

SUSTAINABILITY STRATEGY AND GOVERNANCE

Allianz business model and value chain

The Allianz Group is one of the world's leading insurers and asset managers, serving around 128 million customers¹ in almost 70 countries, including 112 million retail customers. As an insurer and asset manager, our main business activities include product and service development, marketing, distribution, sales, underwriting, premium handling, insurance policy administration, claims management, and asset and proprietary investment management. These key activities define our upstream and downstream value chain, as well as our own operations and related sustainability matters, from an impact, risk, and opportunity perspective. To conduct our business effectively, we use a range of inputs in the form of employees, information technology (IT), and respective infrastructure.

As our employees are key for Allianz, we have a dedicated strategy for developing and securing human resources, from hiring to retaining employees. Specifics on our workforce strategy are in the section **S1 Own workforce**.

To ensure IT stability, we follow procurement principles, prioritizing economies of scale, freedom from conflicts of interest, confidentiality, internal vetting, fact-based decisions, sustainability, compliance and third-party risk management. These principles are anchored in our **Allianz Group Standard for Procurement**. The adequacy of the internal control system related to procurement activities is monitored through Allianz Non-Financial Risk Management (NFRM). For information on our Integrated Risk and Control System (IRCS) and NFRM, see the section **Operational risk** of the Risk and Opportunity Report. As a financial services undertaking, Allianz is not dependent on specific suppliers and customers, given our vast supplier network and client portfolio.

Our upstream value chain includes purchased goods and services from suppliers like IT and software providers, contractors and other service providers, and reinsurance coverage from reinsurers. Allianz internal operations, including our own workforce and the property, plant, and equipment we use (e.g., buildings, data centers), form the backbone of our own operations, as they are required to perform our insurance, proprietary investment, and asset management activities.

With proprietary investments and asset management on one side and insurance products and underwriting on the other, our downstream value chain is crucial to our business model. Insurance customers range from large corporate policyholders, mid-sized corporations and small- and medium-sized entities to private households, micro-underwritings, single consumers and end-users. The underwriting process includes our distribution channels, particularly agents and brokers, as well as claims handling, including claims steering, loss assessment/repair and settlement. Our investment management activities include our proprietary investment portfolio, with business relationships expanding to joint ventures, associates, and third-party asset managers. We address the needs of retail and institutional customers through our asset management services, which cover a wide range of equity, fixed-income, cash, and multi-assets products, as well as a growing number of alternative investment products, such as real estate, infrastructure debt and equity, real assets, liquid alternatives, and solution business.

For detailed information on our business strategy and model, see the **Business Operations** chapter.

Strategy

Allianz's Sustainability Strategy

For many years, Allianz has strengthened the resilience of our customers and society, supporting current and future generations to grow and prosper. Our purpose, “We secure your future”, reflects our commitment to caring for customers and contributing to a better future.

As a global insurer, investor, and asset manager, understanding and addressing sustainability issues is fundamental to reducing risks and capitalizing on opportunities. To focus our efforts, we align our priorities with three of the United Nations’ Sustainable Development Goals (SDGs).

— SDG 8 – Decent work and economic growth

— SDG 13 – Climate action

— SDG 17 – Partnerships for the goals

Climate change affects livelihoods, homes, health and business continuity, and is among the biggest challenges we face today – not only for our business, but for the entirety of society². This is why we are focusing our environmental efforts on climate change. Since 2005, Allianz’s climate change strategy has been integrated across our operations, as well as our insurance and proprietary investment businesses, and guides our efforts to actively support the transition to low-carbon economies and drive positive change.

Our social impact stems both from the nature of our business and our efforts to strengthen the resilience and well-being of the communities we operate in, such as our Corporate Citizenship initiatives and cross-sector partnerships, which focus on improving health, well-being, and employability for future generations. We are also committed to upholding human rights, lifelong learning, fair remuneration, health and safety, and diversity, equity, and inclusion.

However, sustainability challenges are too complex to tackle alone. True to our name “Allianz” – signifying alliance – we act as a trusted partner and collaborate with public and private sectors and civil society, contributing to systemic change toward a more sustainable future. By pooling resources, expertise, and innovation, we address these global challenges together. Our involvement in the UN-convened Net-Zero Asset Owner Alliance (NZAOA) exemplifies our commitment to bridging public and private sector action to address climate change.

We recognize the importance of human rights as both a value-based topic and a business issue, and we are committed to supporting and respecting the protection of human rights, in addition to ensuring that Allianz is not complicit in human rights abuses. The human rights that Allianz is committed to respecting are those agreed by governments in.