

Strategic Report

The directors present their strategic report for the year ended 31 December 2020 for AWP Assistance UK Ltd (the 'Company').

Overall Company strategy

The Company is a wholly owned subsidiary of Allianz Partners S.A.S. (the 'Allianz Partners Group'), which is ultimately owned by Allianz S.E. (the 'Allianz Group'). The Company is a fully authorised Insurance Intermediary and is regulated by The Financial Conduct Authority ('FCA') with reference number: 311909.

Our strategy continues to be renowned as the caring, premium UK specialist assistance provider in our main lines of business, which are: Automotive, Travel and Consumer Specialty, Home and Property and Health. This strategy is aligned with the Allianz Partners Group and with Allianz Strategic pillars (Inclusive Meritocracy, Technical Excellence, Digital by Default, True Customer Centricity and Growth Engines).

We develop our revenue streams by working with our business partners to provide efficient and effective insurance and assistance solutions 24/7 to their clients. Our business model is mainly B2B2C (business to business to customer). The brand of our business partners is usually used in the delivery of the service to the end customer.

We focus on:

- Meeting our business partners' needs
- Providing excellent customer service
- Treating customers fairly
- Developing new products and services and new routes to market for our services
- Attracting new business partners
- Attracting, motivating and retaining talented people
- Achieving our shareholders objectives

Environmental and employee matters

Environment and sustainability

Sustainability is an integral part of the Company culture and has indeed been a key focus for the Allianz brand as a whole for some decades now. The Allianz Group takes responsibility for how its decisions and actions might impact generations to come. The Group Corporate Responsibility Strategy ensures we deliver these goals in a way that makes us one of the most responsible insurance and investment businesses in the world, and at a local level the Company takes actions to support these.

Streamlined Energy and Carbon Reporting

We fulfil the statutory requirements for Streamlined Energy and Carbon Reporting, which includes disclosure of the Company's carbon emissions. Under the Companies Act 2006 / SECR Regulations, 'Large' companies' are required to report their annual emissions in their Directors' report.

AWP Assistance UK Limited Streamlined Energy and Carbon Reporting statement covers the reporting period 01/01/2020 - 31/12/2020 and has been prepared in line with the requirements of the Streamlined Energy and Carbon Reporting regulations and the relevant areas of the Greenhouse Gas ('GHG') Protocol Corporate Accounting and Reporting Standard.

The Location based methodology using IEA conversion factors was applied to energy use in our office building and our employees' travel. In 2020 we collected actual meter readings energy usage in the building and for travel used actual for 10 months and extrapolated for the full year.

The majority of the environmental impact of our business is energy and waste disposal at our single site office building where 79% of our employees are based. The technician employees are field based and travel daily across the UK in their service delivery to our customers. The directors recognise that as a provider of Assistance services, especially at the roadside, using mobile technicians will be incurring a fuel transport impact and hence CO₂e on our environment.

In all areas of environmental impact measured by the company we have a lesser impact than in 2019. The majority of that will be direct result of reduced headcount physically present in the office from April 2020 at the start of the first lockdown following the declared Covid19 pandemic.

Strategic Report (continued)

Scope 1	- emissions from combustion of gas	128.27 tCO ₂ e
	- emissions from Roadside technician fleet	978.2 tCO ₂ e
	- emissions from non-technician fleet	79.53 tCO ₂ e
Scope 2	- emissions from purchased electricity	10.84 tCO ₂ e
Scope 3	- other indirect emissions from business travel	11.02 tCO ₂ e

The carbon intensity: Emissions of tCO₂e/full time equivalent employees during 2020 was 2.01 tCO₂e. The Company takes seriously its commitment to measuring and reducing carbon emissions, and as part of the Allianz Group initiative, aims to reduce the CO₂e per employee to 1.9 tonnes by 2025, a reduction of over 20% from 2019 levels. This measure is a consolidation of the business consumption of energy and paper as well as business travel impacts.

The company strategy has been to purchase renewable energy backed by Renewable Electricity Guarantees of Origin (REGO) certificates. Through this strategy, within the above 2020 total energy consumption, the Company has sourced a total of 4.195 million MEJ of REGO backed (zero emission) electricity equating to 100% of total electricity use.

Measures taken: In 2020 the business has changed the office lighting to energy efficient LED lighting which is expected to save nearly 1 tonne of CO₂e per annum (nearly 98,000 kWh or a 5% saving in energy consumption). Total internal Energy consumption in our office has reduced by 24% from 2019 with the building using 6.4 million MEJ or 1.78 million kWh equating to 139.1 tonnes of CO₂e.

Business travel, excluding our Roadside technicians, totalled 309,000 miles (average of 636 miles per employee) and incurred 90.55 tonnes of CO₂e (a reduction of 70% on 2019) or 190kg per employee. The reduction is mainly down to an enforced reduced travel and a greater utilisation of digital meeting technology which the business is intent on continuing post Covid travel restrictions. During the year there was a decision to prohibit any overseas travel for the business and to limit as much as possible travel within UK. As a result air travel was reduced by 85% a reduction of 45 tonnes of CO₂e. The mileage reported is taken from the business miles expenses log which is prepared by the employee for all trips for business reasons by air, train or road.

Travel distance for our roadside technicians totalled 2,820,000 miles (average of 22,560 miles per technician) and incurred 978.2 tonnes of CO₂e or 7.8 tonnes per technician (a reduction of 5% on 2019) and despite lockdown technicians were assisting our customers throughout 2020 and are expected to be each on the road for around 220 days per annum.

Employees

The Company is very proud that our employees are aware of the fundamental importance of learning and development, and we invest much time, effort and attention to this. The Allianz Group stands for a corporate culture that supports a positive work environment in which performance as well as learning and development of employees is considered crucial. Strengthening and expanding employee competences through learning is a key factor that both improves performance and develops improved skills that benefit employability and the wider community.

The Company is committed to having a diverse, inclusive workforce made up of employees from a wide range of backgrounds. This diversity gives us a competitive advantage that help us drive innovation, challenge existing processes and deliver outstanding service to our clients. The overall company employee gender split is 38% female (2019: 37%) to 62% male (2019: 63%); however the gender split in the office environment after the exclusion of the roadside technician workforce is 47% female (2019: 47%) to 53% male (2019: 53%). The overall mean pay gap is below the industry average.

To ensure ongoing success the Company aims to attract, develop and retain the best talent available from within our community. This ensures the opportunities for careers to grow. The Company actively encourages our employees to participate in the Company's performance success through our Business Incentive Scheme (a profit share scheme) and 100% of our employees now have a performance incentive bonus specific to their role. We employ a robust Performance Management Framework to encourage the efficient delivery of high quality customer service. This is supported by high quality learning and development opportunities for all employees, supporting our talent management and career development pathways initiatives.