

# Shaping a sustainable future

Allianz SE  
March 2021



Allianz Investor Relations App

Apple App Store

Google Play Store

Allianz 



# Sustainability at Allianz – highlights 2019-2021



## Initiated UN-convened net-zero Asset Owner Alliance

- A group of the world's largest pension funds and insurers
- Reduce GHG emissions of their investment portfolios to net-zero by 2050



## Co-chair of Global Investors for Sustainable Development

- Allianz co-chairs UN-convened initiative of 30 business leaders
- Scale up finance and investment in sustainable development



## Developed first ESG guide for global insurance industry

- Allianz co-led Principles for Sustainable Insurance initiative to develop 1st global guidance on ESG in P/C underwriting
- First version of standard published



## New targets

- 1st interim target on the way to net-zero GHG emissions in 2050: -25% emissions for selected proprietary investments by 2025<sup>1</sup>
- -30% climate gases from own operations by 2025<sup>1</sup>

1) Baseline 2019; selected proprietary investments: public equities and listed corporate bonds



# Allianz – the ESG strategy ...

... is based on the 17 UN Sustainable Development Goals ...



... impacting our roles as insurer, investor, employer and corporate citizen





# A Allianz – a sustainable insurer

## Targets

- Include ESG expertise in products & services
- Phase out insurance of coal based businesses in P/C by 2040



## Business segments

Sustainable solutions

- Environmental or social benefit

Climate solutions

- Insurance of renewable energy, climate risks, NatCat

Emerging consumers

- Insurance solutions for low income customers

## Examples

Austria

- Smart repair

Germany

- Roof top photovoltaic insurance

Allianz  Care

- Health insurance for refugees

## Impact on Allianz Group<sup>1</sup>

EUR 1.9bn

Revenues from sustainable solutions

430

Insurance transactions assessed for ESG risks

46mn

Emerging consumers<sup>2</sup>

## Business integration

- UN Principles for Sustainable Insurance
- ESG integration framework
- Screening along 13 sensitive business areas
- Major sustainability matters discussed at ESG Board

1) 2020  
2) Including non-consolidated entities



# B Allianz – a responsible investor

## Targets

- Consider ESG in own and 3rd party investments
- Phase out coal based investments by 2040
- Own investments climate-neutral by 2050



## Product examples

AllianzGI

- Allianz Climate Transition fund
- Allianz EM SRI Bond fund

PIMCO

- Low Duration ESG fund
- Total Return ESG fund

Own investments

- Wind & solar parks
- Certified green buildings

## Impact examples<sup>1</sup>

9,532

Shareholder meetings with proxy voting by AllianzGI

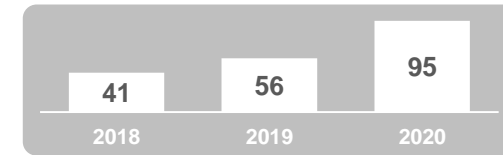
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PIMCO engagements with issuers

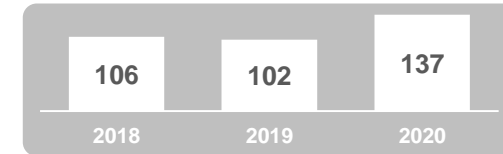
EUR 6bn

Coal assets in run-off

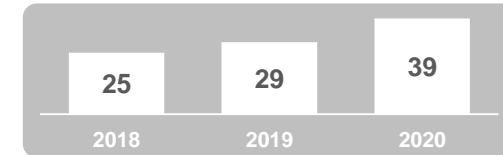
## Sustainable investments<sup>2</sup> (EUR bn)



AllianzGI<sup>3</sup>



PIMCO<sup>3</sup>



Proprietary investments

## Business integration

- UN Principles for Responsible Investment
- ESG exclusions (e.g. coal, controversial weapons)<sup>4</sup>
- Listed assets: MSCI ESG scoring<sup>4</sup>
- Non-listed assets: Referral process along 13 sensitive business areas<sup>4</sup>

1) 2019; coal assets in run-off: cumulative action since November 2015

2) 2020; sustainable investment definitions differ between proprietary and 3rd party investments

3) 3rd party assets

4) Proprietary investments



# C Allianz – an attractive employer

## Targets

- Gender equality and diversity
- Health and safety of employees
- People and performance matter



## Group-wide initiatives

### Diversity

- Gender, ethnicity, age, religious belief, sexual orientation, disability

### Employee commitment

- Fair feedback & reward

### Career development

- Allianz University and LinkedIn learning
- “Dare to grow” career development plans

## Examples

### Allianz

- Junior Executive Talent JET program for female talents

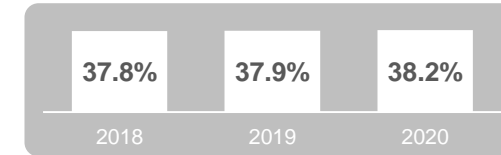
### Spain

- First OE which won the “Work Well Award”

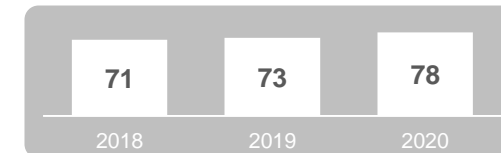
### Allianz

- Five-year strategic workforce plans

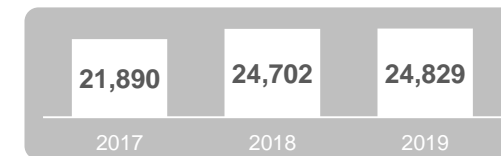
## Results



Share of female managers



Inclusive meritocracy index



Hired people

## Business integration

- Meritocracy as part of renewal agenda 2.0
- Managers’ remuneration linked to engagement survey results





# D Allianz – a committed corporate citizen

## Targets

- Foster customer centricity
- Drive digital transformation
- Manage own environmental impact

**12**  
RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION

**13**  
CLIMATE  
ACTION

**16**  
PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS

Group wide initiatives		Examples	Results and ambitions									
<div style="background-color: #a6a6a6; padding: 10px; text-align: center; font-weight: bold;">Customer</div> <ul style="list-style-type: none"> <li>• Simple/intuitive products</li> <li>• Empathic service</li> </ul>		<div style="background-color: #a6a6a6; padding: 10px; text-align: center; font-weight: bold;">Germany</div> <ul style="list-style-type: none"> <li>• Motor 2.0</li> </ul>	<table border="1"> <tr> <td style="text-align: center;">74</td> <td style="text-align: center;">70</td> <td style="text-align: center;">79</td> <td style="text-align: center;">75 plus</td> <td rowspan="2" style="vertical-align: middle;"><b>NPS above market (%)</b></td> </tr> <tr> <td style="text-align: center; font-size: small;">2018</td> <td style="text-align: center; font-size: small;">2019</td> <td style="text-align: center; font-size: small;">2020</td> <td style="text-align: center; font-size: small;">2021e</td> </tr> </table>	74	70	79	75 plus	<b>NPS above market (%)</b>	2018	2019	2020	2021e
74	70	79	75 plus	<b>NPS above market (%)</b>								
2018	2019	2020	2021e									
<div style="background-color: #a6a6a6; padding: 10px; text-align: center; font-weight: bold;">Digital</div> <ul style="list-style-type: none"> <li>• Productivity gains by simplicity and harmonization</li> </ul>		<div style="background-color: #a6a6a6; padding: 10px; text-align: center; font-weight: bold;">Germany, NL, IT, ES</div> <ul style="list-style-type: none"> <li>• Allianz Direct</li> </ul>	<table border="1"> <tr> <td style="text-align: center;">28.0</td> <td style="text-align: center;">27.5</td> <td style="text-align: center;">26.8</td> <td style="text-align: center;">27.5</td> <td rowspan="2" style="vertical-align: middle;"><b>P/C expense ratio (%)</b></td> </tr> <tr> <td style="text-align: center; font-size: small;">2018</td> <td style="text-align: center; font-size: small;">2019</td> <td style="text-align: center; font-size: small;">2020</td> <td style="text-align: center; font-size: small;">2021e</td> </tr> </table>	28.0	27.5	26.8	27.5	<b>P/C expense ratio (%)</b>	2018	2019	2020	2021e
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2018	2019	2020	2021e									
<div style="background-color: #a6a6a6; padding: 10px; text-align: center; font-weight: bold;">Environmental impact</div> <ul style="list-style-type: none"> <li>• Long-term climate targets</li> <li>• Carbon-neutrality since 2012</li> </ul>		<div style="background-color: #a6a6a6; padding: 10px; text-align: center; font-weight: bold;">Allianz </div> <ul style="list-style-type: none"> <li>• 100% electricity from renewable sources by 2023</li> <li>• Less paper, water, waste</li> </ul>	<table border="1"> <tr> <td style="text-align: center;">2.7</td> <td style="text-align: center;">2.4</td> <td style="text-align: center;">1.4</td> <td style="text-align: center;">1.7</td> <td rowspan="2" style="vertical-align: middle;"><b>Tons CO<sub>2</sub> per employee</b></td> </tr> <tr> <td style="text-align: center; font-size: small;">2018</td> <td style="text-align: center; font-size: small;">2019</td> <td style="text-align: center; font-size: small;">2020</td> <td style="text-align: center; font-size: small;">2025e</td> </tr> </table>	2.7	2.4	1.4	1.7	<b>Tons CO<sub>2</sub> per employee</b>	2018	2019	2020	2025e
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2018	2019	2020	2025e									

## Business integration

- Customer/digital = part of renewal agenda 2.0
- Group environment management system
- Environmental data assured by PwC
- Ensure data privacy & compliance



# + Allianz – effective sustainability governance

The “ESG anchor” on the highest possible hierarchy level ...

## Group ESG Board

- Quarterly meetings on ESG topics
- Defines future ESG standards
- Decides on ESG relevant business



**Günther Thallinger**  
Member of the BoM,  
Investment Management  
  
Chair of ESG Board



**Jacqueline Hunt**  
Member of the BoM,  
AM & US Life Insurance  
  
Member of ESG Board



**Barbara Karuth-Zelle**  
Member of the BoM,  
Operations and IT (COO)  
  
Member of ESG Board



**Christopher Townsend**  
Member of the BoM,  
Global Insurance Lines &  
Anglo Markets, Reinsur.,  
Middle East, Africa  
Member of ESG Board

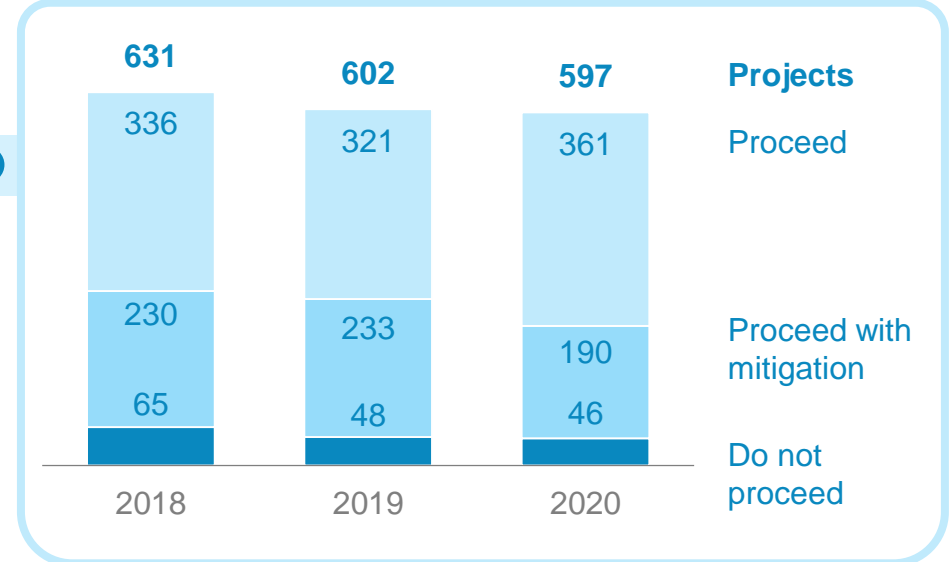


**Aylin Somersan Coqui**  
Chief Risk Officer of  
Allianz SE  
  
Member of ESG Board

... ensures ESG integration in the whole Allianz universe

	Insurance	Investments <sup>1</sup>	
		Listed	Non-listed
ESG referral process	●	●	●
ESG sensitive business guidelines	●	○	●
Sensitive countries list	●	○	●
ESG scoring approach	○	●	○
Engagement and dialog	●	●	●
ESG exclusion policies	●	●	●
Asset manager mandating, selection and review	○	●	●

Results of ESG referral process



1) Proprietary investments





# Sustainability performance – excellent external recognition

<p>Member of <b>Dow Jones Sustainability Indices</b> Powered by the S&amp;P Global CSA <b>Sustainability Award</b> Silver Class 2021 <b>S&amp;P Global</b></p>	<p>Corporate ESG Performance <b>Prime</b> RATED BY <b>ISS ESG</b></p>	<p><b>FTSE4Good</b></p>	<p><b>MSCI ESG RATINGS</b> <b>AAA</b> CCC B BB BBB A AA AAA</p>	<p><b>CDP</b> DISCLOSURE INSIGHT ACTION</p>	<p><b>PRI</b> Principles for Responsible Investment</p>	<p><b>ISS QualityScore</b> ENVIRONMENTAL Highest Rating By INSTITUTIONAL SHAREHOLDER SERVICES <b>ISS QualityScore</b> SOCIAL Highest Rating By INSTITUTIONAL SHAREHOLDER SERVICES</p>
<p><b>Silver class</b></p>	<p><b>Prime</b></p>	<p><b>Top 8%</b></p>	<p><b>AAA rating<sup>1</sup></b></p>	<p><b>A- rating</b></p>	<p><b>A+ rating</b></p>	<p><b>ISS Quality Score</b></p>
<p>Silver class SAM / Dow Jones Sustainability Index  (2021)</p>	<p>One of the leading insurance companies  (2021)</p>	<p>Top 8% in sector in the FTSE4Good Index  (2020)</p>	<p>AAA rating by MSCI ESG Research  (2020)</p>	<p>A- rating (leadership level) in the Carbon Disclosure Project  (2020)</p>	<p>Highest rating in 8 out of 9 categories  (2020)</p>	<p>Highest rating in the ISS Quality Score for the environment and social pillars  (2020)</p>

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