Shaping a sustainable future

Allianz SE
December 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\(^1\)
- -30% climate gases from own operations by 2025\(^1\)

\(^1\) 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**
- **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**
- **Revenues from sustainable solutions**
  - EUR 1.9bn
- **Insurance transactions assessed for ESG risks**
  - 430
- **Emerging consumers**
  - 46mn

**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) For details see Allianz Group Sustainability Report 2021
2) 2020
3) 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

- Allianz Climate Transition fund
- Allianz EM SRI Bond fund

- Low Duration ESG fund
- Total Return ESG fund

Own investments

- Wind & solar parks
- Certified green buildings

Impact examples

9,532

Shareholder meetings with proxy voting by AllianzGI

Impact examples

>175

PIMCO engagements with issuers

Impact examples

EUR 6bn

Coal assets in run-off

Sustainable investments (EUR bn)

AllianzGI

<table>
<thead>
<tr>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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<tbody>
<tr>
<td>41</td>
<td>56</td>
<td>95</td>
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PIMCO

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<thead>
<tr>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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<tr>
<td>106</td>
<td>102</td>
<td>137</td>
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Proprietary investments

<table>
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<tr>
<th>2018</th>
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<th>2020</th>
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<tr>
<td>25</td>
<td>29</td>
<td>39</td>
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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

1) For details see Allianz Group Sustainability Report 2020
2) 2019; coal assets in run-off: cumulative action since November 2015
3) 2020; sustainable investment definitions differ between proprietary and 3rd party investments
4) 3rd party assets
5) Proprietary investments; for details see Allianz Group Sustainability Report 2020
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
  - 2018: 37.6%
  - 2019: 37.9%
  - 2020: 38.2%
- Inclusive meritocracy index
  - 2018: 71
  - 2019: 73
  - 2020: 78
- Hired people
  - 2017: 21,890
  - 2018: 24,702
  - 2019: 24,829

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

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1) For details see Allianz Group Sustainability Report 2021
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

**Results and ambitions**

**NPS above market (%)**
- 2018: 74
- 2019: 70
- 2020: 79
- 2021e: 75 plus

**P/C expense ratio (%)**
- 2018: 28.0
- 2019: 27.5
- 2020: 26.8
- 2021e: 27.5

**Tons CO₂ per employee**
- 2018: 2.7
- 2019: 2.4
- 2020: 1.4
- 2025e: 1.7

**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

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

Klaus-Peter Röhler
Member of the BoM, Insurance German Speaking Countries and Central & Eastern Europe
Member of ESG Board

Günther Thallinger
Chair of ESG Board

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

Andreas Wimmer
Member of the BoM, Asset Management
US Life Insurance
Member of ESG Board

… ensures ESG integration in the whole Allianz universe

Results of ESG referral process

<table>
<thead>
<tr>
<th>ESG referral process</th>
<th>Insurance</th>
<th>Investments¹</th>
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<tbody>
<tr>
<td></td>
<td>Listed</td>
<td>Non-listed</td>
</tr>
<tr>
<td>ESG referral process</td>
<td>631</td>
<td></td>
</tr>
<tr>
<td>ESG sensitive business guidelines</td>
<td>336</td>
<td></td>
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<tr>
<td>Sensitive countries list</td>
<td>230</td>
<td></td>
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<tr>
<td>ESG scoring approach</td>
<td>65</td>
<td></td>
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<tr>
<td>Engagement and dialog</td>
<td>233</td>
<td></td>
</tr>
<tr>
<td>ESG exclusion policies</td>
<td>602</td>
<td></td>
</tr>
<tr>
<td>Asset manager mandating, selection and review</td>
<td>597</td>
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¹ Proprietary investments

2018 2019 2020

Projects

Proceed

Proceed with mitigation

Do not proceed

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## Sustainability performance – excellent external recognition

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<thead>
<tr>
<th><strong>Member of Dow Jones Sustainability Indices</strong></th>
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<td><strong>S&amp;P Global</strong> 100% percentile (2021)</td>
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<table>
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<th><strong>Corporate ESG Performance</strong></th>
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<td><strong>Prime</strong> One of the leading insurance companies (2021)</td>
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<tr>
<th><strong>FTSE4Good</strong></th>
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<td><strong>Top 5%</strong> Top 5% in sector in the FTSE4Good Index (2021)</td>
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<tr>
<th><strong>MSCI ESG Ratings</strong></th>
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<tr>
<td><strong>AAA rating</strong> AAA rating by MSCI ESG Research (2021)</td>
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<tr>
<th><strong>CDP Disclosure Insight Action</strong></th>
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<tr>
<td><strong>A- rating</strong> A- rating (leadership level) in the Carbon Disclosure Project (2020)</td>
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<table>
<thead>
<tr>
<th><strong>PRI Principles for Responsible Investment</strong></th>
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<tr>
<td><strong>A+ rating</strong> Highest rating in 8 out of 9 categories (2020)</td>
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<th><strong>ISS Quality Score</strong></th>
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<tr>
<td><strong>ISS Quality Score</strong> Highest rating in the ISS Quality Score for the environment and social pillars (2021)</td>
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