



Type of engagement	Reason for interaction
Individualist/stand alone engagements	<input type="checkbox"/> To support investment decision making in the context of ESG issues <input type="checkbox"/> To influence corporate practice for more effective risk management <input type="checkbox"/> To encourage improved ESG practices <input type="checkbox"/> To support transition towards net-zero
Collaborative engagements	<input type="checkbox"/> To influence corporate practice for more effective risk management <input type="checkbox"/> To encourage improved ESG practices <input type="checkbox"/> To support transition towards net-zero
Service provider engagements	<input type="checkbox"/> To influence corporate practice for more effective risk management <input type="checkbox"/> To encourage improved ESG practices <input type="checkbox"/> To support transition towards net-zero

CLIMATE TRANSPARENCY REPORT

2019

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 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-EB78EB8A-8529-4BC8-815A-4B12FBFD304A/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). 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 2019 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 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	-	Public				
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 01.11 CC	-	Public				
SG 01.12 CC	✓	Public				
SG 02.2	✓	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 14.4	-	Public				
SG 14.5	✓	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.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Engagement policy <input type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

As a leading insurance and financial services company, Allianz Group has a duty to maintain the well-being of society as a whole, as well as of every single one of our customers. Our ESG strategy combines long-term economic value creation with a concept for environmental commitment, social responsibility and strong corporate governance.

Allianz Investment Management SE (AIM) is a global line within Allianz Group. AIM is a liability-driven, long-term investor responsible for steering the investment of premiums earned by Allianz insurance companies.

AIM's investment approach is based on three main principles: Asset-Liability Management, Investment Strategy and Asset Manager Management combined with controlling and monitoring.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Voluntary	Public	Descriptive	General
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**SG 01.6
CC**

Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.

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 mid- and long-term. These can for instance 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 a change in vector-borne diseases. Further risks and opportunities result from the cross-sectoral structural change stemming from the transition towards a low-carbon economy; this includes changes in climate policy, technology, or market sentiment, and impacts thereof on the market value of financial assets, as well as risks resulting from climate change liability.

Allianz Group is exposed to a variety of risks. The largest general risks in terms of their contribution to Allianz's risk profile are market risk, especially equity risk, credit and credit spread risks driven by assets backing long-term liabilities; furthermore Property-Casualty premium and reserve risks resulting from natural and man-made catastrophes as well as from claims uncertainty.

Climate change impacts our business mainly in two ways: through insurance policies, e.g. covering property damage, health impacts and other losses, as well as changes in sectors and business models we underwrite. Furthermore, we are affected as a large-scale institutional investor with significant stakes in various economies,

companies, infrastructure, and real estate that are or will be affected by the physical impacts from climate change and by the transition to a low-carbon economy which can have direct impacts on the ability of assets to generate long-term value.

As a landmark outcome of the incorporation of climate-related risk and opportunity assessments into our business strategy, we committed in 2018 to set ourselves long-term emissions reduction targets for our proprietary investment portfolio and for our business operations. For more information on the commitment as well as on early steps in enabling the low-carbon transition and to managing transition risks connected with climate change, see answer to SG 01.10 CC.

We strategically invest in low-carbon assets since more than a decade. This includes renewable energy, certified green buildings, and green bonds. We also increased our exposure to dedicated low-carbon assets like renewable energy and green buildings.

From an opportunity perspective, Allianz is a pioneer in insuring low-carbon technologies. We provide standardized and tailor-made insurance products as part of our Sustainable Solutions approach and are insuring renewables in more than 70 countries.

In 2018 we also made significant progress on seizing climate-related insurance opportunities by scaling our renewable energy insurance services to fast-developing growth markets through our initiative "Scaling Up Renewable Energy (SURE)".

While working to combat global warming and climate change, we also aim to reduce the impacts of climate risks, by incentivizing preventive measures to increase customers' resilience, and compensating for climate-related damages. Examples include Risk Consulting services offered by AGCS, our active support of the InsuResilience Global Partnership, or our work with the German Corporation for International Cooperation (GIZ) to pilot innovative insurance solutions in emerging and developing countries.

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

SG 01.8 CC	Indicate the associated timescales linked to these risks and opportunities.
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Allianz assesses the potential impact of different climate scenarios with time horizon up to 2040 on the business, e.g. on performance of infrastructure assets and investments into renewables, development of SBTi pathways for business up until 2040 and complete decarbonization, or development of coal phase-out pathway for complete phase-out of coal risks by 2040.

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

No

SG 01.9 CC	Indicate whether the organisation publicly supports the TCFD?
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Yes

No

SG 01.10 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.
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Yes

Describe

The identification and management of climate-related risks and opportunities are part of our overall business strategy. Measures we take include: developing and adjusting financial products and services; improving decision-making, policies and processes; the setting of targets; managing our operational climate footprint; as well as engaging with internal and external stakeholders.

Our business strategy includes systematically leveraging opportunities for financing a low-carbon and climate-resilient future, e.g. by investing in renewable energy, energy efficiency in real estate or electric vehicle infrastructure, or by providing insurance solutions for physical climate impacts and low-carbon business models. 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.

As a landmark outcome of the incorporation of climate-related risk and opportunity assessments into our business strategy, we committed in 2018 to set ourselves long-term emissions reduction targets for our proprietary investment portfolio and for our business operations. To this end, we joined the Science Based Target initiative in May 2018.

Our targets will be in line with latest climate science to support the Paris Climate Agreement's target of limiting global warming to <2°C. To this end, all tradable proprietary investments are to be structured climate-neutral by 2050. We conduct detailed analysis in particularly energy-intensive sectors on emission profiles, possible proto-decarbonization pathways, and necessary technology shifts. The results are used for portfolio carbon analysis, definition of decarbonization pathways, corporate engagement as well as management decisions.

As an early step in enabling the low-carbon transition and managing transition risks connected with climate change, we announced in 2015 to no longer invest proprietary assets in coal-based business models. See SG 14.5 for further information on our coal exclusion.

Furthermore, we announced in May 2018 that we will no longer provide P&C insurance to single-site coal power plants or coal mines, being operated or planned - effective immediately. Also for our P&C insurance portfolios we are committed to completely phase-out all coal-based risks by 2040 the latest and are further developing our approach to reach this target.

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.

Additionally, we plan to join forces with other asset owners in encouraging companies to implement such pathways. Our participation in the Transition Pathway Initiative, Climate Action 100+ as well as in the Portfolio Decarbonization Coalition and PRI connects us with like-minded investors and offers platforms for collaborative engagement.

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

No

**SG 1.12
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

Allianz Sustainability Report & Allianz.com website section on Sustainability

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

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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Policy setting out your overall approach

	URL/Attachment
--	----------------

URL

	URL
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{hyperlink:https://www.allianz.com/esg-framework}

Attachment (will be made public)

Formalised guidelines on environmental factors

	URL/Attachment
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URL

	URL
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{hyperlink:https://www.allianz.com/esg-framework}

Attachment (will be made public)

Formalised guidelines on social factors

	URL/Attachment
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URL

	URL
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{hyperlink:https://www.allianz.com/esg-framework}

Attachment (will be made public)

Formalised guidelines on corporate governance factors

	URL/Attachment
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URL

	URL
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{hyperlink:https://www.allianz.com/esg-framework}

Attachment (will be made public)

Sector specific RI guidelines

URL/Attachment

URL

URL

{hyperlink:https://www.allianz.com/esg-framework}

Attachment (will be made public)

Screening / exclusions policy

URL/Attachment

URL

URL

{hyperlink:https://www.allianz.com/esg-framework}

Attachment (will be made public)

We do not publicly disclose our investment policy documents

SG 02.2

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

{hyperlink:https://www.allianz.com/esg-framework}

Attachment

Time horizon of your investment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{hyperlink:https://www.allianz.com/esg-framework}

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

{hyperlink:https://www.allianz.com/esg-framework}

Attachment

Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:https://www.allianz.com/esg-framework}

Attachment

Reporting

URL/Attachment

URL

URL

{hyperlink:http://www.allianz.com/sustainability}

Attachment

Climate change

URL/Attachment

URL

URL

{hyperlink:https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/responsibility/documents/Allianz_Climate_Strategy_09_2017_final.pdf}

Attachment

We do not publicly disclose any investment policy components

SG 02.3

Additional information [Optional].

Allianz first published the **Allianz ESG Integration Framework** in July 2016; the revised third edition was published in October 2018. The Framework provides a summary of all ESG integration efforts, including details on policies and guidelines across Allianz Group.

The updated Framework provides additional details on

- the **ESG engagement** approach, and
- the Allianz approach to managing coal-based business models in investments and insurance.

Allianz has a **Climate Change Strategy** in place since 2005, which is regularly updated (last in 2017). The strategy lays out how we anticipate the risks of a changing climate for our business, how we care for the climate-vulnerable, and how we enable the low-carbon transition.

Please also see new developments in our approach to dealing with coal-based business models:

https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/responsibility/documents/Allianz-

Governance and human resources

SG 07 CC	Voluntary	Public	Descriptive	General
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SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
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	Board members or trustees
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- 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
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Other Chief-level staff or head of department
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Portfolio managers
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Investment analysts
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Dedicated responsible investment staff
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	External managers or service providers
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Other role, specify (1)
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	Other description (1)
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Team within Corporate Responsibility

- 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 for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
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Allianz SE has a divisional Board structure based on functional and business responsibilities. Business-related divisions reflect our business segments Property/Casualty, Life/Health, Asset Management, and Corporate and Other. In 2018 they were overseen by five Board members. The following divisions focus on Group functions, along with business-related responsibilities: Chairman of the Board of Management; Finance, Controlling and Risk; Investment Management; Operations; Human Resources, Legal, Compliance, and M&A; Business Transformation. For further information on Board of Management members and their responsibilities, please refer to the Allianz Group Annual Report 2018, page 10.

The Allianz Group has had a Climate Change Strategy in place since 2005, which steers our insurance and investment business and is regularly updated. Within the Group, diverse functions and committees steer sustainability topics within their scope of influence.

The highest governing body for sustainability-related issues is the Group ESG Board. Three Allianz SE board members host the ESG Board, meeting quarterly. It owns corporate responsibility and climate-related topics and oversees the Allianz Group Climate Change Strategy. Thereby it steers the whole corporate responsibility agenda, including climate-related topics; this includes the integration of climate and ESG aspects into all business lines and core processes dealing with insurance and investment. It also informs and involves the Board of Management on relevant topics and activities at least twice a year. It also reviews and recommends policy proposals for consideration by the BoM and relevant Board committees. Functional departments directly update the Group ESG Board on material sustainability issues.

See also SG 07.4 for further information on the ESG Board's responsibilities and oversight.

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.

For more information on our risk governance and committees see Allianz Group Annual Report 2018, pages 12f. and 63f. and on our governance approach see the Chapter "Managing Sustainability" in the 2018 Group Sustainability Report.

The Board of Management 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.

SG 07.7 CC	For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.
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The Allianz Group Corporate Responsibility 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 also handles reporting on non-financial matters and supports operating entities in integrating the Group's strategic approach and policies.

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

At AIM, the Investment Management Board (IMB) oversees the implementation of the climate and ESG strategy for Allianz's proprietary investment portfolio of EUR 672.8bn (FY 2018). This includes regular discussions and decisions around operationalization of the portfolio decarbonization and SBTi, analyses on asset stranding in climate scenarios, as well as engagement dedicatedly on climate aspects. Within AIM, climate and ESG is steered at IMB level, with the managing director in charge of the implementation.

ESG specialists and/or representatives from different local operating entities, global lines, and Group centers come together in the ESG Working Group to develop and discuss projects and proposals for ESG and climate integration in the business.

Specifically for climate change, we have a Climate Contact Group (CCG), consisting of experts from across the Group, exchanging and developing proposals on climate integration into business. Input from the CCG informs top management and Group ESG Board.

Additional bodies and functions within the Group monitor and analyze market, technological as well as regulatory trends and developments - insights are shared with relevant stakeholders. In 2019, we are further strengthening the Group-wide network on climate and ESG-related matters.

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

For more information on our risk governance and committees can be found in the Allianz Group Annual Report 2018 on page 74ff. and on our governance approach see the Chapter "Managing Sustainability" in the 2018 Group Sustainability Report.

SG 07.8 CC	Explain how the organisation engages external investment managers on the TCFD recommendations and its implementation.
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- Incorporation of TCFD in Annual Report
- Incorporation of TCFD in regular client reporting
- Request that investment managers complete PRI Climate indicators
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner guide

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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- Yes, to assess future ESG factors

	Describe
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As part of analysis to assess future climate-related risks and opportunities certain future ESG factors are assessed.

Yes, to assess future climate-related risks and opportunities

Describe

Allianz's investment strategy incorporates systematic analyses of long-term projections on the risks and opportunities of the low-carbon transition. We perform sensitivity and scenario analysis with time horizons up to 2040 and including scenarios ranging from well below 2°C to 4°C of global warming with internal models and with external partners.

No, not to assess future ESG/climate-related issues

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

Initial assessment

Describe

Our core investment databases include climate and carbon data, which enables portfolio-wide analyses and measures.

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 2040 and including scenarios ranging from well below 2°C to 4°C with internal models and with external partners. While 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 for this on scenarios for instance from the IPCC, IEA or IRENA but also on own scenarios. We apply scenarios for instance in analyzing decarbonization 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.

Examples from 2018 include:

- Allianz Economic Research and Allianz Investment Management analyzed potential transition risk drivers (policy, technology, market) and financial impacts on the sectors energy, utilities, materials, industrials, consumer discretionary, financials and ICT for 2°C and 1.5°C scenarios in different geographies. Results were translated into heat maps; for the energy sector, detailed quantitative analysis on potential loss of value from stranded assets has been conducted, informing Investment Management Board discussions and decisions.
- Allianz France piloted methods and disclosure on climate for the investment portfolio by measuring alignment with a 2°C scenario, conducting physical risk analysis as well as exploring value-at-risk metrics

with results disclosed in its 2018 Sustainable Investment Report published in accordance with Article 173 of the French Energy Transition for Green Growth Law and in line with the TCFD recommendations.

- Allianz Group ran climate scenario and alignment analysis on listed equity and corporate bond portfolios.
- Allianz Real Estate conducted an energy and carbon performance overview of the direct real estate portfolio, including indicative science-based targets.
- Allianz co-led jointly 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 this effort. In 2019, we will be conducting asset and portfolio scenario analysis for our direct infrastructure investments and plan to develop more scenarios and stress tests as part of our risk governance.

- Incorporation into investment analysis

	Describe
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See answer to "Initial assessment"

- Inform active ownership

	Describe
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See answer to "Initial assessment"

- Other

SG 13.5 CC	Indicate who uses this analysis.
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- 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 the organisation has evaluated the impacts of climate-related risk, beyond the investment time-horizon, on the organisations investment strategy.
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- Yes

	Describe
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See answers to SG 01.6 CC, SG 01.8 CC and SG 01.10 CC.

- No

**SG 13.7
CC**

Indicate whether a range of climate scenarios is used.

- Yes, including analysis based on a 2°C or lower scenario
- Yes, not including analysis based on a 2°C or lower scenario
- No, a range is not used

**SG 13.8
CC**

Indicate the climate scenarios the organisation uses.

Provider	Scenario used	
IEA	<input checked="" type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)	
IEA	<input checked="" type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	<input checked="" type="checkbox"/> Sustainable Development Scenario (SDS)	
IEA	<input checked="" type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input checked="" type="checkbox"/> Current Policy Scenario (CPS)	
IRENA	<input checked="" type="checkbox"/> RE Map	
Greenpeace	<input checked="" type="checkbox"/> Advanced Energy [R]evolution	
Institute for Sustainable Development	<input checked="" type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)	
Bloomberg	<input type="checkbox"/> BNEF reference scenario	
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5	
IPCC	<input type="checkbox"/> RPC 6	
IPCC	<input type="checkbox"/> RPC 4.5	
IPCC	<input checked="" type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div style="background-color: #cccccc; padding: 2px;">Other (1) please specify:</div> IEA 450 scenario
Other	<input checked="" type="checkbox"/> Other (2)	<div style="background-color: #cccccc; padding: 2px;">Other (2) please specify:</div> Nationally Determined Contributions (NDCs)
Other	<input type="checkbox"/> Other (3)	

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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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		23	700	000	000
Currency	EUR				
Assets in USD		27	039	167	222

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 long-term emission targets for proprietary investments and business operations, in line with Paris Agreement target of limiting global warming to $\leq 2^{\circ}\text{C}$.

- 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, and "climate leaders";
- 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.

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 to well below 2°C. To this end, all tradable proprietary investments are to be structured climate-neutrally by 2050.

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

SG 14 CC

Voluntary

Public

General

SG 14.6 CC

Please provide further details on these key metric(s) used to assess climate related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	E.g. measuring progress on coal divestment Climate-related targets in context of SBTi commitment will cover all proprietary investments.	€ amount divested/ in run-off	Asset value
Weighted average carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Portfolio Analysis, Investment Strategy, Engagement	Tons CO2e / \$M sales	According to data provider
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Portfolio Analysis, Investment Strategy, Engagement	Tons CO2e / \$M invested	According to data provider
Portfolio carbon footprint	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Portfolio Analysis, Investment Strategy, Engagement	Tons CO2e / \$M invested	According to data provider
Total carbon emissions	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Portfolio Analysis, Investment Strategy, Engagement	Tons CO2e	According to data provider
Carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Portfolio Analysis, Investment Strategy, Engagement	Tons CO2e / \$M sales	According to data provider
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	See "Climate-related targets";	See "Climate-related targets";	See "Climate-related targets";
Other emissions metrics	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> 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	Time Frame	Description	Attachments
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	until 2050	Structure tradable proprietary investments climate-neutrally	
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	until 2040 the latest	Full phase-out of coal risks from proprietary investments and P&C insurance portfolio	
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			

**SG 14.8
CC**

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

- Process for climate-related risks is integrated into overall risk management

Please describe

Climate-related risks are addressed as part of 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 other criteria, NatCat events for the upcoming year on subsidiary and Group level. The yearly Top Risk Assessment (TRA) has the goal to identify and remediate significant threats to financial results, operational viability, reputation and delivery of key strategic objectives, regardless whether quantifiable or not, and is being conducted both on the level of operating entities and the Group. Supplemented by quarterly updates, senior management decides on a risk-management strategy and related actions. Climate-related factors are included in TRAs.

Each operating entity is responsible for controlling its exposure to individual catastrophes and defining its local reinsurance requirements, based on its local risk appetite and capital position. The respective cover is provided by Allianz SE or subsidiaries. At Group level, the Allianz SE Board reviews and approves the risk appetite. The reinsurance division is responsible for designing and implementing Group catastrophe protections within given exposure limits. These covers take various forms and aim to protect the Group against excessive losses from major NatCats.

Special modeling techniques for NatCats combine portfolio data with simulated natural disaster 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, including atmospheric events, 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 on NatCat risks are used in risk steering. NatCat models are regularly updated according to newest scientific information. We are continuously improving the inclusion of global NatCat hazard information, including climate, into underwriting decisions.

Our ESG approach applies Group-wide corporate rules and ESG instruments 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 the CR department works on early identification, measurement and business integration of risks and opportunities from physical climate change and the low-carbon transition.

Additional processes include NGO dialogue, AGCS Risk Barometer, Global Claims Review, and on-going 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.

Process for climate-related risks is not integrated into our overall risk management

SG 14.9 CC	Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.
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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.

Additionally, we plan to join forces with other asset owners in encouraging companies to implement such pathways. Our participation in the Transition Pathway Initiative, the engagement platform of Climate Action 100+ 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 engage

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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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

% of AUM

1

- Cash

Brief description and measures of investment

Allianz is one of the leading private investors in renewable energy, with EUR 6.8 billion invested, in 95 wind and solar parks, with a combined generating capacity 2.2 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

% of AUM

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 11 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
- 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

% of AUM

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

% of AUM

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)

% of AUM

0.5

- Fixed income - Securitised
- Private equity
- Property
- Infrastructure
- Cash

Brief description and measures of investment

EUR 3.6 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