

Media Release: Allianz reinforces its commitment to net-zero strategy

- **Launch of guidelines for oil and gas business to accelerate the decarbonization of energy sector in the medium term**
 - **Global business operations to be net-zero as early as 2030**
 - **Sustainability Report documents Allianz's overall ESG performance**
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Munich, April 29, 2022

Allianz Group is accelerating the deployment of its climate strategy and has announced new ambitious commitments in both its core business and operations. The company will limit the greenhouse gas emissions (GHG) deriving from Allianz's sites and activities in over 70 markets to net-zero by 2030, instead of 2050 as originally planned. For its proprietary Investment and Property & Casualty (P&C) businesses, as of January 1, 2023, Allianz will no longer invest in or underwrite new single-site or stand-alone oil and selected gas risks, oil and gas activities related to the Arctic and the Antarctic or extra-heavy oil and ultra-deep sea risks. By the start of 2025, Allianz will require a robust 'net-zero by 2050' commitment from the largest hydrocarbon producers as a pre-condition for company-level insurance coverage and investments.

"In view of the current geopolitical situation, the reliable energy supply for households and companies must be reprioritized in the short term. Policymakers must now work together with the business community to define conditions that enable planning, and in addition enable the acceleration of renewables globally," says Günther Thallinger, Member of the Board of Management of Allianz SE, Investment Management and Sustainability. "However, we should not lose sight of the serious consequences of climate change. With these new guidelines, Allianz is strengthening its promise to contribute to an orderly decarbonization of the economy."

Allianz is committed to actively driving the transition towards renewable energy sources, supported by significant underwriting and investment capacity and appetite for renewable risks. Consequently, green energy projects of oil and gas companies will not be restricted in any way.

Addressing the mid-term decarbonization of energy sector

Allianz started limiting financing coal-based business models in 2015, followed by restrictions in insurance in 2018, and aims to completely withdraw from the coal segment by 2040. To limit global warming to 1.5°C, the global economy needs to move away faster from fossil fuels. In a newly-released report, the Intergovernmental Panel on Climate Change stated that worldwide GHG emissions must halve by 2030 compared to 2020 levels. After targeting thermal coal as a key contributor to GHG emissions, companies and governments need to act to reduce GHG emissions from oil and gas. Consequently, and with careful consideration of the geopolitical developments, Allianz has decided to adjust its investment and underwriting strategy for the global oil and gas industry. The new guideline complements the existing Allianz ESG Integration Framework and its sensitive sector approach.

The oil and gas guideline in detail:

1. As of January 1, 2023, Allianz will not issue new single-site and stand-alone P&C insurance coverages (plus not renew existing contracts as of July 1, 2023) and will not provide new funding for projects in
 - exploration and development of new oil and new gas fields¹ (upstream)
 - construction of new midstream infrastructure related to oil,
 - construction of new oil power plants,
 - practices relating to the Arctic (as defined by AMAP, excluding operations in Norwegian territories) and Antarctic, coal-bed methane, extra-heavy oil and oil sands, as well as ultra-deep sea. This pertains to both new and existing projects/operations.
2. As of January 1, 2025, we will only insure and invest in those oil and gas companies which have committed to achieving net-zero greenhouse gas emissions by 2050 in alignment with science-based 1.5°C pathways, across all three greenhouse gas emission scopes. This applies to major oil and gas companies with above 60 million barrels of oil equivalent production in 2020 that are estimated to represent about 85% of the hydrocarbon production of the oil and gas industry combined. Additionally, the companies should ideally align their operations and disclosures with the Climate Action 100+ Net-Zero Company Benchmark requirements.
3. As of January 1, 2025, we will tighten our oil sands approach and provide no insurance, facultative reinsurance or funding for companies with more than 10% (previously 20%) of revenue from oil sands across all lines of business.
4. Allianz will continue to support ring-fenced and stand-alone construction and operational insurance of, as well as project investments in green and low-carbon energy (including on/offshore wind, solar, green hydrogen and blue hydrogen, if lifecycle emissions of those

¹ In special cases the Group Sustainability Board can decide on exceptions on new upstream gas fields in case a government decides on the development of a new gas field for energy security emergency reasons. This rule will be reviewed annually.

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projects are verified to be similar to green hydrogen) to facilitate the rapid deployment of these technologies.

“We are fully committed to supporting our clients with their transition plans to net-zero, until the changes come into effect in two years. The energy sector is currently undergoing a significant transformation, driven by technological innovations, which creates a tremendous business opportunity for new risk transfer solutions and services in the renewable energy space,” says Christopher Townsend, Member of the Board of Management Allianz SE Global Insurance Lines & Anglo Markets, Reinsurance, Middle East and Africa.

Targeting net-zero operations by 2030

Allianz has additionally accelerated its climate targets for its business operations and plans to reduce its GHG emissions by 50% versus 2019 by 2025. In order to achieve the net-zero target by 2030, the company plans to reduce its emissions by 70% versus 2019 by strengthening its environmental management and sourcing 100% renewable electricity by 2023. The key drivers will be the shift to a fully electric corporate car fleet by latest 2030 and a reduction of 40% GHG emissions deriving from travel activities by 2025. To address its remaining emissions, Allianz will use high-quality removal solutions focusing on promoting high performance of carbon removal.

In addition, Allianz will ask 100% of its global suppliers to have a public commitment to net-zero GHG emissions in line with 1.5°C degree path by 2025. Barbara Karuth-Zelle, Member of the Board of Management of Allianz SE, Operations, adds: “For some years, we have already been using two important levers to reduce Allianz’s internal greenhouse gas emissions. First of all, our 155,000 employees are highly committed to reducing their personal carbon emissions and are sensitized by internal campaigns. Secondly, our facilities, IT and fleet management are focused on renewable energy use and the reduction of business travel, waste, electricity and water usage. Finally, we are activating another powerful lever by sharing ambitious emission targets with our suppliers. Working together as one ecosystem, we will expand our climate impact, taking a significant step towards net-zero.”

Sustainability Report shows continued progress

Allianz Group has today released its 21st Sustainability Report, which shows the continued progress of the Group towards tackling pressing challenges such as climate change, inequality, and exclusion. The company has integrated sustainability further in core business processes, from creating a diverse workplace to reducing environmental impact and listening to customers. In 2021, employee satisfaction with the corporate culture (Inclusive Meritocracy Index) rose to 84 out of 100 points (2020: 78). Customers also gave Allianz high marks in 2021: 78 percent of Allianz entities had a Net Promoter Score (NPS) above market average or the loyalty leadership in the respective market.

Further information:

[Allianz Guideline](#)

[Sustainability Report 2021](#)

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About Allianz

The Allianz Group is one of the world's leading insurers and asset managers with more than 126 million* private and corporate customers in more than 70 countries. Allianz customers benefit from a broad range of personal and corporate insurance services, ranging from property, life and health insurance to assistance services to credit insurance and global business insurance. Allianz is one of the world's largest investors, managing around 809 billion euros on behalf of its insurance customers. Furthermore, our asset managers PIMCO and Allianz Global Investors manage 2.0 trillion euros of third-party assets. Thanks to our systematic integration of ecological, social and governance criteria in our business processes and investment decisions, we hold the leading position for insurers in the Dow Jones Sustainability Index. In 2021, over 155,000 employees achieved total revenues of 148.5 billion euros and an operating profit of 13.4 billion euros for the group.

These assessments are, as always, subject to the disclaimer provided below.

* Including non-consolidated entities with Allianz customers.

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This document includes forward-looking statements, such as prospects or expectations, that are based on management's current views and assumptions and subject to known and unknown risks and uncertainties. Actual results, performance figures, or events may differ significantly from those expressed or implied in such forward-looking statements.

Deviations may arise due to changes in factors including, but not limited to, the following: (i) the general economic and competitive situation in the Allianz's core business and core markets, (ii) the performance of financial markets (in particular market volatility, liquidity, and credit events), (iii) adverse publicity, regulatory actions or litigation with respect to the Allianz Group, other well-known companies and the financial services industry generally, (iv) the frequency and severity of insured loss events, including those resulting from natural catastrophes, and the development of loss expenses, (v) mortality and morbidity levels and trends, (vi) persistency levels, (vii) the extent of credit defaults, (viii) interest rate levels, (ix) currency exchange rates, most notably the EUR/USD exchange rate, (x) changes in laws and regulations, including tax regulations, (xi) the impact of acquisitions including and related integration issues and reorganization measures, and (xii) the general competitive conditions that, in each individual case, apply at a local, regional, national, and/or global level. Many of these changes can be exacerbated by terrorist activities.

No duty to update

Allianz assumes no obligation to update any information or forward-looking statement contained herein, save for any information we are required to disclose by law.

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