy, for which PwC has conducted a limited assurance review, including a description of our responsible tax approach and the respective tax governance processes.

PwC undertakes regular onsite reviews of a sample of Allianz SE's operating entities, selected based on their impact on the Group's sustainability activities. Implementation of their recommendations is monitored by the Global Sustainability and Group accounting and reporting functions.

The Group Center functions, Group Disclosure Committee and our operating entities support the Allianz SE Board of Management to ensure that the Group Management Report and Sustainability Report, as well as our Non-Financial Statement, include a fair review of the development and performance of the business and the position of the Group. The Supervisory Board also reviews reports.

> **For more details see the 2023 Independent Practitioner's Report on a Limited Assurance Engagement on Sustainability Information (section 06.7).**

# 06.2 How we report: Transparent reporting, ratings and performance

## 06.2.1 Reporting parameters

The content of this report is focused on the key requirements of our stakeholders and sustainability rating and benchmarking providers.

The primary target audience are rating providers, analysts, investors and NGOs. The report also contains key insights for other stakeholder groups, such as customers and employees, and makes links to other documents that disclose our approach and report on progress.

### Material topics and aspects

Key topics included in this Sustainability Report were shaped by our 2021 materiality analysis, which satisfies the GRI principles for defining report content (accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability). The topics "climate change" (ESRS E1) and "own workforce" (ESRS S1) are strategic sustainability focus areas at the Allianz Group, supported by the GRI materiality assessment and confirmed by the CSRD Double Materiality Assessment (DMA).

**For further details about our CSRD Convergence Strategy, please see our Non-Financial Statement in our Group Annual Report, page 54–108.**

### World Economic Forum Stakeholder Capitalism Metrics

Since January 2021, Allianz has been one of the initial endorsing companies of the World Economic Forum (WEF) Stakeholder Capitalism Metrics. Drawn from existing standards, the metrics are reported on by all companies, regardless of industry or region.

We actively encourage our stakeholders and business partners to consider adopting the WEF metrics in their own reporting.

As part of our commitment to transparent and comparable reporting, we have included an overview of our disclosures based on the Stakeholder Capitalism Metrics in this report.

We have included additional indicators on pay equality, wage level and anti-corruption training.

We do not consider some metrics to be material for us as a financial services company and explanations for these omissions are provided.

**Our WEF Content Index, available as an appendix to this report, is accessible through our website.**

**For further details on the Stakeholder Capitalism Metrics, please see the WEF website.**

### Non-Financial Statement

In compliance with the German implementation of the E.U. Non-Financial Reporting Directive (2014/95/E.U.), we publish relevant non-financial information within our Group Annual Report. This Non-Financial Statement (NFS) is approved by the Supervisory Board of Allianz SE and assured with reasonable assurance for all reporting content, processes and data included in the NFS by PwC, including first contents converging towards CSRD.

**For further details please see our Group Annual Report 2023.**

### Our reporting ecosystem

We cross-link between the NFS and this report; the main CSRD-related content from the NFS is copied into this report. Additional products are the Allianz Group Tax Strategy, Analyst's Presentation, Non-Financial Supplement, 20-page Sustainability Report and People Factbook.

**An overview of our reporting ecosystem can be found on page 02.**

Some Allianz subsidiaries also publish their own sustainability reports. They are available to download from our local Allianz websites.

### Integrating sustainability reporting into financial reporting

We use SAP data collection for almost all non-financial information with an interface to financial data systems for some data points.

The Property & Casualty (P&C) Line of Business reporting tool in SAP is used to collect sustainable solutions and E.U. taxonomy data.

The governance process for sustainability reporting is aligned with financial reporting and follows the same review rounds as the Annual Report, engaging with the Group Disclosure Committee, the Board of Management and the Supervisory Board.

### Scope of reporting

This is our 23rd annual Sustainability Report.

The report relates to the entire Allianz Group.

Unless otherwise stated, all measures, activities and key figures refer to the 2023 fiscal year (1 January 2023 to 31 December 2023), and we take operational control as the boundary for reporting. If there are deviations from this scope, it is made transparent in the report.

# 06.2 How we report: Transparent reporting, ratings and performance

## 06.2.2 Sustainability ratings and performance

Sustainability ratings promote transparency and trust among our customers, investors and other stakeholders.

We are evaluated against sustainability ratings and industry benchmarks to improve our performance and transparency.

| Sustainability rating[1] | Our performance (as of 31 December 2022) | Our performance (as of 31 December 2023) |
|---|---|---|
| **DJSI/S&P Global CSA**<br>**Key rating** | We are one of the longstanding members of the Dow Jones Sustainability Index (DJSI). Allianz received the 3rd highest score among the insurance industry in DJSI (S&P Global's 2022 Corporate Sustainability Assessment (CSA) with a score of 89/100 (score date Dec 9th, 2022) keeping the score equal to 2021, despite the impact of the Structured Alpha matter. | Top 5 of assessed companies, which are DJSI eligible at industry level; 3rd highest score among the insurance industry with 82/100 (score date Dec 31st, 2023). |
| **MSCI[2] ESG**<br>**Key rating** | In 2022, despite a deterioration in our rating from AAA to AA (on a scale of AAA-CCC) due to the impact of the Structured Alpha matter, Allianz remains one of the top performers in the insurance sector. | With an AA rating, Allianz is among the MSCI ESG Leaders and remains one of the top performers in the insurance sector. |
| **ISS ESG** | We received Prime status in 2022 with a rating of B-. This ranks us among the world's most sustainable companies in our industry and we achieved a first decile rank. | In 2023, we received Prime status from ISS ESG, ranking us among the world's most sustainable companies in our industry. |
| **ISS quality score** | We once again received the highest possible rating in the ISS Quality Score for the environment and social pillars in 2022, with ratings of first decile in both pillars. | In 2023, we received the highest possible rating in the ISS quality score for the Social pillar. |
| **PRI** | As a signatory of PRI, we participated in the 2021 pilot, detailing our thorough ESG approach to investment and stewardship across asset classes. The 2021 reporting cycle introduced an updated assessment methodology, so that no overall scores are provided for an organization. | Allianz remains a PRI signatory in 2023. |
| **CDP** | We participated with our CDP submission to fulfill RE100 requirements. Allianz was not scored in 2022. | We participated with our CDP submission to fulfill RE100 requirements. Allianz was not scored in 2023. |

1 Following a review, Sustainalytics rating was out of scope of Board of Management target after 2022. It was also decided in 2022 to discontinue submitting answers to FTSE4Good and Moodys.

2 The use by Allianz of any MSCI ESG research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, does not constitute a sponsorship, endorsement, recommendation, or promotion of Allianz by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided as-is and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

# 06.2.2 Sustainability ratings and performance

| Sustainability rating[1] | Our performance (as of 31 December 2022) | Our performance (as of 31 December 2023) |
|---|---|---|
| **Bloomberg Gender Equality Index (listing)** | In 2022, we were included for the seventh consecutive year in the list of 418 companies across 50 industries, headquartered in 45 countries and regions. | In 2023, we were included for the eighth consecutive year in the list of 484 companies, across 54 industries headquartered in 45 countries and regions for our strong commitment to gender equality. |
| **Refinitiv diversity and inclusion index (ranking)** | Allianz was ranked number one in insurance and number one in Germany in the Refinitiv Diversity & Inclusion index for 2022. This is the third year in-a-row that we received this result. The global index identifies the top 100 publicly traded companies with the most diverse and inclusive workplaces, as measured by 24 separate metrics across four key pillars. | For the fourth year in a row, we were ranked number one in insurance and number one in Germany in the Refinitiv Diversity & Inclusion index for 2023. The global index identifies the top 100 publicly-traded companies with the most diverse and inclusive workplaces, as measured by 24 separate metrics across four key pillars. |
| **BeyondGenderAgenda German Diversity Index (ranking)** | We were ranked number one in the BeyondGenderAgenda German Diversity Index 2022. The index evaluates the diversity commitment of the DAX40 companies. | We were ranked number one, for the second year running, in the BeyondGenderAgenda German Diversity Index 2023. The index evaluates the diversity commitment of the DAX40 companies. |

Our rating performance is updated regularly over the course of the year. For our most recent results, please see our website.

1 Following a review, Sustainalytics rating was out of scope of Board of Management target after 2022. It was also decided in 2022 to discontinue submitting answers to FTSE4Good and Moodys.

# 06.3 Stakeholder engagement

**Stakeholder engagement enables us to understand our impact and drive progress across our sustainability challenges and opportunities. It also ensures that we design products and services that enhance our positive contribution to social, environmental and economic issues.**

Many of the challenges of our time – such as tackling climate change and upholding human rights – require collective solutions involving stakeholders from business, politics and civil society.

With a spirit of cooperation, we prioritize Sustainable Development Goal 17, Partnerships for the Goals, through a variety of partnerships and memberships (see selected examples below) and contribute to its relevant SDG sub-targets 17.16 and 17.17.

Accelerating progress on the SDGs requires strong collaboration for joint action.

## 06.3.1 How we engage with stakeholders

We use materiality analysis, customer surveys and direct engagement with stakeholders to shape our strategy, activities and reporting. As well as engaging with international and national sustainability bodies and initiatives, we also maintain a constructive and regular dialogue with the key stakeholder groups that are impacted the most by our business: these include our customers, employees, society, investors, governments and regulators. The purpose of each stakeholder engagement depends on the stakeholder involved, but will invariably aim to develop solutions that benefit all.

In 2023, we continued to engage with the U.N.-convened Net-Zero Asset Owner Alliance and the Net-Zero Asset Manager initiative, as we strongly believe that we have a significant role to play in delivering the Paris Agreement.

| Key stakeholder groups | Why engagement is important | How we engage |
|---|---|---|
| **Employees** | Listening and responding to our employees' views, ideas and concerns shapes our strategy, values and workplace while enabling Allianz to generate long-term value. | The Allianz Engagement Survey (AES).<br>Employee dialogs and networks.<br>Corporate volunteering programs.<br>Events for employees (e.g., Employee Investor Day). |
| **Investors** | We engage with investors to communicate our sustainability strategy and performance, to enable them to make informed decisions about their investments, and to understand their expectations of our business. | Annual General Meeting.<br>Dialogs and roadshows.<br>Ratings (e.g., S&P Global CSA, MSCI ESG) and benchmarks.<br>Website, Sustainability Report, non-financial supplement, analyst presentation. |
| **Customers** | Feedback from customers helps improve our products, services and processes and ensures we offer easy and adaptable solutions. | Customer surveys, learning from and sharing customer insights.<br>Review of financial services sector developments.<br>Research and development to support product innovations.<br>Digital Net Promoter Score (dNPS).<br>Allianz Risk Barometer Survey. |
| **Society** | Engaging with civil society, governments, regulators and institutions helps us drive positive change and contribute to effective regulation and multi-stakeholder partnerships. | Partnerships for civic engagement.<br>Thought leadership on global issues.<br>Panel discussions and roundtables.<br>Foundations, donations and volunteering.<br>Formal dialogues with NGOs. |

# 06.3 Stakeholder engagement

## 06.3.2 Stakeholders considered in the 2023 materiality assessment

Our materiality assessment enables us to stay on top of trends and align our approach, reporting and strategy with the sustainability matters that are most important to our stakeholders and our business.

Our most recent assessment was carried out in 2021 in line with the GRI Standards requirements and is still applicable for 2023. As at financial year-end 2023, the stakeholder engagement process for the new CSRD materiality assessment was still ongoing, so that reporting on this process and reflection of the results will be introduced next year.

**For further information on stakeholders and stakeholder feedback please see section 06.6, Materiality Analysis.**

## 06.3.4 Partnerships for change

Collaboration and long-term partnerships are instrumental in delivering positive change. Allianz's businesses are members of a wide range of sustainability-related initiatives and principles.

**Selected memberships and partnerships**

| | |
|---|---|
| Founding Member, The U.N. Convened Net-Zero Asset Owner Alliance (NZAOA) | Signatory, Task Force on Climate-related Financial Disclosures (TCFD) |
| Founding member, The U.N. Convened Net-Zero Insurance Alliance (NZIA)[1] | Participant, Task Force on Nature-related Financial Disclosure (TNFD) – Informal Working Group |
| Member, Net-Zero Asset Managers Initiative (NZAM) | Member, The B Team |
| Member, U.N. Convened Global Investors for Sustainable Development (GISD) Alliance | Associated, The Climate Group |
| Signatory, Principles for Responsible Investment (PRI) | Member, The InsuResilience Global Partnership |
| Signatory, Principles for Sustainable Insurance (PSI) | Supporter, Transition Pathway Initiative |
| Signatory, Climate Action 100+ | Founding Member, U.N. Environment Finance Initiative |
| Founding Member, ClimateWise | Participant, U.N. Global Compact |
| Member, European Platform on Sustainable Finance | Participant, U.N. Global Compact Network Germany |
| Member, EV100 | Associated, We Mean Business |
| Signatory, Finance for Biodiversity Pledge | Signatory, World Economic Forum Alliance of CEO Climate Leaders |
| Founding Member, Freunde und Förderer der ESMT | Signatory, World Economic Forum Stakeholder Capitalism Metrics |
| Member, G7 Investor Leadership Network | Partner, Worldwide Insurance Partnership with the Olympic and Paralympic Movements (IOC/IPC) |
| Member, Global Innovation Lab on Climate Finance (The Lab) | Participant, Energy Efficiency for Financial Institutions Group |
| Member, Institutional Investors Group on Climate Change | Executive Committee Member, Institut de la Finance Durable (previously Finance for Tomorrow) |
| Participant, Insurance Development Forum | Member, Sustainable Markets Initiative |
| Member, Open Source Climate | Member, Energy Transitions Commission |
| Member, PRI Asset Owner Advisory Committee | Member, European Venture Philantropy Association |
| Member, RE100 | Partner, Sea Shepherd |
| Member, Stifterverband for deutschen Wissenschaft | Partner, Enaleia |
| Signatory, Science-Based Target Initiative[1] | Partner, Plastic Fischer |
| Supporter World Cleanup Day | |

1 Membership ended in the course of the reporting year 2023.

# 06.4 Our expanded sustainability governance

## Key bodies involved in sustainability governance

### Group Sustainability Board

**Ultimate responsibility for all matters relating to sustainability resides with the Board of Management of Allianz SE as the Group's parent company.**

To support the Board of Management in its decision-making, Allianz SE established a dedicated Group Sustainability Board. It comprises members of the Board of Management of Allianz SE and Group Center heads and meets quarterly.

### Members of the Group Sustainability Board:

- **Dr. Günther Thallinger** (Chairperson)
  Board Member of the Board of Management of Allianz SE, responsible for Investment Management, Sustainability.
- **Dr. Barbara Karuth-Zelle**
  Member of the Board of Management of Allianz SE, responsible for Operations, IT and Organization (COO).
- **Dr. Klaus-Peter Röhler**
  Member of the Board of Management of Allianz SE, responsible for Insurance German Speaking Countries, Insurance Central & Eastern Europe and Global P&C.
- **Christopher Townsend**
  Member of the Board of Management of Allianz SE, responsible for Global Insurance Lines & Anglo Markets, Reinsurance, Iberia & Latin America, Middle East, Africa.
- **Dr. Andreas Wimmer**
  Member of the Board of Management of Allianz SE, responsible for Asset Management, US Life Insurance.
- **Giulio Terzariol**
  (until 31 December 2023)
  Member of the Board of Management of Allianz SE, Finance, Risk, Actuarial, Legal, Compliance (CFO).
- **Claire-Marie Coste-Lepoutre**
  (since 1 January 2024)
  Member of the Board of Management of Allianz SE, Finance, Risk Actuarial, Legal, Compliance (CFO).
- **Line Hestvik**
  (until 15 July 2023)
  Group Chief Sustainability Officer.
- **Emilia Macarie**
  (from 15 July 2023)
  Group Chief Sustainability Officer.
- **Lauren Day**
  Group Head of Communications.
- **Bettina Dietsche**
  Chief People and Culture Officer.

### Allianz SE Supervisory Board Sustainability Committee

The Supervisory Board of Allianz SE is responsible for defining and assessing targets for the Board of Management. The Sustainability Committee of the Supervisory Board is responsible for advising on sustainability-related target-setting and assessment.

The committee has five members: three members are elected by shareholder representatives and two by employee representatives. The Chairperson of the committee is also elected by the Supervisory Board. The members are:

**Christine Bosse** (Chairperson), **Sophie Boissard**, **Gabriele Burkhardt-Berg** (employee representative), **Michael Diekmann**, **Frank Kirsch** (employee representative).

### Global Sustainability

The function is headed by the Chief Sustainability Officer (CSO), who reports to the Chairperson of the Group Sustainability Board.

Global Sustainability is responsible for coordinating the integration of sustainability into Allianz as a financial institution and as an organization. It acts as the secretariat of the Sustainability Board and meets regularly with its Chairperson.

# 06.4 Our expanded sustainability governance

Several Group Committees play an important role in Allianz's decision-making processes to embed sustainability.

The Group Finance and Risk Committee oversees risk management and monitoring, including sustainability risk.

The Group Underwriting Committee monitors the underwriting business, its risk management and development of internal rules and strategies for underwriting. This includes the integration of sustainability into underwriting processes.

The Group Investment Committee focuses on fundamental investment-related topics, including sustainability-related matters.

## Sustainability governance at operating entities

While many OEs had already established local responsibilities for sustainability integration, this was formalized during 2023 with mandatory roles. Each OE must nominate one Board member to be responsible for sustainability, who will be supported by at least one Sustainability Lead. This Board member's responsibilities are as follows:

- Facilitate and bring sustainability topics to the Board of Management.
- Develop proposals for the sustainability strategy, ambition and targets in line with the Group Sustainability Strategy and relevant OE strategies.
- Guide and empower the Sustainability Lead in the integration of sustainability into business processes and functions.
- Manage internal and external stakeholders relating to sustainability matters.

The OE Sustainability Lead works with business and functional owners to facilitate the integration of sustainability into the business and helps the Board member to manage internal and external stakeholders relating to sustainability matters.

Depending on their size and the maturity of sustainability integration, OEs may have established teams focusing on a broad spectrum of sustainability topics.

## Allianz Group Sustainability Network

The wider sustainability network spanning the entire Allianz Group includes:

- Sustainability Leads responsible for coordinating and leading sustainability integration in their respective operating entities.
- Sustainability/ESG experts and centers of competence in Group-level business functions (property & casualty, life & health, investments, asset management) as well as in Group Centers for topics such as procurement and operations.
- Local Environment Officers responsible for managing the environmental footprint of our operations.
- Non-Financial Data Coordinators responsible for sustainability reporting.
- Corporate Citizenship Leads, who drive social impact activities and partnerships.

# 06.5 Our impact on the U.N. Sustainable Development Goals

We prioritize three U.N. Sustainable Development Goals (SDGs) – SDGs 8, 13 and 17, which guide the integration of sustainability across Allianz and drive our contribution to societal, environmental and economic change. However, our business contributes to many other SDGs, and the following table maps the relevant content from this report for each SDG.

| | Page | 1 No poverty | 2 Zero hunger | 3 Good health and well-being | 4 Quality education | 5 Gender equality | 6 Clean water and sanitation | 7 Affordable and clean energy | 8 Decent work and economic growth | 9 Industry, innovation and infrastructure | 10 Reduced inequalities | 11 Sustainable cities and communities | 12 Responsible consumption and production | 13 Climate action | 14 Life below water | 15 Life on land | 16 Peace, justice and strong institutions | 17 Partnerships for the goals |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **01 Introduction and strategy** | | | | | | | | | | | | | | | | | | |
| 01.1 Message from the CEO | p. 05 | | | | | | | | ● | | | | | ● | | | | ● |
| 01.2 Company description and strategy | p. 06 | | | | | | | | | | | | | | | | | |
| 01.3 Our climate approach | p. 07–10 | | | | | | | ● | | ● | ● | | | ● | | | | |
| 01.4 Our social approach | p. 11–13 | | | | | | | | ● | | ● | | | ● | | | | ● |
| 01.5 Our sustainability integration approach | p. 14–16 | | | | | | | ● | ● | ● | | | | ● | ● | ● | | ● |
| 01.6 Our sustainability governance | p. 17–19 | | | | | | | | | | | | | ● | | | ● | |
| **02 Measuring and managing sustainability** | | | | | | | | | | | | | | | | | | |
| 02.1 Sustainability in insurance | p. 21–30 | | | | | | | | | | | | | | | | | |
| 02.1.1 Integrating sustainability in insurance | p. 24 | | | | | | | ● | ● | ● | | | | ● | ● | | | ● |
| 02.1.2 Sustainable solutions | p. 24–26 | | | ● | | | | ● | | ● | ● | ● | | ● | | ● | | |
| 02.1.3 Climate change adaption and natural catastrophe management | p. 26–29 | | | | | | | | | | | | | ● | | | | |
| 02.1.4 Emerging consumers | p. 30 | ● | | ● | | | | | ● | | | | | | | | | ● |
| 02.2 Sustainability in proprietary investments | p. 31–37 | | | | | | | | | | | | | ● | | | | ● |
| 02.3 Sustainability in asset management | p. 37–44 | | ● | | | ● | | | ● | | | | | ● | | | | ● |
| 02.3.1 Allianz Global Investors progress | p. 40–41 | | ● | | | ● | | | | | | | | | | | | |
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| **03 Climate change related disclosure** | | | | | | | | | ● | | | | ● | ● | | | | ● |
| **04 Social disclosure** | | | | | | | | | | | | | | | | | | |
| 04.1 Employee matters | p. 82–99 | | | ● | ● | ● | | | ● | | ● | | | | | | | ● |
| 04.2 Our commitment to human rights | p. 100–102 | | | | | | | | ● | | | | ● | | | | | |
| 04.3 Customers | p. 103–104 | | | | | ● | | | ● | | ● | | | | | | | |
| 04.4 Corporate citizenship | p. 105–111 | | | | | | | | ● | | ● | | | | | | | ● |
| 04.5 Tax transparency | p. 112–122 | | | | | | | | | | | | | | | | ● | ● |

# 06.5 Our impact on the U.N. Sustainable Development Goals

| | Page | 1 No poverty | 2 Zero hunger | 3 Good health and well-being | 4 Quality education | 5 Gender equality | 6 Clean water and sanitation | 7 Affordable and clean energy | 8 Decent work and economic growth | 9 Industry, innovation and infrastructure | 10 Reduced inequalities | 11 Sustainable cities and communities | 12 Responsible consumption and production | 13 Climate action | 14 Life below water | 15 Life on land | 16 Peace, justice and strong institutions | 17 Partnerships for the goals |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **05 Strengthening our foundation** | | | | | | | | | | | | | | | | | | |
| 05.1 Cybersecurity | p. 124–128 | | | | | | | | • | • | | | | | | | • | |
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# 06.6 Materiality analysis

**Having an in-depth understanding and being able to appropriately respond to the changing context in which we operate is fundamental to us, both to have a positive impact and to manage any potentially adverse impacts. To this end, and to stay abreast of the trends that are most relevant to our stakeholders and our business, as well as to align our sustainability strategy, implementation measures and reporting, we assess the materiality of sustainability matters on a regular basis.**

In 2023, we carried out a robust and comprehensive double materiality assessment process (in accordance with the CSRD and accompanying European Sustainability Reporting Standards (ESRS), accounting for the evolving methodology to cover financial materiality (risks and opportunities from a business perspective) and impact materiality (impacts on people and planet). This has allowed us to deepen our understanding of matters previously identified as being material to our key stakeholders. It also enabled us to extend our assessment to those sustainability matters that have not been focus areas so far, but are now moving more into focus, as data, methodologies and overall research and regulatory guidance evolve. The process, methodology and outcome of the double materiality assessment were thoroughly reviewed and endorsed by our Group Sustainability Board. In addition, Board of Management approval has been granted via the Allianz Group Annual Report sign-off process.

The CSRD DMA will form the basis of our future reporting and will be reviewed annually. It has also been used to test our 2021 materiality assessment, which was based on the GRI Standards. This GRI materiality assessment, which identified 19 material issues, is still applicable.

For a full description of the 2021 materiality assessment process and its results matrix, please also refer to the Materiality analysis chapters in the Group Sustainability Reports 2021 and 2022.

The CSRD DMA confirms the relevance of the previously identified topics. In addition, it forms the basis for introducing further topics to our sustainability reporting going forward, primarily from more broadly looking into impacts in the value chain. Regarding sustainability-related risks, the CSRD DMA does not identify additional principal risks with expected significant adverse impacts on Allianz (as according to the German Commercial Code ("Handelsgesetzbuch – HGB").

While taxation is not covered under CSRD, it remains a relevant topic for Allianz in 2023 under the NFRD and is reported based on GRI 207-Tax. The respective information can be found in the section "Tax Transparency" above, as well as in the Tax Strategy published separately on the Allianz company website.

Partnerships also remain a relevant topic; going forward, however, respective details will be covered under the CSRD topic to which a partnership relates.

The topics "Climate change" (ESRS E1) and "own workforce" (ESRS S1) are strategic sustainability focus areas at the Allianz Group, supported by the GRI materiality assessment and confirmed by the CSRD DMA. As such, we chose to already converge towards the CSRD with our financial year 2023 reporting for these two topics, in terms of anticipating its structural and many of its content requirements. For all material matters, disclosures in accordance with the topical ESRS and the cross-cutting ESRS will be fully covered as per the CSRD as of financial year 2024 reporting. As at financial year-end 2023, the stakeholder engagement process was still ongoing, so that reporting on this process and reflection of the results will be introduced next year.

**For more details on the CSRD DMA, please refer to the "Outlook" section in the Non-Financial Statement of the Allianz Group Annual Report.**

1 It should be noted that the national transposition of the CSRD is still outstanding. The materiality assessment conducted for the financial year 2023 and described in this section and the "Outlook" section in the Non-Financial Statement of the Allianz Group Annual Report is based on the guidance from the European Financial Reporting Advisory Group (EFRAG) available as at December 2023. In the event of changes to the CSRD upon becoming national law, those changes will be reflected in next year's reporting.

# 06.6 Materiality analysis

## Materiality assessment process

Our GRI materiality assessment was carried out in 2021 in line with the 2016 GRI Standards requirements and is still applicable for 2023.

Our assessment approach used a variety of data sources, and we improved our methodology in 2021 by increasing the number of data sources and the number of data points within these sources.

1. **Identification:** We identified a list of sustainability topics that impact the economy, environment and society. They were tailored to our business through a desk-based review of our own prior material topics, peers' materiality matrices, a media review using the HLG Brand Pressure Index and RepRisk data, NGO-relevant topics using SigWatch data, and independent expert opinion from a specialist consultancy, according to their significance.
2. **Prioritization:** We engaged with stakeholders, including NGOs, employees and customers through interviews, surveys and workshops to prioritize the list of material topics.
3. **Analysis and validation:** We aggregated and analyzed data, integrating the results into a materiality map, and presented the results to the internal expert pool of representatives, including Group Risk, Group Communications, Group Compliance, Group Legal, Group Accounting and Reporting, as well as Global Sustainability. This group also provided the final judgement of outcomes.

**For a full description of the materiality assessment process we followed, refer to page 101 of our 2021 Sustainability Report.**

## 06.6.1 Our material matters

Our assessment in 2021 identified 19 material matters that were prioritized as either having high or medium importance.

Topics are ranked and presented in a materiality matrix along two axes according to stakeholder views on their importance to society and to our business.

All topics in the materiality matrix relate to sustainability and several are linked to our sustainability strategy pillars, including:

**E: Environmental** – climate change, environmental footprint in our operations.

**S: Social** – financial inclusion, local community engagement, human rights, diversity, equity and inclusion.

**G: Governance** – our approach to sustainability integration: ethics and responsible business, data and AI ethics, data privacy, cybersecurity, sustainability integration into products.

The highest-ranked topics under the GRI materiality assessment were:

1. **Climate change.**
2. **Ethics and responsible business.**
3. **Cybersecurity.**

# 06.6 Materiality analysis

The full list of material topics assessed in 2021, which are considered still relevant and material for 2023, include:

| | 2021 rank | 2019–20 rank | Sustainability topic |
|---|---|---|---|
| | 1 | 1 | Climate change |
| ↑ | 2 | 11 | Responsible business ethics |
| ↑ | 3 | 12 | Cyber risks |
| ↑ | 4 | 15 | Health and healthcare access |
| | 5 | 3 | Environmental impacts |
| ↑ | 6 | NR | Diversity and inclusion – new for 2021 |
| | 7 | 5 | Human rights |
| | 8 | 9 | Data privacy |
| | 9 | 4 | Talent attraction and retention |
| | 10 | 2 | ESG integration into products |
| ↑ | 11 | NR | Responsible tax – new for 2021 |
| | 12 | 13 | Customer and product safety |
| | 13 | 6 | Social and financial inclusion |
| | 14 | 7 | Customer innovation |
| | 15 | 17 | Local community impact |
| | 16 | 10 | Social and political unrest |
| ↑ | 17 | NR | Data and AI ethics – new for 2021 |
| | 18 | 8 | Natural disasters |
| | 19 | 16 | Demographic change |
| | 20 | 14 | Animal welfare standards – removed in 2021 (peer group feedback) |

↑ New or emerging priorities for 2021
From 2019–2020
New for 2021
Removed in 2021 (peer group feedback)

# 06.7 Independent Practitioner's Report on a Limited Assurance Engagement on Sustainability Information

To Allianz SE, Munich

We have performed a limited assurance engagement on the disclosures in the sustainability report of Allianz SE, Munich (hereinafter "the Company"), for the period from January 1, 2023 to December 31, 2023 (hereinafter the "Report").

### Responsibilities of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Report in accordance with the principles stated in the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter the "GRI-Criteria").

This responsibility of Company's executive directors includes the selection and application of appropriate methods of sustainability reporting as well as making assumptions and estimates related to individual sustainability disclosures, which are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as they have considered necessary to enable the preparation of a Report that is free from material misstatement whether due to fraud or error.

### Audit Firm's Independence and Quality Management

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Management 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality management for audit firms (IDW Qualitätsmanagementstandard 1: Anforderungen an das Qualitätsmanagement in der Wirtschaftsprüferpraxis – IDW QMS 1 (09.2022)), which requires the audit firm to design, implement and operate a system of quality management that complies with the applicable legal requirements and professional standards.

### Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the disclosures in the Report based on the assurance engagement we have performed. Within the scope of our engagement, we did not perform an audit on external sources of information or expert opinions, referred to in the Report. Furthermore, we did not perform any procedures on any forward-looking statements, such as projections and forecasts.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to allow us to conclude with limited assurance that nothing has come to our attention that causes us to believe that the disclosures in the Company's Report for the period from January 1, 2023 to December 31, 2023 have not been prepared, in all material aspects, in accordance with the GRI-Criteria.

In a limited assurance engagement the assurance procedures are less in extent than for a reasonable assurance engagement and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the practitioner's judgment.

Within the scope of our assurance engagement, we performed, amongst others, the following assurance procedures and further activities:

- Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
- Assessment of the process for conducting the materiality analysis in accordance with the GRI-criteria
- Inquiries of personnel involved in the preparation of the Report regarding the preparation process, the internal control system relating to this process and selected disclosures in the Report
- Identification of the likely risks of material misstatement of the Report under consideration of the GRI-Criteria

# 06.7 Independent Practitioner's Report on a Limited Assurance Engagement on Sustainability Information

- Analytical evaluation of selected disclosures in the Report
- Evaluation of the presentation of the selected disclosures regarding sustainability performance
- Description of significant inherent limitations in measuring or evaluating the underlying subject matter against the relevant GRI-Criteria

## Assurance Conclusion

Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the disclosures in the Company's Report for the period from January 1, 2023 to December 31, 2023 have not been prepared, in all material aspects, in accordance with the GRI-Criteria.

## Intended Use of the Assurance Report

We issue this report on the basis of the engagement agreed with the Company. The assurance engagement has been performed for purposes of the Company and the report is solely intended to inform the Company as to the results of the assurance engagement. The report is not intended to provide third parties with support in making (financial) decisions. Our responsibility lies solely toward the Company. We do not assume any responsibility towards third parties.

Munich, 05 March 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

| | |
|---|---|
| **Hendrik Fink** | **Kristina Stiefel** |
| **Wirtschaftsprüfer (German Public Auditor)** | **Wirtschaftsprüferin (German Public Auditor)** |

## Imprint


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We would like to thank all of our colleagues and partners who have supported and contributed to the creation of this report.

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## Photo credits

Allianz internal images

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## Cautionary note regarding forward-looking statements

The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

The company assumes no obligation to update any forward-looking statement.

## We welcome your views

We warmly invite all our stakeholders to provide feedback and comments on our Sustainability Report 2023:

**sustainability@allianz.com**

## Supporting Sustainability Report documents

Click here to view the GRI Content Index.

Click here to view the Explanatory Notes.


Click here to view the SASB Content Index.


Click here to view the WEF Metrics Index.

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