



# RESPONDING TO TOMORROW'S CHALLENGES

ALLIANZ GROUP  
SUSTAINABILITY REPORT 2017  
SUMMARY

Allianz 

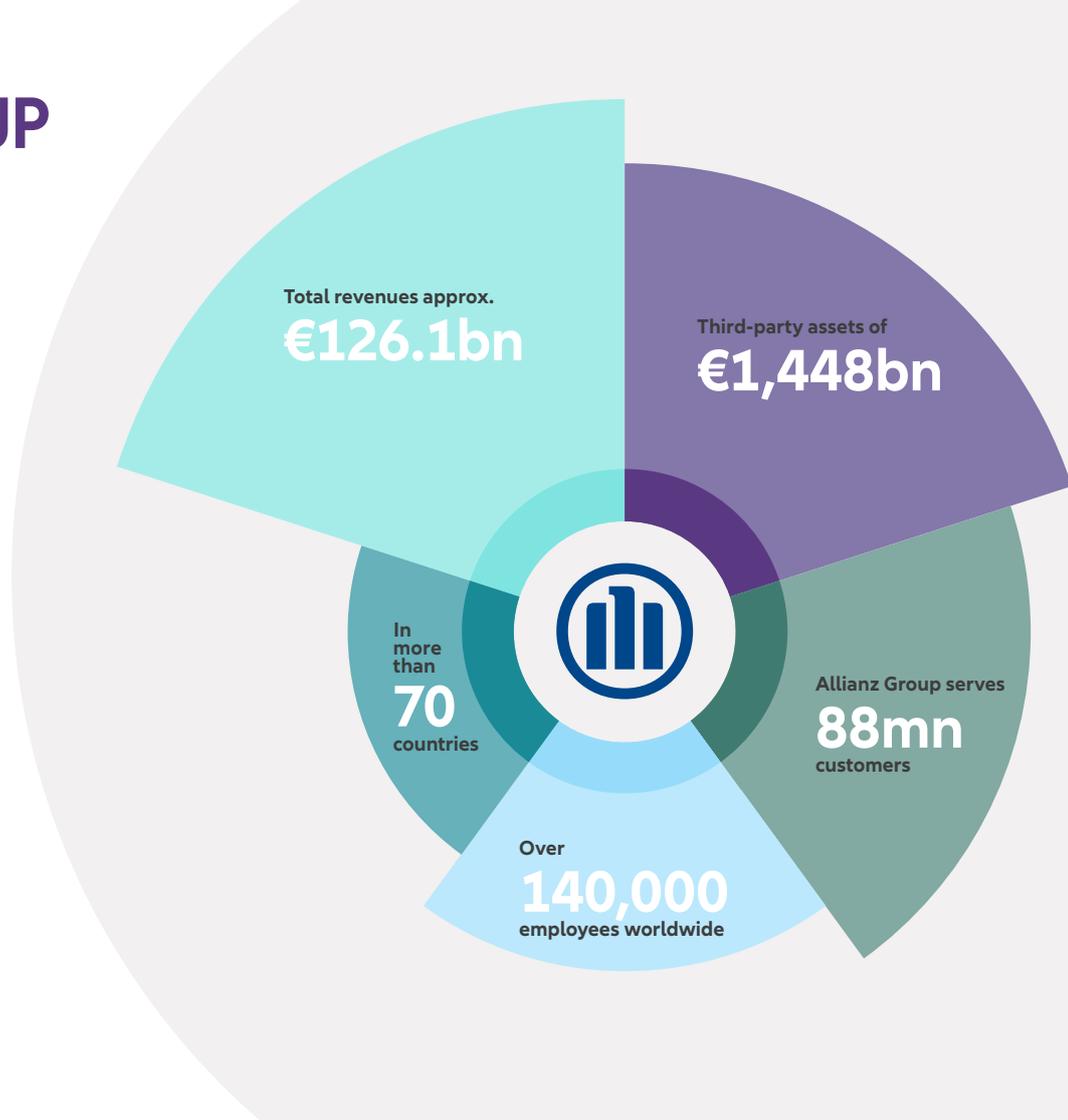
# ALLIANZ GROUP AT A GLANCE

**With over 88 million customers worldwide, Allianz has grown to be one of the world's largest insurers, investors and assistance providers.**

This enables us to protect our customers locally and to offer an increasingly diverse global portfolio of products and services that meet both our customers' needs and the needs of wider society. We stand for trust and strive for profitable and sustainable growth that ensures everyone who belongs to our community benefits.

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# SUSTAINABILITY PERFORMANCE HIGHLIGHTS



## SUSTAINABLE INSURER

- 583 insurance and investment transactions assessed for ESG risks.
- 58 million customers in the emerging consumers market.
- 1.21 billion Euro revenue generated through Sustainable Solutions.
- Allianz X invested 96.6 million U.S. Dollars in leading digital microinsurer BIMA.



See more on page 28 of the [Sustainability Report](#)



## RESPONSIBLE INVESTOR

- 1 billion Euro new debt and equity investments in renewable energy.
- Green bond investments of 2.5 billion Euro.
- Launch of systematic approach for engagement with investee companies on ESG grounds.



See more on page 34 of the [Sustainability Report](#)



## TRUSTED COMPANY

- 17% cut in CO<sub>2</sub> emissions per employee since 2010.
- 922 suppliers have signed our Vendor Code of Conduct.
- 65% of our outbound communication was digital.
- 60% of business segments measuring NPS performed significantly above market average or achieved loyalty leadership in their market.



See more on page 43 of the [Sustainability Report](#)



## ATTRACTIVE EMPLOYER

- DJSI global insurance leader in human capital development, scoring 100%.
- 37.6% of Allianz managers are women.
- 66% favorable votes in Work Well Index, our highest score to date.
- 72% highest ever score in the Inclusive Meritocracy Index (IMIX) – our key measure of cultural change.



See more on page 56 of the [Sustainability Report](#)



## COMMITTED CORPORATE CITIZEN

- 20 million Euro corporate giving.
- Expanded Encouraging Future Generations with the Allianz Social Innovation Fund and Allianz Future Generations Award.
- Second Allianz World Run raised 500,000 Euro for SOS Children's Villages.



See more on page 66 of the [Sustainability Report](#)

Total of

# €5.6bn

debt and equity investments in renewable energy

# 165

Sustainable Solutions

No. 1 insurance leader of the

# DJSI

# CEO'S PERSPECTIVE

**Allianz became the highest-ranked insurer worldwide in the Dow Jones Sustainability Index in 2017.**



This achievement doesn't just happen overnight. Many ambitious and dedicated colleagues have worked together over a number of years to achieve this goal. While there are still challenges to come, we have made great strides in recent years. We have further embedded environmental, social and governance (ESG) criteria into our proprietary portfolio (the money we manage on behalf of our insurance customers), by rolling out the ESG Scoring approach across our debt and equity investments. This allows us to make even better investment decisions that foster sustainable markets and societies, while meeting long-term interests. We have also grown closer to the community, having expanded our Corporate Citizenship Program and launching the Future Generations Award for helping underprivileged youth.

These steps forward have helped us to win the trust and recognition of our employees, customers and policymakers that enable us to be a leader of sustainable business standards in the financial community.

## THREE PILLARS THAT MAKE AN IMPACT

Large, responsible companies can, and do, have a measurable impact. We do this by focusing our Corporate Responsibility (CR) approach on three pillars: Low-Carbon Economy, ESG Business Integration and Social Inclusion. These pillars support the UN Sustainable Development Goals (SDGs), demonstrating our dedication to global sustainability.

**72%**  
score on the Inclusive  
Meritocracy Index

**66%**  
score on the Work  
Well Index

**60%**  
of business segments  
measuring NPS either  
performed significantly  
above market average  
or achieved loyalty  
market leadership

**No. 1**  
In 2017, Allianz Group  
took the leading position  
in the DJSI among  
all rated insurance  
companies, scoring  
87 out of 100 points

What does that mean? We take action to protect the environment and embrace the Paris Climate Agreement. We divested €265 million from coal and applied ESG criteria to our €690 billion portfolio. We also invested €5.6 billion into renewable energy.

We want to keep supporting children and youth through our Encouraging Future Generations Program, too. So far, we have distributed €250,000 through the Social Innovation Fund to five of our operating entities. The SOS Children's Villages have been heartily supported by our employees via the 2017 Allianz World Run – with tailor-made emergency preparedness packs amounting to a total value of €500,000.

We will not stop there, either. Our finger is on the pulse of sustainability market standards to identify potential challenges, listen to stakeholder expectations, and stay ahead of trends. We constantly monitor customer needs, regulatory developments and scientific advances to be involved in all important developments in this field.

## THE NEED TO INNOVATE TO FIND SUITABLE SOLUTIONS

The how is just as important as the what. We need to continuously innovate: market-based solutions are one way in which we can go further in promoting economic growth and social innovation. Just like governmental or donation-based programs, they can help lift people out of poverty. In particular, many regions in Asia and Africa need such solutions to tackle climate change risks, healthcare and other issues that directly affect people's standard of living.

Our latest investment in leading microinsurance platform BIMA is one example of this. With just a few clicks on their mobile phones, 24 million citizens now have access to affordable insurance and healthcare. Our investment will allow the company to deliver against their ambition to reach one billion customers. Digital technologies enable faster, simpler solutions that strengthen local communities.

## MY PERSONAL MOTIVATION FOR ENGAGING IN SUSTAINABILITY

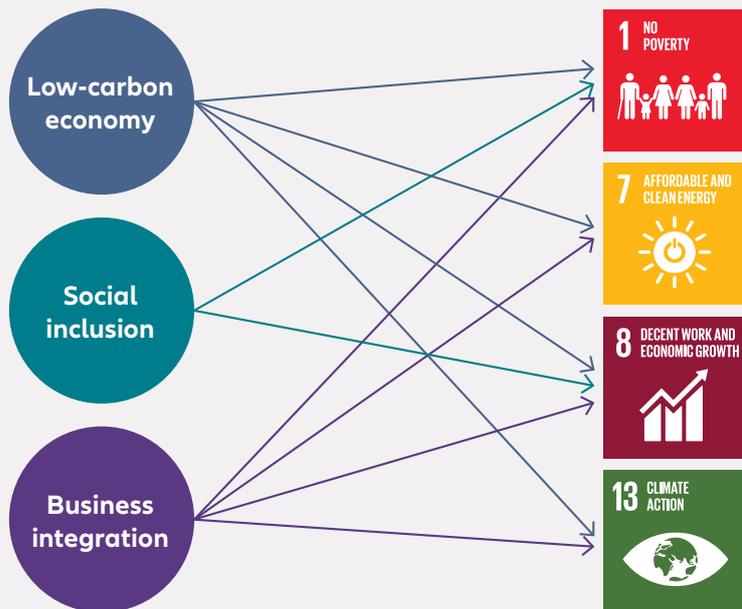
Climate change and economic instability are amongst the biggest challenges we will face in the coming decades. We have no time to waste. It's not a question of getting the wheels turning, but rather how fast we can drive the change. We will listen to our stakeholders' concerns and continue to go forward. When we meet our stakeholders' expectations, we are also meeting those of our own: to work together to reach a more sustainable future.

*Sincerely yours -  
Oliver Salo*

Chairman of the Board of Management,  
Allianz SE

# ALIGNING OUR STRATEGY WITH THE SDGs

The global SDGs are a universal call to action to end poverty, protect the planet and improve global political and economic stability. Through 17 bold commitments and 169 targets, the goals seek to drive global action across social, environmental and economic development issues up until 2030. Each goal is interlinked and they influence each other in complex ways. Over the last two years, we have begun to review how our strategy impacts the SDGs. Through a detailed analysis, we have identified the four SDGs to which we currently contribute, and impact on, the most.



“Given the nature and size of our business, we have the opportunity to impact many of the targets set by the SDGs. However, one of the complexities of the SDGs is their interconnectedness. You cannot single out one or two goals to which you solely contribute. In addition, our business activities and relationships are interconnected as well, which makes impact measurement challenging, be it positive or negative.”



**Sabia Schwarzer**  
Head of Group Communications  
and Corporate Responsibility,  
Allianz SE

⊕ See more about our CR strategy on page 19 of the [Sustainability Report](#)

# OUR FOCUS SDGs



## 8 DECENT WORK AND ECONOMIC GROWTH



### SDG 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

As one of the world's largest financial services providers, enabling sustainable economic growth is fundamental to our core business and it provides a basis for our entire contribution to delivering the SDGs. We see this as the SDG to which we contribute most, due to the nature of our role in society.

#### KEY TARGETS:

- 8.2** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors.
- 8.3** Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.
- 8.6** By 2020, substantially reduce the proportion of youth not in employment, education or training.

In this chapter, we highlight just some of the projects that contribute to SDG 8. To see more of our contribution to this SDG, please refer to the following pages of the [Sustainability Report](#):

Integrating ESG into investments and insurance: page 20.

Sustainable and Responsible Investments: page 36.

Protecting human rights and eliminating modern slavery in our supply chain: page 55.

Promoting access to financial solutions for emerging consumers: page 32.

Fostering a working environment that includes Inclusive Meritocracy: page 59.

Protecting employee rights and providing equal opportunities: page 63.

Supporting workplace health and wellbeing through Work Well: page 65.

Managing our environmental impacts to decouple economic growth from environmental degradation: page 53.

# OUR FOCUS SDGs



**SDG 1**  
End poverty  
in all its forms  
everywhere.

#### Key targets:

- 1.1** By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 per day.
- 1.2** By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.
- 1.5** By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.

SDG 1 aims to increase access to social protection, basic services and support for people harmed by climate-related and other economic, social and environmental shocks and disasters. Increasing universal access to financial services, including microinsurance, saving and equity is key to eradicating poverty – especially among emerging consumers in low-income countries.



**SDG 7**  
Ensure access to  
affordable, reliable,  
sustainable and  
modern energy for all.

#### Key targets:

- 7.1** By 2030, ensure universal access to affordable, reliable and modern energy services.
- 7.2** By 2030, increase substantially the share of renewable energy in the global energy mix.
- 7.3** In 2030, double the global rate of improvement in energy efficiency.

Energy is a fundamental ingredient for delivering almost all of the SDGs, but it is also a major contributor to climate change. The focus must be on increasing the share of sustainable energy and driving improvements in energy efficiency.



**SDG 13**  
Take urgent action to  
combat climate change  
and its impacts.

#### Key targets:

- 13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.
- 13.2** Integrate climate change measures into national policies, strategies and planning.
- 13.3** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

Climate change poses a major risk to the livelihoods of millions of people worldwide, and acute weather-related risks seen in 2017 include hurricanes, droughts, floods and wild fires. We anticipate the risks of climate change as an investor, and we protect and care for our customers through our insurance products, while using our assets and insurance expertise to enable the transition to a low-carbon economy.

# OUR CONTRIBUTION TO THE SDGs



KEY TARGETS:  
**1.5** **13.1**  
**13.3**

peers through the Insurance Development Forum to pilot insurance approaches that allow governments in countries vulnerable to climate change to provide better shelter to their population. We are also participating in the Munich Climate Insurance Initiative to make more microinsurance solutions market-ready for Caribbean countries. Furthermore, through our partnership with the German Corporation for International Cooperation (GIZ), we are setting up a program that aims to reduce flood risk for municipalities in Ghana and for small and medium enterprises in Morocco.

⊕ Find out more on page 33 of the [Sustainability Report](#)

## PROTECTING THE MOST VULNERABLE

We actively support the InsuResilience initiative of the G7, which aims to provide climate risk insurance to additional 400 million vulnerable people by 2020. As a responsible corporate citizen, we are involved in several initiatives to share our expertise and help manage climate risks. For example, we are working with our



KEY TARGETS:  
**1.1** **1.2**  
**1.3**

## INCREASING ACCESS TO FINANCIAL SERVICES IN LOW-INCOME COUNTRIES

We have more than 58 million customers in emerging markets, but many customers in these countries are still severely underinsured, as well as underserved in other areas such as savings, investments and health services. Since traditional financial services infrastructure is not established in many markets, digitalization offers a major opportunity for our emerging

consumer segment. To make the most of the opportunities, we partner with digital businesses to distribute and expand our reach, for example through mobile phone-based insurance solutions. In 2017, Allianz became the largest strategic shareholder of BIMA, the leading digital microinsurer whose award-winning tech platform provides low-income families with access to innovative insurance products in 14 emerging markets worldwide.

⊕ Find out more on page 32 of the [Sustainability Report](#)

# 14

emerging markets now have access to insurance products thanks to BIMA

# OUR CONTRIBUTION TO THE SDGs



**KEY TARGETS:**  
1.5 13.1  
13.3

our experience as a microinsurer and reinsurer in agriculture to bring climate risk insurance mechanisms to vulnerable regions. Our solutions compensate farmers for lost proceeds from crops or livestock, and recover financial losses caused by natural hazards, enabling them to respond quickly and build resilience to climate change impacts. For example, we are working on a new crop insurance approach that uses remote sensing technologies.

Find out more on page 33 of the [Sustainability Report](#)

## IMPROVING FOOD SECURITY RESILIENCE

To provide for the growing population, global food production will have to double in the next fifty years. However, the impacts of climate change on agriculture are far-reaching and complex. In some places, warmer temperatures and growing seasons may be a benefit. In others, the increasing risks of drought and extreme weather will have devastating consequences. We are building on



**KEY TARGETS:**  
8.6 1.1

## ENCOURAGING FUTURE GENERATIONS

Social inclusion is one of the most important challenges society is facing. To amplify our contribution, we launched Encouraging Future Generations – our social inclusion approach that targets better opportunities for young people worldwide. Our Social Innovation Fund provides incentives for operating entities to enhance their reach to youth, while the Allianz

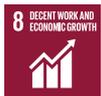
Future Generations Award aims to empower entrepreneurs who want their businesses to deliver a societal impact on future generations, by giving them a chance to learn about developing and attracting investment. In addition, our global partnership with SOS Children's Villages is focused on supporting young people to build resilient future generations. We also support a range of other initiatives, including My Finance Coach, a non-profit initiative that aims to improve financial literacy among 10 to 16 year-olds.

Find out more on page 68 of the [Sustainability Report](#)

# OUR CONTRIBUTION TO THE SDGs



**KEY TARGETS:**  
1.5 7.1 7.2  
7.3 8.3 13.3



## INVESTING IN THE LOW-CARBON ECONOMY

We are committed to supporting the transition to the low-carbon economy by using our leverage as one of the world's largest institutional investors. We focus the climate-related investments of our proprietary assets on energy-efficient real estate, renewable energy projects, funds and green bonds, reducing climate emissions and creating sustainable economic growth. Additionally, Allianz offers several renewable energy funds for institutional investors who want to invest in low-carbon infrastructure.

We also invest in low-carbon projects and initiatives which generate certificates that we use to offset our carbon footprint. One of our continued investments is in Rimba Raya. We began investing in this REDD project in Borneo, Indonesia, in 2013, helping to prevent rainforest deforestation and avoiding CO<sub>2</sub>-release. Our investments in Kenya, the Democratic Republic of Congo and Indonesia not only help us to offset our carbon footprint, but also contribute to protecting biodiversity and support local communities.

[+](#) Find out more on page 54 of the [Sustainability Report](#)



# OUR CONTRIBUTION TO THE SDGs



## IMPROVING DISASTER RESILIENCE AND RESPONSE

Our global partnership with SOS Children's Villages International (SOS-CVI) includes turning facilities into safe disaster hubs for local communities in the event of a catastrophe through customized Emergency Preparedness (EPREP) packages. In 2017, we launched and funded the global SOS Disaster Risk



**KEY TARGETS:**  
1.5 13.1  
13.3

Management Strategy. This operational global incident management system is designed to improve preparedness and response operations across SOS Children's Villages. Using satellite-based early warning and damage mapping services, data, early warnings, incident reports and emergency maps are linked to an online emergency management platform named Resilience360 (R360). This platform was originally developed by DHL, and SOS-CVI is the first global humanitarian organisation to implement it. R360 sets a milestone with regard to translating early warning into early action. It is now being rolled out to national and regional SOS-CVI offices.

⊕ Find out more on page 69 of the [Sustainability Report](#)



## INSURING THE LOW-CARBON ECONOMY

As the low-carbon economy expands, the global energy system is changing rapidly, bringing with it complex challenges. Renewables are gaining a meaningful market share in many countries and building and operating renewable energy plants involves multiple stakeholders and poses different risks at the different stages.

Launched in 2017, the initiative SURE (Scaling Up Renewable Energy) aims to further solidify Allianz's position as the global "go-to" provider of insurance for renewable energy projects and infrastructure. It is designed to help bring our proven renewable energy insurance competences at group-level to fast developing growth markets – such as Turkey, Australia, and Africa – to support



**KEY TARGETS:**  
8.6 1.1

their transition to the low-carbon economy. Group experts from Allianz Climate Solutions and Allianz Re work with local entities to develop best practice and increase local capacity. A dedicated underwriting framework, pricing tools, and a robust referral process have been created to support local business growth. In addition, a Renewable Energy Desk connects local entities with expert account managers at group-level.

In Turkey, new products already rolled out include a performance guarantee and comprehensive certification services for solar and wind projects over 20 megawatts.

In Africa, we are working with the GIZ and the German Federal Ministry for Economic Affairs and Energy to bring German renewable energy solutions to African markets. Roll-out has begun in Nigeria, Ghana, Kenya, and Morocco where we have dedicated local renewable energy champions in place to adapt standard products and services to meet local needs.

⊕ Find out more on page 33 of the [Sustainability Report](#)

# SUSTAINABILITY RATING ACHIEVEMENTS

MEMBER OF  
**Dow Jones**  
**Sustainability Indices**  
 In Collaboration with RobecoSAM



FTSE4Good



rated by  
**oekom** r|e|s|e|a|r|c|h

## DOW JONES SUSTAINABILITY INDEX (DJSI)

Allianz has been included in the DJSI since 2000. In 2017, Allianz Group took the leading position among all rated insurance companies. We have been included in the DJSI with top ranking positions every year since 2000.

## CARBON DISCLOSURE PROJECT (CDP)

Allianz Group supports the CDP as a responding company and as an asset owner and asset manager. We were also a founding signatory of the CDP. Allianz has been listed in the Carbon Disclosure Leadership Index from 2011 to 2015. In 2017 we achieved a B rating.

## FTSE4GOOD INDEX

Included since 2001, Allianz is one of the longstanding members of the FTSE4Good Index series. In the 2017 assessment, we were ranked in the top 3% of our sector.

## MSCI RATING

In 2017, Allianz once again received AAA rating from MSCI ESG Research. We are one of the top performers in our sector.

## OEKOM CORPORATE RATING

Allianz has once again received Prime status in 2017, which ranks us among the world's best companies in our industry.

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## Cautionary note regarding forward-looking statements

The statements contained herein may include  
statements of future expectations and other  
forward-looking statements that are based on  
management's current views and assumptions  
and involve known and unknown risks and  
uncertainties that could cause actual results,  
performance or events to differ materially from  
those expressed or implied in such statements.  
The company assumes no obligation to update  
any forward-looking statement.

## We welcome your views

We warmly invite all our stakeholders to  
provide feedback and comments on our  
Sustainability Report.

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⊕ For more information on key Human Resources facts  
and figures, achievements 2017 and an outlook for 2018,  
see the [HR Factbook](#).



⊕ For more information on Allianz Group,  
see the [Annual Report 2017](#).

