

AllianzGI GSCA Policy Statement

Foreword

Allianz Global Investors is a leading active asset manager with over 600 investment professionals in over 20 offices worldwide and managing EUR 555 billion in assets. We invest for the long term and seek to generate value for clients every step of the way. We do this by being active – in how we partner with clients and anticipate their changing needs, and build solutions based on capabilities across public and private markets. Our focus on protecting and enhancing our clients' assets leads naturally to a commitment to sustainability to drive positive change. Our goal is to elevate the investment experience for clients, whatever their location or objectives.

At AllianzGI, we are committed to human rights

At AllianzGI, we recognize the importance of human rights as both a value-based topic and a business issue.

AllianzGI is committed to

- supporting and respecting the protection of international human rights
- ensuring that AllianzGI is not complicit in human rights abuses.

AllianzGI aims to identify, prevent, mitigate, or remediate adverse human rights impacts linked to our business activities and operations, including our supply chain. Our approach has been guided by the OECD Guidelines for Multinational Enterprises and the U.N. Guiding Principles on Business and Human Rights.

The human rights¹ that AllianzGI is committed to respect are those agreed by governments in

- the International Bill of Human Rights; this consists of the Universal Declaration of Human Rights; the International Covenant on Economic, Social and Cultural Rights; and the International Covenant on Civil and Political Rights and its two optional protocols
- the core International Labor Organization (ILO) Conventions; these include the prohibition of child labor and forced labor; freedom of association and the right to collective bargaining; occupational health and safety; and the elimination of discrimination in respect of employment and occupation.

Allianz has been a member of the U.N. Global Compact (UNGC) since 2002 and uses the UNGC principles as orientation for its business activities. For more details and Allianz' annual Communication on progress, see the [UNGC website](#).

At AllianzGI, we strive to succeed as an active sustainable investor and as a responsible business. As such, we believe in embedding sustainability throughout our business. Insights are provided in our Sustainability and Stewardship Report. Human rights considerations are an integral part of our overall sustainability approach in investments. We use proprietary frameworks with a combination of sector- and country-specific approaches as well as company-specific research to identify human rights risks and engage in stewardship dialogues with companies. As an active asset management firm, we incorporate environmental and social considerations into proxy voting as it is an essential vehicle for driving corporate sustainability. Likewise, to reinforce our engagement approach on human rights, we joined the PRI Advance stewardship initiative in 2022 for investors to act on human rights and social issues.

ALLIANZGI GSCA POLICY STATEMENT

However, this policy statement is based on the requirements of the Supply Chain Due Diligence Act §6 (2) and therefore exclusively covers the due diligence processes within our own operations and supply chain. This policy statement refers exclusively to the own business operations and supply chain of AllianzGI (see next chapter). The policy statement includes the following contents.

- the due diligence processes that AllianzGI has established for human rights and certain environmental risks in its own business area and supply chain²
- the results of our first annual risk analyses in 2024 in our own business area and supply chain

the expectations that AllianzGI has towards employees and suppliers with regard to human rights and certain environmental conventions, as required by the German Supply Chain Due Diligence Act (GSCA).³

1. Our AllianzGI due diligence processes according to the German Supply Chain Act

Worldwide scope

The German Supply Chain Act (GSCA) applies to large Germany-based companies⁴ and their “own business area”. AllianzGI’s own business area encompasses all subsidiaries⁵ over which AllianzGI exercises a decisive influence, irrespective of location. Therefore, our GSCA risk management covers all those AllianzGI entities and their suppliers worldwide.

Elements of our risk management

Our GSCA risk management is designed to identify, prevent, mitigate, and eliminate human rights and certain environment-related risks⁶ and violations.

At AllianzGI, the GSCA risk management framework that we have established in 2023/2024 consists of the following due diligence processes:

- clear assignment of roles and responsibilities for the implementation of due diligence obligations within our risk management and for the monitoring of the risk management
- regular and ad-hoc risk analyses in our own business area and supply chain⁷, the results of which are communicated to all relevant decision-makers
- appropriate preventive measures / remedial actions for risks / violations identified in our own business area and supply chain
- a worldwide complaints mechanism
- a GSCA policy statement that is reviewed at least annually
- monitoring of the risk management
- ongoing documentation of all due diligence obligations
- an annual report to the Federal Office for Economic Affairs and Export Control (Bundesamt für Wirtschaft und Ausfuhrkontrolle, BAFA). The reporting obligation is currently reviewed.⁸

We have created a methodology to analyze, weigh and prioritize risks that combines elements of Allianz’ existing risk management frameworks with the requirements of GSCA and BAFA.⁹ This methodology is used in both our own business area and throughout our supply chain.¹⁰

Roles and responsibilities

The Sourcing & Procurement Function coordinates the implementation of the GSCA due diligence obligations, whilst working closely with all relevant functions and our entities worldwide.¹¹

To implement the risk management in our entities, we have identified local “GSCA Risk Owners” and “GSCA Risk Assessors”, in “Human Resources”, “Real Estate Management”, and “Sourcing & Procurement” as well as other relevant functions. They are responsible for, among other things, identifying, analyzing, and prioritizing risks; identifying violations; and defining and implementing local preventive measures and remedial actions. To fulfil these responsibilities, GSCA risk owners and assessors have been trained during 2023/2024 in all human rights and environmental risk categories listed in GSCA Sec. 2 (see annex).

The risk monitoring responsibilities have been allocated within the Sustainability Reporting department.

The function responsible for monitoring regularly reports to the Management Board of AllianzGI.

An assessment of AllianzGI’s risk management, including a corresponding report to AllianzGI’s management, will be conducted for the first time in 2024. Based on this assessment, we will continue to develop our GSCA risk management on an ongoing basis.

1.1 Risk management in our own business area

Risks most relevant for our sector

AllianzGI is an asset management company that offers investment strategies and solutions within a strictly regulated legal framework. We do not produce any goods in the traditional sense.

Generally, human rights risk within this kind of business activity is rather low, compared, with producing industries. This conclusion is supported by our GSCA risk assessments and our research using publicly available data on sectoral human rights risks.¹²

Similarly, the risks that the business activities of financial service providers cause severe environmental damage is assessed as modest. This applies in particular to the environmental prohibitions named in GSCA, such as the production, handling and disposal of highly toxic chemicals.

Taking the nature of our business into consideration, we have analyzed all risks listed in GSCA (see annex) and identified the following risk categories as potentially the most relevant for our own business area, while giving the freedom to our entities to assess other GSCA protected risks:

- Discrimination/unequal treatment in employment
- Freedom of association and the right to collective bargaining
- Living wages
- Occupational health and safety

At AllianzGI, we already have in place preventive measures for all these risk categories, in line with our global principles as well as local requirements and regulations. These preventive measures are regularly monitored and continuously improved by us.

Extensive measures reflect our values

The obligation to respect human rights is part of the Allianz Group Code of Conduct. The Code of Conduct is designed to ensure responsible and ethical behavior within Allianz Group. All employees are expected to become familiar with the Allianz Group Code of Conduct and the AllianzGI Code of Ethics and to apply these principles in their daily work (more in section 2).

Further measures have been implemented to minimize risks to relevant human rights and labor standards in our own business area:

- The protection of human rights, such as the prohibition of discrimination and harassment, occupational health and safety, the right to form and join trade unions, and fair wages, have been enshrined in our internal corporate rules, depending on local laws and requirements.
- Our annual “Allianz Engagement Survey” gives employees the opportunity to anonymously provide feedback on various aspects of the workplace and workplace culture, including topics such as workload, wages and diversity.
- Pulse checks throughout the year are carried out to seek feedback from employees on selected topics, examples from previous pulse checks include disability and workplace adjustments, access to learning offers, jobs and processes and health and wellbeing, as well as a standalone risk questionnaire for employees to share their awareness of governance topics and their perception of psychological safety to learn from mistakes
- “Ask your peers”, a platform where employees are offered a safe space to anonymously seeks advice from colleagues
- Our global performance management focuses equally on “what” (outcome-oriented objectives) and “how” (how we treat each other as well as our customers and other stakeholders).
- Employees and managers are encouraged to maintain a continuous feedback dialogue throughout the year, and to regularly seek feedback from peers and stakeholders, with the purpose to ensure a constructive environment for performance and development
- With the “multi-rater” tool, employees can give anonymous multi-dimensional feedback to Senior Leaders every year.
- To ensure that our employees are protected from unpredictable events, such as natural disasters or fires, we have a variety of alarm systems and evacuation plans in place, depending on local conditions and requirements.
- To support our employees’ physical health, we provide them with ergonomic workplaces and equipment according to AllianzGI’s Reasonable Adjustments Guideline.

ALLIANZGI GSCA POLICY STATEMENT

- We offer our employees resources to help them manage work-related stress and increase their well-being, including our “Employee assistance programs” or Health and Wellbeing Hub which, amongst other, include access to the Allianz “Global mindfulness movement”.

In case we learn of any suspected or actual violations of human rights in our own business area, for example through our complaints mechanism, we will take immediate action to prevent such violation or minimize its impact.

We monitor the effectiveness of preventive measures and remedial actions on a regular basis, at least once a year.

- ⇒ Read the [Allianz Group Code of Conduct](#)
- ⇒ Get more details on the Allianz Group People & Culture strategy in the [Allianz People Fact Book](#)
- ⇒ Learn more about our [Diversity, Equity and Inclusion](#) at Allianz.
- ⇒ Read the [AllianzGI Sustainability and Stewardship Report](#), chapter “Strengthening sustainability in our operations” (chapter 4).

Risks were assessed exclusively as “low” in 2024

We have decided to include all companies that belong to AllianzGI's own business area in the scope of the 2024 risk analysis and assess them for risks.

In 2024, these entities identified and analyzed 81 individual risks within their own business area. All identified human rights and environmental-related risks were assessed as “low”. No risk was rated as “medium” or “high” in 2024.

Among the risks that our entities identified in 2024, they assessed risks in the categories “occupational health and safety” and “discrimination/unequal treatment” as the most relevant for their local operations, in particular:

- Overtime/time tracking
- Unequal treatment (due to insufficient/lack of accessibility for employees with physical disabilities)

AllianzGI already has extensive preventive measures in place to address those risks. These specifically include:

- Flexible working guideline
- Anti-Harassment and Anti-discrimination Policy, training and awareness measures
- Remuneration Policy
- Human Resources Policy
- Compliance with local legal requirements
- Complaints channels

No violations of human rights or the environmental conventions listed in GSCA were identified in our entities as part of the 2024 risk analysis. Therefore, no particular preventive nor remedial actions were needed.

Since the risk situation in AllianzGI's own business area did not significantly change or expand in the course of 2024, and there were no other indications of human rights or environmental related risks or violations, no ad-hoc analyses were needed or carried out.

1.2 Risk management in our global supply chain

Our direct suppliers primarily work in low-risk sectors and countries

To gain first insights into overall human rights risks in our supplier base, AllianzGI Procurement allocated global procurement spendings for 2023 to specific sectors. We used publicly available and third party provider data as well as our own expertise to identify those commodities that are associated with potentially higher human rights and environmental-related risks.

We also identified suppliers based in high-risk countries using various indices that assess the respective country risk in the areas protected by the German Supply Chain Due Diligence Act (GSCA).

The result of both analyses was that the majority of our suppliers are neither active in high-risk sectors nor headquartered in high-risk countries.

Existing measures to address human rights and environmental risks in our supply chain

At AllianzGI, we want to ensure respect for human rights and environmental protection not only in our own business area but also along our supply chain. We encourage our suppliers to take responsibility for human rights in their own business area and supply chain, notably through implementing due diligence procedures in line with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

To minimize human rights and environmental risks in our supply chain, we have established the following measures:

- The Allianz “Sustainable Procurement Charter” sums up our sustainable procurement aspirations for Allianz, including our human rights approach. It provides guidance for both internal buyers and external suppliers. It strongly encourages all our suppliers to manage their own supply chains in line with the environmental, social and governance principles laid out in the Charter, to minimize risks further down in the Allianz supply chain (indirect suppliers).
- The Allianz “Vendor Code of Conduct” shall be an integral part of contractual relationships with key suppliers. Our Vendor Code of Conduct spells out our expectations towards our suppliers regarding human rights and employment standards as well as environmental due diligence (see details in section 2).
- Suppliers that have been identified as potentially high risk can be asked to sign additional human rights-related contractual clauses.
- As additional evidence of our sustainability work with suppliers, we initiated a review of our key suppliers to assess their commitment to a Net-Zero by 2025.

If we identify human rights or environmental-related violations that have occurred or are imminent at one of our suppliers, we take immediate remedial actions, in line with our ability to influence the respective supplier. We may enforce additional human-rights related contractual clauses or use other measures, depending on the type of violation. As a last resort, we will sever the business relationship with a supplier that persistently violates human rights. However, our primary focus is always on improving the situation of the individual affected.

We assess the effectiveness of such preventive measures and remedial actions on a regular basis, at least once a year.

- ⇒ Read the [Allianz Group Vendor Code of Conduct](#)
- ⇒ Read more about the [Sustainability Strategy of Allianz Group](#)
- ⇒ Read the [Allianz Group Sustainable Procurement Charter](#)

Identified risks on supplier level

For the annual risk analysis performed in 2024, we compiled information on all direct suppliers of all entities that are part of the “own business area” of AllianzGI (see section on “Worldwide scope” above).

In line with a risk-based approach, we used abstract risk filters to focus on potential high-risk-suppliers. For this, we:

- identified the sector and country of every supplier based on invoice data
- compiled publicly available indices at country level, to identify the most relevant risk areas for individual countries
- took into consideration a sector risk indicator based on publicly available data as well as our own expertise
- applied country and sector specific risk filters to enable a selection of potentially high-risk suppliers out of the total population of direct suppliers
- also randomly selected additional suppliers from the total supplier population and subjected them to a concrete risk assessment.

All potential high-risk suppliers initially received a “GSCA risk questionnaire” to enable us to conduct a concrete risk assessment. The responses received were analyzed by the “GSCA Risk Assessors” in the Procurement Department.

The analyses of the GSCA risk questionnaires we received showed that the risks in the assessed companies were generally “low” in the areas of human rights and labor standards. This involved the risk categories of “living wages” (rated as “low” risk), and “forced and child labor” (rated as “low” risk). No indications of significant human rights risks or even violations beyond that were identified for any of our direct suppliers.

No violations of human rights or GSCA-listed environmental conventions were identified as part of the 2024 risk analysis of our direct suppliers including media research and complaints mechanisms.

No ad-hoc risk analyses were conducted on direct or indirect suppliers of AllianzGI in 2024.

2. What we at AllianzGI expect from our employees and suppliers

In line with our Allianz commitment to human rights and environmental concerns, it is of central importance to us that these are observed by both our employees and suppliers.

What AllianzGI expects from its own employees

The Allianz Group Code of Conduct reflects our values and principles at Allianz and gives our employees guidance in their actions and decisions. Both the Allianz Group Code of Conduct and the AllianzGI Code of Ethics are applicable to all employees in AllianzGI's own business area.

At AllianzGI, we expect employees to support and adhere to human rights in alignment with international standards. We encourage our employees to be vigilant about any potential risks to human rights and environmental concerns related to our own business area or business activities.

In particular, we expect our employees to:

- treat everyone fairly and with respect
- help to create a fair environment where people can succeed regardless of gender, age, ethnicity, disability, religion, sexual orientation, or cultural background
- not make decisions related to employment – such as hiring, promoting, assigning work tasks, or dismissal – based on the characteristics mentioned above
- never accept bullying or harassment
- make sure they follow safety and security guidelines and avoid situations that could cause harm
- help to create an empathetic work environment and consistently address our mental, emotional, physical, and social health to maintain and improve wellbeing.

⇒ Read the [Allianz Group Code of Conduct](#)

What AllianzGI expects from its suppliers

We at AllianzGI expect all our suppliers to act with integrity and respect the rights of their own employees and other people who may be affected by the supplier's business activities.

In particular, based on our Vendor Code of Conduct we expect our suppliers to

- ensure equal treatment, equal employment opportunities and equal pay for work of equal value
- not discriminate against employees on the basis of gender, age, ethnicity, disability, religion, sexual orientation, or cultural background
- prevent any form of threats, coercion or harassment, including sexual harassment or corporal punishment
- respect legislation against child labor, and not enable any form of forced labor or human trafficking of involuntary labor through threat, force, fraudulent claims, or other coercion
- comply with all applicable labor laws, including those on compensation and working hours; and make a reasonable effort to make sure their suppliers do the same
- respect workers' rights to freedom of association and collective bargaining in accordance with applicable local laws and regulations
- ensure that their business activities do not cause environmental changes that have a harmful impact on humans
- ensure that the use of persistent organic pollutants or the import and export of hazardous wastes comply with all applicable conventions
- establish processes to enable them to identify key risks to human rights and labor standards.

ALLIANZGI GSCA POLICY STATEMENT

At the same time, we expect our vendors to comply with all applicable environmental laws and regulations¹⁴, and, where appropriate, establish sustainability policies and environmental management practices that encourage environmental stewardship by their supply chain.

⇒ Read the [Allianz Group Vendor Code of Conduct](#)

3. Our complaints mechanism – “EthicsPoint”

AllianzGI has a global complaints mechanism that is accessible for internal and external complaints which is fully compliant with Sec. 8 GSCA and the BAFA guidelines¹⁵. Under the headline “EthicsPoint”, our complaints mechanism has the following features:

- It is accessible to AllianzGI employees, to the employees of AllianzGI’s direct and indirect suppliers and anyone else who might be impacted by the economic activities of AllianzGI.
- It enables people to draw attention to human rights and environmental risks as well as violations of human rights or environmental obligations that have arisen as a result of the economic activities of AllianzGI or of direct or indirect suppliers.
- The hotline and website are operated by an independent company and are available twenty-four hours a day and 365 days a year. The employees responsible for processing the reports submitted via “EthicsPoint” are independent and observe confidentiality rules.
- AllianzGI does not tolerate any reprisals or any disadvantages for reporting persons related to their complaint.
- The AllianzGI complaints mechanism consists of several channels, including email, telephone and fax, postal letter and an online reporting tool that allows the creation of anonymous mailboxes through which the reporting person can communicate with the responsible compliance experts. The tool is available in all countries in which AllianzGI operates. The tool is available in German, English, French, Chinese, Indonesian and Italian.
- The rules of procedure for the AllianzGI complaints mechanism have been published in text form. They contain clear and comprehensible information on the process of reporting, the communication between the compliance experts and the reporting person as well as the investigation of incidents raised by the reporting person.

⇒ Read the [Rules of Procedure](#) for the AllianzGI complaints mechanism

⇒ Access our anonymous [AllianzGI SpeakUp-Tool „EthicsPoint“](#)

Annex

Human rights risks and environmental risks listed in GSCA

AllianzGI's due diligence obligations described in this document relate to the protected rights and environmental prohibitions listed in Sec. 2 (2) GSCA.

We have paraphrased these rights and environmental prohibitions here in simpler language.

These rights and environmental prohibitions have been agreed by governments in international agreements. They are not directly binding for companies. Most (albeit not all) governments have transposed these rights and environmental prohibitions into local law or regulations, so that they become binding for companies in their jurisdiction.

A "risk" under GSCA is defined as the likelihood that a company or its supplier harms people by disregarding one of these local laws or regulations.

This includes the risk that companies

- require or accept that children work, even though they are too young for the work they do
- require or accept that children engage in activities that are harmful to their health and wellbeing and / or illegal; or that children are prostituted
- force people to work, for example by confiscating their passports or withholding their wages; or enslave people
- endanger people by not complying with local rules on occupational health and safety; or tolerate or ignore frequent accidents or health hazards in the workplace
- do not properly train employees for their work, especially if that work is dangerous for the employees or others
- endanger their employees' physical or mental health by requiring them to work very long hours without sufficient breaks
- prevent or prohibit employees from joining trade unions; or ban trade unions, strikes or collective bargaining in their organization – even though these rights are protected by national law
- unfairly discriminate against employees on the basis of, for example, gender, age, ethnicity, disability, religion, sexual orientation, or cultural background
- do not pay their full-time employees enough money to live on
- deploy untrained or unsupervised security forces who threaten people's lives and limbs
- do something (or omit doing something) that leads clearly to a human rights violation of employees or other people
- evict people from their land without proper legal procedures and compensation
- harm people, or destroy livelihoods, by heavily polluting the soil, air or water through their activities
- manufacture products that contain mercury or dispose of mercury in an unsafe way
- produce, use in large quantities or store incorrectly certain toxic chemical called persistent organic pollutants (POPs)

export toxic waste to countries that cannot properly dispose of it.

ALLIANZGI GSCA POLICY STATEMENT

¹ Allianz is equally committed to protecting human rights and the environment. For details of our environmental and climate change policies, see our Sustainability Report on Allianz.com [Allianz Sustainability Report 2023](#). The German Supply Chain Due Diligence Act requires that Allianz extends its GSCA due diligence to certain environmental risks as listed in Sec. 2 GSCA. Where appropriate, these risks are included in our due diligence processes as described in this document. A full list of GSCA protected positions is in the annex of this document.

² For our due diligence approach in underwriting and proprietary investments, please see our Sustainability Integration Framework on Allianz.com [Allianz Sustainability Integration Framework](#).

³ Deutsches Lieferkettensorgfaltspflichtengesetz – LkSG.

⁴ The German Supply Chain Act applies in 2023 to Germany-based companies with more than 3,000 employees, and that threshold is lowered to 1,000 employees in 2024. Therefore, in 2023 Allianz SE (as the holding company of Allianz Group) and four Allianz-owned Operating Entities based in Germany are directly subject to GSCA. In 2024, a total of nine Allianz companies based in Germany are directly subject to GSCA. AllianzGI has also been obliged to implement the due diligence obligations derived from the GSCA since 2024.

⁵ All AllianzGI companies are usually assigned to either „Operating Entities“, which are mostly based in one country, or “Global Lines“, which operate in several countries.

⁶ GSCA covers environmental risks related to mercury, persistent organic pollutants, and export of toxic waste as well as pollution (of soil, water, air) so severe that it affects human health or livelihoods. See also annex.

⁷ For the annual risk analysis in supply chains, we utilize a risk-based approach, which means we use various abstract risk filters (sector, country, level of influence) to focus our due diligence on potentially high-risk suppliers. The annual risk analysis in our own business area covers all entities in our System of Governance.

⁸ AllianzGI will report to the Federal Office for Economic Affairs and Export Control (BAFA) for the first time on its fiscal year 2024 in 2025. Against the background of the German CSRD Implementation Act currently in draft form, a postponement of the submission deadlines and the possibility of replacing the reporting obligation under the GSCA with the report under the CSRD has been announced.

⁹ Bundesamt für Wirtschaft und Ausfuhrkontrolle (BAFA): „Risiken ermitteln, gewichten und analysieren; Handreichung zur Umsetzung einer Risikoanalyse nach den Vorgaben des Lieferkettensorgfaltspflichtengesetzes“; (BAFA-Guideline: Identifying, weighting and prioritizing risks), August 2022.

¹⁰ “GSCA Risk Assessors“ analyze the likelihood and severity of a risk separately using structured questions and generating a risk score for each. The combined score places the result into a “heat map” that classifies the risk as “low”, “medium” or “high”. A high risk is one that is highly likely to occur (or recur) and / or has potentially severe or irreversible impacts on people.

¹¹ As part of monitoring AllianzGI's GSCA risk management, close co-ordination takes place with the Human Rights Officer of Allianz SE.

¹² For example: NAP-Branchenstudie "Die Achtung von Menschenrechten entlang globaler Wertschöpfungsketten – Risiken und Chancen für Branchen der deutschen Wirtschaft" (NAP Sectoral Study, Respect for human rights along global value chains, risks and opportunities for German business); Bundesministerium für Arbeit und Soziales, June 2020.

¹³ Alternatively, Allianz suppliers can submit their own Code of Conduct if the latter includes equivalent human rights and environmental protections.

¹⁴ The Allianz Group Vendor Code of Conduct refers in particular also to the Minamata Convention on mercury, the Stockholm Convention on persistent organic pollutants and the Basel Convention on the export and import of hazardous waste, which are referenced in GSCA.

¹⁵ Bundesamt für Wirtschaft und Ausfuhrkontrolle (BAFA): „Beschwerdeverfahren organisieren, umsetzen und evaluieren; Handreichung Beschwerdeverfahren nach dem Lieferkettensorgfaltspflichtengesetz“; (BAFA Guidelines Organizing, implementing and evaluating complaints mechanisms; Complaints mechanism according to the Supply Chain Due Diligence Act), October 2022.

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