

04.3 Compliance

Table COM-1

Compliance Data – Anti-Corruption¹

As of December 31	2022	2021	2020
Number of incidents of corruption confirmed ²	0	0	n/a

Table COM-2

Anti-corruption Training Completion Ratio³

As of December 31		2022	2021	2020
Employee				
Germany	%	92.1	n/a	n/a
Eastern Europe	%	96.4	n/a	n/a
Rest of Western Europe	%	77.3	n/a	n/a
Middle East and Africa	%	85.2	n/a	n/a
North America	%	98.9	n/a	n/a
South America	%	91.5	n/a	n/a
Asia Pacific	%	82.3	n/a	n/a
Board Member				
Germany	%	88.2	n/a	n/a
Eastern Europe	%	96.2	n/a	n/a
Rest of Western Europe	%	83.1	n/a	n/a
Middle East and Africa	%	90.0	n/a	n/a
North America	%	100.0	n/a	n/a
South America	%	95.6	n/a	n/a
Asia Pacific	%	99.5	n/a	n/a

1 Data disclosed since 2021.

2 The KPI in line with WEF requirements includes the number of material violations of corruption laws or corresponding official proceedings reported to Group which would have been required to be disclosed to Allianz Group's Audit Committee.

3 The reported ratios are calculated from data delivered from Allianz Operating entities. This is the first time that Allianz reports this ratios. The data includes also trainings roll-out close to the year end 2022 even though attendance may not occur until the following year.

84 %

Completion ratio of Anti-Corruption Training for employees

The completion ratio of Anti-Corruption Training in line with World Economic Forum (WEF) requirements is calculated as the number of employees/ board members of Allianz Group companies that completed the training versus the number of enrolled employees/ board members in the fiscal year 2022. The KPI is calculated per region as defined by Allianz.

92 %

Completion ratio of Anti-Corruption Training for board members

0

Number of Anti-Corruption cases

The KPI in line with WEF requirements includes the number of material violations of corruption laws or corresponding official proceedings reported to Group which would have been required to be disclosed to Allianz Group's Audit Committee.

Our success is built on the trust that our customers, investors, employees and the public have in our performance and integrity. This depends on the personal ethical conduct and capability of all Allianz management and employees and their aim to create value for all stakeholders.

Compliance mission

The Allianz Compliance function fosters the ambition of a corporate culture of individual and collective responsibility for ethical conduct and adherence to the rules by:

- **enabling employees** to understand and live by the rules and thereby oversee that adequate and effective processes are in place to ensure adherence;
- **supporting the business** to identify, assess and mitigate compliance risks;
- **maintaining a confidential channel** to report concerns, act on them and protect those who speak up in good faith; and
- **interacting transparently** and truthfully with regulators.

04.3 Compliance

Allianz Group Code of Conduct

The Allianz Group Code of Conduct (CoC) is at the core of our corporate culture. It outlines the basic principles and values that guide the everyday decisions and conduct of all employees.

Every Allianz new joiner is informed of their obligation to adhere to the CoC during their welcome presentation.

As part of a project led by Group Compliance, the CoC was fundamentally renewed in 2020 and approved by the Board of Management. The new CoC was then rolled out across the Group along with training for operating entities to raise awareness of the key principles, namely mutual respect, integrity, transparency and responsibility.

The CoC expresses Allianz's commitment to respecting a wide range of international human rights standards including:

- the Universal Declaration of Human Rights;
- the U.N. Covenants on Human Rights;
- The Core Labor Standards of the International Labor Organization (ILO);
- OECD Guidelines for Multinational Enterprises;
- The U.N. Guiding Principles on Business and Human Rights; and

- The Ten Principles of the U.N. Global Compact.
- > For further information about our commitment to human rights, see section 05.5.

➔ Read the Allianz Group Code of Conduct.

Zero tolerance of fraud and corruption

Our target is zero fraud and corruption across our business and our principle is zero tolerance towards fraud and corruption.

We consider fraud and corruption as serious offences. The aforementioned principle is of absolute and primary importance. It applies regardless of whether Allianz itself or any other internal party (such as an employee, tied agent, intermediary and/or any third parties acting on behalf of Allianz) benefits from the fraud. Allianz does not tolerate bribery, and corruption.

This principle expresses Allianz's stance towards the abuse of a position of power for an improper personal advantage (corruption) or when a corrupt offer, solicitation or promise is made to obtain an improper personal or business advantage (bribery).

Employees are strictly prohibited from directly or indirectly offering, requesting, accepting, providing, paying, soliciting, promising, authorizing or receiving 'Anything of Value' (defined broadly to include anything – monetary or non-monetary – that provides a benefit of any kind) to or from any Public Official or anyone in the private sector, in order to obtain or retain business or an improper personal or business advantage.

Anti-corruption training must be provided at least once every three years to all employees.

Anti-money laundering

We follow international standards and applicable laws related to money laundering and terrorism financing.

Allianz regularly assesses the obligations of all operating entities under applicable Anti-Money Laundering (AML) laws. Each entity in the Group is required to determine and document whether any of their legal entities and/or branches is an AML-Obligated Entity (i.e., an entity subject to local AML law) under applicable local law.

Each relevant entity must define a reasonable AML Program Framework that describes the AML Program, documents and describes the processes, procedures and controls that constitute

the AML-Obligated Entity's methods to execute the Internal Safeguards as outlined in the Allianz Standard for the Prevention of Financial Crime and Functional Rule.

At a minimum the AML Framework Program usually include rules regarding:

- Scope of application of AML law;
- The AML risk assessment;
- Customer due diligence and transaction monitoring;
- Reporting requirements for suspicious activity;
- Communication, training and awareness;
- Record retention and protection of personal data;
- Reliability screening of employees;
- Ensuring continued effectiveness of the AML Program;
- Ensuring appropriate measures to prevent the abuse of new products and technologies;
- Information sharing (group-wide if applicable);
- Management information (MI); and
- Responsibilities and organizational obligations.

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Respecting economic sanctions and embargoes

Allianz is strongly committed to conducting business in full compliance and accordance with all applicable Economic Sanctions.

This means taking all reasonable steps to identify and mitigate the sanctions risks relevant in the business, including risks arising under local law as well as under foreign law (such as in certain cross-border transactions or in cases where extra-territorial sanctions laws are relevant due to links to that foreign jurisdiction or for other reasons).

Any ambiguity regarding economic sanctions risk or the applicability of sanctions laws should be addressed with regard to the intention of the relevant sanctions regime.

Allianz identifies and addresses financial sanctions risks by using financial sanctions screening tools. All operating entities must, at a minimum, use the sanctions lists issued by the European Union, United Nations, the US Office of Foreign Assets Control, the US Bureau of International Security and Non-Proliferation, the US Department of State, the US Treasury and the United Kingdom's HM Treasury, in addition to all other locally and regionally applicable lists.

Allianz maintains appropriate, risk-based processes for the identification, mitigation and management of the Trade Sanctions risk posed by specific transactions. Allianz respects the Trade Sanctions restrictions imposed under the laws applicable to the businesses. Trade Sanctions review processes include identifying, analyzing and taking appropriate actions in respect of any payments or transactions (including contractual arrangements, financial services or any types of insurance business, amendments, extensions, or renewals) that are related to a Sanctioned Country.

Fair competition

We believe fair competition and access to the market drives innovation, stimulates growth and benefits the consumer.

As a global player and a leading provider in our sector, we have a responsibility to act in compliance with competition law.

To meet this responsibility, the global Allianz Antitrust Program consists of the Allianz Antitrust Standard and the Antitrust Code.

The Standard lays out core principles and measures to be adopted across the Group to ensure compliance with antitrust law. The Code provides a set of core behavioral

rules that employees must observe when dealing with competitors, customers and business partners.

As in previous years, we provided regular classroom and online training in 2022 to top management and exposed employees to refresh and develop their understanding of antitrust rules and how they affect their daily business.

Questions and feedback received on the application of training content, including in the context of sustainability initiatives, show the positive impact and efficacy of the training.

Voicing concerns

Allianz offers employees multiple channels for raising concerns. Employees are encouraged to report breaches and misconduct. They are given information on where and how to do so. These include via management, speaking directly with Group Compliance, by e-mail, and anonymously via a third-party solution provided by Business Keeper GmbH and accessible via the intranet.

The same tool is also accessible to external parties via Allianz.com. Some operating entities provide employees with the option to report via an ombudsman.

All reported incidents are assessed, documented and managed according to internal guidelines and confidentiality is strictly adhered to.

Group Compliance runs an annual awareness campaign to remind employees of the avenues for reporting.

Our actions in 2022

In 2022, the Compliance Function continued to evolve the way it assesses Group and local Compliance Departments.

In the past, the focus was primarily on local implementation of global programs (e.g., Sanctions, Anti-Fraud, Anti-Corruption, Anti-Money Laundering, etc.) to ascertain the Compliance Culture of operating entities. Review procedures have been expanded to confirm adequate compliance scope, ensure adequate skills to fulfill scope coverage and confirm compliance with global programs in addition to local specificities.

The changes also reinforce a compliance-by-default and by-design mindset through an evaluation of the status (e.g., standing) of a compliance function within the enterprise (e.g., the compliance function has a role/voice in major strategic and operational considerations).

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This holistic approach was initiated in 2021 through the Compliance Assurance of Risks and Effectiveness (CARE) program.

While CARE is primarily a self-assessment exercise, it is reinforced with compliance reviews of operating entities, completed and coordinated by Group Compliance. Compliance reviews are completed on a risk-based, five-yearly cycle. From 2023, this review cycle will be reduced to a three-yearly cycle.

The program is aligned to the CARE program so that operating entities are encouraged to exercise more rigor in the assessment of control effectiveness against the background of anticipated confirmation activities.

Group Compliance is itself subject to external, independent evaluation by one of the four largest accounting firms. It is evaluated based upon CARE elaborated criteria which have been certified as being compliant with regulations which define requirements for compliance organizations.

Compliance Reviews are supplemented by Targeted Reviews. These assess the implementation status and effectiveness of individual programs such as Anti-Trust, Sales Compliance, etc.

The benefit of this multi-faceted review and confirmation strategy is that operating entities are monitored more frequently and are engaged in more holistic assurance activities. Additionally, frequent interactions with operating entities provide additional opportunities to monitor, guide and, if necessary, enforce remedial activities. An additional benefit is the ability to learn from local and group best practices, further bolstering our overall Compliance Culture.

An online tool for compliance issues management provides an overview of issues detected in the course of the above activities. It requires reporting on mitigating activities as well as on follow-up procedures, including a review of actions undertaken and documented in the tool.

05.1.2 Objective and action tables

Strengthening our foundation

Objectives and actions: cybersecurity

Topic	Objectives	Progress and actions 2022	Reference
Information security executive accountability	<ul style="list-style-type: none"> Define and include information security targets for all responsible board members, including local OEs to ensure appropriate focus on securing Allianz. Further upgrade targets and risk indicator monitoring, linking them to quantified risk exposure and roll-out of global cyber-risk management strategy. 	<ul style="list-style-type: none"> Target objectives for all OEs included key information security risk indicators in addition to targets for strategic programs related to information security. Additionally, a mechanism was devised to ensure a direct link between information security standing and reward. 	For further insights into our information security executive accountability, please refer to section 04.1.1. Also refer to our Non-Financial Statement, section Cybersecurity, p. 67.
Data privacy and data ethics	<ul style="list-style-type: none"> Deploying new data privacy controls for supplier management concerning the pre-selection, contracting, ongoing monitoring, and off-boarding of data processors. Deploying a rigorous new training program for privacy professionals and privacy champions. Rollout of the AI Practical Guidance to all EU Renewal Agenda Committee (RACo) operating entities. 	<ul style="list-style-type: none"> Revised data privacy controls for supplier management to reflect the full supplier management lifecycle and piloted these controls for inclusion into the 2023 cycle of the Integrated Risk and Control System (IRCS). Conducted 2 Privacy Expert Trainings and 7 Privacy Champion Trainings, attended by 49 and 404 participants respectively. Instituted a quarterly program to train relevant employees on the Practical Guidance for AI. Completed the Practical Guidance for AI rollout assessment, including an interview process and monitoring measures, for all EU RACo OEs by the end of 2022. 	For further insights into data privacy and data ethics, please refer to section 04.1.2 and section 04.1.3. Also refer to our Non-Financial Statement, section Cybersecurity, p. 70–71.

Objectives and actions: compliance/anti-corruption and bribery matters

Topic	Objectives	Progress and actions 2022	Reference
Compliance	<ul style="list-style-type: none"> Complete the cycle of the integrated compliance risk scoping and assessment activities as part of the company's IRCS process. Continue to enhance the effectiveness of local compliance organizations by enriching our compliance reviews, to bolster further the governance and processes of underlying compliance organizations across our OEs. 	<ul style="list-style-type: none"> Completed the 2022 integrated compliance risk scoping and assessment activities as part of the company's IRCS. 2022 Compliance Review Plan executed. 	For further insights into our compliance, please refer to section 04.3 and tables COM-1; COM-2.

EU Taxonomy Regulation

The EU Taxonomy Regulation (2020/852) is a “green” classification system that translates the EU’s climate and environmental objectives into criteria for specific economic activities for investment purposes. The regulation came into effect last year and Allianz is reporting the eligibility (described subsequently) for the second time.

Regulatory background

EU Taxonomy recognizes as “green”, or “environmentally sustainable” economic activities that make a substantial contribution to at least one of the EU’s climate and environmental objectives, while at the same time not significantly harming any of these objectives and meeting minimum social safeguards. It is a transparency tool that will introduce mandatory disclosure obligations on some undertakings (namely, the ones in scope of the Non-Financial Reporting Directive (NFRD) and Corporate Sustainability Reporting Directive (CSRD) prospectively) for financial market participants. The disclosure of the proportion of taxonomy-aligned activities will allow for the comparison of companies and investment portfolios. In addition, it can guide market participants in their investment decisions. However, the EU Taxonomy is not a mandatory list of economic activities for investors to invest in. Nor does it set mandatory requirements on environmental performance for companies or for financial products. Investors are free to choose what to invest in.

Economic activities that are not recognized by the EU Taxonomy Delegated Acts as substantially contributing to one of the EU’s climate and environmental objectives are not necessarily environmentally harmful or unsustainable. And not all activities that could generally make a substantial contribution to the environmental objectives are already part of the EU Taxonomy Delegated Acts. Rather, the first Delegated Act (namely, the Climate Delegated Act) under the EU taxonomy sets criteria for economic activities in the sectors that are most relevant for achieving climate neutrality and delivering on climate change objectives. This includes sectors such as energy, forestry, manufacturing, transport and buildings.

At this stage, the regulation has only established “Technical Screening Criteria” for (a) climate change mitigation and (b) climate change adaptation, which are laid out in the Climate Delegated Act. Criteria for the four remaining environmental objectives will follow in a future Delegated Act, in line with the mandates outlined in the Taxonomy Regulation.

In addition, extensions of the Taxonomy Regulation with view to (a) economic activities that do not have a significant impact on environmental sustainability and economic activities that significantly harm environmental sustainability, as well as (b) regarding other sustainability objectives, such as social objectives, may follow at a later stage.

Furthermore, the Disclosures Delegated Act requires the EU Commission to review the application of this regulation by 30 June 2024, and to assess in particular the need for any further amendments with regard to the inclusion of (a) exposures to central governments and central banks in the numerator and denominator of key performance indicators of financial undertakings, and (b) exposures to undertakings that do not publish a non-financial statement pursuant to Articles 19a or 29a of Directive 2013/34/EU in the numerator of key performance indicators of financial undertakings.

Overall, this means that the Taxonomy Regulation will evolve further over coming years, translating into an extension of the expected screening and reporting scope alongside various dimensions.

Taxonomy eligibility versus taxonomy alignment

For a transitional period of two years, a simplified approach applies for the financial sector. In this context, only eligibility has to be reported. This means that we only report on (investments into) economic activities which are in scope of the Taxonomy Regulation, i.e., described in the Climate Delegated Act; irrespective of whether that economic activity meets any or all of the technical screening criteria laid down therein.

Thus, taxonomy “eligibility” of an economic activity implies that respective Technical Screening Criteria are available and the activity could generally make a substantial contribution to one of the environmental objectives of the taxonomy. Whether an activity is taxonomy-eligible, or not, provides no indication about how green or environmentally sustainable that activity is. This will only be possible with the future alignment KPI.

Taxonomy “alignment” of an activity goes beyond taxonomy eligibility. It implies that an activity complies with the requirements defined specifically for this particular activity in the Technical Screening Criteria of the taxonomy. For example, to be “taxonomy-aligned” under the current taxonomy, an activity has to fulfill the specific criteria that determine when an economic activity makes a substantial contribution to the climate objectives as outlined in the Climate Delegated Act. For example, for an activity to be considered ‘taxonomy-aligned’ it must meet the specific criteria that determine when an economic activity makes a significant contribution to the climate objectives set out in the delegated act on climate. In addition, the criterion of “do no significant harm” and minimum social safeguards must be met. Allianz is reporting taxonomy eligibility for the second year. Taxonomy alignment will be reported from the financial year 2023 onwards.

Concept

The Disclosures Delegated Act specifies the disclosure obligations under Art. 8 of the Taxonomy Regulation.

In order to ensure comparability of the taxonomy information with the Group’s financial disclosure, we report for each of our material financial activities. Consequently, the Allianz Group will report on the following activities:

- non-life insurance,
- proprietary investments, and
- third-party investments.

Non-life insurance

Non-life insurance (and thereof eight Solvency II Lines of Business (LoBs)) is one economic activity in scope of the Taxonomy Regulation (“taxonomy-eligible”), as it is generally deemed as able to have a positive enabling function with a view to climate change adaptation.

In the non-life insurance business, the Allianz Group is active in all the eight LoBs that can generally be considered as eligible under the Taxonomy Regulation; the same applies for the Allianz Group’s reinsurance business accepted from external counterparties. Namely

reinsurance business of eligible insurance activities can be considered as taxonomy-eligible. The extent to which individual contracts include protection against climate-related perils (e.g., flood events or hail storms) depends on the individual demand and the requirements of the customer's typical situation or unique risk exposure. Risk analysis and product advice is an integral part of our sales process and we are pursuing the objective to close insurance coverage gaps as far as possible.

We integrate climate protection into our core business and we embed the management of risks and opportunities resulting from climate change in our overall business strategy. Measures include developing and adjusting financial products and services, updating policies and processes, setting targets and limits, managing our operational climate footprint, and engaging with internal and external stakeholders. As a treaty reinsurer of external clients, we consider the climate-related strategies of these insurance companies as part of our underwriting process in order to live up to our decarbonization commitments.

The information about taxonomy eligibility in our underwriting portfolio is an indication of the scope of our activities that can generally be assessed against the specific technical screening criteria for taxonomy-alignment applying to (re-)insurers, and therefore have the potential to provide a substantial contribution to the environmental objective of climate change adaptation. A LoB must contain at least one policy with terms related to the treatment of climate perils to be considered as taxonomy-eligible. On the one hand, the Allianz Group offers policies in the LoBs of "other motor insurance", "marine, aviation and transport insurance" and "fire and damage to property insurance", where protection against climate perils is explicitly included. On the other hand, the Allianz Group offers policies that are based on a general protection approach, thus covering all risks, including (yet, not explicitly referring to) climate perils in the five remaining LoBs "medical expense insurance", "income protection insurance", "workers' compensation insurance", "motor vehicle liability insurance", and "assistance". Allianz generally considers both types of LoBs as eligible under the Taxonomy Regulation, as they all comprise policies that cover against climate perils. The most material eligible LoBs, in terms of gross written premiums, are "fire and other damage to property insurance", "other motor insurance" and "motor vehicle liability insurance".

EU Taxonomy: Eligibility in underwriting based on GWP¹

	2022	2021
Non-life insurance and reinsurance eligible	76.65%	78.74%
Non-life insurance and reinsurance non-eligible	23.35%	21.26%
Insurance eligible	76.54%	78.72%
Insurance non-eligible	23.46%	21.28%
Reinsurance eligible	81.45%	80.06%
Reinsurance non-eligible	18.55%	19.94%

¹ Based on non-consolidated LoB reporting.

Taxonomy eligibility does not give an indication of the degree to which the Allianz Group's non-life insurance activities can be considered as taxonomy-aligned, but reflects the structure of the Allianz Group's underlying business and future screening scope with respect to a

substantial contribution to climate change adaptation at a broad level.

Proprietary investments & third-party assets

For investments, the Taxonomy Regulation currently limits the scope of which investments and non-financial investments, including real estate, that could generally be considered as "taxonomy-eligible" to exposures to undertakings that are obliged to publish non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU. This means that for taxonomy reporting as an investor, the Allianz Group can only consider reported data of economic activities of investees in scope of the NFRD that are, thus, obliged to disclose under Art. 8 of the Taxonomy Regulation.

The eligibility share includes activities of controlled subsidiaries, NFRD-related investments, and non-NFRD funds that may have underlying NFRD investments. In addition, mortgages and real estate held for investment are considered 100% eligible and are included in the reported figures. In addition, Allianz considers investments in real estate funds (with non-controlling interest) to be eligible. However, for such investments we do not expect to be able to acquire the necessary information to assess their taxonomy-alignment, hence we expect to report them as non-aligned due to lack of data.

Additionally, several asset classes, which are material for the Allianz Group, cannot be considered taxonomy-eligible as of now, such as sovereign bonds or non-EEA investments (except for own investments, for example in real estate and mortgages). This applies for both proprietary and third-party assets.

The Allianz Group uses Moody's Analytics to source listed asset eligibility data, and uses only reported data (no estimated data is used). For single listed asset products, Allianz employs a data hierarchy prioritizing data reported at an issuer level. If reported data is not available at issuer level, then parent level data is sourced. And in case that is unavailable, Allianz uses reported data of the ultimate entity. Taxonomy eligibility is considered only for NFRD companies that publish reported data.

The taxonomy eligibility share for the Allianz Group's proprietary investments is based on listed equities and corporate bonds from NFRD companies, where reported data is available. In addition, we assessed controlled listed or unlisted assets and debt instruments that are held by our (internal) asset managers, or other subsidiaries (e.g., real estate investments or mortgages) and where Allianz has control under IFRS.

For investments, a look-through approach applies for investment funds and unit-linked products. However, such reporting for the financial year of 2022 is limited due to lack of available data at issuer level (see more detail in the "Limitations of reported numbers" section).

In order to provide transparency about the sustainability of our portfolio beyond what the taxonomy KPIs currently allow, we disclose additional voluntary information on the sustainability of our proprietary investments portfolio at Group-level, based on the definition of "Sustainable Investments" as per the Sustainable Finance Disclosure Regulation (SFDR). For more information, please refer to our Group Sustainability Report 2022 on the [Allianz company website](#), section 02.2.1.6.

Compliance/anti-corruption and bribery matters

This section describes the impact of ethics, responsible business, and compliance matters on the Allianz Group’s activities. Further, it describes the impact of the Allianz Group’s activities and relationships on compliance. The concepts and achievements related to the management of these impacts are described with a focus on the compliance management system, anti-corruption, and bribery matters. All compliance matters are overseen by the Group Compliance team.

Concept and programs

Our **Compliance Management System** helps ensure compliance with internationally recognized laws, rules and regulations, and to promote a culture of integrity in order to safeguard the company's reputation. We take a proactive stance, working with organizations such as the German Institute for Compliance and the Global Insurance Chief Compliance Officers Forum to enhance our understanding of compliance issues and to share best practices.

Compliance risk is part of the operational risk category, as laid down in the Allianz **Integrated Risk and Control System** (IRCS). OEs in scope of IRCS are defined by Group Risk. They are required to conduct an annual compliance risk assessment based on Group-defined risk scenarios. Together with the Compliance Assurance of Risks and Effectiveness (CARE), they form the annual cycle of **our integrated compliance risk scoping and assessment activities**.

In 2021, the Compliance Assurance of Risks and Effectiveness (CARE) program was initiated. In 2022, the Compliance Function continued to evolve the way it assesses Group and local Compliance departments. Review procedures have been expanded to confirm adequate compliance scope, assure adequate skills to ensure complete and effective scope coverage, and confirm compliance with global programs in addition to local specificities. While CARE is primarily a self-assessment exercise, it is reinforced with compliance reviews of operating entities, completed and coordinated by Group Compliance. Compliance reviews are completed on a risk-based, five-yearly cycle. Starting 2023, this review cycle will be reduced to a three-year cycle.

Compliance Reviews are supplemented by Targeted Reviews. These assess the implementation status and effectiveness of individual programs such as Antitrust, Sales Compliance, etc. The benefit of this multi-faceted review and confirmation strategy is that operating entities are monitored more frequently and are engaged in more holistic assurance activities. Additionally, the frequent interactions with operating entities provide additional opportunities to monitor, guide and, if necessary, enforce remedial activities. An additional benefit is the ability to learn from local and Group best practices, further bolstering our overall Compliance Culture.

An online tool for compliance issues management provides an overview of issues detected in the course of the above activities. It requires reporting on mitigating activities as well as on follow-up procedures, including a review of actions undertaken and documented in the tool.

The gathered information provides the primary basis of reports to the Group Board and the Allianz SE Supervisory Board’s Audit Committee. An Integrity Committee, chaired by Group Compliance, reviews all activities and issues related to misconduct and/or violations of internal/external rules and regulations, and Code of Conduct infractions, including reports of actions to follow up on whistleblowing cases.

As part of our global compliance program, we follow international standards and applicable laws related to corruption and bribery, money laundering and terrorism financing, trade and financial sanctions, capital markets, data privacy, customer protection, antitrust, and other relevant compliance risk areas. We thoroughly investigate allegations of violations of laws as well as of breaches of Allianz-specific rules.

The Allianz Group CoC outlines the basic principles and values that guide the everyday decisions and conduct of all employees. As part of a project led by Group Compliance, the CoC was fundamentally renewed in 2020 and approved by the Board of Management. The new CoC has since then been rolled out across the Group, along with training for operating entities to raise awareness about the principles established by the CoC, namely mutual respect, integrity, transparency, and responsibility.

Our target is zero fraud and corruption across our business and our principle is zero tolerance towards fraud and corruption. We consider fraud and corruption as a serious offence. The aforementioned principle is of absolute and of a primary nature. It applies regardless of whether Allianz itself or any other internal party (such as an employee, tied agent, intermediary and/or any third parties acting on behalf of Allianz) benefits from the fraud. Allianz does not tolerate bribery and corruption. This principle expresses Allianz’s stance towards the abuse of a position of power for an improper personal advantage (corruption) or when a corrupt offer, solicitation or promise is made to obtain an improper personal or business advantage (bribery). Employees are strictly prohibited from directly or indirectly offering, requesting, accepting, providing, paying, soliciting, promising, authorizing or receiving “Anything of Value” (defined broadly to include anything - monetary or non-monetary - that provides a benefit of any kind) to or from any public official or anyone in the private sector, in order to obtain or retain business or an improper personal or business advantage.

Anti-corruption training must be provided at least once every three years to all employees.

Objectives and actions: compliance/anti-corruption and bribery matters

Topic	Objectives	Progress and actions 2022
Compliance	<ul style="list-style-type: none">- Complete the cycle of the integrated compliance risk scoping and assessment activities as part of the company's IRCS process.- Continue to enhance the effectiveness of local compliance organizations by enriching our compliance reviews, to bolster further the governance and processes of underlying compliance organizations across our OEs.	<ul style="list-style-type: none">- Completed the 2022 integrated compliance risk scoping and assessment activities as part of the company's IRCS.- 2022 Compliance Review Plan executed.

05.2 How we report: transparent reporting, ratings and performance

We actively encourage our stakeholders and business partners to consider adopting the WEF metrics in their own reporting.

As part of our commitment to transparent and comparable reporting, we have included an overview of our disclosures based on the Stakeholder Capitalism Metrics in this report.

We have included additional indicators on pay equality, wage level and anti-corruption trainings.

We do not consider some metrics to be material for us as a financial services company and explanations for these omissions are provided.

⇒ Our WEF Content Index available as an appendix to this report, is accessible through our website.

⇒ For further details on the Stakeholder Capitalism Metrics, please see the WEF website.

Non-Financial Statement

In compliance with the German implementation of the E.U. Non-Financial Reporting Directive (2014/95/EU), we publish relevant non-financial information within our Group Annual Report. This so-called Non-Financial

Statement is approved by the Supervisory Board of Allianz SE and assured with reasonable assurance by PwC.

⇒ For further details please see our Group Annual Report 2022.

Our reporting ecosystem

We focus on reporting online, cross-linking to the sustainability section of our website, People Fact Book, Tax Transparency Report and Analyst's Presentation and Non-Financial Supplement, which offers further extra financial information.

An overview of our reporting ecosystem can be found on page 02.

An increasing number of Allianz subsidiaries now publish their own sustainability reports. These are available for download on local Allianz websites.

Integrating non-financial reporting into financial reporting

We use SAP data collection for almost all non-financial information with an interface to financial data systems for some data points.

The P&C Line of Business reporting tool is used to collect Sustainable Solutions and EU Taxonomy data.

The governance process for non-financial reporting is aligned with financial reporting and follows the same review rounds as for

the Annual Report engaging with the Board of Management and Supervisory Board.

This year, we conducted a fast-close project to harmonize reporting timelines.

Scope of reporting

This is our 22nd annual Sustainability Report.

Our Sustainability Report 2022 relates to the entire Allianz Group.

Unless otherwise stated, all measures, activities and key figures refer to the 2022 fiscal year (01 January 2022 to 31 December 2022) and we take operational control as the boundary for reporting.

We are no longer underwriting new insurance business in Russia and the Russian operations of the Allianz Group are classified as a disposal group as held for sale.

⇒ For further information, please refer to the Consolidated Financial Statements, note 3, page 142 of our Group Annual Report 2022.

05.4 Our expanded sustainability governance

With the importance of climate and SDG 13 we have established a dedicated governance around our climate activities.

05.4.2 Climate governance

In 2021, we thoroughly reviewed our approach to identify and manage climate change risks and opportunities.

This review concluded that a program to develop and implement continuously improved tools, processes and disclosures – including appropriate governance structures – should be implemented from 2022 onwards.

The process is steered by a cross-functional group of senior executives at Group and OE levels. They include the Global Chief Risk Officer, Chief Sustainability Officer, Heads of Group Accounting and Reporting, Global Property-Casualty (P&C), Global Commercial, Center of Competence Life and Health and one of the Managing Directors of Allianz Investment Management.

Progress is reported to the Group Sustainability Board. The governance described refers to the status in the reporting year 2022.

Group functions

Addressing sustainability matters requires cross-functional collaboration and support across our global operations.

The Global Sustainability function includes a team dedicated to Climate Integration and is responsible for coordinating integration of sustainability and climate aspects into core investment, insurance and business operation activities.

It also acts as the secretariat of the Sustainability Board and meets regularly with its Chair. Further functions such as Group Risk, Global P&C, Global Commercial, Allianz Investment Management and Group Accounting and Reporting report on climate-related matters and support operating entities in integrating the Group's strategic approach and objectives.

Additional bodies and functions, such as Allianz Research, monitor and analyze market, technological and regulatory trends and developments and share insights.

Investment and insurance functions

Our key insurance operating entities, two major investment businesses (Allianz Global Investors and PIMCO) and investment management function (Allianz Investment Management) have well-established climate and sustainability teams.

At Allianz Investment Management (AIM), the Investment Management Board (IMB) oversees implementation of climate and sustainability strategy for our proprietary investment portfolio of € 701.1 billion. This includes regular updates, discussions and decisions on implementation, target-setting and compliance related to portfolio decarbonization targets and measures. Analyses of potential growth opportunities as well as asset stranding in climate scenarios and engagement on climate aspects are also regularly addressed.

Within AIM, climate and sustainability are steered at the IMB level with a Managing Director in charge of the implementation.

For our P&C insurance business, the ESG Business Services team located at Allianz Global Commercial & Specialty (AGCS) is responsible for developing, coordinating and supervising sustainability and climate-related governance.

> For more details, see section 02.2.

➔ For more details, see Allianz ESG Integration Framework.

Climate competence

In addition to the governance mechanisms described above, we apply a variety of instruments to foster sustainability and climate competency at Board, senior executive and employee levels.

These include:

- Extensive reports and briefings for top management, translating climate science into business implications.
- Sustainability roundtables of investment functions.
- Trainings for employees, investment-related functions, underwriters and sales agents.
- Knowledge sharing with and upskilling of local sustainability colleagues.
- Conferences on sustainability topics which include Board member presentations; in 2022 we held two internal Sustainability Forums open to all employees.

05.5 Our commitment to human rights

German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz). Specific areas of focus include discrimination in the workplace, child labor and providing a safe working environment.

➔ **Read the Vendor Code of Conduct.**

We also created a Sustainability Charter to help our suppliers understand our supply chain strategy when it comes to sustainability and the expectations of being a partner of Allianz, now and in the future.

➔ **Read the Allianz Group Sustainability Charter.**

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ESG referrals were assessed under the human rights guideline in 2022
(2021: 46)

Human rights due diligence in our operations is a key part of our ESG referral and assessment process (see section 05.5.1). For procurement activities, a negative answer to human rights-related screening questions in the vendor integrity screening triggers sustainability assessment at Group level. These are published in the annex of the Allianz Group Vendor Code of Conduct.

Our Global Sourcing and Procurement function assesses current and potential suppliers to ensure they abide by the ESG guidelines outlined in the Allianz Vendor Code of Conduct (VCoC), which is aligned with ILO standards, UNGP and UNGC.

> **For more details on procurement topics, see section 02.6.**

Allianz is also committed to compliance with the Modern Slavery Act in the U.K., both from the perspective of our U.K. business and the interactions of our wider Group. No issues were raised regarding human rights issues in accordance with the Modern Slavery Act in 2022.

➔ **Read the Allianz Group 2022 Statement on Modern Slavery.**

A grievance mechanism is a key aspect of human rights due diligence in a company and it ensures alignment with UNGP guidelines. A grievance mechanism is a complaint channel through which external stakeholders can raise any potential human rights concerns. No cases of human rights violations were identified in Allianz's grievance mechanism process in FY 2022.

➔ **Access our grievance mechanism.**

05.5.2 Integrating human rights into our core business

As a corporate insurer and investor, our human rights due diligence process forms part of our overall 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 all 13 sensitive business areas where relevant, to ensure that human rights are part of the overall risk assessment for insurance and investments in non-listed asset classes.

We maintain a mandatory referral list for sensitive countries where systematic human rights violations occur. For business transactions located in these countries, we carry out explicit due diligence in accordance with our Human Rights Guideline that covers various human rights violations.

➔ **Additional details on these human rights assessments can be found in section 02.1, table ESG-3.**

In 2022, we carried out a review of the human rights guideline and sensitive countries approach across all business lines and

core processes dealing with insurance, investment and procurement decisions.

We engaged with NGOs and consulting companies specialized in human rights to understand external stakeholder expectations and perspectives. The work is still on-going and our updated approach to human rights is expected to be finalized in 2023.

In terms of our investments, if we identify an issuer in our listed investment portfolio that is flagged for human rights issues by our external sustainability data provider, we prioritize this issuer in our engagement process.

> **See section 02.2.**

Data privacy

Allianz is committed to the highest standards of data protection and privacy compliance by handling personal data responsibly, transparently, with due care, and in a fair and lawful manner. To ensure we continue to uphold the privacy rights of our customers, employees, and other stakeholders, we have further enhanced the Privacy Monitoring and Assurance Program (PMAP) and continued to embed privacy within the business through our network of the privacy champions.

> **See section 04.1.2 on data privacy.**

05.7 Materiality analysis

To make a positive impact and manage our potentially detrimental impacts, we must understand and respond to the changing context in which we operate.

Our materiality assessment enables us to stay on top of trends and align our approach, reporting and strategy with the sustainability issues that are most important to our stakeholders and our business.

The assessment ensures that we focus on the risks, opportunities and issues that matter most to our key stakeholders, and which we can influence.

We aim to implement a robust materiality analysis process that meets regulatory (CSRD)¹ and reporting (GRI) requirements. Our target is to conduct a comprehensive update of the materiality analysis every three years in line with regulatory, reporting and rating agency guidelines.

We intend to undergo, latest for fiscal year 2024, a comprehensive materiality assessment process which will be in accordance with the Corporate Sustainability Reporting Directive (CSRD) provisions, which will include identifying material sustainability matters from an impact perspective (our impact on the environment and people) and a financial

perspective (risks and opportunities related to sustainability matters).

For 2022, there were no significant changes to the process or list of material topics compared to the previous year.

Materiality assessment process

Our most recent assessment was carried out in 2021 in line with the 2016 GRI Standards requirements and is still applicable for 2022.

Our assessment approach used a variety of data sources and we improved our methodology in 2021 by increasing the number of data sources and the number of data points within these sources.

1. Identification: We identified a list of sustainability topics that impact the economy, environment and society. These were tailored to our business through a desk-based review of our own prior material topics, peers' materiality matrices, a media review using the HLG Brand Pressure Index and RepRisk data, NGO-relevant topics using SigWatch data and independent expert opinion from a specialist consultancy according to their significance.

2. Prioritization: We engaged with stakeholders including NGOs, employees and customers through interviews, surveys and workshops to prioritize the list of material topics.

3. Analysis and validation: We aggregated and analyzed data, integrating the results into a materiality map, and presented results to the internal expert pool of representatives including Group Risk, Group Communications, Group Compliance, Group Legal, Group Accounting and Reporting, as well as Global Sustainability. This group also provided the final judgment of outcomes.

➔ For a full description of the materiality assessment process we followed, refer to page 101 of our 2021 Sustainability Report.

05.7.1 Our material issues

Our assessment in 2021 identified 19 material issues which were prioritized as either having high or medium importance.

Topics are ranked and presented in a materiality matrix along two axes according to stakeholder views on their importance to society and to our business.

The topic 'animal welfare standards' was removed from the list of prioritized topics because it was deemed irrelevant for our business model and for our key stakeholders.

Three new topics were included in 2021 materiality assessment:

- Diversity and inclusion;
- Responsible tax; and
- Data and Artificial Intelligence (AI) ethics.

All topics in the materiality matrix relate to sustainability and several are linked to our sustainability strategy pillars, including:

E: Our climate approach – climate change, environmental footprint in our operations.

S: Our social approach – financial inclusion, local community engagement, human rights, diversity, equity and inclusion.

G: Our approach to sustainability integration – ethics and responsible business, data and AI ethics, data privacy, cybersecurity, sustainability integration into products.

The top three most material issues for all our key stakeholders and our business are:

- 1 Climate change
- 2 Ethics and responsible business
- 3 Cybersecurity

➤ For the full list of material topics, see next page.

¹ Corporate Sustainability Reporting Directive.

05.8 Independent Practitioner's Report on a Limited Assurance Engagement on Sustainability Information

To Allianz SE, Munich

We have performed a limited assurance engagement on the disclosures in the sustainability report of Allianz SE, Munich (hereinafter "the Company"), for the period from January 1, 2022 to December 31, 2022 (hereinafter the "Report").

Responsibilities of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Report in accordance with the principles stated in the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter the "GRI-Criteria").

This responsibility of Company's executive directors includes the selection and application of appropriate methods of sustainability reporting as well as making assumptions and estimates related to individual sustainability disclosures, which are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as they have considered necessary to enable the preparation of a Report that is free from material misstatement whether due to fraud or error.

Independence and Quality Control of the Audit firm

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis – IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the disclosures in the Report based on the assurance engagement we have performed.

Within the scope of our engagement we did not perform an audit on external sources of information or expert opinions, referred to in the Report. Furthermore, we did not perform any procedures on any forward-looking statements such as projections and forecasts.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to allow us to conclude with limited assurance that nothing has come to our attention that causes us to believe that the disclosures in the Company's Report for the period from January 1, 2022 to December 31, 2022 have not been prepared, in all material aspects, in accordance with the GRI-Criteria.

In a limited assurance engagement the assurance procedures are less in extent than for a reasonable assurance engagement and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the practitioner's judgment.

Within the scope of our assurance engagement, we performed amongst others the following assurance procedures and further activities:

- Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
- Assessment of the process for conducting the materiality analysis in accordance with the GRI criteria
- Inquiries of personnel involved in the preparation of the Report regarding the preparation process, the internal control system relating to this process and selected disclosures in the Report
- Identification of the likely risks of material misstatement of the Report under consideration of the GRI-Criteria

05.8 Independent Practitioner's Report on a Limited Assurance Engagement on Sustainability Information

- Analytical evaluation of selected disclosures in the Report
- Evaluation of the presentation of the selected disclosures regarding sustainability performance
- Description of significant inherent limitations in measuring or evaluating the underlying subject matter against the relevant GRI-Criteria

Assurance conclusion

Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the disclosures in the Company's Report for the period from January 1, 2022 to December 31, 2022 have not been prepared, in all material aspects, in accordance with the GRI-Criteria.

Intended Use of the Assurance Report

We issue this report on the basis of the engagement agreed with the Company. The assurance engagement has been performed for purposes of the Company and the report is solely intended to inform the Company as to the results of the assurance engagement. The report is not intended to provide third parties with support in making (financial) decisions. Our responsibility lies solely toward the Company. We do not assume any responsibility towards third parties.

Munich, 28 February 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Richard Burger

**Wirtschaftsprüfer
(German Public
Auditor)**

Hendrik Fink

**Wirtschaftsprüfer
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