



INDEPENDENT ASSURANCE REPORT

To the Management of Allianz SE, Munich

Introduction and scope

We have been engaged to perform a limited assurance engagement on environmental performance information for the business years 2010 and 2011, including the explanatory notes, published on Allianz' 'Responsibility' web pages of Allianz SE, Munich.

Qualitative claims and quantitative indicators on environmental performance for the business years 2010 and 2011, including the explanatory notes, in the scope of our assurance engagement are published online at www.allianz.com/responsibility within the sections "Our stakeholders > Environment" as well as "Progress Report 2011 > Environmental".

The web pages that have been part of the scope of our engagement are marked with 'Independently Verified by KPMG'.

Management's responsibility

Management is responsible for the appropriateness of the preparation and presentation of qualitative claims and the appropriateness of the determination and presentation of quantitative indicators on environmental performance in accordance with the Reporting Criteria, the Sustainability Reporting Guidelines (G3.1) of the Global Reporting Initiative as well as internal guidelines for environmental reporting, as described in the explanatory notes.

This responsibility also includes designing, implementing and maintaining systems and processes relevant for the preparation of the environmental performance information, as well the application of appropriate methods for the preparation of the environmental performance information.

Auditor's responsibility and assurance standards

Our responsibility is to carry out an assurance engagement on the environmental performance information to express a conclusion with limited assurance based on the assurance procedures performed.

We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE) 3000: “Assurance Engagements other than Audits or Reviews of Historical Financial Information”, issued by the International Auditing and Assurance Standards Board. Amongst others, this standard requires that the members of our assurance team have appropriate knowledge, skills and professional qualifications to understand and evaluate the environmental performance information, and that we comply with the requirements of IFAC of the Code of Ethics for Professional Accountants to ensure our independence.

According to ISAE 3000 we have to plan and perform the assurance engagement such that we are able to express our conclusion as to whether any matters have come to our attention that cause us to believe that the environmental performance information is not, in all material respects, presented in accordance with the Reporting Criteria.

In a limited assurance engagement, the scope of evidence gathering procedures is less comprehensive than in a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement.

This assurance engagement is limited primarily to inquiries of employees, especially those responsible for the preparation and presentation of qualitative claims and the determination and the presentation of quantitative indicators, on environmental performance information, and analytical and other evidence gathering procedures, as appropriate.

In particular we carried out the following assurance procedures:

- A media analysis and internet search for references to Allianz SE in the reporting period;
- Inquiry of management responsible for environmental performance goal setting and monitoring processes;
- Inquiries of employees responsible for the analysis and preparation of the environmental performance information, including explanatory notes;
- Assessment of the systems, processes and the internal controls for environmental performance data processing at Group and subsidiary level;
- Visits of locations in Milan (Italy), Munich (Germany), Newport Beach (USA), Paris (France) and Sydney (Australia) to assess local data collection and reporting processes and the reliability of the reported data;
- Assessment of the plausibility of the reported data and of the internal data validation processes on Group and subsidiary level;
- Inquiries on data trends (and discussions with management thereto); and

- An evaluation of the overall presentation of the information on environmental performance, including explanatory notes, published on Allianz' 'Responsibility' web pages.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the environmental performance information for the business years 2010 and 2011, including explanatory notes, as listed under scope, is not prepared, in all material respects, in accordance with the Reporting Criteria.

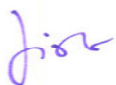
Recommendations

Without affecting the conclusion presented above, we make the following recommendations with regard to the further development of environmental data management and reporting:

- Further improvement and formalisation of systems, processes and internal controls for environmental performance reporting on Group and subsidiary level;
- Further integration of IT-based workflows to improve quality of and efficiency in environmental performance data collection.

Munich, March 21, 2012

KPMG AG
Wirtschaftsprüfungsgesellschaft



Fischer
Certified Public Accountant
(Wirtschaftsprüferin)



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Taking environmental responsibility seriously

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In fulfilling its responsibility towards the environment, Allianz contributes to a low carbon economy and significantly reduces its own carbon footprint.

Combating climate change

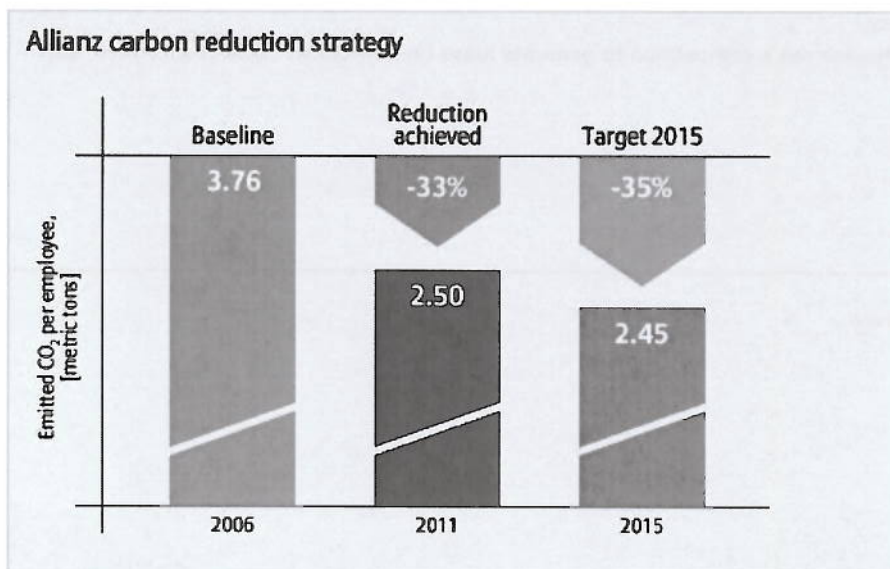
Allianz sees its environmental responsibility primarily as a commitment to enabling a low carbon economy. As such, Allianz has a comprehensive > Climate Change Strategy which covers its activities as a provider of financial services – insurance solutions, investments and asset management – and its internal business operations.

To demonstrate its commitment to a low carbon future, Allianz' ambition is to be carbon-neutral from 2012. This is achieved through carbon-reducing measures managed under the environmental management system (EMS), with the remaining carbon footprint neutralized.

Overall responsibility for improving Allianz' operational carbon footprint is in the hands of Allianz4Good; Board-level responsibility lies with Paul Achleitner and operational responsibility with the Group Environmental Officer. The Group-wide EMS covering the lion's share of Allianz' global employee base ensures transparency in environmental performance and supports systematic environmental data collection and control. Neutralizing the Group's emissions from 2012 is the task of Allianz Climate Solutions, the Group's climate specialist unit.

Reducing the carbon footprint

Allianz' initial target of reducing the Group's carbon footprint by 20% by 2012 was achieved two years ahead of schedule. In response to this, Allianz set itself a new carbon reduction target to be achieved by 2015: a further 10 percent reduction on our remaining 2010 footprint, which translates into an overall target of an approximately 35 percent reduction compared to our 2006 base year.



Avoiding or reducing emissions and substituting resources with lower-carbon alternatives (e.g. energy from

renewable sources) are the three levers Allianz employs to reduce its carbon footprint. Since 99 percent of the Group's emissions come from energy, travel and paper, the focus of the carbon reduction activities has been on these areas:

- **Energy:** A Green IT Hardware Purchasing Policy ensures energy-efficient devices are purchased; Energy Star and EPEAT are Group-wide standards for all IT product purchases. In addition, audits of the energy performance of Allianz buildings are undertaken; Allianz Real Estate's Sustainable Buildings pilot project, for example, uses energy audits to determine the energy-efficiency and carbon-reduction potential of relevant parts of the real-estate portfolio.
- **Travel:** A Global Travel Regulation sets minimum global standards for employee travel practices, e.g. by promoting video conferences and rail travel.
- **Paper:** A Global Print Policy cuts overall paper consumption and reduces costs.

Reducing the consumption of natural resources cuts not only emissions but also costs. It is with this argument that Allianz implements its carbon reduction measures and ensures Group-wide acceptance of carbon as a business case.

Increasing investments in carbon projects

A distinctive feature of Allianz' carbon reduction strategy is the neutralization of remaining emissions by directly investing in > carbon projects that generate certificates, rather than simply buying the certificates on a carbon market. This delivers financial returns from a project instead of incurring increasingly high costs through purchasing certificates. After all, only some of the certificates obtained from a project will be required to neutralize Allianz' own emissions, whereas the rest will be sold and thus generate a financial return to the project's shareholders. Moreover, by continuing to reduce carbon emissions in the future, fewer certificates will be needed for neutralization purposes and can be sold instead. This creates a direct incentive for Allianz to intensify its emission reduction efforts, over and above the expected benefits of lower resource costs (e.g. energy). In this way, carbon investments are not just a means of voluntary neutralization, but also a viable business case for Allianz.

Last but not least, directly investing in > carbon projects is another form of responsible investment. Projects are subject to rigorous standards in terms of their social, environmental and economic sustainability, which are regularly verified by external bodies. They hence reconcile real benefits to local communities and their environment with financial viability.

Awareness campaigns at Allianz

Employees across the Group are engaged in different ways in climate change activities, with some focusing on functional responsibilities and others on awareness-raising and effecting individual change and action. Two examples of many:

- A corporate campaign aims to raise awareness of climate change as a critical issue for Allianz' business by providing employees with background information on climate change and stimulating discussion on what can be done to tackle the problem.
- Corporate headquarters in Munich ran a competition to generate ideas on how teams could reduce their own carbon footprint.

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> Responsibility 2012 > Progress Report 2011 > **Environmental**

Carbon reduction strategy

Allianz' target of reducing the Group's carbon footprint by 20 percent in comparison with the 2006 level was achieved two years ahead of schedule: by the end of 2010, greenhouse gas emissions had been reduced by more than 27 percent per employee. As a result of this achievement, in 2011 Allianz set itself a new carbon reduction target to be achieved by 2015: a further 10 percent reduction as against the remaining 2010 footprint; corresponding to an overall reduction target of approximately 35 percent in comparison with the 2006 base year.

As part of Allianz' carbon reduction strategy, the company runs an Environmental Management System (EMS) to ensure transparency in environmental performance and support the systematic gathering and controlling of environmental data. The three levers of Allianz' carbon reduction strategy are:

- Avoidance: avoiding emissions, for example through video-conferences instead of business travel
- Reduction: reducing emissions by cutting consumption of energy, paper and water
- Substitution: using "climate-friendly" alternatives for necessary business activities, e.g. using recycled paper instead of fresh fiber paper or by replacing fossil fuels with renewable energy sources

By December 31, 2011, the EMS covered around 83 percent of Allianz' global employee base.

> Explanatory notes

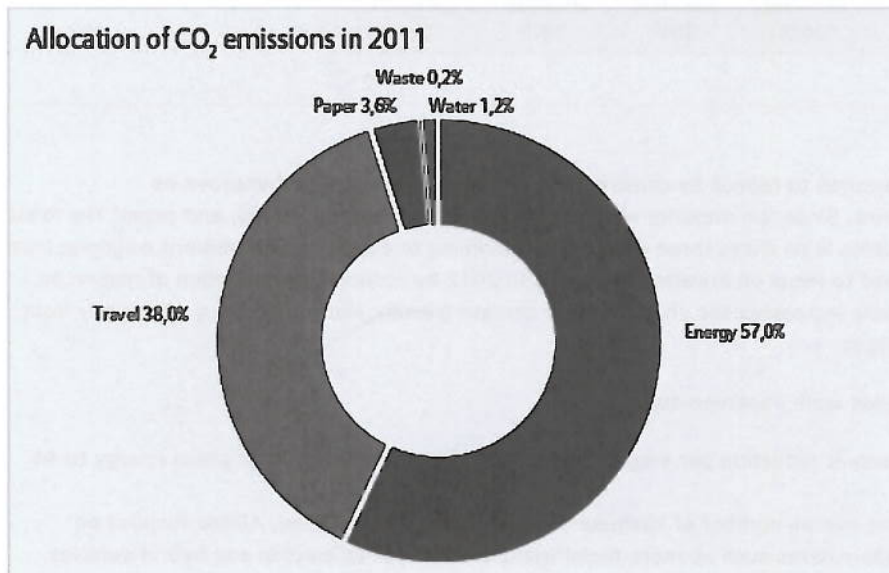
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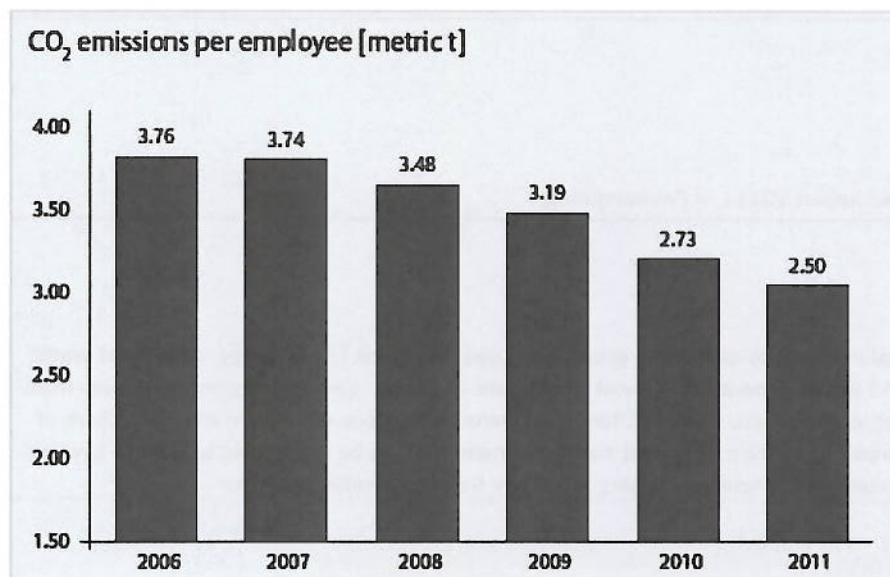


Carbon footprint

Allianz monitors its environmental impact and calculates greenhouse gas emissions from energy, paper and water consumption, business travel, and waste generation. Almost 99 percent of Allianz' carbon footprint originates from energy, travel and paper. The actual allocation, however, has seen shifts in previous years with energy's share of the Group's carbon footprint decreasing further. This shift has been mainly driven by the efforts to cut the Group's energy consumption as well as sourcing an increasing share of energy from renewable sources.



In 2011, Allianz continued to reduce its carbon footprint, with CO₂ emissions from its business operations a further six percentage points lower than 2010. Allianz' overall CO₂ reduction since 2006 now stands at 33 percent per employee. Although already seemingly close to our new target, our challenge will be to control emissions as the economy continues to improve



> Key figures

Allianz takes a wide range of measures to reduce its consumption of natural resources and improve its environmental and carbon footprint. Since the majority of emissions come from energy, travel, and paper, the focus of Allianz' carbon-reduction activities is on these three areas. The remaining one percent of emissions originate from water and waste. Allianz continued to focus on lowering emissions in 2011 by reducing consumption of resources, e.g. energy, while at the same time increasing the share of more climate-friendly alternatives, e.g. electricity from renewable sources or recycled paper.

Three significant Group-wide trends were observed during 2011:

- Energy consumption: 9.4 percent reduction per employee and an increase in the share of green energy to 44 percent.
- Business travel: Although the overall number of kilometers traveled slightly increased, Allianz focused on switching to lower-carbon alternatives such as more fuelefficient cars as well as electric and hybrid vehicles.
- Paper use: Allianz further cut its paper consumption by 4 percent per employee to achieve an overall reduction of 44 percent per employee since 2006.

Indicators and trends in detail:

Energy

In 2011, the reduction in CO₂ emissions was mainly driven by advances in energy consumption, i.e. increasing energy efficiency, as well as the types of energy sourced, a trend that has now continued for a number of years. Specifically, two effects impacted positively: first, energy consumed per employee was reduced by another 9.4 percent, bringing overall energy consumption down by 14.2 percent compared to 2006; and second, as local entities continued to switch to green energy, its share rose for the Group as a whole.

Allianz uses energy to power IT hardware, lighting and other electrical appliances, as well as for heating and cooling offices. A bundle of measures contributed to the Group's energy performance in the year under review. These measures ranged from refurbishments and moves to more energy-efficient buildings to the application of the Green IT Hardware Purchasing Policy, which was defined in 2010 and came into force in 2011. This policy requires all IT hardware purchasing requests for proposals to include a Green IT section. Moreover, Energy Star and EPEAT are Group-wide standards for all IT product purchases.

As most energy is consumed by buildings, Allianz' focus is on this area and the energy consumption of buildings has been further improved. The most important contributory factors were refurbishment measures with more energy-efficient installations, the consolidation of sites, and moves to newer, more energy-efficient buildings. In France, for

example, the number of major sites in the Paris area has fallen following the closure of several old and energy-inefficient buildings. In the Netherlands, centralization of the Dutch facilities in Rotterdam allowed the building in Amsterdam to be closed in February 2011. The carve-out of the Dresdner Bank operations in Germany, resulting in the return of server infrastructure, also brought a reduction in overall energy consumption during 2011.

> Key figures

Fireman's Fund invests in fuel cells

Fireman's Fund, an Allianz Group company in the U.S.A. and one of the leading green insurers in the country, has taken a major step towards reducing its own carbon footprint by installing six fuel cells on its campus in Novato, California. These high-tech devices, which convert fuel into electricity through a clean electrochemical process, allow the company to self-produce 60 percent of the energy used on the campus. Besides reducing Fireman Fund's carbon footprint by an additional 15 percent, these fuel cells will also dramatically reduce the company's electricity bills. Last but not least, Fireman's Fund intends to promote the use of fuel cells by offering insurance coverage for them when they are installed at other businesses. In this way, the green investment is also being turned into a business opportunity.

Travel

With travel the second-largest driver of the Group's carbon footprint, Allianz aims to reduce CO2 emissions by cutting down business travel, promoting video-conferences and switching to more climate-friendly vehicles in its car fleet. To this effect, the Global Travel Policy, which sets minimum standards for employee travel practices, is the framework for controlling travel in the Group. Overall kilometers traveled increased slightly again in 2011, returning to pre-crisis levels. However, for a financial services company doing business in around 70 countries, travelling for business is a necessity. Where travel is unavoidable, Allianz seeks to reduce the environmental impact of it.

As half of the overall distance traveled by Allianz employees is accounted for by road travel, another focus has been on the continuous modernization of the company's car fleet. In 2011, several Allianz subsidiaries added electric or hybrid cars to their car fleets and thus reduced the average CO2 emissions of the Group's overall fleet. Nowadays, environmental aspects and not just economic considerations play an increasing role in Allianz' purchasing decisions.

Around 40 percent of all kilometers traveled are accounted for by air travel. 2011 saw a further rise in the share of air travel due to increased business requirements; e.g. rebranding activities.

> Key figures

Allianz Suisse changes domestic fleet to hybrid vehicles

In 2011, Allianz Suisse was the first insurance company in Switzerland to initiate a complete reorganization of its car fleet. All claims inspectors now use hybrid cars; as such it reduces CO2 emissions per vehicle by 60 percent and Allianz Suisse saves more than 300 metric tons of CO2 a year from the fleet of around 100 cars.

Paper

Since 2006, the Allianz Group has been able to cut its paper consumption by more than 44 percent per employee. The biggest reduction was made in 2010, which saw the introduction of a Global Print Policy. Allianz continued on this reduction path in the course of 2011: besides the company's Global Print Policy, the greater use of digital communication technology in internal operations and customer communications helped to reduce paper consumption even further. Moreover, more Allianz subsidiaries are now using paper from recycled sources as opposed to fresh fiber paper; this has positively contributed to the company's carbon footprint.

> Key figures

Allianz Germany switches to 100 percent recycled paper

Last year, the Board of Management of Allianz Germany decided to change over to using 100 percent recycled paper for internal as well as customer communications with effect from March 1, 2011. Recycled paper is now used, for example, for brochures, flyers, product information sheets as well as business letterheads for both sales and non-sales staff and for both internal and external correspondence.

Allianz Argentina – saving rainforests, one PDF at a time

Allianz Argentina has launched a program to preserve its country's rainforest by means of a paper-saving policy. For

each customer who orders a policy in PDF rather than print form, Allianz Argentina donates the money saved to preserve one square meter of the Misiones Rainforest in the north of the country. What is more, customers can actually see the forest they are helping to preserve. To this end, Allianz Argentina is partnering Banco de Bosques, a recently created foundation dedicated to preserving native rainforests that are in a critical condition. To enhance people's emotional engagement with this work, Banco de Bosques has introduced "geo-referential" donations. This unique system uses a satellite grid from Google Earth to enable customers to actually see the piece of rainforest they are helping to preserve. Furthermore, an electronic insurance policy not only preserves trees, but also saves water, power, land and other critical resources. The Misiones Rainforest, an ecosystem with the largest biological diversity in the country, is home to the rare tipuana tipu tree as well as various species of deer, tapirs, peccaries, coatis and the colorful toucan, all of which are highly endangered species.

Water

Water consumption remained fairly stable in 2011. A slight decrease on 2010 was caused by natural fluctuations rather than specific measures. At Allianz, water consumption is mainly impacted by ongoing measures to generally increase the resource efficiency of buildings through refurbishments and moves to newer and more modern buildings.

> Key figures

Waste

Allianz has been able to significantly cut down on its waste output since 2006, which is now 14 percent lower than the base year. In 2011, Allianz' waste output fell only slightly with one-off events preventing a greater reduction. Since several Allianz subsidiaries carried out clearing work and closed archives, waste levels in these subsidiaries increased as documents were disposed of. This development is part of the moves to increase the degree of digitalization at Allianz and make greater use of digital storage facilities.

In general, Allianz strives to reduce the amount of waste it generates and increase the proportion it recycles by encouraging employees to separate different kinds of waste. For example, Allianz Life US and Allianz Global Assistance France implemented various waste reduction and recycling measures, which also raised awareness among employees.

> Key figures

Outlook

In 2012 we will further improve the quality of our environmental data, specifically focusing on improving our carbon accounting methodology, the granularity of our environmental data collection as well as formalization and automation of our reporting system. Better data quality will also be the basis for future decision making on environmental activities and targets.

> Explanatory notes

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Key figures

Total greenhouse gas emissions (CO2e), [metric tons]

	2011	2010	2009
Scope 1 – Direct GHG emissions, total	70.150	84.354	93.062
Scope 2 – Indirect GHG emissions, total	159.093	185.698	243.284
Scope 3 – Other indirect GHG emissions, total	125.669	122.465	124.883
Scope 1-3 GHG emissions, total	354.912	392.517	461.229
Total GHG emissions per employee	2.50	2.73	3.19

Energy consumption

	2011	2010	2009
Total energy consumption [GJ]	3.124.973	3.492.423	3.471.677
Energy consumption per employee [GJ]	22.02	24.31	23.99
Electricity [%]	66.1	64.6	64.7
Fossil fuels [%]	20.0	21.4	22.5
Long-distance heating [%]	12.1	12.8	11.7
Other (energy from own sources including photovoltaic, internal waste heat, fuel cells) [%]	1.8	1.2	1.1

Green energy

	2011	2010	2009
Green energy as a share of total energy sourced [%]	43.6	40.4	23.2
Green electricity as a share of all electricity sources [%]	47.6	42.8	17.4

Travel

	2011	2010	2009
Total traveled [tkm]	953 717	946 570	891 297
Kilometers traveled per employee	6,719	6,588	6,159
– Road travel [%]	50.5	51.5	57.5
– Air travel [%]	42.1	41.0	34.6
– Rail travel [%]	7.4	7.5	7.9
Average CO2 emissions of Allianz' own car fleet [g/km]	157	n.a.	n.a.

Paper consumption

	2011	2010	2009
Total paper consumption [metric tons]	19,525	20,591	36,554
Paper consumption per employee [kg]	138	143	253
- Recycled paper [%]	31.2	15.3	7.4
- FSC-labeled paper [%]	26.4	23.8	22.8

Water

	2011	2010	2009
Total water consumption [m ³]	1 897 466	1 973 938	2 070 661
Water consumption per employee [liters]	13 368	13 738	14 307
- Drinking water [%]	86.8	86.6	87.4
- Rainwater [%]	0.6	0.7	0.6
- Natural water [%]	12.6	12.7	12.0

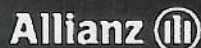
Waste output

	2011	2010	2009
Total waste [tons]	28.105	29.473	27.493
Waste per employee [kg]	198	205	190
- Waste incinerated [%]	25.3	25.6	21.8
- Waste recycled [%]	56.5	54.8	56.0
- Waste to landfills [%]	17.8	19.6	21.9
- Special waste treatment [%]	0.4	0	0.3

> Explanatory notes

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> Responsibility 2012 > Progress Report 2011 > Environmental

Explanatory notes

These explanatory notes refer to the carbon footprint of Allianz Group, reported in CO₂-equivalents, as well as global figures of five environmental indicators in either consumption of resources or production of waste. In 2011, the Group's carbon footprint and the five Group-level environmental indicators were independently verified by KPMG AG Wirtschaftsprüfungsgesellschaft.

1. Reporting standards

Our reporting on environmental data generally follows the Sustainability Reporting Guidelines (G3.1) of the Global Reporting Initiative. The Group's carbon footprint is oriented towards the Greenhouse Gas (GHG) Protocol's Corporate Accounting and Reporting Standard. For data compilation, Allianz further applies the standards developed by the Association of Financial Institutions for Environmental Management and Sustainability (Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstitutionen "VFU") as they are tailored to financial services institutions. Detailed guidance for environmental data compilation is further defined in internal guidelines for environmental reporting.

2. Organizational boundaries

Allianz defines its organizational boundaries applying the operational control approach as defined in the GHG Protocol. Operational control is established when Allianz, or one of its subsidiaries, has full authority to introduce and implement its operating policies and thus has operational control of the entity. The emissions of all operations over which Allianz has operational control, all owned and leased facilities that the company occupies and vehicles the company operates, are included in the environmental data either based on measurements or calculations where possible. Where data cannot be determined by measuring or calculating, it is extrapolated based on employee headcount.

Allianz collects environmental data for a significant proportion of the entities over which it has operational control. In 2011, this was 83 percent of the total employee base. To achieve 100 percent coverage, the indicators are extrapolated based on Group average figures.

3. Methodology updates

a. Continuous improvement

As part of our efforts to continuously improve the quality of our environmental data, we closely follow developments in the GHG Protocol and adapt our systems appropriately. In 2011, we updated the emission factors for the average market mix inline with an update of internationally-accepted standards.

Systems, processes and internal controls for environmental data collection are in the process of continuous development in order to improve overall data quality at both on Allianz Group and subsidiary level.

b. Data coverage updates

Allianz undertakes reasonable efforts to collect relevant environmental data from all its subsidiaries and their operations. However, in some instances, 100 percent of the required data is not available given reasonable efforts (e.g. for small or remote offices). In those instances, data is extrapolated to 100 percent.

Data is extrapolated for either part of a subsidiary or for entire subsidiaries. The basis for these extrapolations is the total headcount of the individual entity or of the Group and, for extrapolating

- Part of a subsidiary, the subsidiary's average values are used
- Entire subsidiaries, the Group's average values are used

This also enables performance monitoring as well as comparison and benchmarking of entities using comparable system boundaries.

c. Reporting Scopes

In line with the reporting standards, Allianz has developed methods to measure and analyze CO₂-equivalents, differentiating between the three Scopes:

Scope 1 – direct GHG emissions: emissions sources that are self-owned or self-controlled by Allianz

- Stationary Combustion: gas and oil heating systems, fuel cells at our entity in the U.S.A (since 2011); back-up generators
- Mobile Combustion: company owned vehicles were reclassified from Scope 3 to Scope 1 in the current reporting period and have been restated back to 2009.

Scope 2 – indirect GHG emissions: emissions from the consumption of purchased electricity, heat or steam.

- Electricity - Office and data centers: Data is based on invoice amounts or meter readings (where available) and estimations from subsidiaries.
- District heating: Office and data centre: Data is based on invoice amounts or meter readings (where available) and estimations from subsidiaries.

Scope 3 – other indirect GHG emissions: emissions from other sources, including travel, water, waste and paper

- Business travel data includes employee travelling by airlines, rail and car only.
 - Business Flights: split into short (<500 km) and long-haul flights (>500 km); extrapolation of CO₂-equivalents is based on the actual distance travelled and/ or the costs.
 - Train Travel: Average emission factors from train travel are calculated based on an actual distance traveled and/ or the costs.
 - Rental Cars: Average emission factors from rental cars are calculated based on an actual distance traveled and/ or the costs.
 - Business Trips with Private Cars: Average emission factors from private cars are calculated based on an actual distance traveled and/ or the costs.
- Water: Data is based on meter readings (where available), invoice amounts (where available) and estimations from subsidiaries.
- Waste: Data is based on measurement (where available), invoice amounts (where available) and estimations from subsidiaries.
- Paper: Data is based on measurement (where available), invoice amounts (where available) and estimations from subsidiaries.

d. Renewable energy and compensation efforts

Information on renewable energy is provided separately by Allianz subsidiaries. Renewable energy is only classified as such in case the supplier provided sufficient and reliable information on the actual source of energy purchased.

Energy from renewable sources now accounts for 43.6 percent of our total energy consumption.

The Allianz Group's total reported carbon footprint already considers the compensation activities of some of our subsidiaries. In 2011 these compensation activities totaled 2,157 metric tons.

For details on the greenhouse gas emissions allocated to the three different scopes, please see our > Environmental Progress Report.

e. Carbon accounting

We use CO₂ equivalents (CO₂e) in our carbon accounting, as they are the universal unit of measurement to indicate the global warming potential of each of the six greenhouse gases, expressed in terms of the global warming

potential of one unit of carbon dioxide. It is used to evaluate the release (or avoided release) of different greenhouse gases against a common basis.

Our carbon footprint is based on net carbon accounting, i.e. we use the contractual emission factors provided by our suppliers.

f. Comparability

The GHG Protocol requires that, in the case of a structural or methodology change, companies adjust historic inventories if the change has a significant effect on reported emissions. Allianz uses a significance threshold for:

- Structural changes: 5 percent per indicator category of the total current year emissions
- Methodological changes: 1 percent on Group level or 10 percent on subsidiary level per indicator category of the total current year emissions.

That is, a structural change that increases or decreases the total inventory by 5 percent or more, or a methodology change that increases or decreases the total inventory by 1 percent or more on a Group level or 10 percent on a subsidiary level per indicator category, will trigger an adjustment of historic data. A structural change that increases or decreases the total inventory by less than 5 percent will be considered prospectively only.

As such, historic data back to our base year of 2006 has been recalculated and restated for the current reporting period due to the divestment of MANRoland.

4. Data quality

We will continue to improve and formalize our systems, processes and internal controls for environmental performance reporting on both Group and subsidiary level to continuously improve data quality. As part of our efforts, we seek to include more entities in our data collection and hence increase the scope of data being measured or calculated.

If a significant error is found in the base year inventory, it will be corrected. If a significant error is found which does not affect the base year but has an impact on this or last year's emissions, it will also be corrected.

In the current reporting period, we investigated methods to reduce uncertainties in our environmental data. By applying these new methods we have also restated historic performance indicators. This resulted in a total upward adjustment of 957 metric tons in the 2010 reported data.

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