



ALLIANZ GROUP

Building confidence in tomorrow

Sustainability Report 2022 – short version



We secure your future

Our purpose – ‘We secure your future’ – informs all our decisions every day and shapes our approach to sustainability. The very nature of what we do contributes to creating secure and sustainable economies and societies – pooling, investing and managing risks to help protect and grow lives, assets, and businesses.

We create positive social and environmental impact through the way we run our organization and by using our insurance, investment, and asset management expertise. With our competence, expertise and global footprint, we have the ambition to be a catalyst for sustainable growth in the financial services industry and beyond. And we know that we cannot do it alone.

Living our purpose depends on relationships. We believe that the best way to secure a better future is through strong partnerships. As one of the largest financial institutions in the world, we aspire to be a trusted partner. Your trusted partner.

We partner with people, companies, institutions, and governments around the world to multiply sustainable action. We engage in public-private and peer-to-peer partnerships to mitigate climate change, create economic growth, and support social resilience in communities. And we partner with our customers – individuals, families, and companies – to help them prepare for the future and support them in making sustainable choices.

➔ **For more details, please see section 05.3 Stakeholder engagement of our Group Sustainability Report 2022.**

What we mean by ‘sustainability’

First, let’s be clear what we mean by sustainability. We define a ‘sustainable society’ as one in which all members meet their own needs without compromising the ability of future generations to meet their coming needs. Sustainability means leveraging and protecting our natural, social, and economic resources in a way that allows everyone to enjoy a decent life.

Importantly, this understanding of sustainability can be based on and verified by science. We can for example now scientifically see whether wealth is gained or lost, whether ecologies flourish or die and whether students are educated and ready for future jobs, or not.

Such a framework highlights the collective effort needed to drive change – governments, NGOs, the private sector, academia, and individuals all have a role. Unfortunately, given how ecological barriers have already been breached and social needs not met, our current global society is far from being a sustainable one. Much work and transformation is needed to provide future generations with a sustainable basis.

Our role in this transformation is a natural one, guided by our purpose. Allianz has been securing the future of our customers since our founding in 1890. We’ve learned from our history but are motivated by the challenges and opportunities of today and our future potential. Our ambition is to grow and prosper for generations to come. And our growth depends on the growth of sustainable economies around the globe. In short, sustainability is both responsible stewardship and in our commercial interest.

Our Sustainability Report brings together our strategy, ambition, commitments, and contributions to shape a more sustainable future.

Contents

About this report

01 Message from the CEO

02 Highlights 2022

03 Company description and strategy

04 Our sustainability approach

05 Our climate approach

06 Our social approach

07 Our sustainability integration approach

08 Our sustainability governance

01 Message from the CEO

Building confidence in Allianz



2022 was supposed to be the year that the world would return to “business as usual,” as we started to recover from the depths of the COVID-crisis. Instead, new challenges to society mounted: the invasion of Ukraine in February 2022 created the biggest humanitarian crisis in Europe since WWII, forcing millions of people out of their homes and inspiring the rapid mobilization of will and resources to help them. Global economic growth slowed as tangible effects of climate change increased: a warming world experienced more frequent and severe natural catastrophes. Intersecting geopolitical, economic, and environmental challenges are weighed on individuals, institutions, and communities around the globe. Polarization in society became more entrenched and linked to negative financial outcomes for people, affecting their optimism and outlook on our future.

2022 was also a year that proved the resounding value of sustainability. How an organization acts on matters of sustainability affects its ability to grow, access capital, attract talent, and enhance customer loyalty. Sustainably managing an organization’s resources and collaborating with partners earns trust and fosters stability in times of social, economic, and environmental volatility.

Allianz’s strong financial performance in 2022, our outstanding employee engagement results, and our status as Interbrand’s highest-ranked insurance brand in the world reflects our resonance with stakeholders, our reliability, and our resilience as a company.

Our Sustainability Reporting brings together our ambition, strategy, commitments, and contributions to shape a more sustainable future. It details the work done across Allianz in 2022, in collaboration with our many partners, that helps build, grow, and protect more resilient lives, businesses and economies. In these pages, you’ll read about our **operational progress towards net-zero** and our business strategies to deliver climate solutions, such as adjusting our thermal coal investment and underwriting strategy to be more inclusive of low-carbon energy efforts. You will learn about our many programs to bring **education** and **job training** to the most vulnerable members of society, with a focus on preparing talented youth and people with disabilities for employment in a transitioning economy. And you’ll read about our industry leadership in **blended finance** and how we use it to unlock the power of public and private investment capital at scale, helping to

01 Message from the CEO

build sustainable economies in developing and emerging markets.

Success in all these efforts is powered by the engagement of our employees. Having a qualified and diverse workforce is a prerequisite for being a trusted sustainability leader in our industry and beyond. This fact led us to introduce a global skills curriculum – Allianz Sustainability Training – a promising start to providing all employees with the understanding and tools needed to become Allianz’s sustainability ambassadors around the globe and to help lead Allianz into the transition economy.

Further to our workforce development, we are applying our leadership and commitment to diversity, equity and inclusion, serving as an Iconic Leader of Valuable500 and as part of United Nations’ Human Rights Free & Equal LGBTI charter and its Women’s Empowerment Principles charter. In our Group Sustainability Report 2022, we detail the commitments we have made and the recognitions that we have earned in this important driver of sustainable performance.

Our ambition is to be the trusted partner of our stakeholders, using our global scale and skills to help to solve society’s most pressing issues. At the same time, we know that we cannot change the world overnight or alone. We look forward to continuing to bring Allianz’s commercial expertise and scale to the table with policymakers, non-governmental organizations, and investees, to create solutions at the societal level and build community as well as individual resilience.

Each of us is learning a little more every day and every year to shape our world for the better. We hope this inspires you to join us in these efforts. Please enjoy reading. We are in this together.

Sincerely yours,






Oliver Bäte

**Chairman of the Board
of Management**

Allianz SE




02 Highlights 2022

The following tables follow the logic of the International Integrated Reporting Council (IIRC) and provide an overview of the highlights of the reporting year.

IIRC capital categories	Outputs 2022		Outcomes	
Manufactured 	€ 131.5 bn sustainable investments (proprietary investments)	€ 1,282.9 mn revenues from sustainable solutions for P&C	In 2022, we increased our proprietary sustainable investments to EUR 131.5 bn from EUR 123bn in 2021. We expanded the scope to include supranationals we label as sustainable in line with EU SFDR Article 2 (17) requirements.	In 2022, we generated revenues totaling €1,282.9 mn from 103 Sustainable insurance solutions and from Insurance solutions with a sustainability component through our Sustainable Solutions program in P&C. (2021: € 1,215.6 mn from 118 solutions)
Financial 	€ 14.2 bn operating profit € 6.7 bn shareholder net income	€ 2.5 bn corporate income tax	Operating profit increased 5.7 percent to 14.2 billion euros. Net income attributable to shareholders increased 1.9 percent to 6.7 billion euros.	Corporate income tax: Fair, effective and stable tax payments are beneficial for both government and companies.
Intellectual 	Allianz Risk Barometer published	DJSI: Top 5¹ (89 out of 100 points) USD 18.7 bn Brand value	The Allianz Risk Barometer is our annual report identifying the top corporate risks for the next 12 months and beyond, based on the insight of more than 2,712 risk management experts from 94 countries and territories.	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 keeping the score equal to 2021, despite the impact of the Structured Alpha matter. Brand value up 23% to USD 18.7 bn (Source: Interbrand Best Global Brands Ranking 2022).

1. Top 5 of assessed companies, which are DJSI eligible at industry level; 3rd with a score of 89/100 – (score date 09th December 2022); 2022 achievements as per results of 31st December 2022.

02 Highlights 2022

IIRC capital categories	Outputs 2022		Outcomes	
Social and relationship 	57 mn Emerging Consumers reached 58% NPS (Customer loyalty)	€ 42.82 mn Corporate Giving	<p>We insured 57.2 mn Emerging Consumers in 12 countries across Africa, Asia and Latin America in 2022. Organic portfolio growth across markets largely offset the maturity of government health schemes in India which had contributed 15.5 mn insured in 2021.</p> <p>Business segments with a net promoter score of Loyalty Leaders.</p>	<p>In 2022 our Corporate Giving totaled € 42.8 mn. Our humanitarian efforts for Ukraine resulted an increase of our total corporate giving in 2022 (€ 28.2 mn in 2021).</p> <p>Social Impact Fund is our program supporting strategic opportunities to deliver social impact.</p>
Human 	76% Employee Engagement Index 79% IMIX (Inclusive Meritocracy Index)	38.8% Female managers	<p>In 2022, two of the three main indices in the Allianz Engagement Survey (the Inclusive Meritocracy Index and the Work Well Index) reached record highs in Allianz Group history and the third index (the Employee Engagement Index) remained stable at the second highest level.</p> <p>Our high standards in leadership, performance and corporate culture are reflected in the high rating in the IMIX (+1%p compared to 2021).</p>	<p>The share of women has continuously increased to 38.8 percent in 2022 among managers (by +0.6%p compared to 2020) and to 32.4 percent among executives (i.e., top management, by +2.0%p compared to 2020).</p>
Natural 	89% renewable electricity of own operations 1.0 t CO₂e per employee carbon footprint of own operations	16.2 mn t CO₂e carbon footprint of proprietary investments (listed equities and corporate bonds) 46.5 mn t CO₂e Total GHG emissions¹	<p>+12%-p 89% share of renewable electricity, up from 77% in 2021. Increase vs. 2021 was mainly achieved through a combination of strategic discussions with suppliers on 'green tariffs', expanding the use of on-site renewable technologies and the use of 'unbundled' renewable Energy Attribute Certificates.</p> <p>-57% GHG emissions per employee in 2022 vs 2019. +8% Carbon footprint per employee from operations increased from 0.9 tons CO₂e in 2021 to 1.0 tons CO₂e in 2022. 2022 saw an increase in business travel vs 2021, explaining the increase in carbon footprint per employee. 2021 was particularly impacted by COVID-19-related drops in business travel.</p>	<p>Carbon footprint of proprietary investments (listed equities and corporate bonds): -13% versus 2021 leading to an over achievement of our end of 2024 -25% absolute financed emissions decarbonization target (total -34.9% versus 2019). This was driven by allocation changes, real world emission reductions as well as changes in enterprise values.</p> <p>Total GHG emissions increased from 19.3 mn t CO₂e GHG emissions in 2021 to 46.5 mn t CO₂e in 2022. This was mainly driven by the scope increase in our proprietary investment portfolio (+ 30.1 mn t CO₂e).</p>

1. Total greenhouse gas (GHG) emissions include emissions from proprietary investments and own operations.

03 Company description and strategy

Allianz Group is one of the world's leading insurers and asset managers with 122 million private and corporate customers¹ in more than 70 countries.

Our customers benefit from a broad range of personal and corporate insurance services ranging from property, life and health insurance to assistance services to credit insurance and global business insurance with total revenues of € 152.7 billion.


As one of the world's largest investors, Allianz manages around € 701.1 billion on behalf of its insurance customers. Our asset managers – PIMCO and Allianz Global Investors – manage € 1.6 trillion of third-party assets.

In 2022, 159,253² employees achieved total revenues of € 152.7 billion³ and an operating profit of 14.2⁴ 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 market position. Due to our full breadth of products and services, we offer comprehensive solutions that meet our customers' needs and make us a trusted partner.
 - **Margin expansion:** We need to be profitable and efficient. To do so, we are continuously improving our productivity, including in our distribution channels, while seeking to grow in high margin business segments. Additionally, we will continue our transformation to be more simple, digital and scalable.
 - **Capital efficiency:** We consistently seek ways to use our capital in the most effective way and take actions when it falls below our RoE threshold.
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Thanks to our systematic integration of sustainability criteria in our business processes and investment decisions, we are among the leaders in the insurance industry in the Dow Jones Sustainability Index.

 For further details about the group's Corporate Strategy, please see the Allianz Group Annual Report 2022, section Risk and opportunity report p. 102 f. and the materials published as part of our Inside Allianz Series.

1 Including non-consolidated entities with Allianz customers and excl. emerging consumers.

2 Total employees (core and non-core business).

3 Total revenues comprise Property-Casualty total revenues (gross premiums written, and fee and commission income), Life/Health statutory gross premiums written, operating revenues in Asset Management, and total revenues in Corporate and Other (Banking).

4 For details about Allianz Operating Profit definition, please refer to the Group Annual Report – Notes to the consolidated financial statements, note 4.

04 Our sustainability approach

Our purpose – “We secure your future” – informs all our decisions and shapes our approach to sustainability. The very nature of what we do contributes to creating secure and sustainable economies and societies – pooling, investing and managing risks to help protect and grow lives, assets, and businesses.

We create positive social and environmental impact through the way we run our organization and by using our insurance, investment, and asset management expertise. With our competence, expertise and global footprint, we have the ambition to be a catalyst for sustainable growth in the financial services industry and beyond. And we know that we cannot do it alone.

While all the SDGs are important, we prioritize:

SDG 8, Decent work and Economic growth;

SDG 13, Climate Action;

SDG 17, Partnerships.

These align with our insurance and financial expertise and strategic business priorities. We believe this strategic focus best leverages our strength and scale for maximum impact, for both our business and society.

SDG 8 is in line with our aspiration to be a trusted partner for protecting and growing our stakeholders’ most valuable assets, SDG 13 is in line with our commitments to net-zero by 2050 and SDG 17 is in line with our belief that progress in reaching sustainability goals requires collaborative global action, beyond company boundaries.

Embedding sustainability everywhere

Success in reaching any goal requires effective measurement. As we learn and advance on our journey, we are fully integrating sustainability into our decision-making.

Traditional financial metrics and sustainability information will become the basis of our combined performance

measurement. This measurement approach will accelerate behavioral and cultural change in our organization.

If all decisions are made and measured with sustainability front and center, we will enhance how we manage risks and capture opportunities. It also drives us to create new sustainable products and services, collaborate with NGOs and governments, clients, and investee companies to direct capital flows towards sustainable outcomes, and ultimately deliver scalable, real-world benefits.

Our journey towards fully integrating sustainability into all aspects of the Allianz organization is ongoing and dynamic. We don’t have all the answers and there is still much to learn as the field continues to rapidly evolve.

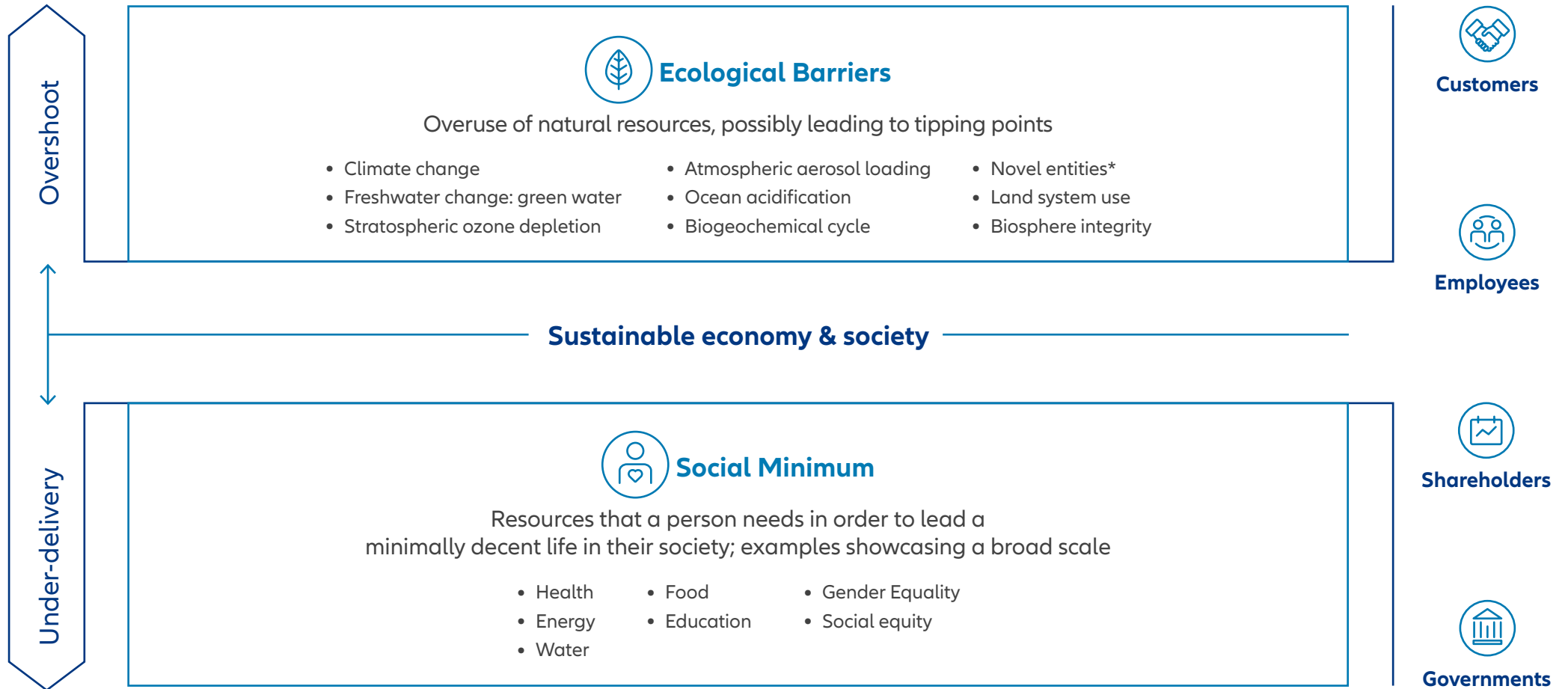
In this context, a qualified workforce is a prerequisite for being a trusted sustainability leader in our industry and beyond. This led us to introduce a global sustainability training curriculum, the Allianz Sustainability Training, – a promising start to provide all employees with the understanding and tools needed to become Allianz’s sustainability ambassadors around the globe.

U.N. SDGs guide towards sustainability

The work we do in helping to build a sustainable society is guided by the United Nations (U.N.) Sustainable Development Goals (SDGs).



Stakeholders demand change towards a sustainable economy & society within planetary boundaries



The model does not reflect Allianz. Source: Planetary boundaries – Stockholm Resilience Centre, Doughnut | Kate Raworth, Home | Sustainable Development (un.org).

* The novel entities boundary in the planetary boundaries framework refers to entities that are novel in a geological sense and that could have large-scale impacts that threaten the integrity of Earth system processes. Source: Outside the Safe Operating Space of the Planetary Boundary for Novel Entities | Environmental Science & Technology (acs.org).

05 Our climate approach

As one of the world's largest insurers and investors, we are committed to limiting global warming and fostering a just transition to a low-carbon future.

We seize opportunities to drive decarbonization and climate resilience through our resources, partnerships, expertise, and influence. Our ambition is to be a trusted partner for our clients and investees across different sectors in the transition towards net-zero.

Our climate approach is grounded in the Allianz Group Climate Change Strategy, which has been in place since 2005. With a special focus on SDG 13, Climate action, we integrate climate considerations in our organization and across our business areas.

We further strengthen our climate action by collaborating with private and public partners, in line with SDG 17, Partnerships for the goals. Examples of partnerships include our work with the U.N.-Convened Net-Zero alliances: Net-Zero Asset Owner Alliance (NZAOA), Net-Zero Insurance Alliance (NZIA). Allianz Global Investors is part of the Net-Zero Asset Manager initiative (NZAM, not U.N.-Convened).

Our Climate Change Strategy

Allianz has had a Climate Change Strategy in place since 2005. With the rapid development of knowledge on climate-related matters, we continually review our strategy to ensure it is in line with the latest science. The strategy is built around the three pillars, through which we can have an impact: **Anticipate. Care. Enable.**

Anticipate the risks of a changing climate

Our climate strategy aims to anticipate the risks of a changing climate and we systematically consider climate and sustainability criteria in our insurance and investment business.

We constantly update and develop our approach to identifying and managing climate change risks and opportunities. We also systematically engage with investee companies and clients exposed to high climate and sustainability risks. Our engagement process includes advice and encouragement on how to define and pursue climate strategies in line with the latest science.

Care for our customers

We support our insurance customers in reducing their climate-related damage and risks through adaptation and low-carbon developments. This is particularly important as natural catastrophes increase due to climate change.

We are piloting new approaches that combine insurance protection with measures that strengthen resilience and promote positive behavior change. This includes incentivizing people and businesses to reduce risk, for example through advice programs.

On the insurance side, we invest in data and technology to better understand the natural catastrophe perils that impact our clients.

Because many people still do not have any insurance, we also collaborate with our peers, governments and civil society to help close the protection gap in vulnerable parts of society.

Finally, we support scientific research and innovation that improves society's understanding of climate-related risks, for example through the Allianz Climate Risk Research Award.

Enable the low-carbon transition

We aim to enable the journey to net-zero for our own operations, our investees, and

our insurance customers. Our ambition is to be a trusted insurance and investment partner for a wide range of industries and customers at varying stages along their net-zero transformations.

Our business strategy aims to systematically enable a low-carbon and climate-resilient future. We focus on key sectors with high emissions and the need for transformation.

The energy and transportation sectors are prime examples. We aim to strategically invest in low-carbon assets and insure low-carbon technologies.

Grounded in our belief in science-based decision making, we support partners, investees, and clients along the path to net-zero.

To be the change we want to see in the world, we also commit to pursuing net-zero emissions within our own operations.

➔ In our Group Sustainability Report 2022, you can find out more about climate in our business activities in sections 02.1 to 02.3 and about sustainability in our own operations in section 02.6.

➔ Find out more about our climate-related financial disclosure in section 03 of our Group Sustainability Report 2022.

05 Our climate approach

Our climate commitments and contributions

Our climate approach is an integral part of our core business. By committing to net-zero greenhouse gas (GHG) emissions by 2050, we are working to set long-term and intermediate targets across our operations and business lines in line with the 1.5°C ambition¹ of the Paris Climate Agreement.

In view of our overall goal to create positive change for societies and economies, we will continue to integrate climate action across all business areas and markets to deliver on our net-zero commitments.

- For our proprietary investment portfolio, we have committed to reduce GHG emissions to net-zero by 2050. Our intermediate 2025 targets initially covered listed equities, corporate bonds and real estate. We are constantly expanding the scope of targets in line with the Target Setting Protocol of the Net-Zero Asset Owner Alliance (NZAOA), of which Allianz was one of the founding organizations and holds the Chair. The initiative is led by the U.N.
[➔ For full list of targets, please see section 02.2.2 of our Group Sustainability Report 2022.](#)

- For our insurance portfolio, we were one of the founding members of the Net-Zero Insurance Alliance (NZIA). We are working on the targets and methodologies within the NZIA. These methodologies were published in January 2023 and Allianz and other members will now set their first near-term targets. The initiative is led by the U.N.

- In 2022, we published our new approach for the oil and gas sector, including targeted restrictions for oil and gas projects and unconventional practices, as well as expectations for companies in this sector.
[➔ Find out more in section 03.2 of our Group Sustainability Report 2022.](#)

[➔ Allianz statement on oil and gas business models.](#)

- We continue to gradually phase out coal-based business models across our proprietary investments and P&C portfolios, with a 2040 deadline at the latest. The milestones for this phase-out have been derived from leading climate scenarios which keep global warming by the end of this century to 1.5°C

with limited temperature overshoot. The next step is the tightening of the exclusion threshold for coal-based business models to 25 percent by December 31, 2022.

[➔ For details see section 03.2 of our Group Sustainability Report 2022.](#)

- For our own operations, we announced the acceleration of climate targets with reduction of GHG emissions by 50 % by 2025, versus 2019, and net-zero by 2030. We plan to achieve these targets by strengthening our environmental management and sourcing 100 % renewable electricity by 2023, shifting to electric corporate car fleet by 2030, and reducing GHG emissions from travel activities by 40 % by 2025.

[➔ For details see section 02.6 of our Group Sustainability Report 2022.](#)

- In addition, we advocate for strong climate policy. A supportive policy environment is crucial to ensure the viability of a socially-just transition to climate resilience and net-zero emissions. Without decisive action by governments, there will be insufficient frameworks and market incentives

to bring down demand for emission-intensive products and to allocate capital in line with a 1.5°C trajectory.

[➔ For details see section 03.2 of our Group Sustainability Report 2022.](#)

- As part of our commitment to transparency, we apply the recommendations of the G20 Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). We strive to continuously enhance our climate change-related reporting and business practices to drive best practice and we collaborate with and support others to do the same.

[➔ For more information, see section 03 of our Group Sustainability Report 2022.](#)

- In the fight against global warming, any additional unit of renewable energy is needed. Therefore, we are revising our thermal coal guideline to allow ring-fenced insurance of renewable energy projects not looking at legacy business of the utility.

[➔ Find out more in our Energy guidelines.](#)

¹ We are managing towards 1.5°C in line with pathways which do not overshoot 1.5°C or only to a limited extent (so called low/no overshoot pathways).

06 Our social approach

Our ambition

Our roots in insurance make us naturally focused on the social aspect of sustainability. Through the collective pooling and diversification of risk, we mitigate the impact that events can have on individuals, families, businesses and organizations.

By mitigating risk and providing financial security, insurance becomes a prerequisite for sustainable social or economic activities like owning or renting a home, pursuing leisure activities or running a business.

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

Our purpose and business experience led us to prioritize SDG 8, Decent Work and Economic growth, in our social approach with a particular focus on education and employability. Our work to support societies (SDG 8) and on climate (SDG 13) is linked and mutually enhances our positive impact.

€ 14.0 bn

Paid in wages by Allianz in 2022
(2021: € 13.3 bn)

€ 19.5 bn

Total tax contribution in 2022
(2021: € 17.9 bn)

45.2

Average training hours per employee contributed by Allianz in 2022
(2021: 34.7)

Our social strategy

Through our social strategy, we deliver to 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 especially on the support of next generations and people with disabilities.

1. Customers

Our success is measured by the trust our customers, partners and society has in us to competently deliver our expertise. The essential nature of our expertise helps protect society, by providing recovery from unexpected shocks, peace of mind, and financial security that fuels growth.

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

By sharing our core business knowledge in insurance, investments and asset

management, we work with others to create stronger social solutions to challenges.

For example, we support our insurance customers to adapt to climate risks and minimize damage. And we encourage the net-zero transition by insuring low-carbon developments. This is particularly important as we see more frequent and damaging natural catastrophes due to climate change. We are also piloting new approaches that combine insurance offerings with measures that strengthen resilience and positive behavior change.

We reach 122 million customers¹ globally. Our ambition is to earn and maintain their trust and loyalty by delivering quality products, services and expertise.

Customer experience is extremely important and we measure customer loyalty using the globally recognized Net Promoter Score (NPS). Our digital NPS (dNPS) score of 58 % Loyalty Leader segments indicates that our customers trust us and are willing to recommend Allianz to others.

⇒ To find out more on our approach to customer satisfaction, please see section 02.5 of our Group Sustainability Report 2022.

⇒ For more information about our approach to investors, please see our Analyst Presentation 2022 as well as our Group Annual Report 2022.

1 Including non-consolidated entities with Allianz customers and excl. emerging consumers.

06 Our social approach

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.

➔ To find out more about our engagement with stakeholders, please see section 05.3 of our Group Sustainability Report 2022.

2. 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 79 % for 2022 (see section 02.4) 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 areas¹:

Education

Lifelong learning and professional training and development secures the competencies needed in a fast-changing world and work environment. We see upskilling and reskilling 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 are adhering 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 fulfill 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 well-being

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

In 2021, we launched our global Health in Action framework which aims to reduce work-related stress. In 2022, our Work Well Index Plus (WWi+) score was two percentage points above the 2021 result of 69 percent.

➔ For more details, please see section 02.4 of our Group Sustainability Report 2022.

➔ For more details, please see the Allianz People Fact Book 2022.

3. Corporate citizenship

Our social impact comes through our 122 million customers and over 159,000 employees living and working in their communities in more than 70 countries.

Allianz's social impact stems from the impact our business and global organization has on the well-being of the community – from global society to local communities.

Through our employee compensation, healthcare and other benefit programs, Allianz serves an important stabilizing role in communities. Our tax payments support the local economies where we operate.

As part of our social approach, our Corporate Citizenship Strategy supports how we deliver our responsibility towards society. Many employees actively contribute in their communities. Allianz employees around the world take part in local corporate citizenship programs and volunteering through initiatives run by local operating entities and our twelve Allianz-affiliated foundations.

➔ For details see section 02.7 of our Group Sustainability Report 2022.

1 In our Group Sustainability Report 2022 you can find further information on key priorities: Employee Engagement (Allianz Engagement Survey), Ways of Working (in particular hybrid working), 02.4.2 Strategic workforce planning and 02.4.4 Talent acquisition and employee engagement.

06 Our social approach

One example of how our social approach contributes to a more inclusive workplace and disability culture is the Managing Disability Platform launched by the Allianz Umana Mente Foundation.

Next generations and people with disabilities

For next generations and people with disabilities we are focusing on SDG 8, supporting employability. We support this through our corporate citizenship approach which focuses on education and physical activity and deliver through our corporate citizenship areas MoveNow, OE initiatives, foundations, education and academic support as well as emergency relief. With that, we want to enable them with skills needed to enter the workforce with confidence.

We believe these skills need a mental and physical foundation, which is why we think education and physical activity are key to enable the next generations to prosper. Through our academic partnerships, we offer various scholarships. And we support ground-breaking medical and climate research through awards every year.

Leveraging our education, experience and partnerships in sports, we create programs that promote well-being, resilience and job-readiness for youth and people with disabilities. We are working closely with our partners including the International Olympic Committee, Bayern München and the International Paralympic Committee.

[➔](#) For details see section 02.7 of our Group Sustainability Report 2022.

Activities for next generation and people with disabilities.

Allianz corporate citizenship activities locally in the OEs and globally are being steered towards the Group strategy.

MoveNow

On a global level, the MoveNow Training Series was launched in 2022 in partnership with the International Paralympic Committee, starting with twelve operating entities. MoveNow leverages the long history which Allianz has on engaging children/youth and people with disabilities on physical activity, embedding educational elements. The series promotes accessible physical activity and educational elements, both in physical camps and in digital forms.

At the local level, our operating entities implement next generations activities tailored to their specific markets. In 2022, 15 operating entities kicked off corporate citizenship projects with a clear SDG 8 focus on the next generations and people with disabilities. These programs were in addition to their existing social impact initiatives.

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 will focus on three new Next Generations flagship projects.

[➔](#) More information can be found here.

Education, academic support

Allianz offers various scholarships, including for ESMT Berlin, Business School and 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 aligning activities with local priorities and leveraging the expertise, resources and assets of our operating entities to support communities.

Allianz responded to Ukraine war by donating € 10 million for the humanitarian support. Our employees and tied agents from key markets globally, raised more than € 1 million. Allianz matched employee donations.

Employee volunteering and donations

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

06 Our social approach

Our commitments to human rights

Respect for human rights is a fundamental requirement for responsible business within and beyond our direct operations.

Allianz SE is a signatory of the United Nations Global Compact (UNGC) and we are committed to upholding human rights.

Being a trusted industry leader and partner means protecting human rights in all our different roles – as an insurer, investor, asset manager, employer and in the supply chain.

⇒ For more details, please see section 05.5 of our Group Sustainability Report 2022.

⇒ For more details, please see our UNGC Communication on Progress.

Our governance approach

Strong leadership is the key contributor to culture and governance of a company.

Our purpose governs how we execute our business across all operating entities amongst others through a strong policy framework.

We have control functions with three defense levels in place (Three Lines of Defense Model).

However, we are also human and errors can occur. When this happens, we strive to act quickly to correct, learn and communicate openly.

⇒ Find out more about governance in 01.8 and 05.4 of our Group Sustainability Report 2022.

07 Our sustainability integration approach

Our commitment to tackling ESG topics – here referred to 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 issues allows us to reduce risks and capture opportunities in all areas of our business.

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

07.1 Sustainability opportunities and risks

Holistic assessment of risk is important to Allianz as an insurance company that manages and carries risks ranging from single events to decades.

In the Allianz Group Risk Policy, we define sustainability risks as events or conditions which, if they occur, could have significant negative impacts on the assets, 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 its customers, suppliers and investee companies. These span legal and reputational risks, supply chain and business disruption risks, quality and operational risks and financial risks.

By scrutinizing insurance, investment and asset management projects from a sustainability perspective, Allianz extends its understanding of risks and seizes potential business opportunities to benefit shareholders, customers and other stakeholders.

07.2 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 include the internal Allianz Standard for Reputational Risk Management and other corporate rules such as the Allianz Standards for P&C Underwriting and Allianz ESG Functional Rule for Investments.



The publicly available Allianz ESG Integration Framework provides transparency around our sustainability-related processes and guidelines. We published the fourth version of the Framework in 2021, available here.

[➔](#) For more details, please see the Allianz ESG Integration Framework, version 4.0.

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

07 Our sustainability integration approach

07.3 Embedding sustainability

Consistent application of sustainability processes in insurance and proprietary investment activities is crucial to

mitigate risks and capture opportunities resulting from the needed transition to a sustainable economy and society, and also our transformation to a sustainable financial service provider.

⇒ You can find further details on our sustainability integration approach in insurance, proprietary investments and asset management in sections 02.1 to 02.3 of our Group Sustainability Report 2022.

⇒ Further details on our sustainability integration approach in insurance, proprietary investments and asset management can be found in the Allianz ESG Integration Framework.

Sustainability integration processes	Business areas				Details
	P&C Ins.	Investments (listed)	Investments (non-listed)	Organization, Procurement	
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, reinsurers, vendors, etc.)	●	●	●	●	Inclusion of sustainability-related criteria in the selection, appointment and monitoring of business partners.

81.9 %

of assessed transactions were proceeded and

15.6 %

were approved subject to certain mitigation measures or conditions

2.4 %

were declined or not pursued

⇒ For further details please refer to our Group Sustainability Report 2022, tables ESG-1 to ESG-3.

07 Our sustainability integration approach

Our sustainability risk management framework

We continue to expand and strengthen our sustainability risk management approach. A key enabling factor is understanding the requirements and limitations of our operating entities 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.

07.4 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.

We actively engage in and support regulatory developments. For example, we are a member of the European Commission's Platform on Sustainable Finance and have contributed to the work of the European Financial Reporting Advisory Group (EFRAG) on EU sustainability reporting standards,

via in-kind memberships in the Project Task Force on European Sustainability Reporting Standards (PTF-ESRS) until April 2022 and in the Sustainability Reporting Technical Expert Group (SR TEG) since May 2022.

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.

1. Allianz contributes to the EU standard-setting activities of EFRAG, which has submitted its first set of technical advice on the sector-agnostic EU sustainability reporting standards in late 2022, via an in-kind member, which represents the EU insurance industry in the EFRAG Sustainability Reporting Technical Expert Group (SR TEG).
2. Over two years since October 2020, we were the only insurer within the EU Platform on Sustainable Finance which acts as a permanent expert group of the European Commission to assist developing the EU's sustainable finance policies, notably the further development of the EU taxonomy.

We aim to leverage regulation on sustainability by ensuring consistent implementation across all Allianz businesses as well as building business opportunities in line with regulatory concepts.

Allianz has established a Sustainable Finance Regulation implementation project at Group level to drive this. In close interaction with Group Centers and Legal Entities, internal guidance is designed to ensure consistent interpretation and implementation. Beyond regulatory compliance, the concepts are used to guide internal standards for product and business development.

➔ For further information on regulatory and public affairs, see section 04.2 in our Group Sustainability Report 2022.

08 Our sustainability governance

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

Allianz has increased the importance of sustainability with the ambition to fully integrate sustainability across the company.

The Board of Management at Allianz SE is ultimately responsible for all matters related to sustainability and is supported by the Sustainability Board (formerly known as ESG Board).

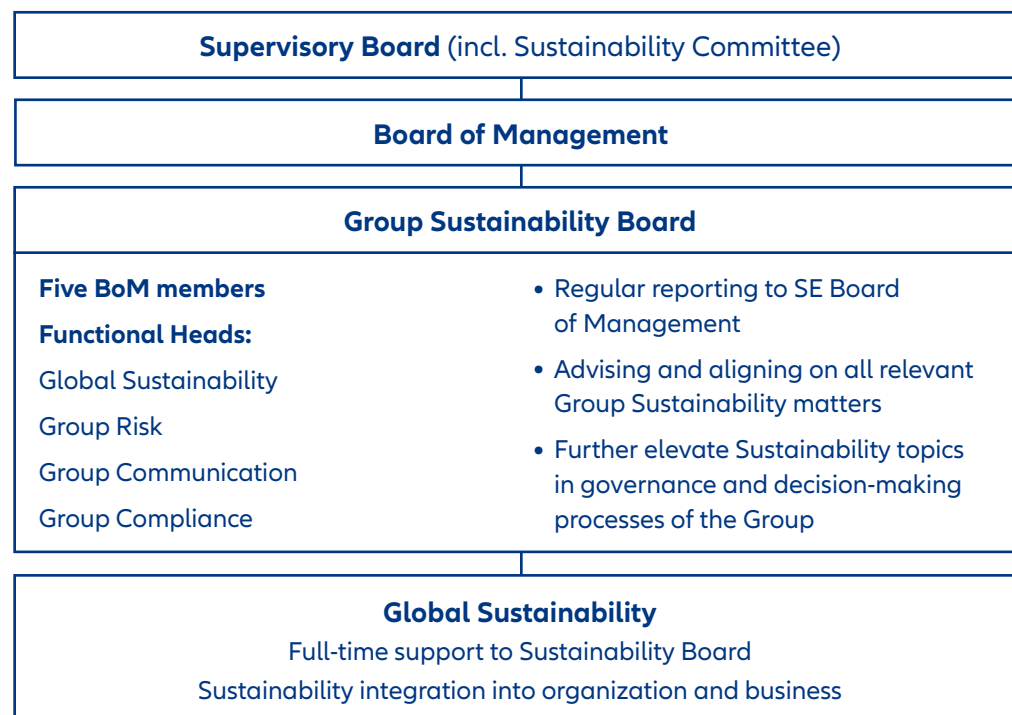
In 2021, Allianz established the Group Center Global Sustainability and the Sustainability Committee within the Supervisory Board to enable the

sustainability strategy integration and implementation.

Global Sustainability leads, coordinates and supports the Group functions and operating entities to effectively integrate the Group's strategic sustainability approach and related objectives into their strategies and activities.

Sustainability-related performance is integrated in our compensation systems through relevant targets incentivizing board members to act and decide according to E, S and G priorities.

➔ A fuller description of our sustainability governance can be found in section 05.4 of our Group Sustainability Report 2022.



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

08 Our sustainability governance

08.1 Key bodies involved in sustainability governance

Group Sustainability Board

Ultimate responsibility for 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 Group established a dedicated Group Sustainability Board (known until January 2022 as the Group ESG Board). It is composed of members of the Board of Management of Allianz SE and Group Center heads and meets quarterly.

The Group Sustainability Board is supported by the Global Sustainability function in the execution of its responsibilities.

The core objectives of the Group Sustainability Board are:

- Preparing the overall framework for sustainability for the Allianz Group.
- Integrating sustainability into the Group's processes, into Allianz as an organization (operations and organization) and Allianz's business (investment, insurance, asset management).

- Maintaining oversight of and steering overarching sustainability matters, such as topics concerning the climate, society and governance.

The core responsibilities of the Group Sustainability Board are:

- Suggesting strategic ambitions and develop proposals for sustainability related targets for the 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 OEs.
- Aligning on sustainability related internal and external communication including reviewing the Group's approach to rating and reporting.
- Monitoring the progress to implement and execute the sustainability related strategic ambitions.

⇒ **Details on Sustainability Board and related targets linked to the remuneration of the Board of Management can be found in sections 01.8 and 05.4 of our Group Sustainability Report 2022.**

Allianz SE Supervisory Board: Sustainability Committee

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

- Advising the Supervisory Board on sustainability-related issues 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 the sustainability-related statements of the Group's non-financial statement in the Annual Report and the Sustainability Report including the Tax Transparency Report, as part of the Supervisory Board's review.

- Supporting the Personnel Committee in the preparation of the Sustainability-related target setting as well as the review of the set targets' fulfillment for the Management Board's remuneration.

In 2022, 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 issues.

⇒ **Read more about the Sustainability Committee and its members in section 05.4 of our Group Sustainability Report 2022.**

⇒ **For further details about the remuneration system of Allianz Group, please see the Group Annual Report 2022, Remuneration Report, pages 26–52.**

08 Our sustainability governance

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

In 2022 and for 2023 the targets for the Board of Management have been further developed to reflect the Sustainability priorities.

Our targets		2022	2023	Sections in our Group Sustainability Report 2022
Overarching		Ensure strong sustainability position (top ranks in DJSI, MSCI, Sustainalytics). ¹	Achieve strong sustainability position (top performance in DJSI, MSCI).	05.1; 05.2
		Define approach and KPIs for sustainable claims management in retail P&C.	Ensure sustainable solutions in proprietary investments and products.	02.1.3
		Develop strategy for sustainability in asset management, leading to strong competitive positioning in sustainable product offering and ensuring strong sustainability reputation.		02.3
			Define positioning on Social in line with Allianz purpose focusing on Sustainable Development Goal 8 (SDG 8).	01.4; 01.6; 02.7
Environmental	Decarbonisation	Operations: 18% reduction of GHG (greenhouse gas) emissions per employee by 2022 (vs 2019) and 88% renewable electricity as share of total electricity consumption in 2022.	Continue to decrease the GHG emissions from our own operations to achieve -50% by 2025 and net-zero by 2030.	02.6
		Proprietary Investment: Establish a quantitative roadmap to reach minus 25% GHG emissions ² (absolute reduction on public equity and listed corporate debt by year-end 2024 vs 2019).	Follow through on net-zero ambition, in particular in line with our Net-Zero Alliances commitments.	02.1; 02.2; 03.3
Social	Customer Loyalty	Digital Net Promoter Score (dNPS).	Digital Net Promoter Score (dNPS) development against previous year and overall ambition level.	02.5
	Employee Engagement	Inclusive Meritocracy Index (IMIX) and Work Well Index+ (WWI+).	Inclusive Meritocracy Index (IMIX) and Work Well Index+ (WWI+) development against previous year and overall ambition level.	02.4
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).	02.4

¹ Following a review, the Sustainalytics rating is out of scope of BoM target after 2022.

² Scope 1 & 2 of investee companies according to GHG Protocol. GHG Protocol categorizes GHG emissions into three broad scopes: Scope 1: All Direct GHG emissions, which are emissions from sources that are owned or controlled by the reporting entity, Scope 2: Indirect GHG emissions, which are emissions from consumption of purchased electricity, heat or steam, Scope 3: Other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity related activities (e.g. T&D losses) not covered in Scope 2, outsourced activities, waste disposal, etc.

Reference for calculation to be found in Allianz Explanatory Notes. Emission-related data is provided by MSCI.

08 Our sustainability governance

08.2 Group Center Global Sustainability

Since 01 January 2021, responsibility for Allianz's sustainability agenda has been led by the Global Sustainability function (Group Center).

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

The Global Sustainability function supports the Group Sustainability Board in the execution of its responsibilities. This includes preparation, coordination and application of the decisions by the Group Sustainability Board.

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 Global Sustainability function 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.

Group Centers take responsibility for sustainability within their functions with the purpose to embed Sustainability across Allianz's organization and business.

Group Sustainability and Group Centers work with an expansive network of sustainability and business experts located across Allianz's operating entities globally providing guidance and setting minimum standards to ensure they embed sustainability in their strategies and approaches. This network supports implementation of the group-wide sustainability approach, share best practice and scale positive impacts across the organization.

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

➔ For more information on Group Committees, please refer to our **Group Sustainability Report 2022, section 01.8**, where sustainability related decisions are taken. Information on climate change business and management level governance can be found in section **05.4** of our **Group Sustainability Report 2022**.



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