

Allianz Group Standard for Anti-Financial Crime Compliance - Excerpt

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B. Allianz Principles for Anti-Financial Crime Compliance

The reputation of Allianz is based on the trust which clients, shareholders, Employees and the general public have in the integrity of Allianz. The Allianz Group Code of Conduct therefore defines integrity as the core principle of how Allianz chooses to conduct business.

Building on the foundation set by the Code of Conduct, this Standard defines the core principles that determine how Allianz seeks to prevent, detect and react appropriately to financial crime and misconduct by Employees. Allianz's core principles for anti-financial crime compliance are divided into seven basic areas, as further described below in this section B.

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OEs must retain appropriate, written documentation related to the execution of the requirements of this Standard. Documentation and record keeping must be in compliance with the requirements of the Allianz Standard for Information and Document Management as well as the Allianz Privacy Standard.

I. Anti-Fraud, Anti-Bribery and Anti-Corruption Compliance

Allianz addresses anti-fraud compliance by taking and enforcing a zero tolerance approach to fraud across the organization. Allianz is also committed to complying with all applicable anti-fraud, anti-bribery and corruption laws and regulations in all jurisdictions in which it operates.¹

Allianz's **CORE PRINCIPLES** for anti-fraud, anti-bribery and anti-corruption compliance are:

(1) Allianz takes a zero tolerance approach to fraud

Allianz does not tolerate any attempt to commit fraud and considers this a serious offence. This principle is absolute and of a primary nature. This principle applies regardless whether Allianz itself or any other internal party (such as an Employee, tied agent, intermediary and/or any third parties acting on behalf of Allianz) benefits from the fraud. Allianz will take appropriate actions to protect itself and third parties from losses due to fraud. This includes taking prompt action against Employees, others acting on behalf of Allianz as well as third parties who may be perpetrating fraud against Allianz. It also includes appropriately protecting customer- and third-party data in order to help prevent fraud against those parties.

(2) Allianz does not tolerate bribery and corruption

¹ This includes (where relevant) but is not limited to the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act (UKBA) and the French Sapin II Law.

Employees are strictly prohibited from directly or indirectly offering, requesting, accepting, providing, paying, soliciting, promising, authorizing or receiving 'Anything of Value' (defined broadly to include anything - monetary or non-monetary - that provides a benefit of any kind) to or from any Public Official or anyone in the private sector, in order to obtain or retain business or an improper personal or business advantage.

(3) Allianz does not make Facilitation Payments

Employees are prohibited from directly or indirectly giving or authorizing any Facilitation Payments. A Facilitation Payment is any payment to a Public Official to expedite or secure the performance of a routine, non-discretionary and legitimate governmental action, such as granting a visa, issuing customs clearance, granting a license or providing a regulatory approval.

The only exception from this rule is when Allianz is left with no alternative but to make a Facilitation Payment in order to protect against loss of life, limb or liberty. In such cases, OE Senior Management and Group Compliance must be promptly informed (which may be after-the-fact, such as if the situation occurs late at night), and particular care must be taken to ensure proper accounting and record keeping of the payment as well as compliance with regulatory reporting requirements, if any.

(4) Allianz only does business with business partners that share the commitment in respect of bribery and corruption

Prior to engaging with business partners such as vendors, representatives, joint venture partners or other business partners, OEs must take appropriate steps to mitigate the possible reputational, legal or regulatory risks of such engagements. These steps include performing due diligence commensurate with the nature of the engagement and background of the business partner and monitoring the relationship on an ongoing basis.

(5) Allianz maintains proper books and records

Books and records need to be accurate, complete, timely, and truthful. They need to accurately and fairly reflect all transactions and dispositions of assets.

No false, misleading or incomplete entries must ever be made in the books and records of Allianz for any reason. No undisclosed or unrecorded funds or accounts for or on behalf of Allianz may be established for any purpose. All expenses must be accurately accounted for, be based on appropriate supporting documentation and be promptly recorded in the books and records. Non-Allianz resources or payment channels (e.g., private accounts) may never be used to commit or enable bribery or corruption.

To assess the effectiveness of existing controls around the maintenance of books and records and to define enhanced mitigation measures, a Books & Records Red Flags List has to be completed annually by the OE's Finance department with the support of the Compliance department and other affected departments. Guidance for the execution of the Books & Records Red Flags List can be found in the AFC Functional Rule.

(6) Allianz does not make political or charitable contributions for improper purposes

Political Contributions: Political contributions (including contributions to political organizations, campaigns, parties, representatives or candidates) made on behalf of Allianz are allowed only if there is no purpose to improperly influence or induce a benefit for Allianz. Any political contributions constituting bribery or corruption are prohibited.

Allianz recognizes that some Employees may be politically active. However, Employees' political participation must be on an individual basis, and undertaken in their own time and using their own resources.

Charitable Contributions: Charitable contributions (e.g., sponsorships/donations to charitable organizations of Public Officials or their relatives) made on behalf of Allianz must only be given to *bona fide* charitable organizations for proper charitable purposes and must not violate the Allianz Group Code of Conduct, these core principles related to anti-bribery, anti-corruption and anti-fraud, applicable laws and regulations or the *Allianz Guidance for Charitable Contributions (Donations and Memberships)*. The OE must verify the integrity of the charitable organization by performing an integrity check before any contribution is made.

Charitable contributions may never be provided as a condition for or to influence an official action or decision.

(7) The giving and receiving of improper gifts or entertainment is prohibited

Giving and receiving gifts and invitations to entertainment events (“**G&E**”) is a customary way to strengthen business relationships and, with some restrictions, it is a legitimate business practice. However, any conflict or the appearance of conflict between the interests of an Employee and their responsibility to Allianz, its customers or business partners must be managed appropriately.

All G&E must meet the following conditions:

- It must be consistent with customary business practices and reasonably understood to be aimed at improving the image of the giver as a commercial organization, promoting, demonstrating or explaining products and services or establishing cordial business relations;
- It must not be lavish, excessive in value, overly frequent or without appropriate business purpose as to raise issues of impropriety;
- It must be made in good faith (*bona fide*) and be reasonable in value;
- It must not have the appearance of being an improper inducement, bribe or payoff, no matter how small;
- It must not improperly influence, or be intended to improperly influence, the professional judgement or independence of an Employee, customer or business partner;
- It must not conflict with an Employee's duty to Allianz and/or Allianz's customers;
- It must not - directly or indirectly (e.g., via parents, spouses, children, in-laws, siblings, friends or other persons closely associated to an Employee) - violate the Allianz Group Code of Conduct, these G&E principles or any applicable law or regulation;
- It must not be performed in secret;
- It must be documented in writing specifying the nature, value and purpose of the expense and the approvals given;
- It must not offend the moral, religious or ethical standards of customers or business partners or otherwise violate Allianz's commitment to diversity and mutual respect;
- It must not be provided shortly before, during or shortly after a relevant (ongoing or intended) business tender, contract negotiation or contract prolongation;
- It must not be provided or extended to any clients of a business partner;

- It must not involve cash or cash equivalents (such as gift vouchers and gift cards), except where this is acceptable as part of local festive/cultural traditions or is an established common market practice. In these cases, prior local Compliance approval always needs to be obtained before the gift is given. Compliance approval may only be given if the practice is in line with local laws and all requirements (including the limits) defined in the AFC Functional Rule;
- In the case of an invitation, it must not involve the provision of additional gifts except for promotional (e.g. corporate-branded) items of modest value provided during an event;
- It must fall within reasonable monetary caps/limits, if any, set by the OE, and must be assessed (and, where necessary, approved) by the involved Employee, the Employee's line manager and in certain higher risk cases, by the Compliance function.

(8) Allianz offers and manages Sponsoring & Hospitality appropriately to mitigate the risk of corruption

Offering Sponsoring or Hospitality to customers, business partners and other persons is a common component of marketing and sponsoring concepts. However, invitations must comply with applicable laws and regulations. For Sponsoring and Hospitality events, therefore, the steps must be taken to manage the corruption risk associated with the often predominantly entertainment-based nature of these events.

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VI. Investigating and Reporting of Employee Misconduct

Allianz' anti-financial crime compliance program also comprises a framework and minimum requirements to ensure timely and appropriate responses to allegations or suspicions that an Allianz-internal party (such as an Employee, tied agent, intermediary or any person acting on behalf of Allianz) has committed a misconduct.

In this context, "misconduct" refers to any premeditated (negligent or intentional) act or omission that results in a breach of law or regulations or a breach of the Allianz Code of Conduct or other internal corporate rules.

The **CORE PRINCIPLES** for reporting and investigating misconduct are:

(2) Allianz encourages the reporting of misconduct

Allianz encourages its Employees and third parties to speak-up and report any possible misconduct they believe to be a breach of law or regulations or a breach of the Allianz Code of Conduct or other internal corporate rules.

Employees are encouraged to communicate concerns to the line manager or to HR. If the Employee is not comfortable speaking to the line manager or HR, or if the line manager or HR were not able to address the concerns raised, the Employee can also communicate to any of the following resources:

- A trusted leader
- The local Compliance Function
- The local anonymous whistleblowing reporting channel or
- To Group Compliance via the anonymous whistleblowing reporting channel or via e-mail.

Except in the case of conflicts of interest involving the relevant Compliance Function, all reports must be forwarded to the relevant Compliance Function in a confidential manner and without undue delay.

(3) Allianz protects those who report concerns of misconduct in good faith

Allianz does not tolerate any retaliation against Employees or other internal parties who report their good faith concerns of potential misconduct and/or evidence of possible misconduct. Equally, Allianz does not tolerate allegations brought up in bad faith, such as reports intentionally submitted with false information or made maliciously to harm the Company, its Employees or other internal or external parties.

(4) Allianz observes legal requirements and ensures that investigations are fair and objective

OE's are required to act promptly and objectively to investigate allegations of misconduct. Investigations must be conducted in accordance with a predefined responsibility setup where it is clear which department/function is tasked for conducting investigations. Investigations must observe all relevant laws and regulations (e.g. data privacy). Investigation results must be based on evidence obtained via lawful methods, respecting the applicable rules of the respective jurisdictions. Investigation results are of a strictly confidential nature and must be handled as such.

VII. Ensuring Training and Awareness of Employees

The following training and awareness measures are necessary to effectively implement and maintain the core principles for anti-financial crime compliance.

(1) Allianz fosters a culture of anti-financial crime awareness

Fostering the right culture begins with the requirement for OE Senior Management to provide adequate tone from the top messages to Employees to underscore the importance of the anti-financial crime compliance program. The culture is also served by OE's taking steps to maintain anti-financial crime awareness, such as by promoting anti-financial crime campaigns and enabling the constant exchange of best practices for fighting financial crime within the Group-wide anti-financial crime community.

(2) Allianz trains its Employees

Every OE Compliance function needs to train Employees and relevant third parties acting on behalf of Allianz, to ensure adequate knowledge of and familiarity with the requirements of this Standard. Training must be based on a training needs analysis policy and procedure that specifies clear principles, objectives, scope, rules, conditions, and frequency of training.

(3) Allianz encourages internal reporting of compliance failures

OE's must make sure that Employees are aware of the systems or channels through which they can raise financial crime-related concerns or compliance failures related to the requirements of this Standard. This may be via the internal whistleblowing tool, or via other channels as applicable and appropriate.

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