

Status Report 2006 Sustainability in the Allianz Group.

As of July 2006

“Part of our business is about developing and implementing global solutions for problems. As an international financial company, we want to use our products and services to originate commercially successful innovations and sustainable growth. We are confident that every risk is accompanied by an opportunity.”

(Michael Diekmann,
Chairman of the Board of Management of the Allianz Group, 2006)

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Sustainability strategy and management.

The Allianz Group has taken a big leap forward in its quest to incorporate sustainability aspects consistently within core business. The risk policy in place across the Group has been expanded by new, future-oriented risk categories. A detailed action plan has provided guidelines for implementation of the Group's climate strategy since March 2006.

Allianz has been working intensively on anchoring sustainability concepts in all areas of the company since the year 2000. The aim has been to integrate these concepts within core business as a criterion relevant to decision-making. Milestones achieved during recent years have been adoption of a new risk policy designed to include emerging risks and reputational risks in classic risk assessment, adoption of a climate strategy, and revision of the Code of Conduct.

In parallel to these developments, sustainability management was built up within the Group – by using systematic methodology for controlling and reporting and by gradual inclusion of other companies. The assessment of Allianz in the annual rating for the Dow Jones Sustainability Index clearly reflected this progress. Since 2004, Allianz has been ranked in second place behind Swiss reinsurer Swiss Re and this makes it the most sustainable direct insurer in the world.

The main items on the agenda today are climate change, demographic development and the enhanced package of products and services geared to sustainability. In order to provide a strategic solution for these challenges, Allianz is expanding communication with stakeholders and strengthening existing partnerships with governments and organizations. All this is also integrated in risk management.

RISK MANAGEMENT: EXPANSION OF STRUCTURES CONTINUED

Following adoption of the Group Risk Policy in 2003, the risk governance structures are moving forward. The policy was expanded by emerging risks and reputational risks at the beginning of 2005. In recent years, these risks have gained an increasingly important role in risk assessment. The operational structure of risk management is now concerned with adopting an appropriate response to these risks. To this end, standards will be developed for banking operations and insurance business at the Allianz Group.

CLIMATE STRATEGY: ACTION PLAN ADOPTED

As an integrated financial services Group, Allianz recognizes the consequences of climate change for its own business. Allianz has a dual responsibility. On the one hand, the company has to prepare for the negative effects that climate change may have for its own business and for the customers of Allianz. On the other hand, Allianz is able to make a key contribution to reducing macroeconomic risks and accelerating the development of an economy with reduced CO₂ by offering innovative products and services.

Allianz has been gradually adapting its policy, products and services in order to meet the challenges of climate change. This includes integrating climate risks in classic risk evaluation, in controlling and reporting. The Allianz Group is seeking to play a pioneering role within the financial services sector in the process of reducing greenhouse gas emissions within its own value chain. The intention is also to engage in the international debate on climate change, expand partnerships with governments and stakeholders and originate new solutions for customers. This applies to all the areas where Allianz is active.

In March 2006, the Allianz Group therefore submitted a comprehensive action plan. It outlines how the Group can contribute to protecting the climate in all areas – Insurance, Banking Business, Asset Management and Communication – and reduce the risks spawned by climate change. The Allianz Group also wants to expand climate-related risk management within the divisions and reduce the greenhouse gas emissions generated by Allianz by 20 percent compared with 2000 by the year 2012. A dedicated roadmap setting priorities for the next five years has been drawn up to ensure consistent implementation of the action plan.

► More on this issue: Climate change challenge

CODE OF CONDUCT: INTERIM BALANCE FOR IMPLEMENTATION

Group Compliance and the Compliance Officers have introduced the Allianz Code of Conduct adopted at the start of 2005 to all the Allianz companies throughout the world. In some cases it was adapted to statutory national regulations. Group Compliance and the Compliance Officers on the ground provided training when the Code of Conduct was being introduced. Employees also have access to a Web-based training tool on the Intranet as an information platform with worldwide access.

The Code of Conduct provides employees with an orientation framework that does not stipulate specific do's or don'ts but provides scope for individual action. Employees are able to put any questions they have to Group Compliance. The code has enabled problems to be addressed without delay and solved as appropriate. Beyond addressing individual problems, initiatives have also been launched that will enable us to move forward in our endeavors to create an open learning culture and avoid discrimination. We are making strenuous efforts to provide mediation in disputes between employees. The aim is arrive at fair compromises and mutually amicable solutions. A task force involving representatives from the Human Resources and Compliance Departments has been set up for this purpose.

Our annual Compliance Meeting involving the entire Group also contributes to strengthening understanding on working with the Code of Conduct based on best practice.

DEMOGRAPHIC DEVELOPMENT: NEW STUDY PRESENTED

As a life insurer, Allianz has a special responsibility for predicting how the population is going to develop and assessing individual life expectancy. In the study "Life goals II, 2005", the Allianz Group therefore asked people in Germany, France, Italy and Spain about their visions and priorities. The study revealed that despite cultural differences and varying economic developments, the people interviewed in all the countries were extremely concerned about providing secure finance for the third phase of life. This is because the statutory pension system is more or less palpably on the brink of collapse because it is financed in all four countries on a pay-as-you-go basis.

The demographic change constitutes a challenge for Allianz and other European countries which personnel management will have to address intensively in future. A study carried out by Allianz Deutschland AG in 2006 came to the conclusion "that managers have a good basic knowledge overall of the demographic change". Allianz attributes high priority to the exchange of knowledge and experience between old and young employees and deliberately forms "mixed-age teams". At the same time, the Group ensures that further training packages are no longer limited by a specific age cut-off, but are also offered to older employees.

► More on this: Challenge of demographic development

EMISSION TRADING: COMPETENCE GRADUALLY EXPANDED

Since 2002, Allianz company Dresdner Bank has been providing advice on trading in emission certificates – an area of expertise that continued to be expanded during 2005. This includes regular provision of market reports for customers, drawing up individual risk profiles and equity studies by Dresdner Kleinwort Wasserstein, and advice for customers on the allocation and risk of CO₂ certificates. Dresdner Bank also offers emission certificates to private customers and processes trading in CO₂ certificates for its corporate customers. Dresdner Bank additionally includes CO₂ certificates in credit finance and participates in fund concepts that include CO₂ certificates and corresponding CO₂ reduction targets.

SUSTAINABLE INVESTMENTS: NEW FUNDS SET UP

In 2005, French Allianz company AGF set up AGF Euro Action, its third sustainability fund. RCM, the English subsidiary of Allianz Global Investors (AGI), launched the Eco Trends fund in the first half of 2006. Consequently investments in the sustainable investment products of the Allianz Group currently amount to 5.13 billion euros. This is 0.41 percent of total assets under management of AGI.

MICRO-INSURANCE: ESTABLISHED AS A BUSINESS MODEL

As a "Help to Self-Help", micro-insurance policies make an important contribution to the economic development in emerging and developing countries. They play a role in

fighting poverty and thereby contribute to meeting the millennium goals defined by the United Nations. The Allianz Group has established the package of such insurance policies in recent years as part of a strategy to position itself as a responsible player in new markets that include developing countries. Since micro-insurance can be given an extremely efficient cost structure with streamlined processing and group policies, Allianz is thereby able to open up an exciting mass market with this package over the medium term.

Allianz company Bajaj Life Insurance has joined forces with the organization “Activists for Social Alternatives” (ASA) since 2002 to offer micro-insurance in the southern Indian state of Tamil Nadu. The premium is only 95 cents per year. If the breadwinner of the insured family dies a natural death or as a result of an accident, the family receives 380 euros paid out in the form of a monthly pension over a period of ten years. Policyholders can also take out cover for funeral costs and any debts the family can no longer afford to pay without the breadwinner. More than 100,000 people have already been covered in India under five group policies. By marketing its product range in rural areas – including micro-insurance – Bajaj Allianz exceeds the conditions laid down by the Indian regulatory authority to generate at least 15 percent of its business in rural areas.

MICRO-INSURANCE: STUDIES ON POTENTIAL CARRIED OUT IN ASIA

Following the successful introduction of micro life insurance by Bajaj Allianz Life Insurance in India, Allianz is working together with the United Nations Development Program (UNDP) and the German Society for Technical Cooperation (GTZ) on assessing the potential in Asia.

A study has shown that there’s also a big demand for micro-insurance in Indonesia. Indonesia has one of the world’s biggest populations with 238 million inhabitants. The country offers many commercial opportunities and they are mainly exploited by the self-employed. However, income levels are extremely low, with many people living in poverty. Insurance cover is correspondingly low and

well below the level in Asia. Although 173 insurance companies are active in Indonesia, the potential for micro-insurance has largely remained unexploited to date. The Allianz Group therefore launched a pilot project for the introduction of micro-insurance in August 2006.

DROPPING KNOWLEDGE: START OF GLOBAL STAKEHOLDER DIALOG

Launching a global dialog for social change and developing long-term initiatives for solutions – these are the declared goals of dropping knowledge, an international project sponsored by the foundation of the same name “dropping knowledge e.V.” Allianz is a founding partner of Dropping Knowledge and provides content as well as organizational and financial support for the project.

The web site www.droppingknowledge.org is the platform for this exchange. The site is intended as a discussion forum between people and organizations worldwide – laypeople and experts, private institutions and companies – across disciplinary, geographic, political and cultural boundaries. It is intended to stimulate the exchange of information and develop ideas for projects. But first of all, a body of questions was collected. The initiative launched the global question campaign “What’s your question?” in autumn 2005, asking people to present their most important questions online. These questions were not simply intended to show what people across the world were concerned about and what were the key issues. The aim was also to set the agenda for the global dialog in autumn 2006. More than 100 eminent international personalities from science, economics, engineering, the humanities, art and culture came together around the “Table of Free Voices” at Berlin’s Bebelplatz, in order to provide a personal response to the questions collected by Dropping Knowledge.

The answers relayed by webcam now form the basis for a Living Library. This multilingual platform is based on a revolutionary speech and Internet technology developed by the German Research Institute for Artificial Intelligence (DFKI). Based on this corpus, people will ask other questions, present ideas and be in a position to transfer these to subsequent projects with like-minded people.

Allianz has launched an English website (www.knowledge.Allianz.com) with the aim of providing thematic support for the dialog and exchange of knowledge. Focus issues for Allianz, such as demographic change, micro-insurance, fighting poverty, and secure energy, are regularly presented under the category entitled "Global Issues". The issue of "climate change" formed the kick-off. The project "Dropping Knowledge" is therefore also an important element in the dialog that Allianz is engaging in with various non-governmental organizations and international institutions with the aim of identifying new emerging risks at an early stage and assessing them from the perspective of their own business activities.

► More on this issue at: www.knowledge.allianz.com

CUSTOMER ORIENTATION: CUSTOMER FOCUS INITIATIVE LAUNCHED

The Customer Focus Initiative (CFI) was launched at the end of 2004. It is intended to make existing customers more loyal to the Allianz Group and motivate them to increase their commitment to its investment and insurance products. The aim is also to acquire new customers for existing products and services. A key goal of the CFI is therefore to ensure that advice provided by the Allianz Group to end customers and intermediaries alike is

detailed, specific and meaningful. CFI is directed towards creating consistent and continuous customer orientation and was launched as an initiative of the Allianz companies for the Allianz companies. It ensures that individual experiences are bundled and transferred within the Group. An in-depth analysis of customer behavior and the aspirations and needs of the customer forms the starting point. The commercial success of the initiative is carefully measured in each category. The individual companies are responsible for implementation and monitoring.

ENVIRONMENTAL MANAGEMENT: HARMONIZATION AND ENHANCEMENT PLANNED

Apart from Allianz AG, environmental management currently includes the companies Dresdner Bank and Euler Hermes (both Germany), AGF (France), RAS (Italy), Cornhill (United Kingdom) and the US-American company Fireman's Fund. Environmental management comprises 56 percent of all the employees in the Allianz Group, although implementation does not yet have a consistent level of maturity.

Allianz needs a group-wide, harmonized environmental management system in order to determine the complete ecological footprint of the Allianz Group and reduce the

Nachhaltigkeit in der Allianz Group

2000	2001	2002
Resolution on sustainability strategy ISO 14001 certification Dresdner Bank	Establishment of the international Sustainability Strategy Team Extension of environmental management to AGF, RAS, Cornhill Listing in the Dow Jones Sustainability Index	Accession to the Global Compact Launch of sustainability reporting in the Internet Inclusion of Euler Hermes in environmental management

footprint with appropriate cost-savings. An environmental guideline for the Allianz companies is therefore currently being developed as a decision-making tool. The aims are to:

- record and standardize the environmental management processes in all the companies,
- carry out implementation of quantitative environmental goals (e.g. CO₂ neutrality), and
- make cost-savings more transparent.

CONTROLLING AND REPORTING: SOFTWARE TOOL INTRODUCED

The introduction of the STAR Internet-based reporting tool (Sustainability Tool for Allianz Group Reporting) in September 2005 is a key stage in making sustainability management more systematic. This tool can be used to assist the Allianz companies in recording qualitative and quantitative data on their ecological, social and personnel performance, and reporting the data to the holding company. In future, STAR will be used to simplify sustainability reporting at Allianz and to answer questions asked by rating agencies and investors.

2004	2005	2006
Integration of sustainability in Group Risk Policy	Integration of sustainability in the new Code of Conduct	Resolution on climate strategy with action plan
Inclusion of Fireman's Fund in environmental management	Accession to the Climate Group	Introduction of software tool for group-wide reporting
Internal workshop on reputational risks	Stakeholder forum	Launch of international stakeholder dialog with Dropping Knowledge
	Study with the OECD on nanotechnology	
	Study with WWF on climate change	

Current rating results.

Inclusion in a sustainability index or a fund based on ethical and ecological principles has developed into an important indicator for the sustainability performance of a company. This is because companies are only included if they are benchmarked on the basis of concrete criteria and if they meet these criteria verifiably.

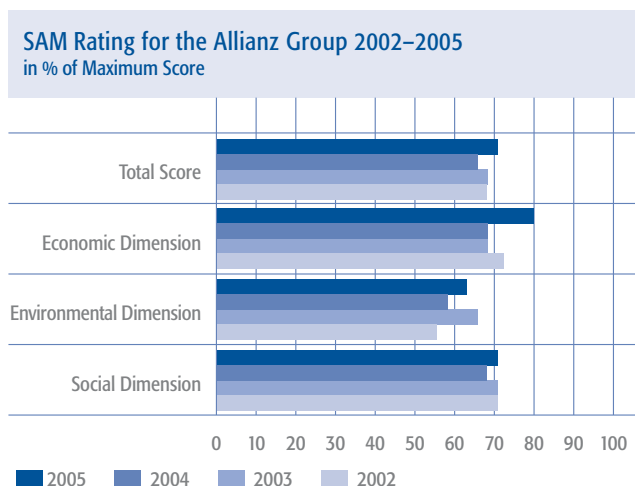
Since September 20, 2004, the Allianz Group has had three companies in the global Dow Jones Sustainability Group Index (DJSGI > www.sustainability-index.com): Allianz AG and Allianz companies AGF (France) and RAS



(Italy) number among the most sustainable companies in the sector. Allianz AG is ranked number two in the DJSGI behind Swiss reinsurance company Swiss Re and is therefore globally the leading direct insurer as far as sustainability is concerned.

EVALUATION BY SAM: SECOND PLACE IN THE SECTOR ACHIEVED

The annual evaluation for the DJSGI is carried out by the Sustainable Asset Management Group (SAM > www.sam-group.com) in Zurich, which conducts extensive research and analyzes information related to sustainability from several thousand companies. The rating 2005 saw Allianz AG achieving 72 percent of the maximum number of possible points and was significantly above the sector average



in all three dimensions of Economy, Ecology and Social Issues. AGF achieved 71 percent and RAS achieved 69 percent of the total number of points achievable.

FSTE4GOOD: INCLUDED SINCE 2002

Allianz AG has also been included in the FTSE4Good Global 100 Index since 2002 and in the FTSE4Good European 50 Index (> www.ftse.com/Indices/FTSE4Good_Index_Series/index.jsp). The annual assessment for inclusion in this index family is carried out by EIRIS (Ethical Investment Research Services > www.eiris.org). Companies with particular commitment to Corporate Social Responsibility are selected.

ASPI: ALLIANZ AND AGF LISTED

Allianz AG and French Allianz company AGF are listed in the Advanced Sustainable Performance Index (ASPI). The ASPI is comprised of the 120 best companies from the Dow Jones Euro Stoxx. All the stocks in the Dow Jones Euro Stoxx are assessed for inclusion each year by Vigeo (> www.vigeo.fr).

AVANZI SRI RESEARCH: RAS RATED AS BEST COMPANY

In its Corporate Social Responsibility assessment, member of the Siri Group Avanzi SRI Research rated RAS as the best company in Italy in the financial services sector. According to the assessment, particular strengths are commitment to local communities, the relationship with customers, and environmental management.

SUSTAINABLE FUNDS: INVESTING IN ALLIANZ

A study of the 123 sustainability funds licensed in the German-speaking markets has shown that Allianz is popular with investors oriented toward sustainability. The study was carried out by the Sustainable Business Institute at the European Business School in Oestrich-Winkel (Germany) and it revealed that 47 of these funds valued at a total of 9.2 billion euros invested in Allianz in 2005. Allianz currently, in fact, numbers among the top-ten investments for 17 of these funds (status: May 2006).

FINANCIAL MARKET: TRANSPARENCY GENERATED

The market for mutual funds geared to sustainability has been experiencing particularly dynamic growth in the German-speaking markets for some time. In the first quarter of 2006 alone, the number of mutual funds registered in Germany, Austria and Switzerland increased by seven to a total of 123. The volume is nearly 13 billion euros (status: March 31, 2006). 8.2 billion euros are attributable to equity funds, 2.2 billion euros to balanced funds, and 1.9 billion euros to bond funds. The remainder is invested in fund of funds.

Ratings, studies and background analyses all play a role in making what remains an opaque market in sustainable investments more transparent and predictable for investors – an important prerequisite for promoting sustainable investment. Since this is also in the interests of Allianz, it has entered into a partnership for an Internet platform which is regarded as the leading portal for sustainable investment in the German-speaking markets (> www.nachhaltiges-investment.org). Allianz also publishes a list there that shows which environmental and sustainability funds from the German-speaking world have invested in the company. Allianz companies AGF Asset Management (France) and RCM (United Kingdom) are represented in the “Enhanced Analytics Initiative” (> www.enhanced-analytics.com) which promotes the dissemination of sustainability information to investors. Allianz company Dresdner Kleinwort Wasserstein (Germany) regularly prepares information brochures on the issue of sustainable investments and addresses new emerging risks, such as climate change.

Indicators of sustainable development.

Financial and social data were being collected across the world during the entire period between 2001 and 2004. For environmental data, this has only been the case since 2002. The data is recorded in conformity with the system of indicators defined by the Association for Environmental Management in Banks, Savings Banks and Insurance Companies (VfU), based on the guidelines drawn up by the Global Reporting Initiative (GRI).

Economic development of the Allianz Group during the fiscal year 2005 was extremely positive. However, the data are not directly comparable with the figures for the previous year, because financial statements were drawn up in conformity with the International Financial Reporting Standards (IFRS) for the first time. The global rise in the number of employees is primarily due to integration of the British Four Seasons Health Care Group with 17,662 employees for the

first time. In other respects, the social indicators have shown a slight but consistent tendency to decline. The only positive indicator has been in the fluctuation rate. With the exception of CO₂ emissions per employee, the development of environmental indicators has been extremely unsatisfactory. The increase in energy consumption has been a result of increased need for heat in the face of harsh climatic conditions and partially the improved data collection.

Indicators of the Allianz Group

	2002	2003	2004	2005
Economic development**				
Total revenues (billion euros)	not comparable**	93.7	96.9	100.9
Operating profit (million euros)	not comparable**	3,982	6,839	7,743
Net income (million euros)	-3,243	2,691	2,266	4,380
Return on equity after taxes (%)	-12.5	11.0	7.8	12.6
Basic earnings per share (euros)	-11.71	7.96	6.19	11.24
Social Issues				
Employees (number)	181,651	173,750	162,180	177,625
Employees undergoing training (number)	7,589	6,063	4,906	4,023
Average participation of employees in development measures (days)	6.7	4.9	4.3	4.1
Fluctuation rate (%)	12.8	13.3	13.0	12.9
Proportion of women in middle and senior management (%)	24.5	25.2	26.2	25.4
Environmental performance				
Percentage of employees subject to environmental management (% of employees)	53	61	61	56
Energy consumption (MJ/employee/year)	27,706	29,171	30,296	33,670
Business travel (km/employee/year)	2,925	2,832	3,356	3,992
Direct and indirect CO ₂ emissions (kg/employee/year)	3,639	3,612	3,990	3,908
Water consumption (liters/employee/year)	15,401	15,178	14,243	17,013
Paper consumption (kg/employee/year)	302	241	199	245
Amount of waste (kg/employee/year)	258	333	299	328

*) The indicators we have selected for the fiscal years 2002 to 2005 are reported in accordance with IFRS 2005

***) Not published originally

Highlights 2005/2006.

Living sustainability worldwide with innovative projects and new products, together with employees, partners and the surrounding environment – this was the goal of the Allianz Group when it adopted its sustainability strategy in the year 2000. And the Group has continually confirmed this approach, realizing it with a series of new activities.

TASK FORCE ON EUROPEAN ENVIRONMENTAL LIABILITY DIRECTIVE

The European Union (EU) directive on environmental liability has to be implemented in national law by May 2007. The directive is the first regulation promulgated by the EU deliberately based on the polluter pays principle. Anyone who incurs a hazard for species diversity, pollutes water or pollutes land surfaces can now be made liable for the damage even if the damage has not been caused neither by misconduct nor by negligence. This will exert significant effects on the insurance industry. An interdisciplinary group of liability and environmental experts from Allianz Versicherungs-AG, the area of reinsurance, and Allianz Global Corporate & Specialty carried out an early analysis to establish what effects the new regulation would have on Allianz customers and what response might be appropriate. This initiative set up the first conference of experts on the subject in February 2006. They came from Austria, Italy, Spain, Hungary, France, the United Kingdom and Germany and met in Munich to discuss the development of a common insurance concept for the European Allianz companies.

STUDY BY THE ALLIANZ CENTER FOR TECHNOLOGY ON THE RISKS OF POWER SUPPLY

The Allianz Center for Technology (AZT) presented a study on the “Risks of Power Supply” in February 2006. AZT comes to the conclusion in this study that the frequency, duration and regional coverage of power failures will increase in Germany. The causes are the global increase in demand for electricity, combined with aging electricity grids and increasingly extreme weather conditions. Taken in conjunction with the high dependence on electrical power, this entails a substantial increase in claim risks. Experts at the AZT believe that given the current level of security, the power supply can only be maintained if appropriate countermeasures are adopted involving an

increase in security of supply and self-sufficiency. As a risk partner for industry, Allianz offers electricity supply companies its expertise and carries out risk analyses.

ALLIANZ INVESTMENT IN REGENERATIVE ENERGIES

The Allianz Action Plan for climate protection has earmarked investments in renewable energies amounting to 300 to 500 million over the next five years. Since wind energy is regarded as a particularly high-growth area, Allianz acquired all the shares in Aero-fonte S.r.l. in December 2005. The company will be constructing the 72 megawatt Francofonte wind park in southeast Sicily. This will be connected to the grid in April 2007 and is projected to generate around 111 million kilowatt hours each year, delivering power to 46,000 families. The project has been planned by WKN Windkraft Nord AG, one of Germany's leading developers of wind park projects, together with partner companies in Sicily. WKN will also take over operational management of the wind park after construction has been completed. This is the first wind park of its kind in Italy with 24 V90 wind turbines.

Allianz and other insurers have already contributed to the development of wind energy during recent years – this is the conclusion of a doctoral thesis sponsored by the company. The reason is that the wind energy market would not have been able to develop to its present status today without provision of insurance cover. This also applies to the level of technical maturity of the plants. The insurers have promoted the design of this innovative technology through their requirements for insurability of technical plants. They have also supported the long-term sales opportunities for the technology in the marketplace. The conclusion reached in the study is that the insurer's function as risk carrier has meant they have facilitated innovations and ensured that the pioneers have been able to continue developing this market.

ALLIANZ PROJECT “INTELLECTUAL PIONEERS”

Remaining future-proof entails that companies have to be pioneering and roll back boundaries. A team from the Allianz Center for Technology (AZT) has joined forces with representatives from E.ON Energie AG to investigate the role of “Intellectual Pioneers” for the innovative force of a company. The project is looking into the conditions necessary for overcoming resistance to change and harnessing the creative potential of management. The goal is to find an answer to the question of how mental limits can be overcome by forward thinkers and out of the box thinkers, with the aim of adapting to a social and technological paradigm change at an early stage and hence being in a position to plan corporate success by taking a visionary approach. This project also supports the new risk policy of the Allianz Group, which is increasingly focusing on prospective risk management. The AZT has been working intensively on soft management factors since 1993. For example, AZT has carried out management analyses in the chemicals industry to record the awareness of basic values, responsibility, credibility, and communication, with the aim of developing risk management from reactive into proactive and prospective risk management.

CONSULTANCY COMMITTEE FOR SUSTAINABLE INVESTMENT AT AGF

Asset management at AGF has been advised by an “SRI Orientation Committee” on sustainability strategy and issues of sustainable investment since 2005. The committee is comprised of numerous external personalities who are dealing with the issue of corporate social responsibility. It does not simply fulfill the role of an advisory committee but is also intended to monitor management processes and take decisions when there are conflicts of interests or dilemmas arise.

OVERVIEW OF COMMITMENT TO SUSTAINABILITY AT ALLIANZ CORNHILL

British Allianz insurer Allianz Cornhill presented an overview of its activities in sustainable development for the first time in 2005. The issues range from support for the local community through training and development, health and safety, through to environmental protection, purchasing and stakeholder dialog. The report places special emphasis on measures to retain biodiversity. This is an issue that is being discussed particularly intensively in the United Kingdom. Allianz Cornhill was the first company in Surrey (United Kingdom) to submit appropriate plans for the areas used at the two sites in Guildford and Ewhurst. Since then, the bare lawns surrounding the insurance buildings have been developed into veritable biotopes for birds, insects and wild flowers – an achievement that was rewarded with two local prizes in 2004.

Goal attainment and new goals for 2007.

Goals 2006	Implementation
Investment	
Selective positioning of Allianz Asset Management in the area of Socially Responsible Investment (SRI)	Implementation through two new SRI funds (AGF and RCM)
Risk management	
Systematic, prospective risk research and expanding identification of risk at an early stage	In preparation across the Group and partly implemented in Group Risk Controlling and through studies (e.g. study by the Allianz Center for Technology on energy supply)
Communication	
Continuation of the dialog with stakeholder groups (e.g. WWF, OECD, GTZ)	Implementation through measures in the areas of micro-insurance, climate change and participation in the initiative "Dropping Knowledge"
Responsibility	
Positioning in relation to the problem areas of demographic change and health	Ongoing process
Transparency	
Expansion of the reporting system for sustainable development across the Group	Implemented by introduction of the reporting software STAR (Sustainability Tool for Allianz Group Reporting)
Rating	
Additional improvement of external assessments of the Allianz sustainability performance	Achieved

Goals for 2007.

The aim is to achieve a further increase in the sustainability performance of the Allianz Group. Key benchmarks in our view are the ratings for the Dow Jones Sustainability Index, the FTSE4Good Index and the Corporate Responsibility Rating by oekom Research.

INVESTMENT:

Investments of 300 to 500 million euros in renewable energies within the next five years.

RISK MANAGEMENT:

Systematic, prospective risk research on the core issues of demographic development, climate change, energy supply, pandemics, capital markets, micro-insurance and consumer protection on the basis of studies and strategies (e.g. climate strategy of Allianz, regional climate studies)

COMMUNICATION:

External: Support for the project Dropping Knowledge with a wide range of focus issues (e.g. climate change,

hybrid power units) and holding a stakeholder workshop on the issue of climate change with the WWF

Internal: Developing a communication concept for increasing internal perception at Allianz on the issue of sustainability and intensified integration of sustainability aspects in the divisions.

ENVIRONMENTAL PROTECTION:

Implementation of the Allianz Action Plan for climate protection, including improved recording and assessment of direct greenhouse gas emissions from the Allianz Group, in order to reduce these by 20 percent by the year 2012 on the baseline of 2000.

TRANSPARENCY:

Recording and reporting sustainability performance at Allianz in accordance with the GRI indicators, and further development of Allianz sustainability reporting in accordance with the guidelines of the Global Reporting Initiative (GRI)

Memberships.

Allianz – as a Group or through its subsidiary companies – is a member of various initiatives for promoting sustainable business. This is because the whole is greater than the sum of its individual parts when it comes to achieving progress.

Carbon Disclosure Project > www.cdproject.net

Climate Group > www.theclimategroup.org

econsense > www.econsense.de

Transparency international > www.transparency.org

UN Global Compact > www.unglobalcompact.org

UNEP Finance Initiative > <http://unepfi.net>

World Business Council for Sustainable Development > www.wbcsd.org

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