

03.5 Tax transparency

01	Introduction
02	Measuring and managing sustainability
03	Strengthening our foundation
03.1	Corporate citizenship
03.2	Cybersecurity
03.3	Regulatory and public affairs
03.4	Compliance
03.5	Tax transparency
03.6	Sustainable procurement
04	Climate-related financial disclosure
05	Our universal principles

COVID-19 dramatically affected governments' finances and raised the topic of tax responsibility up the agenda. We see the taxes we pay as an important part of our contribution to the sustainable development of the countries in which we operate. We believe fair, effective and stable tax systems are beneficial for both government and companies.

Allianz acts transparently and responsibly in all tax matters and works closely with the tax authorities to ensure that we pay our fair share of taxes. Our processes and internal governance implemented in line with our tax strategy are set to ensure full compliance in every jurisdiction where we operate.

As regards the **Allianz Group's tax strategy**, the strategy has been approved by the Board of Management of Allianz SE as the ultimate decision taking body. Our tax strategy is transparent and closely aligned to our business strategy and also to our sustainability goals – which focus on the relevant U.N. Sustainable Development Goals. Guided by our Sustainability

Strategy, we embed environmental (E), social (S) and governance (G) aspects in all our business and corporate citizenship activities; responsible tax is a fundamental part of this. Our Code of Conduct sets out our values and principles and serves as a guide to our behavior. These values and principles are also reflected in our tax strategy, which requires full compliance with tax regulations and tax laws in all countries in which we operate. Our tax strategy has been approved by the Board of Management of Allianz SE and is reviewed on an annual basis. It comprises the following strategic priorities:

- Full compliance with tax regulations, accurate and timely reporting and effective tax risk management.
- Safeguarding of the Group's reputation as a responsible taxpayer.
- Existence of a sound organizational set-up for appropriate tax management.
- Full compliance of tax planning and optimization activities with tax laws, supported by solid business reasons to sustain a credible long-term reputation with tax authorities.
- Disclosure of meaningful tax information in a transparent way.
- Continuous improvement and harmonization of tax processes through simplification and digital solutions.

As a member of the B Team, a coalition of business and civil society leaders advocating

sustainable business practices, Allianz promotes the B Team Responsible Tax Principles.¹ They provide a common framework of core principles and practical commitments for companies to demonstrate responsibility and sustainability in their tax approach.

Our strong commitment to transparency is reflected in the publication of our Tax Transparency Report.² This provides insight into our approach to taxation which is in line with our tax strategy and discloses an expanded country based reporting.

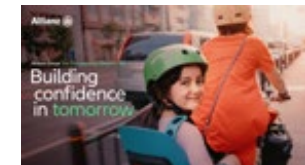
In compliance with the OECD Base Erosion and Profit Shifting (BEPS) Actions, we prepare a Country-by-Country-Report for the Group and submit it to the German tax authority which shares the data with countries which have signed agreements allowing for exchange.


At this time of public debate around corporate tax behavior, we aim to provide transparency over our approach to tax and we encourage and support others to do the same. To facilitate the debate with relevant data, Allianz contributed to the Total Tax Contribution study 2021³ commissioned by the European Business Tax Forum (EBTF).

In 2021, we reported € 2.4 billion income tax charge on our profits and our Total Tax Contribution amounted to € 17.9 billion.

€ 17.9 bn

Total Tax Contribution in 2021



 You can find details of income tax charge per country in our Tax Transparency Report 2021 in the Download Center on our website.

¹  Find more details about the B Team Responsible Tax Principles here.

² The Allianz Tax Transparency Report 2021 contains disclosures related to GRI 207.

³ Total-Tax-Contribution-A-study-of-the-largest-companies-in-Europe-2021-Report.

03.6 Sustainable procurement

01	Introduction
02	Measuring and managing sustainability
03	Strengthening our foundation
03.1	Corporate citizenship
03.2	Cybersecurity
03.3	Regulatory and public affairs
03.4	Compliance
03.5	Tax transparency
03.6	Sustainable procurement
04	Climate-related financial disclosure
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Our procurement processes aim to deliver best value for money for our activities, products and services while reflecting Allianz's high sustainability standards. The goal is to develop a responsible global supply chain by collaborating with our suppliers to deliver sustainability targets and searching for more sustainable products and services.

Our strategy and commitment to sustainability are supported by our Procurement, Travel and Fleet Policies.

To develop our supplier network with increased emphasis on sustainability and human rights, we must constantly analyze the sustainability performance of our supplier network. We must also continue to find more sustainable products and services by setting up major framework agreements and emphasizing sustainable products in our ordering offers for Allianz employees.

To drive progress on a global scale, we focus on synchronizing activities and sharing best practices across our international procurement network. In addition, we are defining global responsibilities and priority procurement categories – such as energy (see opposite) – to optimize demand and deliver projects which support our operating entities.

Developing our supplier due diligence

For suppliers to comply with our sustainability standards, they must pass a solid supplier screening with newly updated supplier questions and a new Vendor Code of Conduct reflecting current and upcoming international requirements towards human rights, for example modern slavery acts (Australia, UK) and the new supply chain laws (Germany).

100 %
of our global suppliers, representing a total spend of € 1.6 billion, have committed to the Allianz Vendor Code of Conduct in 2021, the same level as in the previous year.

Focusing on categories that have the greatest impact

We already include sustainability questions in Requests for Proposal (RfP) and sustainability criteria in awarding matrices in some procurement events and categories and we are now in the process of extending this to all relevant procurement categories.

To identify the priority procurement categories, we initiated a structured approach together with our environmental experts and procurement category experts. Our aim was to identify those categories with the greatest impact on Allianz's sustainability performance and customers as well as the potential contribution of procurement to sustainability-related projects. Through this process, we identified three priority areas:

- **Electricity consumption of Allianz** (project RE100) and our suppliers (Data Centers and Clouds)
- **Travel**
- **Claims sustainability** supported by Global Insurance Procurement

In addition to our Group approach, our operating entities develop local approaches. For example, in the UK we have developed a sustainability charter, training modules for purchasers and a whistle-blowing channel for employees of our suppliers.

Changing electricity consumption to green electricity

To support our RE100 commitment to have 100 percent renewable electricity across our global corporate portfolio by 2023, we accelerated discussions with local utilities and global energy consultants. As a result, we achieved 77 percent electricity from renewable, low-carbon sources in 2021 (see section 02.6). Our strategic data centers used 100 percent certified renewable electricity in 2021. We are also exploring the inclusion of electricity consumption from suppliers' cloud services into our corporate carbon footprint. Where suppliers use electricity on our behalf, we aim to encourage them to move to green electricity or to compensate adequately for the electricity they consume. We are collaborating with industry leaders for the provision of cloud services, such as Microsoft Azure and Amazon Web Services.

Smart travel and fleet

Where travel cannot be avoided, we launched a Travel Awareness Campaign to support employees to make sustainable choices on business trips. Our travel tools offer a sort and transparency function based on CO₂ emissions for flight search and we have negotiated CO₂ compensations for easyJet and Lufthansa flights (European routes only). In 2021, we reduced the carbon footprint of our fleet and rolled out a new mobility policy limiting ordering to hybrid and electric cars only and providing both charging cards for public parking slots and charging infrastructure for employees at home.

Sustainable claims

We want to encourage and support our providers to develop a network and supplier base that supports our sustainable procurement ambitions. To improve sustainability in the core insurance business, Global Insurance Procurement has taken the lead on a Group initiative around sustainable claims. Its aim is to decarbonize claims processes and find ways to make them more sustainable. The first focus has been on motor retail claims and engaging third parties involved in the claims process, such as repair shops.