Shaping a sustainable future

Allianz SE
March 2021

Allianz Investor Relations App
Apple App Store  Google Play Store
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 2025¹
- -30% climate gases from own operations by 2025¹

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 Sustainable insurer
B Responsible investor
C Attractive employer
D Committed corporate citizen

ESG governance
**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

<table>
<thead>
<tr>
<th>Sustainable solutions</th>
<th>Examples</th>
<th>Impact on Allianz Group¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Environmental or social benefit</td>
<td>Austria</td>
<td>EUR 1.9bn</td>
</tr>
<tr>
<td>Climate solutions</td>
<td>Germany</td>
<td>430</td>
</tr>
<tr>
<td>• Insurance of renewable energy, climate risks, NatCat</td>
<td>Allianz Care</td>
<td>46mn</td>
</tr>
<tr>
<td>Emerging consumers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Insurance solutions for low income customers</td>
<td></td>
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</tr>
</tbody>
</table>

### Examples

- Austria: Smart repair
- Germany: Roof top photovoltaic insurance
- Allianz Care: Health insurance for refugees

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

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1) 2020
2) Including non-consolidated entities
**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
- **Shareholder meetings** with proxy voting by AllianzGI: 9,532
- **PIMCO engagements** with issuers: >175
- **Coal assets in run-off**: EUR 6bn

### Sustainable investments (EUR bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>AllianzGI</th>
<th>PIMCO</th>
<th>Proprietary investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>41</td>
<td>106</td>
<td>25</td>
</tr>
<tr>
<td>2019</td>
<td>56</td>
<td>102</td>
<td>29</td>
</tr>
<tr>
<td>2020</td>
<td>95</td>
<td>137</td>
<td>39</td>
</tr>
</tbody>
</table>

### Business integration
- **UN Principles for Responsible Investment**
- **ESG exclusions** (e.g. coal, controversial weapons)
- **Listed assets**: MSCI ESG scoring
- **Non-listed assets**: Referral process along 13 sensitive business areas

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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
Allianz – shaping a sustainable future

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 JET program for female talents**
  - Junior Executive Talent JET program for female talents

- **Spain**
  - First OE which won the “Work Well Award”

- **Allianz**
  - Five-year strategic workforce plans

**Results**

<table>
<thead>
<tr>
<th>Share of female managers</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>C37.8%</td>
<td>37.9%</td>
<td>38.2%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Inclusive meritocracy index</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>71</td>
<td>73</td>
<td>78</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hired people</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>21,890</td>
<td>24,702</td>
<td>24,829</td>
<td></td>
</tr>
</tbody>
</table>

**Business integration**

- Meritocracy as part of renewal agenda 2.0
- Managers’ remuneration linked to engagement survey results
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Allianz – a committed corporate citizen

Targets

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

Group wide initiatives

Customer

- Simple/intuitive products
- Empathic service

Digital

- Productivity gains by simplicity and harmonization

Environmental impact

- Long-term climate targets
- Carbon-neutrality since 2012

Examples

Germany

- Motor 2.0

Germany, NL, IT, ES

- Allianz Direct

Allianz

- 100% electricity from renewable sources by 2023
- Less paper, water, waste

Results and ambitions

NPS above market (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>74</td>
</tr>
<tr>
<td>2019</td>
<td>70</td>
</tr>
<tr>
<td>2020</td>
<td>79</td>
</tr>
<tr>
<td>2021e</td>
<td>75+</td>
</tr>
</tbody>
</table>

P/C expense ratio (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>28.0</td>
</tr>
<tr>
<td>2019</td>
<td>27.5</td>
</tr>
<tr>
<td>2020</td>
<td>26.8</td>
</tr>
<tr>
<td>2021e</td>
<td>27.5</td>
</tr>
</tbody>
</table>

Tons CO₂ per employee

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2.7</td>
</tr>
<tr>
<td>2019</td>
<td>2.4</td>
</tr>
<tr>
<td>2020</td>
<td>1.4</td>
</tr>
<tr>
<td>2025e</td>
<td>1.7</td>
</tr>
</tbody>
</table>

Business integration

- Customer/digital = part of renewal agenda 2.0
- Group environment management system

- Environmental data assured by PwC
- Ensure data privacy & compliance
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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

… ensures ESG integration in the whole Allianz universe

<table>
<thead>
<tr>
<th>ESG referral process</th>
<th>Insurance Listed</th>
<th>Insurance Non-listed</th>
<th>Investments Listed</th>
<th>Investments Non-listed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>●</td>
<td></td>
<td>336</td>
<td>65</td>
</tr>
<tr>
<td>ESG sensitive business guidelines</td>
<td>●</td>
<td></td>
<td>321</td>
<td>48</td>
</tr>
<tr>
<td>Sensitive countries list</td>
<td>●</td>
<td></td>
<td>230</td>
<td>190</td>
</tr>
<tr>
<td>ESG scoring approach</td>
<td>●</td>
<td></td>
<td>233</td>
<td>190</td>
</tr>
<tr>
<td>Engagement and dialog</td>
<td>●</td>
<td></td>
<td>65</td>
<td>46</td>
</tr>
<tr>
<td>ESG exclusion policies</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset manager mandating, selection and review</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Results of ESG referral process

<table>
<thead>
<tr>
<th>Projects</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceed</td>
<td>631</td>
<td>602</td>
<td>597</td>
</tr>
<tr>
<td>Proceed with mitigation</td>
<td>230</td>
<td>233</td>
<td>190</td>
</tr>
<tr>
<td>Do not proceed</td>
<td>65</td>
<td>48</td>
<td>46</td>
</tr>
</tbody>
</table>

1) Proprietary investments

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Sustainability performance – excellent external recognition

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