

„ Building a Global Structure for Corporate Sustainability: The Allianz Case”

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Allianz Group Profile: presence in more than 75 countries with more than 700 subsidiaries and over 160.000 employees



Why does the Allianz Group embark on sustainability?

- ...as company:
- ...as global financial player:
- ...as insurer:
- ...as bank & asset manager:

stakeholder
interest,
ecoefficiency,..

reputation &
credibility

better risks

new market
opportunities

„We want to become an important driver for sustainable development on an international basis...“

Dr. Henning Schulte-Noelle, Benediktbeuren Seminars, May 5, 2000

and Continuation of Mandate by Michael Diekmann July 2, 2003

CEOs' and Chairmen's *statement*

We endeavor to develop a set of criteria that is acceptable to all, and by which the sustainability of our industry and of our clients can be assessed.

We will enhance dialogue with all relevant stakeholder groups including NGOs and local communities

We will explore equitable sharing of benefits from globalization and take a particular interest in examining the challenges of developing countries, such as poverty alleviation and debt burden

We will hit upon concrete and specific approaches that will help small and medium-sized enterprises



Allianz Group

 **SOMPO JAPAN**



Deutsche Bank 

 **storebrand**

Swiss Re


 **ABN-AMRO**

Rabobank 

ING 

 **GERLING**

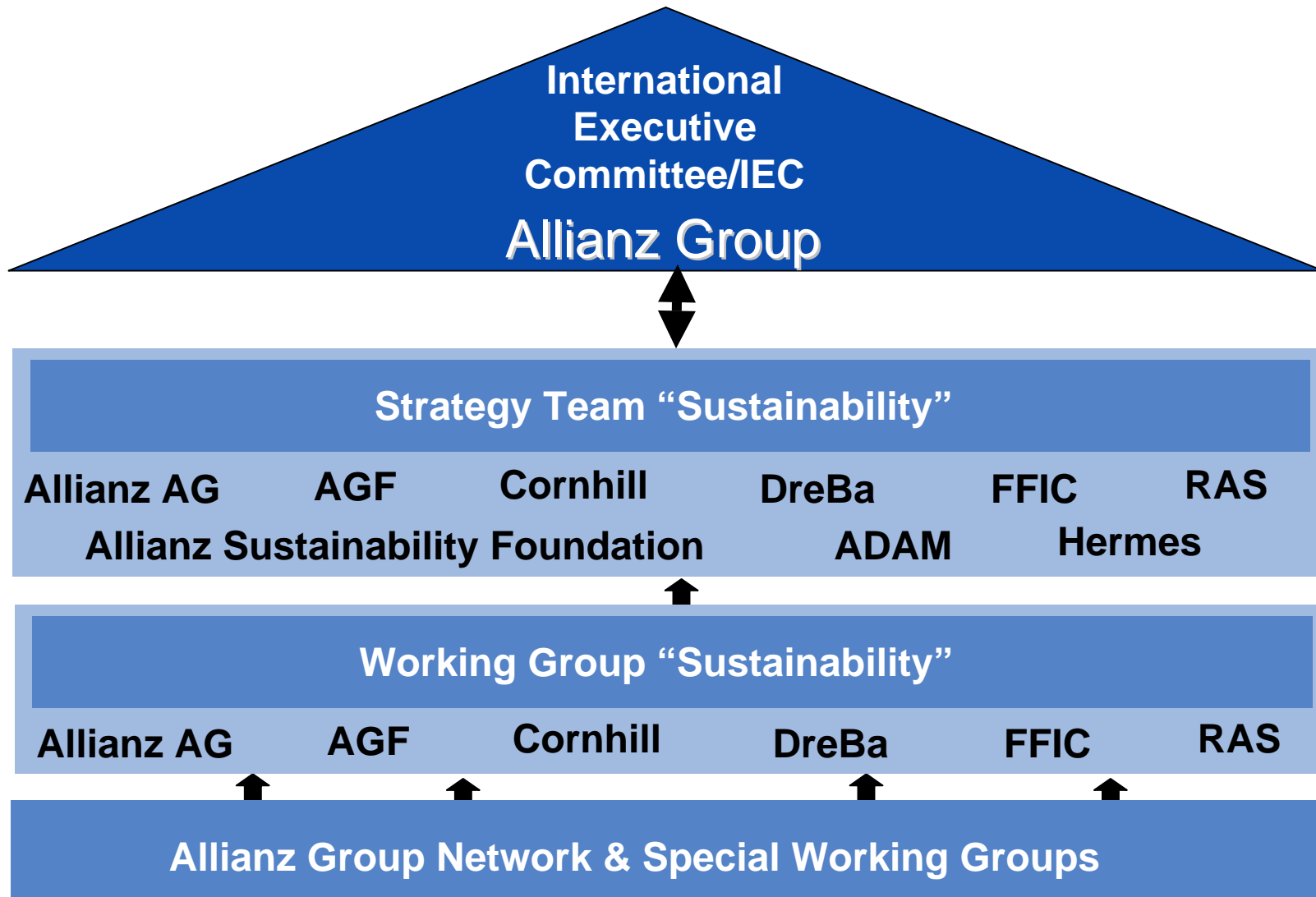
What are our goals and principles?

“We want to contribute to a worthy and competitive future by combining long-term economic value, environmental stewardship and social responsibility”

4 principles and strategic priorities which we gradually want to achieve

- Internal operations and environmental protection
- Sustainability in our business processes
- Partnerships with stakeholders
- Transparency and sustainable development

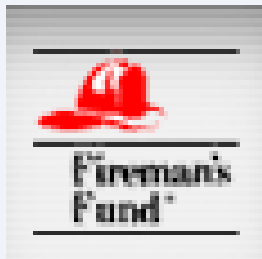
How is the process steered?



Project Examples and Achievements



HR Management Practices
Corporate Governance



Environmental Risks
& Liabilities



Community Involvement
Sustainable mobility

Allianz Group

SAM Rating
Group-wide Environmental Management
Global Sustainability Fund
SD risk screening in underwriting
Group Risk Policy enhancement to SD
Intercultural understanding of SD



Dresdner Bank
Die Beraterbank

Emission Trading
Env. Credit Risk Screening



Eco Products
SD Reporting

Allianz 

SD Products
SD Foundation

Are global sustainability strategies feasible?

Qualitative research: countries and sample

Qualitative survey in 6 countries

Companies of the Allianz Group in Germany, Great Britain, France, Italy, Poland, China (Korea, Japan, USA, Singapore, India)

Respondents:

- Across all functions: Strategy, Purchasing, HR, Marketing, Communication, Product Development, Logistics/Services
- Across all hierarchical levels

Duration of the interviews: approx. 90 minutes

Are global sustainability strategies feasible?

The questionnaire

The open questionnaire was made up of three sections covering questions on company, departmental and staff levels.

Part 1: Attitudes towards sustainability in general

What is the individual's attitude regarding sustainable development?

Would sustainability be a good strategy for Allianz worldwide?

Part 2: Departmental questions

In how far is the individual department concerned with sustainable issues? What are external and internal challenges? What can the individual departments contribute to sustainable development?

Part 3: Social Capital

Questions regarding the direct working environment of the individual and the in-house side of sustainable development (trust, personal attitudes, career, networks etc.)

General attitudes

Staff members in all countries agreed to the idea of sustainability. However, the significance attributed to the Brundtland claim varied with the proliferation of the idea in the individual countries (e.g. Poland).

This is backed by the fact that nearly all respondents assume that in the future social and ecological issues will gain in importance. A clear influence of the country's approach towards social and ecological topics and the corresponding reaction by the mass media was reflected in the opinion's of the respondents (e.g. China).

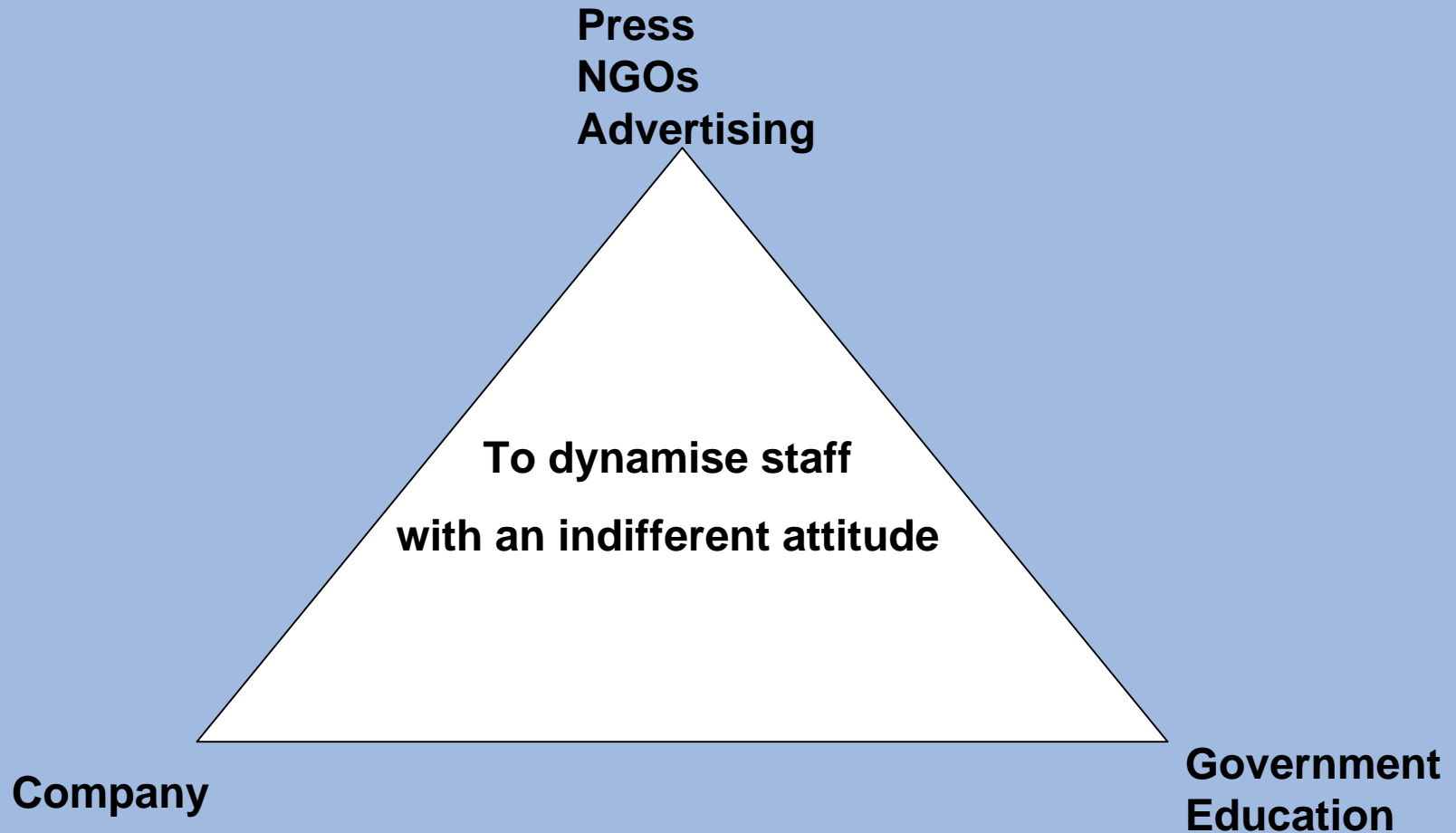
Implementation of sustainability

For the integration of staff into the implementation of sustainability several steps have to be taken:

- it has to come from the top. The company's CEO and also the German CEO have to introduce it officially
- on the other hand it has to be a bottom-up approach: respondents want to have the corporate and national culture to be respected
- communication is needed to convince colleagues and to bridge the gap between the abstract idea of sustainability and actual steps respondents can take on their departmental levels.

The need of a communication triangle

The French success



What are you worried about when you think about the future of your children?

Germany

Environmental problems; values/loss of values; education/career

France

Education; career; being able to cope in society

Italy

Orientation in times of information overload; how to be happy in life

China

Performance pressure; unemployment; war

Poland

More time for children; unemployment; information overload

UK

Housing; health; society / relationships

... which corresponds to the desired corporate commitment

Germany

Environmental and social projects are important.

France

„Intellectual“ projects; government has to provide for social and environmental stability

Italy

Kindergarden was not mentioned.
Need for transparency, work for a decent company.

China

Great willingness to support society and to adjust.

Poland

Company excursions were mentioned; cultural activities were not.
Working conditions are still in the foreground.

UK

Excellent education was not mentioned.
and: Charity activities

Example of a global problem at Allianz

“Insurance companies are thieves!”

- Staff suffers from a negative image of insurance companies; they often feel they have to apologise for working for an insurance company
- Even in countries, where insurance companies are a relatively business, like Poland and China, the relationship between the insurance company and its customers is marked by insurance fraud and misunderstandings
- Examples like the Italian service card illustrate that improvements are feasible.

A successful corporate sustainability strategy comprises local and global elements

Global	<ul style="list-style-type: none">• Create a homogeneous organisational structure to tackle sustainability issues• The image of insurance is to be approached on a global level• Decision on which position to take in community involvement• Encourage/financially support group members to participate
Global/ Local	<ul style="list-style-type: none">• Top-down: the CEOs (global and local) have to advocate and support the concept of sustainability• Tools such as knowledge management, diversity, Management Training have to be decided globally and introduced/adapted locally
Local	<ul style="list-style-type: none">• The community involvement has to take the concerns of staff into account - without their buy-in Corporate Citizenship projects will not strengthen identification, loyalty or motivation• The problems of the individual company in its market, national legislation and culture are essential drivers• The priority of approaching sustainable issues is local