

**STATEMENT OF SUPPORT**

The aim of Allianz is to build value for our customers, employees, shareholders and the community. It is a global commitment that we take seriously, whether it involves developing new microinsurance products for some of the world's poorest communities or providing innovative solutions for demographic products in some of the most developed. As Allianz CEO Michael Diekmann says "Sustainable Development values have always been, by nature, an integral part of our business and they are increasingly becoming a strategic key success factor for Allianz. Our continued commitment to the UN Global Compact's 10 principles on universal social and environmental practices is reflected in part by our progress against our goals."

This commitment is relevant to every Allianz employee, no matter where they are within the company, or where they work in the world. This is why the Global Compact's 10 principles are referenced in the Code of Conduct.

Read the full CEO statement under

[http://www.allianz.com/en/allianz\\_group/sustainability/our\\_strategy/index.html](http://www.allianz.com/en/allianz_group/sustainability/our_strategy/index.html)

**BRIEF DESCRIPTION OF NATURE OF BUSINESS**

The Allianz Group is one of the leading global services providers in insurance, banking and asset management. With approximately 181,000 employees worldwide the Allianz Group serves more than 80 million customers in about 70 countries.

As a global risk manager, we feel sustainable development is inherent to our business from product development to long-term financial solutions. Demographic change, climate change, evolving social security systems as well as the opportunities provided by economic development in every region of the world are affecting our business today and will do even more so tomorrow. Providing innovative solutions that support the societies we work in and our clients in meeting today's global challenges is an integral part of our strategy. Through our knowledge and experience, we are in a unique position to help individuals, communities and businesses to understand, manage and mitigate risk, protect their assets and invest responsibly in the future.

**PRINCIPLE 1 BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS**

**PRINCIPLE 2 BUSINESS SHOULD ENSURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES**

## ACTIONS TAKEN

Allianz is committed to upholding the ten principles of the UN Global Compact. For many years Allianz has led an active policy to ensure respect and compliance with human rights and the UNGC principles already form an integral part of our internal rules and regulations as well as the day-to-day work of all our employees:

### **Code of Conduct (CoC)**

The Allianz Code of Conduct refers to both the UN and OECD Guidelines for Multinational Enterprises and sets out minimum standards for compliance and business ethics for Allianz employees worldwide. It gives staff a framework in which to operate on a daily basis ensuring they act honestly and fairly, and uphold the Allianz Group's values. We use various tools to help foster a compliance culture – for example, the Allianz Anticorruption Comic and our CoC training. The Code contains 22 sections and commits each employee i.e. to:

- honest and fair behavior
- zero tolerance toward corruption and bribery ,as well as incorrect reporting
- maintain human rights and equal opportunity. Nobody in Allianz is discriminated against on grounds of origin, religion, gender or disability.
- no insider trading or recommendation
- prevention of money laundering and the financing of terrorism.

### **Monitoring compliance with our Code of Conduct:**

Our Code of Conduct sets the framework to operate with integrity, fairness and in accordance with regulations and encourages employees to speak out, confidentially, about behaviour which contradicts our CoC. They can report incidents to their line manager, compliance or audit representatives.

Group Compliance and the local Compliance Officers in the Group companies are monitoring and reporting on the implementation of the CoC. They are in charge of recording any information from employees on behalf of illegal or questionable activities and of making employees aware of the CoC.

Mechanisms in place to assure effective implementation of our Code of conduct:

- Responsibilities, accountabilities and reporting lines are systematically defined in all divisions and group companies
- Employee performance appraisal systems integrates compliance/code of conduct
- Disciplinary actions in case of breach, i.e. zero tolerance policy.
- Compliance System is certified/audited/verified by third party (COSO certification)

More about our Code of Conduct under

[http://www.allianz.com/en/allianz\\_group/sustainability/our\\_strategy/conduct/index.html](http://www.allianz.com/en/allianz_group/sustainability/our_strategy/conduct/index.html)

### **Working conditions**

According to the Global compacts understanding, respecting human rights also means to create safe and good working conditions for employees. At Allianz we value employees as our biggest asset and

our efforts often go beyond local legal requirements. Many Allianz companies offer wellness and sickness prevention training and health testing on a voluntary basis. Others also run special one off schemes, as for example courses around stress management (Headquarters, Munich), support program to quit smoking (AGF, France) or health program tailored to the specific needs of employees with a personal follow-up (Allianz Brazil).

### Monitoring employee satisfaction

Employee surveys allow us to stay in tune with our workforce, and to determine which aspects of our strategy best motivates them. The results of the survey are covered in the strategic HR scorecard that assess a range of factors by setting targets against 20 key performance indicators (KPIs), such as employee engagement, trust and feedback. A global Leadership Culture Survey aligns company leader's strategies with Allianz objectives.

Furthermore we are monitoring relevant data such as staff that underwent training sessions (2007: 40.2% of staff employees and 59.2% for managers), proportion of women in management positions (2007: 45%) or absentee rates (2007: 3.6%).

More about our HR management under

[http://www.allianz.com/en/allianz\\_group/sustainability/management\\_policies/employees/index.html](http://www.allianz.com/en/allianz_group/sustainability/management_policies/employees/index.html)

### Screening of Suppliers

We respect the OECD guidelines and participate in the UN Global Compact, and expect the thousands of suppliers we work with to do the same. This is supported by our Operative Purchasing Manual, which sets out a general purchasing process including social and environmental standards. The following points are a summary of the minimum purchasing ethics we expect suppliers to comply with:

- Guarantee occupational health and safety standards are met
- Pay fair 'living' wages
- Keep working hours within legal limits
- Give staff adequate training
- Zero tolerance of child labor, forced labor and discrimination
- Minimize energy consumption, pollution and the use of natural resources

### Monitoring Supplier relations

All Allianz purchasing departments must establish and maintain procedures for evaluating and selecting suppliers based on their ability to meet the above standards. If companies are not meeting these requirements, we expect prompt, remedial action to be taken. To complement our Group initiatives, Allianz companies have proactively implemented local sustainable development procurement policies.

These include:

- Dresdner Bank conducts health, safety and environmental audits of its suppliers and previous non-compliance results have led to suppliers being terminated.
- German Group companies are using a rating system, each candidate's commitment is evaluated

and the results taken into consideration when awarding contracts.

- The French subsidiary AGF has implemented a rating system to evaluate each candidate's commitment and uses a questionnaire for screening suppliers which is based on their sustainable development practices. The procurement department included an "Ethics and Sustainable Development clause" in the standard terms and conditions of all new contracts.
- The Italian company Allianz S.p.A. uses a Code of Ethics to regulate the way it selects suppliers.

More about our Supply chain management under

[http://www.allianz.com/en/allianz\\_group/sustainability/management\\_policies/suppliers/index.html](http://www.allianz.com/en/allianz_group/sustainability/management_policies/suppliers/index.html)

### **Risk Management: Group Risk Policy, including emerging risks and reputational risks**

Our risk governance structure is underpinned by the Group Risk Policy, which we adopted in 2003 and which was updated in 2005. Furthermore, Allianz has effective and uniform risk management standards across the whole Group. The Group Risk Policy is explicitly including reputational and emerging risks since 2005.

Emerging Risks involve anything that could endanger our future business success and our customers, such as technological developments or growing social inequalities. Our role is to prepare a response and develop a strategy for dealing with these emerging risks.

Reputational Risks involve anything that contradicts our corporate values and that could also impose a threat to our image as a socially and environmentally responsible company. In order to promote social and environmental responsibility minimum standards on the management of reputational risks have lately been added.

### **Asset Management: Principles for Responsible Investment**

In order to promote human rights in the countries in which we operate we have introduced procedures to examine in advance whether potential financing projects respect these basic principles. RCM, our British asset manager has signed the Principles for Responsible Investment, an investor initiative in partnership with UNEP Finance Initiative and the UN Global Compact.

### **Dresdner Bank: ISO 14001 and signatory of the Equator Principles**

In August 2003, Dresdner Bank signed the Equator Principles (EP), which commits the bank to refrain from financing projects that fail to follow the environmental and social criteria laid out in the Principles. The EP have been implemented to our General Credit Guidelines, and the screening according to the EP is part of the overall risk management process. Work on a public reporting according to EP 10 is underway and will be completed soon.

## **OUTCOMES AND ACHIEVEMENTS**

**We monitor and report on the following GRI Indicators** (Please find the answers here:

### External Recognitions (examples)

- Dow Jones Sustainability Index 2007/08: Allianz scored highest in the social dimension amongst all participating companies.
- Best Financial Services Employer 2007 (Allianz Slovakia): A study by the consulting and outsourcing firm Hewitt Associates placed Allianz Slovakia as the Best Financial Services Employer 2007 in Slovakia and the sixth best overall employer. The company received the award for its strong focus on HR.
- World's Most Ethical Companies 2008: Allianz SE has been added to the list of the World's Most Ethical Companies compiled annually by the Ethisphere Institute. Allianz was particularly commended for its "impressive and meaningful ethical business practices", which allowed it to stand out within the industry.

Please find a full list of our ratings and awards under:

[http://www.allianz.com/en/allianz\\_group/sustainability/performance\\_highlights/ratings\\_awards/index.html](http://www.allianz.com/en/allianz_group/sustainability/performance_highlights/ratings_awards/index.html)

### PRINCIPLE 3

**BUSINESS SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING**

### ACTIONS TAKEN

Serving customers in more than 70 countries we are faced with different cultures and regulations. Allianz is fully committed to the basic principle of respect for freedom of association and the right to collective bargaining and in general has a good relationship with the workers' representatives. The principles of the Global Compact that are included in the Code of Conduct, cover "Freedom of Association" and are also valid for activities in Asia and America. There are laws regulating the freedom of trade unions (e.g. Labour Management Relations Act in Germany) in many of the countries where Allianz is active.

Since October 2006 we have been an SE. At the same time the companies involved, RAS and Allianz AG reached an agreement with employees on how they will participate under the new circumstances. This agreement basically regulates corporate codetermination in the Supervisory Board of Allianz SE as well as the composition and area of responsibility of the future European Staff Council. The Supervisory Board of Allianz SE consists of 12 members, giving equal representation to the shareholders and to employees. For the first time the employee representatives come from different European countries: four from Germany and one each from France and the UK. In the first pan-European SE Staff Council, 37 members from 24 countries represent the interests of employees.

## OUTCOMES AND ACHIEVEMENTS

**We monitor and report on the following GRI Indicators** (Please find the answers here: [http://www.allianz.com/en/allianz\\_group/sustainability/performance/gri\\_index/index.html](http://www.allianz.com/en/allianz_group/sustainability/performance/gri_index/index.html))  
LA4, LA5, LA6 | HR5, HR7 |

**PRINCIPLE 4 BUSINESS SHOULD SUPPORT THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR**

**PRINCIPLE 5 BUSINESS SHOULD SUPPORT THE EFFECTIVE ABOLITION OF CHILD LABOUR**

## ACTIONS TAKEN

**Please also see our answers to Principle 1 and 2.**

Our Code of Conduct for Business Ethics and Compliance commits all Allianz Group companies to maintain human rights. This excludes any activities that are related to child labor or forced labor. To bear witness of this commitment Allianz has signed both the UN and OECD guidelines that are covering all internationally recognised core labour standards with the addition of recommendations relating to the elimination of child and forced labour.

As Allianz works in the services sector, principle 4 and 5 of the GC especially applies to our suppliers and their employees rather than our own workforce. In its efforts to actively support international labor standards the International Purchasing Committee recently developed the 'Ethical Business Practices in Purchasing and Supply Management' and subsequently an 'Operative Purchasing Manual', setting out a general purchasing process including social and environmental standards, including a policy of zero tolerance of child/forced labour and discrimination (see Principle 1 and 2). In 2007 we have not identified any operations as having significant risk for incidents of child labor, nor any incidents of violations involving rights of indigenous people.

Have a look at our Code of conduct:

[http://www.allianz.com/en/allianz\\_group/sustainability/our\\_strategy/conduct/index.html](http://www.allianz.com/en/allianz_group/sustainability/our_strategy/conduct/index.html)

## OUTCOMES AND ACHIEVEMENTS

**We monitor and report on the following GRI Indicators** (Please find the answers here: [http://www.allianz.com/en/allianz\\_group/sustainability/performance/gri\\_index/index.html](http://www.allianz.com/en/allianz_group/sustainability/performance/gri_index/index.html))  
HR1, HR5, HR6, HR7

## ACTIONS TAKEN

Diversity is vital to Allianz, a company with a global presence. Our workforce is as diverse as our customers. Our Code of Conduct and the Allianz Global Diversity Principles and Guidelines both include the issue of “non-discrimination” and require employees to behave respectfully. Our Code of Conduct states under Principle 2 that Allianz does “not tolerate discrimination or harassment in the workplace based on criteria such as age, disability, ethnic origin, gender, race, political attitude or workers’ representative activities, religion or sexual orientation.

Our diversity theme ‘Power of All Worlds’ summarizes our aim to promote diversity and inclusion to reach our business goals, and continues to support the societies where we do our business.

Our Global Diversity Council, formed by senior management members from different lines of business, act as a champion for diversity worldwide. To support this, the ‘Allianz Global Diversity Principles and Guidelines’ provide a framework to coordinate our efforts and ensure consistent goals of diversity and procedures are in place. In December 2007, Allianz and Dresdner Bank signed up to the "Charta der Vielfalt" (Diversity Charter). This commits the Allianz Group to continue to promote diversity within the company and to create a working environment in which there is no room for prejudice

As well as welcoming a diverse range of employees, we must also foster an environment in which they know they can be heard. We are constantly striving to encourage a culture of communication where surveys allow us to stay in tune with our employees, and help us to determine which aspects of our strategy best motivate our workforce.

[http://www.allianz.com/en/allianz\\_group/sustainability/implementation/human\\_resources/index.html](http://www.allianz.com/en/allianz_group/sustainability/implementation/human_resources/index.html)

## MONITORING OF OUTCOMES AND ACHIEVEMENTS

**We monitor and report on the following GRI Indicators** (Please find the answers here:

[http://www.allianz.com/en/allianz\\_group/sustainability/performance\\_highlights/gri\\_index/index.html](http://www.allianz.com/en/allianz_group/sustainability/performance_highlights/gri_index/index.html)<sup>9</sup>

INT1 | HR4, HR 9 | LA 13, LA14

**External Recognitions (examples)**

- Allianz ranks among the top women-friendly companies: A study conducted by the Organization of Corporate Women Directors International (CWDI) in 2007 ranks Allianz Group as one of three German companies in Europe’s top 10 for gender equality, with 20% of high-management positions populated by women.
- Islamic Life Insurer 2008: Allianz Life Indonesia was voted best Islamic Life Insurer in the fifth Islamic Finance Awards 2008 by Karim Business Consulting GmbH. The award recognizes the

success of the company's Takaful-based product, which respects Sharia law. The product was launched in 2006 and now offers insurance to over 15,000 people who previously could not take out policies.

Please find a full list of our ratings and awards under:

[http://www.allianz.com/en/allianz\\_group/sustainability/performance\\_highlights/ratings\\_awards/index.html](http://www.allianz.com/en/allianz_group/sustainability/performance_highlights/ratings_awards/index.html)

## PRINCIPLE 7

## BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

### ACTIONS TAKEN

Our Group Risk policy supports a precautionary approach to environmental and social challenges. The Risk Policy was updated in 2005 and places emphasis on emerging and reputational risks, which covers risk drivers resulting from technological developments, growing environmental problems or social injustices. In order to promote social and environmental responsibility minimum standards on the management of reputational risks have lately been added.

The Trend Assessment Committee associated with the holding company has been addressing future trends and emerging risks since 2002. It analyzes critical trends through its early warning systems (e.g. development in emerging economies, social inequalities, climate change, natural catastrophes etc.) and is generating risk maps and depicts mega trends. Besides its function as an early warning system and indicator for precautionary action it also identifies market opportunities at an early stage.

It regularly reports on these to the Board of Management.

Examples on how the precautionary principle is implemented within Allianz:

- The precautionary principle within Allianz is manifested for example in the climate strategy and the associated action plan. We have committed ourselves to a 20% reduction in CO2 emission by 2012 (based on 2006 levels) and have established Allianz Climate Solutions, a unit focused on developing climate relevant products for our customers (in the area of climate change mitigation, climate change adaptation and neutralisation)
- Furthermore we are pushing a culture of transparency concerning our approach on climate change. We have been reporting on our environmental performance for over 11 years and are a founding signatory of the Carbon Disclosure Project. This allows customers and investors to make informed judgements risk management. Furthermore Allianz is a member of Transparency International, a non-profit, politically unaffiliated, international movement battling global corruption.
- Through our commitment to financial sector initiatives such as the Principles for Responsible Investment (signed by RCM) or the Equator Principles (signed by Dresdner Bank) we are supporting a precautionary approach to our business as decisions are only made after a screening of environmental and social criteria has been conducted. We are currently supporting and contributing to the work of the UNEP FI on the Principles for Sustainable Insurance.

More on our risk management:

[http://www.allianz.com/en/allianz\\_group/sustainability/management\\_policies/risk\\_management/index.html](http://www.allianz.com/en/allianz_group/sustainability/management_policies/risk_management/index.html)

More on our climate change strategy:

[http://www.allianz.com/en/allianz\\_group/sustainability/climate\\_change\\_and\\_environment/index.html](http://www.allianz.com/en/allianz_group/sustainability/climate_change_and_environment/index.html)

## OUTCOMES AND ACHIEVEMENTS

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[http://www.allianz.com/en/allianz\\_group/sustainability/performance\\_highlights/gri\\_index/index.html](http://www.allianz.com/en/allianz_group/sustainability/performance_highlights/gri_index/index.html))

CSR1 | SUP2 | F1-F 13 | EC2 | EN1-EN30

### External Recognitions (examples)

- Carbon Disclosure Leadership Index: For the third consecutive year Allianz has been included in CDP's Carbon Disclosure Leadership Index. This index, a key component of CDP's annual Global 500 Report, highlights the constituent companies within the FTSE Global 500 Index which have displayed the most professional approach to corporate governance in respect of climate change disclosure practices.

Please find a full list of our ratings and awards under:

[http://www.allianz.com/en/allianz\\_group/sustainability/performance\\_highlights/ratings\\_awards/index.html](http://www.allianz.com/en/allianz_group/sustainability/performance_highlights/ratings_awards/index.html)

## PRINCIPLE 8

## BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

### ACTIONS TAKEN

Allianz is committed to promote sustainable development both internally and in the wider community

In collaboration with the WWF, Allianz has developed a long-term strategy to address climate change risks and opportunities and to reduce its own environmental impact. In September 2007, we took our relationship with the WWF to the next level by signing a three-year climate agreement that enables us to respond with leadership within the financial sector.

We have established a road map for our business that will prioritize and focus the Group's long-term strategy on addressing climate change risks and opportunities accompanied by an action plan, focusing on the following key issues:

#### Reducing our own CO2 footprint

We have established binding CO2 targets and Group programs including an international CO2 emission reduction program to reduce our CO2 footprint by 20% by 2012 (based on 2006 levels)

At Allianz, we systematically monitor and control our consumption of energy, water and waste, resources use and business travel. This is done through our Environmental Management System (EMS) which covers

70% of our employees. In 2008, 15 new group companies join the program, boosting the total to 37. The system conforms to the international Environmental Management Standard ISO 14001 to which Dresdner Bank has been recertified this year. In 2008 Allianz also began to investigate its indirect CO<sub>2</sub> footprint that accumulates in investments. This will help us to gain a holistic understanding of the CO<sub>2</sub> footprint in our value chain and will eventually help us to better understand CO<sub>2</sub> as a risk in our investment process

Key indicators	Per employee, per year	Progress from 2007
Total CO <sub>2</sub> emissions	4,214kg of CO <sub>2</sub>	0.2% increase
Energy consumption (65.5% electricity, 24.7% fossil fuels, 9% long distance heating and 0.8% internal waste heat and other renewable heating energy)	30,900MJ	2.3% decrease
Paper	186kg	2.6% decrease
Water	15,074 liters	3.3% increase
Waste (67.5% recycled, 26.6% thermally treated, 5.8% in landfills, 0.1% special waste treatment)	253kg	6.9% decrease
Business travel (car 61%, air travel 30%, rail 9%)	5,981km	2.2% increase

More on our EMS under

[www.allianz.com/en/allianz\\_group/sustainability/implementation/environmental\\_management/index.html](http://www.allianz.com/en/allianz_group/sustainability/implementation/environmental_management/index.html)

Our environmental management program is underpinned by our Code of Conduct and specifically Paragraph 18 "Protection of Group Property and of Natural Resources." This requires all Allianz employees to take responsibility for their use of natural resources, such as trying to be energy-efficient in their day-to-day operations and considering sustainable development principles when working with suppliers. We support this requirement through internal communication campaigns related to environmental behaviour (e.g. exhibitions, theatres, Employees brochure on sustainability etc.). Furthermore Allianz launched Ideas to Success (i2s) in April 2006, a framework for idea management, actively encouraging over 172,000 employees to develop ideas which could improve the way in which Allianz operates on a day to day basis. A "green" i2s campaign is planned for the end of 2008.

### **Developing products and services geared to address climate change**

It's vital that consumers have the choice to buy environmentally friendly products. As part of our commitment to tackling climate change we formed Allianz Climate Solutions (ACS), a 100% subsidiary of Allianz. ACS is pioneering work into tailor-made climate change-related products along three product lines for all customer groups focusing on energy efficiency, weather derivatives and carbon offsetting. In December 2007, the Allianz Center of Competence for Climate Change (4C) was established to respond to the growing need for climate related insurance products. By pooling their expertise, ACS and 4C have created a strong base to develop the solutions that businesses need to tackle the problems of climate

change. These include:

Environmental and Climate Change-related Products	
First Flood Catastrophe Bond Allianz Global Corporate and Specialty and Allianz Re Global	Catastrophe bond ("cat bond") enables Allianz to transfer potential losses from insurance claims resulting from severe flood damage in the UK, and earthquake damage in Canada and the USA (excluding California), to the capital markets.
First Cat Bond on European Windstorms Allianz Global Corporate and Specialty and Allianz Re Global	The first bond of its kind, it allows the risks of windstorms in seven European states, including Germany and the UK, to be transferred to investors.
Solar Guarantees Allianz Risk Transfer	New and innovative technology, such as solar power, often leads to unknown risks that are difficult to evaluate. As a result companies in the solar industry grant long-term guarantees for their products, with financial impacts for the whole project life-cycle. Allianz Risk Transfer has developed bespoke solutions, tailored to the specific requirements of these manufacturers to assist them in managing those risks.
Catastrophe Insurance AGCS Germany	Catastrophe insurance tailored to customers' specific potential exposure to risk. State-of-the-art simulation models are used to determine the level of risk, which in turn determines the premium for insurance for the customer.
Zürs Flood Zoning Insurance Allianz Germany	Flood-zoning tools are used to determine the level of exposure to natural catastrophes and other climate-related risks, and then factor in this risk level to customers' insurance premiums.
Certified Emission Reduction Insurance AGF France	For companies that have reduced their CO <sub>2</sub> emissions and are able to sell their emissions certificates. AGF offers insurance coverage in the event that damage or loss occurs which prevents the ability to sell their CO <sub>2</sub> pollution certificates as planned. AGF is among the very first insurers to become active in this new and innovative market.
Ecomotion Allianz Germany	Customers can elect to offset the emissions of their car when purchasing insurance. The service is offered through 3C, a consulting company specializing in carbon neutralization projects via investment into worldwide emission reduction projects such as renewable energy.
Environmental Reward Car Insurance Allianz Elementar Austria	Reduced insurance premiums are offered for customers that insure low-emission vehicles.

Furthermore an international team is constantly working on addressing biodiversity in our environmental liability insurance.

### Conducting active risk management

Insurers need to take on board the new risks posed by climate change. Previously, insurers relied on past experience to determine projected loss levels. However, the emerging risks brought about by climate change, especially the increasing number of extreme weather experiences that caused unprecedented levels of damage, have changed this. That is why climate change-related risks are now integrated into our internal governance procedures and policies. Our work on catastrophe models has also intensified. These models can be used to simulate the damage caused by natural disasters. While catastrophe models reduce

uncertainty, diversification is still required.

### **Leveraging climate change research**

Allianz continues to make an important contribution to the global understanding of climate change, with wide-ranging research and analysis, much of it carried out in partnerships with leading international bodies.

Here you can find some of our latest publications:

- UNEP FI Study Carbon Crunch: Focus on the contribution of the financial sector to the fight against global warming. Its key message is to urge policy makers to adopt reduction targets beyond 2012 and use this as a mandate for action. >[CEO briefing Carbon Crunch](#)
- Allianz Climate Brochure: In 2007, the Allianz Environment Foundation published this report, looking at the degree to which humans have caused the phenomenon and what can be done to mitigate the increasing risks of global warming. > [Allianz Climate Brochure](#)
- Hedging Climate Change: This Allianz report calls for new approaches to risk diversification in the insurance industry and specifically looks at how to insure catastrophes caused by climate change.> [Hedging Climate Change](#)
- Allianz Corporate Responsibility Magazine – Edition Three: “Edition Three” looks at interesting aspects of global warming, microfinance, demographic change, and safety. It present solutions, and gives tips on how you can make a difference. > <http://knowledge.allianz.com/en/media/magazine/>

### **Shaping public policy position and external commitments**

Allianz is continuing to raise awareness of climate change issues across the sector and with the public as a whole. We are now an integral part of several international climate change bodies, which helps us to develop our own expertise, stay at the forefront of new trends, and plan ahead with security.

Please find a list of our external commitments here:

[http://www.allianz.com/en/allianz\\_group/sustainability/our\\_strategy/commitments/index.html](http://www.allianz.com/en/allianz_group/sustainability/our_strategy/commitments/index.html)

## **OUTCOMES AND ACHIEVEMENTS**

**We monitor and report on the following GRI Indicators** (Please find the answers here:

[http://www.allianz.com/en/allianz\\_group/sustainability/performance\\_highlights/gri\\_index/index.html](http://www.allianz.com/en/allianz_group/sustainability/performance_highlights/gri_index/index.html))<sup>9</sup>

EN1-30 | F1-F 13 | F1-F 13 | CSR1, CSR3 | SUP1, SUP2

### **External Recognitions (examples)**

- We are listed in several social and environmental indexes, such as the DJSI Index, the FTSE4Good or the Advanced Sustainable Performance Index (ASPI). This recognizes our efforts and is fuelling demand for our shares by a specialized investor group. We are held in every 3<sup>rd</sup> SRI fund
- And a study survey of US investors released by Allianz Global Investors in 2008 showed that the environment is viewed as a major long-term investment opportunity. Nearly half of the 1,003 investors surveyed said that over the next 12months they were likely to invest in a company or mutual fund looking to provide solutions for environmental problems.

[http://www.allianz.com/en/allianz\\_group/press\\_center/news/studies/news\\_2008-01-25.html](http://www.allianz.com/en/allianz_group/press_center/news/studies/news_2008-01-25.html)

- Our EMS monitors our environmental impact and creates systematic controls. We were able to significantly reduce CO2 emissions, paper use and waste per employee, leading to an overall cost reduction in these areas.
- Top 100 Low Carbon Pioneers (Rank: 43rd ): Listed by the CNBC European Business Magazine as a Low Carbon pioneer for our ground-breaking climate change study with the WWF and innovative products such as the catastrophe bond ,covering flood risk.

Please find a full list of our ratings and awards under

[http://www.allianz.com/en/allianz\\_group/sustainability/performance\\_highlights/ratings\\_awards/index.html](http://www.allianz.com/en/allianz_group/sustainability/performance_highlights/ratings_awards/index.html)

## PRINCIPLE 9

## BUSINESS SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

### ACTIONS TAKEN

As an integrated financial services provider we are a driver for technological innovation. We are insuring new technologies (enabling innovators), we are investing in new technologies (enabling their growth) and we are providing credits and insurance products (enabling our customers). In May 2007, we formed Allianz Climate Solutions (ACS) to focus on developing tailor made climate change related products for our customers across all our service offerings. ACS is closely monitoring worldwide market developments via its Centre of Competence for Renewable Energies and supports other Allianz entities in developing new products in the field of energy efficiency. Furthermore ACS cooperates with a network of partners in order to offer tailor-made products and services in the areas of CO2 emissions trading, carbon neutrality and the support of Kyoto-based mechanisms.

The firm belief of Allianz in the potential of environmental friendly technology bears witness through a holistic approach in promoting it, stretching out across all business lines:

#### **Investment and asset management**

ACS has direct access to renewable energy investment projects and offers brokerage of high-quality renewable energy projects (equity and financing) for external customers. Some further examples of our product solutions from different business units include:

Global EcoTrends Funds Germany, USA, Korea, Taiwan, UK	The global fund invests in companies offering products and services in 'eco-energy' (alternative energy sources and energy efficiency), 'pollution control' (environmental quality, waste management and recycling) and 'clean water' (water treatment and supply). As of May 31 2008, £1590 million was managed under our EcoTrends strategy. Approximately 20% of fund assets are invested in emerging countries. The Allianz RCM Global EcoTrends Fund for the UK was launched in February 2008. The current Assets under Management for the UK Open-Ended Investment Company is £12 million.
Own Investments	
EU Carbon Fund AGF France	The fund trades carbon dioxide (CO <sub>2</sub> ) emission allowances. This innovative exchange mechanism is intended to help reduce greenhouse gas (GhG) emissions. €10 million invested to date by AGF.
Wind Energy Investments Allianz Special Investments (ASIL)	Over €350 million has been invested to date in wind energy, of which 75% in nine wind farms in Germany and 25% in the Francofonte wind farm in Italy. All of these investments have been transferred into the newly established Allianz Renewable Energy Partners I Fund. Further investments in renewable energy are planned.

## Insurance

Allianz is constantly developing innovative products and service solutions to promote sustainable technologies. Please see the table under Principle 8

## Banking

Dresdner Bank is consulting and financing project on renewable energies and is a leading player in European Emissions trading and advisory services.

Emissions Trading and Advisory Dresdner Kleinwort Global	DKIB provides for its clients market-making services in emission certificates (EUAs, CERs and ERUs) for various carbon related derivatives (forwards, options, structured products). Among other pioneering trades, it transacted the first trade in CO <sub>2</sub> certificates according to the guidelines of the International Swaps and Derivatives Association (ISDA) in June 2004.
Carbon Emissions Trading and Finance Dresdner Bank joint venture with Gazprombank Russia	Investment in primary projects generating CO <sub>2</sub> certificates with a view to repackaging these credits for resale to investors on a secondary market basis.
Renewable Energy Project Dresdner Bank Global	Provide project financing for renewable energy development.
Green Bond Dresdner Kleinwort and Dresdner Bank Europe	A five-year European bond where returns are linked to the performance of a new index of companies investing in renewable energy and energy-efficiency projects.
DAX Global Alternative Energy Index Certificates Dresdner Kleinwort Europe	An open-end certificate for the DAX Global Alternative Energy Index which covers all sectors that provide alternatives to nuclear energy and crude oil; namely natural gas, wind, solar, hydro, geothermal energy and bio-ethanol.
Energy-saving Mortgage Dresdner Bank	A new loan, especially targeted at energy-saving measures, has been added to the bank's mortgage portfolio. It is designed for renovation and modernization projects, such as better insulation or photovoltaic panels.

More on our products and services related to the promotion of renewable energies under:

[http://www.allianz.com/en/allianz\\_group/sustainability/implementation/products\\_services/index.html](http://www.allianz.com/en/allianz_group/sustainability/implementation/products_services/index.html)

## Research and partnerships

Allianz continues to make an important contribution to the global understanding of environmental friendly technologies with wide-ranging research and analysis, as for example:

- Dresdner Kleinwort has long been active in research on energy and the environment. This series of reports considers various issues, including the future of coal as a fuel for electricity generation, and a new look at emissions trading.  
>[Dresdner Kleinwort Phase III CO2 allocations](#) >[Dresdner Kleinwort Clean coal](#) >[Dresdner Kleinwort Utilities - EU Emission Trading](#)
- ACS offers research and market analysis of carbon market related topics which are linked to the insurance industry
- Participation in initiatives (e.g. “2°C” fosters technological development to restrict global warming to another 2°C).

More on our studies under: [http://www.allianz.com/en/allianz\\_group/sustainability/studies/index.html](http://www.allianz.com/en/allianz_group/sustainability/studies/index.html)

## OUTCOMES AND ACHIEVEMENTS

**We monitor and report on the following GRI Indicators** (Please find the answers here:

[http://www.allianz.com/en/allianz\\_group/sustainability/performance\\_highlights/gri\\_index/index.html](http://www.allianz.com/en/allianz_group/sustainability/performance_highlights/gri_index/index.html)

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**External recognitions (Examples):**

- o **Deal of the Year 2007 Award** (Dresdner Kleinwort): Energy Risk magazine's list of the Deals of the Year 2007 focused on investment in clean energy projects, including project finance, direct equity investments and merger and acquisition activity. Dresdner Kleinwort was honoured with the Deal of the Year award for its innovative Climate Awareness Bond, which it issued on behalf of the European Investment Bank.
- o **Environmental Values and Resources Award** – Marin county Awards of Excellence 2007 (Fireman's Fund Insurance Company): Fireman's Fund (FFIC), an insurance subsidiary of Allianz in the U.S.A., won an Environmental Values and Resources award for its 'green' head office in California. FFIC is a leader in offering Energy and Environmental Design (LEED)-certified building insurance. The company is also a green business itself, with its own Sustainable Development Program to ensure that green practices are integrated into the way the business operates.

Please find a full list of our ratings and awards under

[http://www.allianz.com/en/allianz\\_group/sustainability/performance\\_highlights/ratings\\_awards/index.html](http://www.allianz.com/en/allianz_group/sustainability/performance_highlights/ratings_awards/index.html)

## PRINCIPLE 10

**BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY**

## ACTIONS TAKEN

The Allianz Code of Conduct contains in section 10 a zero tolerance policy on corruption and bribery. Allianz Group does not tolerate any form of corruption or bribery nor do we want to be misused for any kind of illegal activities, be it through clients, third parties, sales agents, business contractors or through its own employees and we shall take appropriate measures to protect against such misuse. Every new employee receives a Code of Conduct applicable in his or her company. Allianz provides a global training on the Code of Conduct including the anti-corruption topic and a specific global training on Anti-Corruption. To further mitigate corruption risk, Allianz has globally rolled out a legal anti-corruption clause for business contracts with third parties in high risk areas, e. g. procurement or IT.

Allianz Group is also fully committed to the international fight against money laundering and the financing of terrorism and applies a risk-based “know-your-customer” policy in line with applicable laws and regulations. Employees must neither be engaged in nor tolerate any illegal activity in connection with Allianz Group in their workplace. Allianz SE has established a Group Compliance Policy that includes rules and procedures to prevent misuse for the money laundering and the financing of terrorism as a general framework. Measures implemented by Group Companies differ with regard to the legal obligations, business segments and risk exposure. Such measures include specific trainings on anti money laundering for employees in relevant areas. A handbook against money laundering and/or insider dealing has been set up as well by Group Compliance. Where those rules have to be implemented, the implementation and effectiveness is tested by the internal and external auditor due to legal obligations in relevant supervisory laws. The latter provides all relevant information in the yearly audit certificate of the respective company. Allianz SE follows the rules in the Compliance Policy.

Group Compliance and the local Compliance Officers in the Group companies are monitoring and reporting on the implementation of the Code of Conduct. They are in charge of recording any information from employees on behalf of illegal or questionable activities and of making employees aware of the Code of Conduct. (more on how we ensure effective implementation of our Code of Conduct under Principle 1 and 2).

Furthermore Allianz is a member of the Transparency International, a non-profit, politically unaffiliated, international movement battling global corruption, seeking to engage all sectors of society in this fight.

## OUTCOMES AND ACHIEVEMENTS

**We monitor and report on the following GRI Indicators** (Please find the answers here: [http://www.allianz.com/en/allianz\\_group/sustainability/performance\\_highlights/gri\\_index/index.html](http://www.allianz.com/en/allianz_group/sustainability/performance_highlights/gri_index/index.html))<sup>9</sup>  
SO2, SO3, SO4, SO6, SO8 | CSR1

**How do you intend to make this COP available to your stakeholders?**

Our COP is integrated into our existing communication with stakeholders through

- Mainly the **Sustainable Development Report**: (web based and as downloadable PDF) [http://www.allianz.com/en/allianz\\_group/sustainability/media/downloads/2008\\_status\\_report.pdf](http://www.allianz.com/en/allianz_group/sustainability/media/downloads/2008_status_report.pdf). For the first time the sustainable development report will also be available as a print report referring in each section to the relevant GC principles. We are orienting our sustainability reporting towards the GRI G3 framework (B-level).
- The Annual Report (mainly page 106) [http://www.allianz.com/en/allianz\\_group/investor\\_relations/reports\\_und\\_financial\\_data/annual\\_report/page1.html](http://www.allianz.com/en/allianz_group/investor_relations/reports_und_financial_data/annual_report/page1.html)
- The Corporate Responsibility Magazine Edition 3- in 2008 with employees as the main target group [http://knowledge.allianz.com/nopi\\_downloads/downloads/Corporate\\_Responsibility\\_edition.pdf](http://knowledge.allianz.com/nopi_downloads/downloads/Corporate_Responsibility_edition.pdf)
- And the Allianz Knowledge Partner Site, with a focus on Climate Change, Microfinance, and Demographic Change. The Allianz Knowledge Partnersite gathers information about highly relevant global issues from within the Allianz Group and our partner organizations and makes it accessible to a broad audience. <http://knowledge.allianz.com/en/>