



# Sustainable procurement charter

December 2023



# 37



“Forbes ranks Allianz 37<sup>th</sup> largest company in the world”

# Who are we?

The Allianz Group is one of the leading insurers and asset managers providers in the world, offering a wide range of products to over 122 million customers in more than 70 countries.

Our ambition is to accompany you in life – giving you everything you need to have the courage to go forward.

At Allianz, we believe a business partnership should be equal parts business and partnership, and we commit to working with you to keep our customers safe and secure. We are committed to the communities and environments in which we operate, to our employees business and supply chain partners as well as society in general.

Whether providing insurance or investing our customers' insurance premiums, we consider the environmental, social and governance (ESG) risks associated with such transactions. We aim to lead our industry in integrating ESG factors into our insurance and investment businesses.

Allianz is committed to respecting and protecting employee rights and human rights, and it expects its suppliers to do the same. In practice, this means ensuring that suppliers, registering in Allianz Group's supplier network are assessed on whether they abide by the environmental, social and governance (ESG) standards outlined in the Allianz Vendor Code of Conduct (VCoC).

Our VCoC, in turn, is aligned with both our commitment to internationally agreed human rights and due diligence principles (see page 8) and our globally binding Allianz Group Code of Conduct, which cover human rights as well as other sustainability aspects and expectations towards stakeholders.

For more information visit [Allianz.com](https://www.allianz.com)

## What are we doing?





# Our purpose

With over 122 million customers in more than 70 countries. Allianz is one of the world's largest insurers, investors and assistance providers in the world. Our purpose, We Secure Your Future, guides our work and expresses why we exist.

Sustainability is one of our top priorities and we aim to work together with our vendor partners to become market leaders in sustainable procurement.

Through this Sustainable Procurement Charter, our goal is to develop a shared mindset to enable us to create a more sustainable, transparent and fair world for us all.





At Allianz we have defined some key foundations for our performance:

- We comply with legal requirements that apply in the countries where we do business.
- We are committed to doing business with a high degree of integrity and ethics.
- We are open-minded in dialogue with those who are affected by our operations.
- We respond to enquiries from external parties and communicate with affected parties in a timely and effective manner.

As a result we endeavour to ensure that our vendors and partners abide by the principles set out in our Vendor Code of Conduct, which helps deliver the Allianz values through our supply chain. The code of conduct can be accessed [here](#).

Allianz is also committed to adopting procurement processes and practices that will enhance opportunities for diverse suppliers.

Allianz recognizes that there are many advantages to maintaining competition in supplier industries, in the establishment of alternate sources, and in working with diverse suppliers. Accordingly, Allianz encourages the development of mutually beneficial business relationships with diverse suppliers.

# Allianz Commitments



Allianz builds on its long-standing climate expertise; it is also a signatory to the UN Principles for Sustainable Insurance (PSI) and has a founding and chairing role on the Net-Zero Asset Owner Alliance, an initiative targeting investments, which was formed under the auspices of the United Nations in 2019.

# Our charter

## This Charter is the result of a comprehensive review of our working practices in Global Sourcing and our vendor relationships.

It demonstrates our sustainable procurement aspirations for Allianz SE, sets out our approach and acts as guidance for internal buyers and vendors. It will ensure that we are all actively contributing to our ESG objectives.

By enlisting the support and guidance of our vendor partners, we can collaboratively deliver on our ambitions and shared vision.

This document outlines the key focus areas and the commitment required by all contributing parties. And because change is constant, we have highlighted the future aspirations we have for our vendors.

In order to achieve these sustainability objectives, we call on our vendor partners to adopt and further develop practices that are environmentally sound, socially responsible, and ethical.

Our ultimate goal is that our whole supply chain embed the ethos of the Sustainable Charter.

### Scope

Allianz's objective is to do business with responsible vendors who understand the nature of the products, materials and services they are supplying, and who recognise their responsibility to protect the environment and foster good relations with their employees and local communities. We want to work together with our vendors to manage the environmental and social impacts of both business operations.

In line with our VCOC this charter is designed for vendors who have a contracted relationship with Allianz and a spend over EUR 250.000.

## Objectives we are committed to:

01

Setting objectives and action plans in support of this document, and pursuing continuous improvement of our practices.

02

Prioritising vendors who have embedded sustainable and ethical practices within their organisation and who drive such practices within their own supply chain.

03

Providing support and education to vendors that are invested in ESG.

04

Define sustainability requirements and criteria for tender and selection processes.

05

Assessing vendors sustainability performance against the criteria outlined below and fostering long term sustainable relationship with annual reporting on progress.

## What we expect from you

Vendors should be able to report their sustainability performance and attributable emissions for Allianz on an annual basis.

# Commitments and targets: environmental

Our environmental goals look at our interaction with, and impact on, the physical environment. This includes GHG emissions, climate change, biodiversity, natural resources, as well as air and water pollution.

## Interaction with the physical environment



Climate change



Pollution



Water and marine  
resources



Biodiversity  
and ecosystem



Resource use  
and circularity

## Allianz Net-Zero Transition Plan:

- For our own operations, we target GHG emissions reduction per employee of 65% for year-end 2029 (compared with 2019).
- To achieve this, **we require our global suppliers to have a public commitment by 2025 to net-zero GHG emissions** in line with 1.5°C degree path.

## We encourage all vendors to:

- Strive to procure environmentally-friendly products and services, and that due consideration is given to responsible sourcing and whole life cycle costings.
- Switch to renewable electricity and implement sustainable heating and cooling for offices and premises where possible.
- Shift to an electric fleet.
- Consider biodiversity elements.
- Promote recycling and demonstrate a reduction across all waste streams year-on-year.
- Aim to reduce water usage.
- Encourage and organise sustainable initiatives that employees can take part in.

# Commitments and targets: social

Social goals look at our impact on society and communities, incorporating human rights, health and safety, labour standards, product liability and privacy as well as data security.

## Alignment with human rights and labor practices in line with

- The rights protected by the International Bill of Rights and the Core Conventions of the International Labour Organisation (ILO).
- The due diligence processes of the UN Guiding Principles for Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the German Supply Chain Act.

## Impact on society, communities



## We encourage all vendors to:

- Ensure policies and processes are in place against all forms of discrimination, including but not limited to:
  1. Gender & sex
  2. Political affiliation and religious belief
  3. Age
  4. Origin
  5. Persons with disabilities
- Ensure equal pay for work of equal value.
- Make certain that working conditions are equal and fair for all employees.
- Pay the living wage not the minimum wage.
- Invest resources into beneficial corporate responsibility activities within your wider communities to drive additional social value.
- Provide a safe working environment for staff and vendors.
- Ensure their procurement processes embed sustainability and ensure these are extended through to their subcontractors.
- Provide training to all employees in areas such as Diversity and Inclusion, Health and Safety, Mental Health, Human Rights.
- Identify and remove modern slavery from their own business and supply chain.
- Protect and uphold human rights, both in their organisation and along their supply chains.



# Commitments and targets: **governance**

Governance goals look at how a company is governed, including transparency, board independence, ownership, ethics, executive compensation.

### How the company is governed



### We encourage all vendors to:

- Be accountable for their actions within the market and also in wider society outside of the workplace.
- Consistently monitor supply chain performance and compliance to all relevant contractual clauses and legislation, starting with sufficient due diligence prior to entering into any arrangement.
- Ensure whistle blowing and grievance mechanisms are embedded within business practices and aligned with UNGP expectations.
- Perform relevant audits and process reviews, to allow business operations to improve and mature to meet the requirements of our changing environment, and that due consideration is put into our joint ESG aspirations.
- Make certain that all tendering activities are open and transparent, allowing for fair competitive practices.
- Monitor and track all applicable ESG risks and opportunities and ensure these are discussed at senior level for awareness and action.
- Abide by the regulations such as the German supply chain law.
- Provide employees training on environmental, social and governance topics.
- Vendors subject to the Directive 2014/95/EU have a 3<sup>rd</sup> party verified sustainability report.

# Thank, you!

This is just the beginning of our journey, and at Allianz we prefer to work with sustainable vendors who are committed to our vision. We understand that this might be challenging from a resource perspective but we are committed to collaborating with and supporting you on this journey.

By way of introduction and to help get you started, training and education will be available to all vendors to help spread awareness within your business.

We would like to thank you for your ongoing support, and we look forward to continuing to work with you to create a fairer and more sustainable world.





