CLIMATE TRANSPARENCY REPORT 2020

Allianz SE

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-93AF9E5D-3139-449F-97CF-7E8410F38AB9/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as "private". Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the PRI website and on the Data Portal.

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	✓	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	✓	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	Allianz SE
Signatory Category	Insurance company
Signatory Type	Asset Owner
Size	US$ > 50 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2011
Region	Europe
Country	Germany
Disclosure of Voluntary Indicators	33% from 38 Voluntary indicators

Allianz SE

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01	Mandatory	Public	Core Assessed	General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1	Indicate if you have an investment policy that covers your responsible investment approach.

SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General

SG 01.6 CC	Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

◉ Yes

	Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

Allianz is exposed to a variety of risks, including market risk, Property-Casualty premium and reserve risks resulting from natural and man-made catastrophes as well as from claims uncertainty. Climate change as a multi-faceted phenomenon is influencing these risks in varied ways.

We believe that climate change will materially affect economies and therefore our lines of business. Arising risks and opportunities can be seen already today and will grow over the mid- and long-term. These can e.g. be acute and chronic physical impacts on property or human health like warming temperatures, extreme weather events, rising sea levels, intensifying heatwaves and droughts or change in vector-borne diseases. Risks and opportunities also result from the cross-sectoral structural change from the low-carbon transition, including changes in climate policy, technology, or market sentiment, and impacts thereof on financial assets' market value, as well as impacts resulting from climate change litigation.

Vice versa, the choices about how we conduct our business can have an impact on the climate and global warming, e.g. by investing in or insuring low-carbon or emission-intensive activities.

Climate change impacts our business mainly in two ways: through insurance policies, e.g. covering health impacts and other losses, property damage, as well as changes in sectors and business models we underwrite. Furthermore, we are affected as large-scale institutional investor with significant stakes in various economies, companies, infrastructure, and real estate that are or will be affected by physical impacts from climate change and by the low-carbon transition which can have direct impacts on assets' ability to generate long-term value.

The Allianz Group Climate Change Strategy, first published in 2005, steers the uptake of climate-related risks and opportunities in our insurance and investment business, has been regularly updated and is overseen by the Group ESG Board. It focuses on:

1. Anticipating risks of a changing climateSystematically considering climate criteria in insurance and investment business.
2. No longer financing coal-based business models and no longer providing insurance for construction and/or operation of single coal-fired power plants and coal mines.
3. Fully phasing out coal across proprietary investment and P&C insurance portfolios by 2040, at the latest.
4. Engaging with policymakers to drive sustainable finance and achieve the Paris Agreement's goals.
5. Ensuring active dialogue with investee companies on climate strategies.
6.
7. Caring for the climate vulnerableSupporting our customers to reduce risks and minimize damage and compensating those who have suffered losses.
8. Working with peers, governments and the civil society to manage climate risks and 'close the protection gap'.

9. Supporting scientific research and innovation that improves society's understanding of climate-related risks.
10.
11. Enabling the low-carbon transitionPioneering insurance of low-carbon technologies, providing standardized and tailor-made insurance products and, e.g., insuring renewables in 60+ countries.
12. Strategically investing in low-carbon assets, including renewable energy, green buildings, and green bonds.
13. Setting long-term climate goals for proprietary investments and business operations, in line with '1.5°C-aligned net-zero emission by 2050' pathways.
14. Joining forces with other asset owners through the U.N.-convened Net-Zero Asset Owner Alliance (AOA) to collaboratively support companies in their low-carbon transition.
15.

○ No

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

◉ Yes

	Describe the associated timescales linked to these risks and opportunities.

Allianz assesses the potential impact of different climate scenarios with time horizon up to 2050 on the business, e.g. on performance of infrastructure assets and investments into renewables, development of emission reduction pathways for business operations and proprietary investment portfolio in line with climate science up until 2050 and decarbonization in line with our commitment to a net-zero GHG emission investment portfolio by 2050, or development of coal phase-out pathway for complete phase-out of coal risks by 2040. All these include intermediary target setting, e.g. for the target years 2025, 2030 and onwards in the case of our net-zero emission investment portfolio commitment to ensure timely decarbonization.

Timescales and horizons naturally differ depending on specific line of business under consideration.

○ No

SG 01.8 CC	Indicate whether the organisation publicly supports the TCFD?

◉ Yes

○ No

SG 01.9 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

◉ Yes

	Describe

Steered by our Climate Change Strategy, the management of climate-related risks and opportunities is part of our overall business strategy, incl. developing and adjusting financial products and services; improving decision-making, policies and processes; setting of targets and limits; managing our operational climate footprint; as well as engaging with internal and external stakeholders.

As a landmark outcome of incorporating climate-related risks and opportunities into our business strategy, we committed in 2018 to set emissions reduction targets for our proprietary investment portfolio and business operations, joining the Science Based Targets initiative (SBTi). Following the 2018 IPCC 1.5°C Special Report, we reviewed the implications on our corporate response, are now committed to pursue efforts to limit global warming to max. 1.5°C and updated our emissions reduction ambition to 1.5°Ccompatible pathways as well as adjusted our coal phase-out.

In 2019, we helped to set up the UN-convened Net-Zero Asset Owner Alliance (AOA), whose members commit to net-zero GHG emissions in proprietary investment portfolios by 2050. Asset owners within the AOA are already engaging portfolio companies and will set intermediary targets for the years 2025, 2030 and beyond to ensure timely portfolio decarbonization.

Results from detailed analysis in particularly energy-intensive sectors on emission profiles, possible proto-decarbonization pathways, and necessary technology shifts, are used for portfolio carbon analysis, decarbonization pathways definition, our corporate engagement process as well as management decisions. We ran pilot portfolios on climate-related target-setting and steering which allowed us to identify data gaps, derive monitoring and steering approaches and metrics as well as potential investment management actions. Building on this, we are developing approaches to monitor and steer the portfolio transition as part of the AOA. Furthermore, Allianz Investment Management (AIM) is working to close data gaps by sourcing own data.

To enable the low-carbon transition and manage transition risks, we have not financed coal-based business models since 2015 and no longer provide P&C insurance to single-site coal power plants or coal mines, being operated or planned. We are committed to completely phase-out all coal-based risks by 2040 the latest. See SG 14.5 for further information on our coal exclusion.

Our business strategy includes systematically leveraging opportunities for financing a low-carbon and climate-resilient future. For our proprietary investments, the ESG Functional Rule for Investments provides the foundation of integrating climate-related issues. It comprises Asset Manager Selection and systematic integration of climate and ESG factors into our investment decisions.

Allianz Group is engaging investee companies and insurance clients through different channels and formats. Besides the Group ESG Office AIM has a dedicated engagement function for proprietary investments. Also internal asset managers AllianzGI and PIMCO and industrial insurer Allianz Global Corporate and Specialty are active stewards on climate-related matters.

By actively engaging with companies to have them set measurable climate targets that are transparently pursued, e.g. by joining SBTi, we aim to not only reduce carbon emissions in our proprietary investment portfolio but in the real world.

On the use of climate-related scenario analysis to inform our investment and insurance strategy, see SG 13.4 CC.

○ No

SG 1.10 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

☐ Public PRI Climate Transparency Report

☐ Annual financial filings

☐ Regular client reporting

☐ Member communications

☑ Other

	specify

Annual Allianz Sustainability Report & Allianz.com website section on Sustainability

☐ We currently do not publish TCFD disclosures

Governance and human resources

SG 07 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General

SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

	Board members or trustees

☑ Oversight/accountability for climate-related issues

☐ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

	Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

☑ Oversight/accountability for climate-related issues

☐ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

	Other Chief-level staff or heads of departments

☑ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

	Portfolio managers

☐ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

	Investment analysts

☐ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

	Dedicated responsible investment staff

☑ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

	External managers or service providers

☑ Oversight/accountability for climate-related issues

☑ Assessment and management of climate-related issues

☐ No responsibility for climate-related issues

SG 07.6 CC	For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

Allianz SE has a divisional Board structure based on functional and business responsibilities.

The highest governing body for sustainability-related issues is the Group ESG Board. It meets quarterly and is comprised of three Allianz SE BoM members as voting members of the ESG Board, one BoM member as standing guest voting on operations topics, and key departments being represented. On a case-by-case basis, further participants from Group functions and Operating Entities are invited. The ESG Board owns corporate responsibility and climate-related topics and oversees the Allianz Group Climate Change Strategy. It steers the whole corporate responsibility agenda of Allianz Group, including e.g. positioning on Sustainable Finance as well as approving and steering external climate and ESG-related commitments and initiatives. It is furthermore responsible to ensure alignment of the ESG agenda with Allianz's strategy, especially by validating with Group functions like Group Risk and Group Compliance, and for the integration of climate and ESG aspects into all core lines of business and central Group processes.

The ESG Board is constituted as an advisor to the BoM of Allianz SE, informing and involving the BoM on relevant topics and activities at least twice a year. Additionally, it reviews and recommends decisions to be taken by the BoM and relevant Board committees. Functional and OEs directly update the ESG Board on material sustainability issues through their representation on the ESG Board or by invitation.

See also SG 07.4.

Within the Group and beyond the Group ESG Board, diverse functions and committees steer sustainability topics within their scope of influence, on business and management-level, supported by nine specific ESG Task Forces.

The Group Finance and Risk Committee (GFRC) consists of members of the BoM and oversees risk management and monitoring, including sustainability and climate risks. It also serves as an escalation point based on analysis and deliberations within the Group ESG Board. Risks identified as emerging and/or significant are addressed either in the GFRC or the Group Underwriting Committee (GUC). The GUC consists of Members of the BoM, the Group Chief Risk Officer, Chief Underwriting Officers, and other executives of the Group. It monitors underwriting business, as well as its risk management and strategy and develops an underwriting policy.

See 2019 Allianz Group Annual Report and 2019 Sustainability Report for details on governance framework and committees.

The BoM reports regularly and comprehensively to the Supervisory Board on business development, the company's financial position and earnings, planning and achievement of objectives, business strategy, and risk exposure. Climate-related issues are part of these regular updates where relevant.

The BoM's remuneration is tied to the attainment of ESG- and climate-related targets, including the successful delivery of our climate change strategy and oversight of implementation of our different climate-related commitments. A particular focus lies on the quantitative reductions targets for greenhouse gas emissions. Our long-term climate and ESG ambition and targets are determined at BoM/ESG Board level and cascaded to all relevant functions tasked with delivering on these targets.

See Remuneration Report inside 2019 Allianz Group Annual Report.

SG 07.7 CC	For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

The Allianz Group Corporate Responsibility (CR) department, and particularly the Group ESG Office, including a team dedicated to Climate Integration, is responsible for steering the integration of ESG and climate aspects into core investment and insurance activities and acts as the Executive Office of the Group ESG Board. It meets weekly with the Chair of the Group ESG Board. It also handles reporting on non-financial matters and supports operating entities in integrating the Group's strategic approach and policies.

To develop projects and proposals for ESG and climate integration into all our lines of business, Allianz set up five cross-functional ESG Task Forces in 2019, with further four task forces established in 2020. These task forces consist of ESG specialists and representatives of relevant local operating entities, global lines, and Group functions. Each is sponsored by either a member of the BoM or a senior executive. Bimonthly ESG Sponsor Meetings ensure alignment between the different task forces.

Additional bodies and functions within the Group monitor and analyze market, technological as well as regulatory trends and developments and share insights with relevant stakeholders.

Key insurance operating entities, our internal asset managers Allianz Global Investors and PIMCO, and the investment management function Allianz Investment Management (AIM) have well-established dedicated climate and ESG functions and practices, which eventually also report to BoM level.

At AIM, the Investment Management Board (IMB) oversees the implementation of the climate and ESG strategy for Allianz's proprietary investment portfolio. This includes regular discussions and decisions around operationalizing the portfolio decarbonization and science-based target setting, analyses on asset stranding in climate scenarios, as well as dedicated engagement on climate aspects. Within AIM, climate and ESG is steered at IMB level, with a Managing Director in charge of the implementation.

The implementation of science-based emission reduction targets for our proprietary investments and operations is run by a task force expanding across all relevant investment and operational departments and entities, comprising more than 50 employees, including executive functions and reporting to the BoM members responsible for investments and operations as well as to the ESG Board.

Moreover, several units also have dedicated competence centers on promoting low-carbon technologies from an insurance and investment perspective: Allianz Capital Partners, Allianz Global Investors, Allianz Global Corporate & Specialty, Allianz Climate Solutions, and others.

Allianz is also applying a variety of instruments to foster ESG and climate competency at Board, senior executive, and employee level aside of the governance described above:

- An annual Sustainability Forum conference, broadcasted globally and with Board member presentations
- Briefings for top management
- Biannual ESG Roundtable of investment functions
- Trainings for underwriters and investment-related functions like sales agents
- Trainings for employees

Our long-term climate and ESG ambition and targets are agreed at BoM/ESG Board level and cascaded to all relevant functions tasked with delivering on these targets.

Our governance framework and committees are described in detail in the 2019 Allianz Group Annual Report and 2019 Sustainability Report.

SG 07.8 CC	Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.

☑ Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar)

☐ Request incorporation of TCFD into regular client reporting

☐ Request that external managers complete PRI climate indicator reporting

☐ Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide

☐ Other

☐ We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1

SG 13.1	Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

☐ Yes, in order to assess future ESG factors

☑ Yes, in order to assess future climate-related risks and opportunities

	Describe

Allianz's investment strategy incorporates systematic analyses of long-term projections of risks and opportunities of climate change and the low-carbon transition. We perform sensitivity and scenario analysis with time horizons up to 2050 and including scenarios ranging from 1.5°C to 4°C of global warming with internal models and with external tools.

☐ No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

	We do the following

☐ Allocation between asset classes

☐ Determining fixed income duration

☐ Allocation of assets between geographic markets

☐ Sector weightings

☑ Other, specify

Allianz enforces Group-wide exclusion policies relating to banned weapons and coal based business models.

☐ We do not consider ESG issues in strategic asset allocation

SG 13 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General

SG 13.4 CC	Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.

☑ Initial assessment

	Describe

Climate change considerations are an integral part of our insurance and investment strategy which is informed by regular stress tests and additional climate-related scenario analysis. We perform, for instance, sensitivity and scenario analysis with time horizons up to 2050 and including scenarios ranging from 1.5°C to 4°C with internal models and with external tools. While material time horizons naturally differ depending on specific lines of business under consideration, the range of scenarios we apply allows to better assess the variety of risks and opportunities associated with climate change. We rely on both our own and on third-party scenarios provided by renown institutions such as the IPCC, IPR, EU, IEA or IRENA.

We always strive to use a number of different scenario providers and scenarios for our analyses to better reflect the range of potential future developments and be less sensitive to individual scenario narratives and assumptions. To this end, it proved most useful to have access to an increasing number of scenarios in general and ones aligned with 1.5°C pathways.

When we conduct scenario alignment analysis, we are adjusting our scenario selection with the guidance being developed within the Net-Zero Asset Owner Alliance, which will focus on 1.5°C scenarios with no or low emission overshoot. When we conduct potential outside-in impact scenario analysis, we use a broader temperature range of scenarios.

We apply scenarios for instance in analyzing decarbonization challenges and pathways of sectors and assets, potential stranded assets and technology developments across different sectors. We are furthermore using scenario data and analysis to develop forward-looking criteria for our investment decisions for carbon-intensive business models as well as low-carbon opportunities.

Further examples of scenario analysis application include:

- Prospect and existing infrastructure assets undergo a thorough diligence along evaluation criteria taking into account an asset's greenhouse gas emissions and potential impact on capital expenditures and performance. Assets are required to have a clear and time-lined strategy on how it will adapt to a decarbonizing world.
- Allianz Real Estate conducted an energy and carbon performance overview of the direct real estate portfolio, including indicative decarbonization targets.
- Allianz co-led with the UN PSI the development of an ESG guide to non-life underwriting, including a risk heat map for economic sectors which also covers climate-change related risk assessments.

We will continue to scale up our efforts on stress-testing and scenario analysis. In 2020, we plan to increase these practices as part of our risk governance and will continue to conduct asset and portfolio scenario analysis for our direct infrastructure and real estate investments.

☑ Incorporation into investment analysis

	Describe

See answer to "Initial assessment"

☑ Inform active ownership

	Describe

See answer to "Initial assessment"

☐ Other

SG 13.5 CC	Indicate who uses this analysis.

☑ Board members, trustees, C-level roles, Investment Committee

☑ Portfolio managers

☑ Dedicated responsible investment staff

☑ External managers

☐ Investment consultants/actuaries

☐ Other

SG 13.6 CC	Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

◉ Yes

	Describe

See answers to SG 01.6 CC, SG 01.7 CC and SG 01.9 CC.

○ No

SG 13.7 CC	Indicate whether a range of climate scenarios is used.

☑ Analysis based on a 2°C or lower scenario

☑ Analysis based on an abrupt transition, consistent with the Inevitable Policy Response

☑ Analysis based on a 4°C or higher scenario

☐ No, a range is not used

SG 13.8 CC	Indicate the climate scenarios your organisation uses.

Provider	Scenario used	
IEA	☑ Beyond 2 Degrees Scenario (B2DS)	
IEA	☑ Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	☑ Sustainable Development Scenario (SDS)	
IEA	☑ New Policy Scenario (NPS)	
IEA	☑ Current Policy Scenario (CPS)	
IRENA	☑ RE Map	
Greenpeace	☑ Advanced Energy [R]evolution	
Institute for Sustainable Development	☑ Deep Decarbonisation Pathway Project (DDPP)	
Bloomberg	☐ BNEF reference scenario	
IPCC	☑ Representative Concentration Pathway (RCP) 8.5	
IPCC	☑ RPC 6	
IPCC	☑ RPC 4.5	
IPCC	☑ RPC 2.6	
Other	☑ Other (1)	Other (1) please specify: IPCC 1.5°C P1 P2 Scenarios
Other	☑ Other (2)	Other (2) please specify: EU 2050 Net-Zero Long-Term Strategy
Other	☑ Other (3)	

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1

SG 14.1	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

☐ Changing demographics

☑ Climate change

☐ Resource scarcity

☐ Technological developments

☐ Other, specify(1)

☐ Other, specify(2)

☐ None of the above

SG 14.2	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

☑ Established a climate change sensitive or climate change integrated asset allocation strategy

☑ Targeted low carbon or climate resilient investments

	Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM		27	400	000	000
Currency	EUR				
Assets in USD		30	203	055	544

	Specify the framework or taxonomy used.

This includes our investments in

- renewable energy infrastructure,
- certified green real estate, and
- green bonds

☑ Phase out your investments in your fossil fuel holdings

☑ Reduced portfolio exposure to emissions intensive or fossil fuel holdings

☑ Used emissions data or analysis to inform investment decision making

☑ Sought climate change integration by companies

☑ Sought climate supportive policy from governments

☑ Other, specify

	other description

Commitment to set science-based intermediary and long-term emission targets for proprietary investments and business operations to limit global warming to 1.5°C.

☐ None of the above

SG 14.3	Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

☑ Scenario analysis

☑ Disclosures on emissions risks to clients/trustees/management/beneficiaries

☑ Climate-related targets

☑ Encouraging internal and/or external portfolio managers to monitor emissions risks

☐ Emissions-risk monitoring and reporting are formalised into contracts when appointing managers

☑ Weighted average carbon intensity

☑ Carbon footprint (scope 1 and 2)

☑ Portfolio carbon footprint

☑ Total carbon emissions

☑ Carbon intensity

☑ Exposure to carbon-related assets

☑ Other emissions metrics

☑ Other, specify

	other description

Engagement with investee companies, other investors/asset owners, asset managers, policy makers, and other stakeholders.

☐ None of the above

SG 14.5	Additional information [Optional]

In November 2015, Allianz SE announced that it would stop financing coal-based business models. Until end of March 2016 Allianz SE divested all equity stakes in coal-based businesses. Fixed income is in a run-off (no reinvestment). Allianz monitors the market and adjust the exclusion list based on market developments annually.

Allianz defines coal-based business models as all mining companies deriving 30% or more of their revenue from thermal coal as well as all utilities generating 30% or more of their electricity from coal.

In May 2018, Allianz sharpened the criteria for exclusion of proprietary investments in coal-based business models by widening the definition of coal-based business models to "Energy generation from coal" being defined as "planning more than 0.5 gigawatts (GW) of thermal coal capacity additions which are not in line with the 2°C ceiling and/or having to retire more than 50% of their generation capacities in the next ten years to be in line with the 2°C ceiling".

The currently applicable threshold of 30% share in revenue or energy generation will be tightened over time to reach eventually 0% in 2040 latest, starting with a reduction to 25% by December 31, 2022.

See https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/responsibility/documents/Allianz-Statement-coal-based-business-models.pdf

By joining the Science Based Targets initiative (SBTi), we committed in 2018 to set ourselves long-term emissions reduction targets for our proprietary investment portfolio and for our business operations. These will be in line with latest climate science to support the Paris Climate Agreement's target of limiting global warming 1.5°C.

By joining the UN-convened net-zero Asset Owner Alliance, we have committed to reduce the GHG emissions of our investment portfolios to net-zero by 2050 in line with the 1.5°C target.

SG 14 CC	Voluntary	Public		General

SG 14.6 CC	Provide further details on the key metric(s) used to assess climate-related risks and opportunities.

Principles for Responsible Investment

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	☐ All assets ☑ Majority of assets ☐ Minority of assets	Commitment to net-zero GHG emissions in proprietary investment portfolio by 2050, commitment to fully phase-out coal risks from proprietary investment portfolio and P&C portfolio by 2040	See e.g.WACI, Carbon footprint and Portfolio footprint for net-zero emission target, € amount divested/ in run-off for coal divestment	According to data provider, Asset value
Weighted average carbon intensity	☐ All assets ☑ Majority of assets ☐ Minority of assets	Portfolio Analysis, Investment Strategy, Decarbonization Strategy, Engagement	% per €mn invested	Generally according to data provider MSCI Specifically for our listed equity portolio the weighted average carbon intensity is calculated based on the following measures for Scope 1+2 emissions in line with the GHG protocol: Sum of portfolio weight of issuer i times issuer i's emissions intensity (issuer i's emissions divided by issuer i's sales/revenues)
Carbon footprint (scope 1 and 2)	☐ All assets ☑ Majority of assets ☐ Minority of assets	Portfolio Analysis, Investment Strategy, Decarbonization Strategy, Engagement	Tons CO2e / $M invested	According to data provider
Portfolio carbon footprint	☐ All assets ☑ Majority of assets ☐ Minority of assets	Portfolio Analysis, Investment Strategy, Decarbonization Strategy, Engagement	Tons CO2e / €M invested	Generally according to data provider MSCI Specifically for our listed equity portolio the relative portfolio carbon footprint is calculated based on the following measures for Scope 1+2 emissions in line with the GHG protocol: Sum of ownership share in issuer i (€ investment in issuer i divided by issuer i's enterprise value) times issuer i's emissions divided by listed equity portfolio market value
Total carbon emissions	☐ All assets ☑ Majority of assets ☐ Minority of assets	Portfolio Analysis, Investment Strategy, Decarbonization Strategy, Engagement	Tons CO2e	Generally according to data provider MSCI Specifically for our listed equity portolio the absolute portfolio carbon footprint is calculated based on the following measures for Scope 1+2 emissions in line with the GHG protocol: Sum of ownership share in issuer i (€ investment in issuer i divided by issuer i's enterprise value) times issuer i's emissions

Carbon intensity	☐ All assets ☑ Majority of assets ☐ Minority of assets	Portfolio Analysis, Investment Strategy, Decarbonization Strategy, Engagement	Tons CO2e / €/$M sales	According to data provider
Exposure to carbon-related assets	☐ All assets ☑ Majority of assets ☐ Minority of assets	See "Climate-related targets"	See "Climate-related targets"	See "Climate-related targets"
Other emissions metrics	☐ All assets ☐ Majority of assets ☑ Minority of assets	Measuring progress on investments in Low-Carbon assets	€ amount invested	Asset value

SG 14.7 CC Describe in further detail the key targets.

Targettype	**Baseline year**	**Target year**	**Description**	**Attachments**
☑ Absolute target ☐ Intensity target	2019-2020	2050	Net-zero GHG emissions in proprietary investment portfolio	File 1:AOA_Press_Release_EN.pdf
☑ Absolute target ☐ Intensity target	from initiation in 2015 on	2040	Full phase-out of coal risks from proprietary investments and P&C insurance portfolio	
☐ Absolute target ☑ Intensity target	2019-2020	2050	Net-zero GHG emissions in proprietary investment portfolio	
☐ Absolute target ☐ Intensity target				
☐ Absolute target ☐ Intensity target				

SG 14.8 CC	Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.

◉ Processes for climate-related risks are integrated into overall risk management

	Please describe

Climate-related risks are addressed through an overarching qualitative and quantitative risk reporting and controlling framework. Early-warning indicators are monitored and regularly reported to senior management including risk dashboards, risk capital allocation, and limit consumption reports, where climate aspects become material. The Allianz Risk Capital Model assesses, amongst many others, NatCat events for the upcoming year on subsidiary and Group-level. The yearly Top Risk Assessment (TRA) to identify and remediate significant threats to financial results, operational viability, reputation and delivery of key strategic objectives, regardless whether quantifiable or not, includes not only immediate risks for the company, but also emerging risks, e.g. from technological development, environmental risks or socio-demographic changes, is conducted on the Group- and OE-level, and includes climate-related factors. Supplemented by quarterly updates, senior management decides on a risk-management strategy and related actions.

Relevant emerging risks are discussed by GFRC or GUC and following that, measures might be implemented where necessary.

Each OE is responsible for controlling its exposure to individual catastrophes and defining local reinsurance requirements, based on local risk appetite and capital position. At Group-level, the BoM reviews and approves risk appetite. The reinsurance division designs and implements Group catastrophe protections within given exposure limits.

Special NatCat modeling techniques combine portfolio data with simulated NatCat scenarios to estimate magnitude and frequency of potential losses. Where such models do not exist, we use deterministic, scenario-based approaches. We are continuously testing several dozens of NatCat scenarios, mapping a range of perils and regions. Results provide the basis for Group-wide risk monitoring, risk limits and subsequent business decisions. Selected stress scenario analysis are used in risk steering. NatCat models are regularly updated along newest scientific information and inclusion of global NatCat hazard information, including climate, into underwriting decisions is continuously improved.

Our ESG approach applies Group-wide corporate rules and ESG instruments to integrate climate and sustainability-related considerations across all underwriting, investment, and asset management activities. We also rely on external providers for data related to climate, ESG and reputational risks.

Our climate team within CR as well as the ESG Task Forces work on early identification, measurement and business integration of risks and opportunities from physical climate change and the low-carbon transition. Substantial topics are channeled to the ESG Board to inform strategic decision-making.

Additional processes include NGO dialogue, AGCS Risk Barometer, Global Claims Review, regular materiality assessment, and dialogue with policy makers, NGOs and academia on economic, governmental and societal issues.

For proprietary investments, the ESG Functional Rule for Investments provides the foundation of integrating climate-related issues, comprising asset manager selection and systematic integration of climate and ESG factors into investment decisions. Portfolio-wide ESG assessment processes and data, including climate and carbon data, enable continuous monitoring and steering of performance at security and portfolio level. For listed assets, we use ESG scores and climate indicators to manage risks and opportunities in our proprietary portfolio. If assets score below defined thresholds, further investigation is mandatory under central monitoring, leading to a variety of potential measures, including engagement with respective companies.

○ Processes for climate-related risks are not integrated into overall risk management

SG 14.9 CC	Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.

◉ Yes

	Please describe

In 2017, we developed a systematic approach to drive engagement with selected investee companies that have a low ESG performance. Through collaboration, we address material ESG risks and concerns, build understanding and ultimately driving change and ESG improvements, including encouraging better disclosure and practices around climate-related risks.

In December 2017, we joined the Climate Action 100+ initiative. Led by investors, its purpose is to engage with the world's largest corporate greenhouse gas emitters to curb emissions, strengthen climate-related financial disclosures and improve governance on climate change.

In order to support our commitment to the Science Based Target initiative (SBTi) and the long-term transformation to a low-carbon economy, we have designed an engagement approach and a dedicated engagement function at Allianz Investment Management besides the Group ESG Office to create an impact in the real economy and encourage companies to define and implement climate strategies in line with science. By actively engaging with companies to have them set measurable climate targets that are transparently pursued, for example by joining the SBTi, we aim to not only reduce carbon emissions in our portfolio but also in the real world.

By helping to set up the UN-convened Net-Zero Asset Owner Alliance, we joined forces with other asset owners in encouraging companies to implement such pathways. Annually, the Alliance will complete an 'ongoing, informal and qualitative stock-take' aimed at: i) qualitatively and continuously tracking transition progress, ii) informing the agenda, focus and interventions of the Alliance, and iii) informing the Alliance's annual progress report. To the extent possible this will build on asset owners' disclosures in response to the Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), in particular disclosures in response to Pillar 4 of the TCFD framework on 'target-setting'. The Alliance will immediately start to engage with companies in which we are investing to ensure they decarbonize their business models including consistent and comprehensive reporting on strategy, targets and progress based on established reporting frameworks such as the TCFD. Swift and robust asset owner collaboration on the basis of a 1.5°C commitment helps to have a common voice and a transparent long-term vision. Thereby, we enable a structured approach and discussion for the real economy, policy-makers, shareholders, clients and other stakeholders on how to best achieve stringent climate action.

Additionally, our participation in the Transition Pathway Initiative, the engagement platform of Climate Action 100+, the Investor Agenda as well as in the Portfolio Decarbonization Coalition and the Principles for Responsible Investment (PRI) connects us with like-minded investors and offers platforms for collaborative engagement.

○ No, we do not undertake active ownership activities.

○ No, we do not undertake active ownership activities to encourage TCFD adoption.

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1

SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

◉ Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.

	%

4

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

☐ Energy efficiency / Clean technology

☑ Renewable energy

Asset class invested

☐ Listed equity

☐ Fixed income - SSA

☐ Fixed income - Corporate (financial)

☐ Fixed income - Corporate (non-financial)

☐ Fixed income - Securitised

☐ Private equity

☐ Property

☑ Infrastructure

Percentage of AUM (+/-5%) per asset class invested in the area

1

☐ Cash

Brief description and measures of investment

Allianz is one of the leading private investors in renewable energy, with EUR 7.2 billion invested, in 97 wind and solar parks, with a combined generating capacity 2.4 GW.

We see renewables as an investment opportunity with an attractive risk-return profile and are expanding our investments. Investments in renewable energy projects provide sound long-term returns, which fits well with Allianz's long-term investment strategy.

☑ Green buildings

Asset class invested

☐ Listed equity

☐ Fixed income - SSA

☐ Fixed income - Corporate (financial)

☐ Fixed income - Corporate (non-financial)

☐ Fixed income - Securitised

☐ Private equity

☑ Property

Percentage of AUM (+/-5%) per asset class invested in the area

2

☐ Infrastructure

☐ Cash

Brief description and measures of investment

For our real estate investments, we have a separate Allianz Real Estate ESG Group Policy based on the ESG Functional Rule and the Group's PRI commitments.. Furthermore, Allianz Real Estate (ARE) has had a Sustainability Program in place for the last five years which aims to: create transparency through reporting by introducing common metrics such as property-related consumption and the sustainability performance of the real estate portfolio;

improve communication between ARE and tenants to improve sustainability performance, include property-specific sustainability strategies into asset business plans (such as green leases and environmental certifications); and measure, collect and report building information, implement improvements and suggest measures to further optimize sustainability performance.

ARE also applies the Green Rating system, a consistent approach to assessing, benchmarking and improving the environmental performance of buildings. The system was established by Green Rating Alliance, a European association of real estate owners, investors and other stakeholders, and covers six areas: energy, carbon, water, transport, wellbeing and waste.

Currently, Allianz Group has invested EUR 15 billion in certified green buildings.

☑ Sustainable forestry

Asset class invested

☐ Listed equity

☐ Fixed income - SSA

☐ Fixed income - Corporate (financial)

☐ Fixed income - Corporate (non-financial)

☐ Fixed income - Securitised

☐ Private equity

☐ Property

☑ Infrastructure

Percentage of AUM (+/-5%) per asset class invested in the area

0

☐ Cash

Brief description and measures of investment

For example, over four years, we have invested in low-carbon projects, generating certificates that can be used to offset our carbon footprint and become a carbon-neutral business. These Reducing Emissions from Deforestation and Degradation (REDD+) investments in Kenya, the Democratic Republic of the Congo and Indonesia are projects that not only generate CO2 certificates, but also help protect biodiversity and support local communities.

☐ Sustainable agriculture

☐ Microfinance

☐ SME financing

☐ Social enterprise / community investing

☑ Affordable housing

Asset class invested

☐ Listed equity

☐ Fixed income - SSA

☐ Fixed income - Corporate (financial)

☐ Fixed income - Corporate (non-financial)

☐ Fixed income - Securitised

☐ Private equity

☑ Property

Percentage of AUM (+/-5%) per asset class invested in the area

0

☐ Infrastructure

☐ Cash

Brief description and measures of investment

Allianz invested USD 0.1 billion to affordable housing project in the US (Low Income Housing Tax Credit program).

☐ Education

☐ Global health

☑ Water

Asset class invested

☐ Listed equity

☐ Fixed income - SSA

☐ Fixed income - Corporate (financial)

☐ Fixed income - Corporate (non-financial)

☐ Fixed income - Securitised

☐ Private equity

☐ Property

☑ Infrastructure

Percentage of AUM (+/-5%) per asset class invested in the area

0

☐ Cash

Brief description and measures of investment

Allianz investment of EUR 0.5 billion into the Thames Tideway Tunnel Project, an under-construction 25 km tunnel through central London, which will provide capture, storage and conveyance of almost all the combined raw sewage and rainwater discharges that currently overflow into the river. The main objectives of the project are to:

- Protect the ecology of the Tideway
- Reduce aesthetic pollution due to sewage-derived litter

- Protect the health of recreational water users

☑ Other area, specify

Green bonds

	Asset class invested

☐ Listed equity

☐ Fixed income - SSA

☐ Fixed income - Corporate (financial)

☑ Fixed income - Corporate (non-financial)

	Percentage of AUM (+/-5%) per asset class invested in the area

1

☐ Fixed income - Securitised

☐ Private equity

☐ Property

☐ Infrastructure

☐ Cash

	Brief description and measures of investment

EUR 5.6 billion of Allianz investments are part of the Barclays MSCI Global Green Bond Index, which means that 90% of proceeds, as measured by revenues, fall within one or more of the eligible environmental categories: Alternative Energy, Energy Efficiency, Pollution Prevention & Control, Sustainable Water, Green Building

○ No