

On a joint path



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We believe in the power of partnerships

Oliver Bäte
Chairman of the Board of
Management of Allianz SE (CEO)



1. Message from the CEO

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 year we publish the 23rd edition of our Group Annual Sustainability Report, but our sustainability story has begun much earlier. Allianz was founded 134 years ago 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 holds also true for Allianz. It is therefore paramount that we address climate change. 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](#).

We focus on addressing climate change. Its impact on individuals and businesses is profound.

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 UN-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.

We are in this together. Today more than ever before.

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 short version of Allianz's Sustainability Reporting. We are in this together. Today more than ever before.



UN's Climate Ambition Summit 2023

[View Video](#)

2. Our sustainability journey

We have been in the insurance and risk management business for over 134 years. Our purpose is to secure your future and with that build resilience in society.

We believe a sustainable society is one where people have all their needs met without compromising the ability of future generations to meet theirs – or in other words, achieving a social minimum for all. This means transforming economies to benefit as many people as possible without harming the planet (see graphic 1). To secure the social minimum, especially for young people and those with disabilities, our social pillar focuses both on a corporate citizenship approach, with the MoveNow initiative as a global program, as well as on engaging with our employees (see [chapter 4.2](#)).

Climate change endangers the social minimum and as such is our common challenge. Climate change worsens existing problems such as inequality, a cause of climate change itself, migration and political instability. Allianz has had a strategy in place since 2005 to address climate change and guide our actions in response to impacts, risks and opportunities.

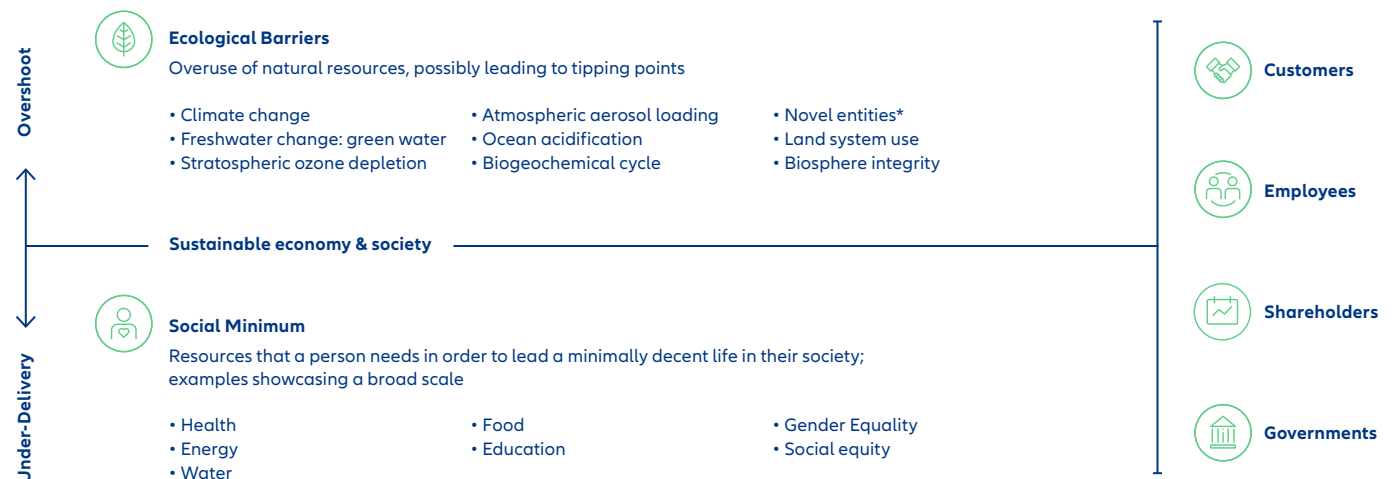
Our ambition is to help protect future generations and allow them to prosper, just as we’ve been doing since 1890. Our role in this transformation is guided by our purpose: ‘We secure your future’. To focus our efforts, we have prioritized three of the United Nations’ 17 Sustainable Development Goals (SDGs)¹. These align with our insurance and financial expertise as well as with our social priorities.

They are:

- SDG 8 – Decent work and economic growth
- SDG 13 – Climate action
- SDG 17 – Partnerships – because we know that we cannot work towards a sustainable society alone.

1 17 Goals to Transform Our World | United Nations

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).

Graphic 1: Stakeholders demand change towards a sustainable economy & society within planetary boundaries

Here are some examples of how we contributed to society in 2023:

- Continuing to provide insurance, investment and asset management solutions to around 125 million private and corporate customers in over 70 countries.
- Paying € 48.2 billion for claims in our P&C business
- Providing affordable insurance solutions to more than 85.5 million emerging consumers to increase access to financial services and partnering with digital technology companies.
- With a total tax contribution of € 20.0 billion, including taxes borne and collected, we contribute to the economic and social development of the countries we operate in. For further info refer to chapter 4.5.3 of the [Sustainability Report 2023](#), Our total tax contribution, p. 114.
- Publishing our Inaugural Net-Zero Transition Plan, a comprehensive action plan outlining the transformation of our business model, with the goal of achieving net-zero emissions in the year 2050, and announcing our 2030 intermediate targets for decarbonization (in Operations, proprietary Investments and P&C underwriting in our commercial and motor retail businesses).
- Actively pursuing investment opportunities that support solutions to environmental and societal challenges, aligned with the UN SDGs. Allianz systematically investigates a large spectrum of potential proprietary investments² to finance the low-carbon transition and achieve positive impact. This covers nearly all asset classes, markets, technologies and strategies. Our sustainable investments grew by 27% year-on-year from € 131.5 billion (2022) to € 167.4 billion (2023).
- Employing over 154.000 people worldwide, paying € 14.7 billion of wages, and supporting them with more than 50 hours of training on average while providing a healthy and inclusive workplace.
- Funding 18 social projects that contribute to the SDGs in local communities through our Social Impact Fund.



€ 48.2 bn

in P&C claims payments



€ 20.0 bn

total tax contribution, including taxes borne and collected



€ 14.7 bn

paid in wages by Allianz



50 hrs

of average training hours per employee contributed by Allianz



18

social projects funded through the Social Impact Fund

To ensure our sustainability efforts are fully embedded in the organization, we report and reflect our progress against sustainability and business targets and results, in top management remuneration schemes. Specifically, sustainability targets form part of the Individual Contribution Factor of the remuneration of the Allianz SE Board of Management. This approach is also cascaded down throughout the organization where appropriate. For more details, see [Appendix II](#).

² Proprietary investments in simple terms are for example the investments of capital from the insurance business.

3. Integrating sustainability to achieve our goals

Integrating sustainability into our business decisions and processes is key to managing risks and acting on opportunities to support sustainable development.



We strive to embed sustainability information in our decision-making. While we are still working towards full implementation, we have outlined our sustainability approach in the Sustainability Integration Framework³. This framework aims to incorporate sustainability practices throughout our entire organization starting with the management targets all through to business operations, focusing on areas such as climate change, social impact, responsible investment, and governance.

The approach involves assessing risks and opportunities, setting targets, measuring and reporting on progress, engaging stakeholders, and integrating sustainability considerations into our products and services.

We also have energy-related guidelines in place that promote the transition from fossil fuel to cleaner energy technologies. These guidelines⁴ help manage sustainability risks from our involvement in fossil fuel-related businesses and by supporting renewable and low-carbon energy projects. We report on any exemptions granted, such as companies working towards decarbonization in line with the 1.5°C threshold.

We continuously strengthen our sustainability risk management framework evaluating environmental and human rights risks. We have rules and processes in place to mitigate potential negative impacts for Allianz and our customers. These processes facilitate collaboration among different parts of the business that may be affected.

³ Allianz Sustainability Integration Framework, version 5.0

⁴ Allianz Energy Guidelines

4. Creating social impact

Since 1890, our insurance and risk management business has focused on building resilience and strengthening societies.

Our business exists to mitigate risk, so we understand the importance of resilience for society. By providing insurance cover, we help businesses and people thrive, benefiting society as a whole. Our purpose – ‘We secure your future’ – guides our social and business strategies. Our efforts under SDG 8’s ‘Decent work and economic growth’ framework are summarized here.



Preparing the next generation to move

Allianz has developed an inclusive training series with workout videos by Paralympic athletes as part of their MoveNow program.

[Watch 'Behind The Scenes – Day 1 Done'](#)

4.1 Making a difference with corporate citizenship

We want to build on the very nature of our insurance business and provide direct support for the communities we operate in.

Corporate citizenship refers to our responsibility towards society. With our corporate citizenship program, we aim to support and upskill young people and people with disabilities, helping them with their education and employability. Corporate citizenship activities include philanthropic initiatives, employee volunteering and partnerships, all of which have an impact in the communities where we operate.

A key part of this program is our global initiative MoveNow, which is based on the lessons learned from our partnerships with the International Olympic Committee (IOC) and the International Paralympic Committee (IPC). MoveNow aims to improve the health, well-being and employability of the younger generation and people with disabilities. It encourages them to move their body, mind and soul. The younger generation are the decision-makers of tomorrow, and we believe that access to education and physical activity will enable them to develop the skills and resilience needed to secure decent work and financial stability. Sports play an important role in developing social and employability skills such as leadership, teamwork, responsibility and fairness.

Allianz has operating entities, in simple terms subsidiaries, in more than 70 countries, and each one can run their own MoveNow project, with total financial support of € 500,000 per year offered via our Social Impact Fund (SIF). The fund supports strategic opportunities that deliver impact in communities beyond charitable donations. The entities cooperate in intersectoral partnerships, and projects that the SIF supported in 2023 – closely aligned with the MoveNow program – focused on financial literacy, training and mentorship activities.

As MoveNow takes a global and holistic approach that is delivered in partnership with stakeholders, our corporate citizenship projects achieve wider resonance. The bringing together of MoveNow and the SIF has boosted efforts to support education and employability for our main target groups. In 2023, the SIF supported 18 corporate citizenship projects at different operating entities.

Social Impact Fund – Funding
18 projects
in local communities

Entities in more than
70 countries
can run their own
MoveNow project

Our strategic focus on financial and insurance literacy has concentrated our efforts globally on the SDG 8 outcomes of decent work and economic growth. Our reason for doing this is our belief that financial literacy is a great lever to give people equal opportunities in society, especially vulnerable groups. This is why we pursued several approaches in 2023. For example, we included financial and insurance literacy as part of the MoveNow Future Workout – a digital learning journey. This three-week training plan is designed to teach financial and insurance literacy and empower young people to manage their finances with confidence.

Our Malaysian entity was one of the entities inspired by the initiative. In Malaysia, poor financial literacy has led to debt and financial instability in rural communities. In 2023, the SIF supported a project to improve the financial literacy of 80 children, which includes financial management, investment and employment skills. The project seeks to empower them to succeed in the future by building communication, teamwork and problem-solving abilities. Allianz Malaysia employees are working with a local NGO, Incredible Hearts, to design and deliver the program.

In 2023, we also launched an online financial literacy hub⁵. This provides easy-to-understand information, interactive budgeting tools and access to free coaching from Allianz experts.

⁵ Financial literacy hub (allianz.com)

4.2 Taking care of our employees

‘We secure your future’ is our corporate purpose – and living up to it starts with our more than 154,000 employees.

Our People and Culture strategy aims to fulfil this purpose, in line with our employer value proposition: ‘We care for tomorrow’. This is what drives our decisions and actions and we do it in line with our people attributes, which are: 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, accompany our people on their growth and development journey, and deliver strong business and social impact where we operate. To achieve this ambition, we have based our People and Culture strategy on three pillars:

People and Culture strategy based on three pillars:

FIRST

Employees and Candidates

SECOND

Business

THIRD

Brand and Society



The 1st Strategic Pillar, Employees and Candidates, includes the following topics:

- Engaging with own workforce
- Learning and development and performance management
- Fair remuneration, benefits and social protection
- Health and safety
- Work-life balance
- Collective bargaining and social dialogue

Here are examples of our practice in this field:

Listening to and engaging with our employees are the cornerstones of our People and Culture strategy. One way we do this is through the Allianz Engagement Survey (AES). 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 from a survey of ten questions. In 2023, the IMIX increased by +2pp 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%).
- Learning and development is a key differentiator in the financial services industry where customer needs are constantly changing in response to a rapidly evolving external context. 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.
- At Allianz, we are committed to equity and fairness as defined in our Group Code of Conduct⁶. This includes ensuring operating entities enforce equal pay for equal work in the same or comparable roles for all genders. We regularly conduct equal pay reviews to identify 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.
- 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 local Occupational Health and Safety (OHS) Management system. Find more info [here](#).

⁶ Allianz Group Code of Conduct

+2pp **81%**
Inclusive Meritocracy Index
(IMIX)

+5pp **76%**
Work Well Index+
(WWi+)

The 2nd Strategic Pillar, Business, outlines two strategic sub-sections: Diversity, Equity and Inclusion (DEI), focusing on Gender and Age distribution, and Persons with disabilities. This is a description of the Strategic Workforce Planning topic:

- 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 each and every one 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 Diversity, Equity & Inclusion dimensions: gender, people with disabilities, nationalities/ethnicities, generations and LGBTQ+.
- To ensure processes and workplaces are accessible for persons with disabilities, we promote equity through initiatives like the Valuable 500 and through our employee network, Allianz Beyond. We are working to increase transparency and representation of people with disabilities in our workforce through recruitment and self-identification.
- Strategic Workforce Planning 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.

The 3rd Strategic Pillar, Brand and Society, is the way we run our People and Culture operations. It generates social impact, which is acknowledged by external certifications and global rankings from bodies such as Great Place to Work[®] (GPTW), EDGE (Economic Dividends for Gender Equality)⁷ and Refinitiv⁸.

⁷ Allianz' entities globally EDGE Certified | EDGE Certified Foundation (edge-cert.org)

⁸ FTSE Diversity and Inclusion Index (lse.com)

4.3 Our commitment to human rights

At Allianz, we regard the respect for human rights as a minimum standard for responsible business.

The safety and well-being of our employees is of utmost importance to us, which is why we make sure that we minimize risks to employee rights, such as equal treatment, occupational health and safety, or workers' representation, where applicable. Our Group Code of Conduct⁹ spells out the expectation that our employees respect human rights in their work at Allianz.

⁹ Allianz Group Code of Conduct (allianz.com)



According to our own analysis, most of our suppliers operate in sectors that have relatively low human rights risk, such as consultancy or IT services. Nevertheless, we have extensive measures to assess and minimize risks to human rights in our global supply chains. These measures are in line with the requirements of the German Supply Chain Act, as is our due diligence in our own operations. We expect our suppliers to minimize their own human rights risks, as spelled out in our Vendor Code of Conduct¹⁰, which Allianz suppliers must accept.

Our Group Human Rights Officer monitors our human rights risk management in own operations and supply chains.

As a corporate insurer and proprietary investor, our human rights due diligence process forms part of our sustainability approach, which is integrated into our broader risk management system. We use a combination of sector and country-specific approaches to identify human rights risks.

Human rights-related due diligence has been integrated into 13 sensitive business areas, where relevant, to ensure that human rights are part of the overall risk assessment for insurance and proprietary investments in non-listed asset classes. For business transactions in certain countries, where systematic human rights violations occur, we carry out explicit due diligence in accordance with our Human Rights Guideline. For further details, see the Sustainability Integration Framework¹¹.

We report annually on policies, results and measures on a dedicated human rights page on our corporate website.

¹⁰ Vendor Code of Conduct

¹¹ Allianz Sustainability Integration Framework (allianz.com)

5. 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 society¹².

¹² Intergovernmental Panel on Climate Change – Synthesis Report

This is why we are focusing our environmental efforts on climate change. According to the Intergovernmental Panel on Climate Change (IPCC)¹³, emissions need to be almost halved every decade to restrict global warming and reach net-zero emissions by the middle of the century and to maintain a reasonable chance to achieve this goal.

¹³ Sixth Assessment Report – IPCC

Climate change poses many risks and raises fundamental questions about how we operate. We support efforts to adapt to the changing climate. As with any large-scale transformation, the way towards a net-zero world involves not only risks but also opportunities.



Our Net-Zero Transition Plan

As a financial institution we have an impact on climate change through the emissions we generate directly – from heating our offices to air travel – and indirectly – through the companies we insure and invest in.

At Allianz, we have had a strategy to address climate change since 2005. It guides our actions in response to impacts, risks and opportunities spanning our operations and our insurance and proprietary investment businesses. This strategy supports the objectives of SDG 13 – Climate action. Since 2018, our Climate Change Strategy further 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 Property & Casualty (P&C) underwriting portfolios.

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

- Increasing Climate Solutions investments by at least € 20 billion from current level (€ 37 billion as of 31.12.2023), subject to market environment and constraints.¹⁴
- Showing progress in P&C insurance portfolios: reduce CO₂ emissions by 30% absolute in the retail motor segment and 45% with regards to the GHG intensity in the commercial insurance segment¹⁵.
- Increasing our ambition in proprietary investment portfolios: having already overachieved our 2025 GHG emission target, we now aim to reduce emissions by 50% for our corporate portfolio. For more details, refer to [5.2.2.](#)
- Encouraging the net-zero transition: reinforcing our goal to drive decarbonization with our customers, partners and policymakers through advocacy and partnerships.

¹⁴ 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: EU taxonomy on sustainable finance climate category as well as SFDR Article 9 and beyond.

¹⁵ Target covers P&C corporate portfolio with reported emissions managed by AGCS. Base year for both is 2022.



Allianz raises its climate ambitions further

Günther Thallinger, the Allianz Member of the Board of Management responsible for investment management and sustainability, [explains the plan.](#)

5.1 Climate-related risks

Climate change is a major threat to the resilience of societies and natural ecosystems, whereas it is an existential business risk for us. This is why we work on mitigation and adaptation.

We monitor the evolving risk landscape as risks can take many forms. Climate change impacts our business through physical risks such as damage from extreme weather events like floods, hail or cyclones. We are also impacted by transition risks that result from the transition to a low-carbon economy. These risks are driven by the evolution of climate policy, technological progress, changes in consumer sentiment, or impacts from climate change litigation.

Another way to look at it is that climate change impacts us as an insurer providing insurance policies covering, for example, health impacts, property damage or litigation claims. Second, 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.

We expect climate change will have significant impact on global economies and our business. The risks and opportunities associated with climate change we see emerging today will transform and increase over the mid to long term.

Climate change considerations are an integral part of our insurance and investment strategy. In order 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 apply climate stress-testing and scenario analysis.

For further details, see our [Group Annual Report 2023](#), p.71f.



5.2 Actions and progress across the value chain

At Allianz, we have been focused on climate actions for several years¹⁶. 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.

¹⁶ 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 FY2024.



5.2.1 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:

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 emissions¹⁷ 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 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.

¹⁷ 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 tCO₂ with respect to our Motor Retail target.

Another key lever will be providing incentives for reducing emissions via mileage-based product offerings, as part of our existing sustainable solutions offering, which is explained in detail in chapter 3.1, Environmental matters, [Sustainability Report 2023, p.51ff.](#)

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 Allianz Global Corporate & Specialty 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.¹⁸

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.

¹⁸ 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 of the NFS.

5.2.2 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 follow the rule of thumb that we need to halve emissions every ten years and are in line with the best available science. They are quite detailed and 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 Protocol¹⁹ 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.

¹⁹ <https://www.unepfi.org/industries/target-setting-protocol-third-edition/>

50% by 2030

reduction in absolute GHG emissions for listed corporates (corporate bonds and public equity) against a 2019 baseline

50% by 2030

emission intensity reduction for all listed and unlisted corporate exposure

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 areas:

Firstly, we are reallocating 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.

Second, 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.

Third, we want to increase Climate Solutions investments by at least €20 billion from current level (€37 billion as of 31.12.2023), subject to market environment and constraints.²⁰ 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 EU taxonomy-aligned revenues via our listed corporate portfolio.

²⁰ 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: EU taxonomy on sustainable finance climate category as well as SFDR Article 9 and beyond.

Fourth, decarbonization of high-emitting sectors is critical to limiting global temperature increase to 1.5°C; therefore, Allianz sets sector targets for investee companies in the oil and gas, electric utilities, steel, and automobiles sector. These sector targets are in line with sector decarbonization pathways from the Net Zero Emissions by 2050 Scenario of the International Energy Agency (IEA)²¹. In addition, the Allianz Statement on oil and gas business models²² and the Allianz Statement on coal-based business models²³ are reflected in the targets.

²¹ Net-Zero Emissions by 2050 Scenario (NZE)
– Global Energy and Climate Model – Analysis – IEA

²² Allianz Statement on oil and gas business models

²³ Allianz Statement on coal-based business models



Allianz invested in 960MW offshore wind farm He Dreiht in the German North Sea

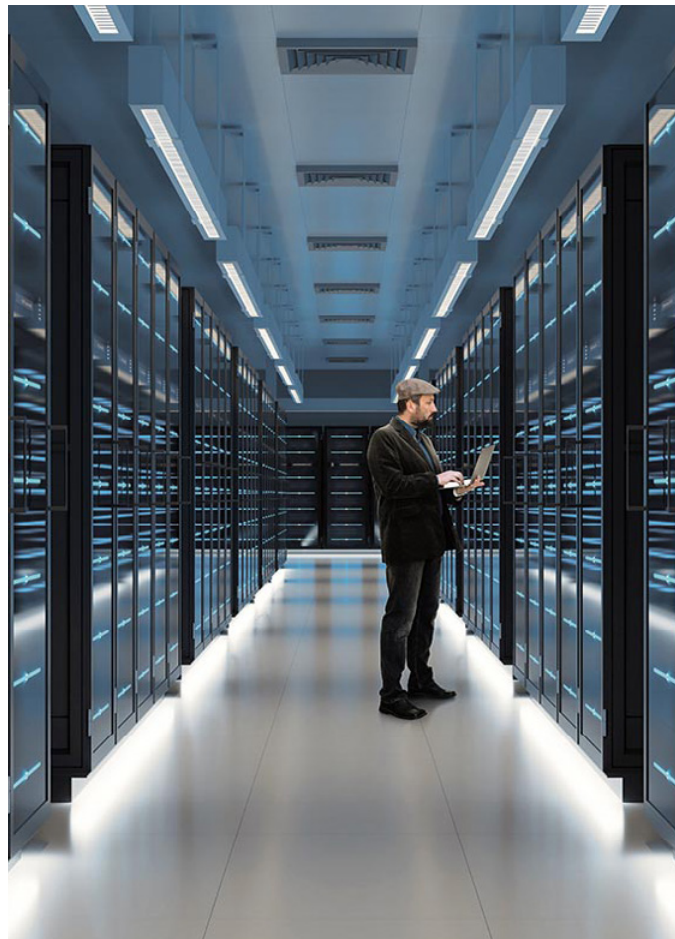
[View Video](#)

5.2.3 Decarbonizing our own operations

For our own operations, we have set an intermediate target²⁴ to reduce 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 emissions 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 ISO²⁵ 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.



²⁴ 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 Plan. For a detailed view on our GHG emissions and corresponding targets, please refer to the chapter 'Own Operations and further value chain' in our Sustainability Report.

²⁵ ISO = International Organization for Standardization

5.3 Partnerships: Together we can make it happen

We have tackled many challenges since our foundation 134 years ago. We know that climate change is too big a challenge for single entities to manage alone.



In this respect, at Allianz we help create networks and alliances. We also partner with organizations spanning public, private and voluntary sectors. As an example, Allianz co-leads the development of a parametric flood insurance solution for Ghana designed to benefit poor and vulnerable households and enhance the country's climate and financial resilience.²⁶

Another important example of our commitment to creating change is the formation of the UN-convened NZAOA²⁷, which Allianz helped to establish in 2019. This is a member-led initiative of institutional investors (87 members as of December 2023 with USD 9.5 trillion assets under management²⁸) committed to transitioning their investment portfolios to net-zero GHG by 2050. The NZAOA requires members to take into account the best available scientific knowledge including the findings of the IPCC, and regularly reporting on progress, including establishing intermediate targets every five years in line with the Paris Agreement Article 4.9.²⁹ The NZAOA members are the first in the finance industry to set intermediate targets, which include emission reduction ranges for 2025 and for 2030. Several other alliances have since been established, creating a movement of net-zero initiatives in the financial industry and beyond.

With such a framework in place, we prove that not only do we set targets, but our progress reports show that we can reach them. By doing this, we demonstrate that the targets are achievable and, as such, we help to create trust. For Allianz, this is another way to transform risks into opportunities and drive change.

²⁶ In the context of the Ghana project, the 'poor and vulnerable' target group has been defined based on the InsuResilience Global Partnership (IGP) / MCII definition: Vulnerable is defined as "people living on 3.1 to 15 USD PPP / day who are particularly exposed to climate risks and at high risk of slipping (back) into poverty due to climate change-related extreme events."

²⁷ UN-convened Net-Zero Asset Owner Alliance – United Nations Environment – Finance Initiative (unepfi.org)

²⁸ Members – United Nations Environment – Finance Initiative (unepfi.org)

²⁹ AOA-COMMITMENT-DOC-2022.pdf (unepfi.org)

6. Governance: The structure supporting our efforts

**We engage across the organization to create sustainable societies.
We act with integrity.**

At Allianz, our success is built on the trust that our customers, investors, employees and the public have in our performance and integrity. 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.

Sustainability is governed by the Board of Management and supervised by the Supervisory Board of Allianz SE, with support from the Group Sustainability Committee and Group Sustainability Board.

The Group Sustainability Board, supported by the Chief Sustainability Officer, implements the strategy and engages colleagues across the business. Further, local responsibilities for sustainability integration are allocated at Board level and supported by at least one Sustainability Lead. We appropriately integrate sustainability into our remuneration systems, encouraging board members to consider environmental, social, and governance factors in decision making process. Our approach combines accountability and governance to drive a consistent strategic approach. For more detailed information see Non Financial Statement and Sustainability Report.



Graphic 2: Governance

Appendix

I) Navigating the evolving reporting landscape

At Allianz, we value the trust shown by our stakeholder groups, which includes customers, shareholders and employees, and we report on our activities.

We align our management approach and reporting with international standards such as the Global Reporting Initiative (GRI) and recognized sustainability indices. We keep abreast of 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).

Allianz will be required to comply with the Corporate Sustainability Reporting Directive (CSRD) by the financial year 2024. To achieve this, a dedicated implementation project has been set up. As such, we chose to already converge towards the CSRD with our financial year 2023 reporting for 'Climate change' and 'Own workforce', in terms of anticipating its 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.

Our reporting ecosystem

Allianz has two main sustainability reporting products: the Non-Financial Statement (NFS), which is part of the Group Annual Report, and the Sustainability Report. Additional reporting products include the People Factbook, Allianz Group Tax Strategy, Analyst Presentation, this shortened version of sustainability reporting, and our Explanatory Notes, which sets out our methodology.

To assess the quality and reliability of our reporting, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) has conducted assurance reviews since the 2016 reporting year, and this year did so with reasonable assurance for the NFS.

Additionally, an increasing number of Allianz operating entities now publish their own sustainability reports to comply with local regulation requirements and to serve local stakeholders. These are available for download on local Allianz websites.

Material topics and aspects

Key topics included in the 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).

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 reviewed and endorsed by our Group Sustainability Board. In addition, Board of Management approval has been granted via the Allianz Group Annual Report signoff process.

The topics 'Climate change' and 'Own workforce' are strategic sustainability focus areas at the Allianz Group, supported by the GRI materiality assessment and confirmed by the CSRD double materiality assessment.

For further details about our CSRD convergence strategy, please see our Non-Financial Statement in our [Group Annual Report](#).

The governance process for non-financial reporting is aligned with financial reporting. This year is our 23rd annual publication of the Allianz Group Sustainability Report.

II) Overview of the rules and processes in place

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

Graphic 3: Rules and processes

III) Sustainability-related targets linked to the remuneration of the Board of Management of Allianz SE

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 last year to create consistency with the Allianz SE Board Member target letters. The underlying targets remain unchanged compared to last year.

Our Targets	Board Targets 2023	Achievement 2023	Board Targets 2024	More details in NFS	
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)	For further insights, please refer to section 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	For further insights, please refer to section Environmental matters and EU Taxonomy Regulations	
	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		For further insights, please refer to section Social matters	
Environmental	Decarbonization	50% reduction of GHG (greenhouse gas) emissions per employee from Operations by 2023 (vs 2019) and 100% renewable electricity consumption in 2023	GHG emissions from Operations reduced (-62%) and renewable electricity share increased to 100% ³	For further insights, please refer to section 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	Follow through on the transition plan to reach the net-zero commitments from our business and operations For further insights, please refer to section Environmental matters	
Social	Customer Loyalty	Digital Net Promoter Score (dNPS) development against previous year and overall ambition level	Achieved 59% Loyalty Leaders across all business segments ⁴	Digital Net Promoter Score (dNPS) development against previous year and overall ambition level	For further insights, please refer to section Responsible consumers / sales.
	Employee Engagement	Inclusive Meritocracy Index (IMIX) and Work Well Index + (WWI+) development against previous year and overall ambition level	IMIX: 81% (2022: 79%) WWI+: 76% (2022: 71%)	Inclusive Meritocracy Index (IMIX) and Work Well Index+ (WWI+) development against previous year and overall ambition level	For further insights, please refer to section Employee matters
	Employability & Lifelong Learning	n.a.		Ensure Lifelong Learning	For further insights, please refer to section 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)	For further insights, please refer to section Employee 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 section Energy consumption & mix in the NFS 2023 of Allianz Group.

4 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).

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