

Media Release

Allianz is driving change toward a low-carbon economy with an ambitious climate protection package

- Withdrawal from insuring single coal-fired power plants and coal mines in operation or planning, effective immediately
- Exclusion of coal risks by 2040 in Property and Casualty business and in proprietary investments
- Joining the Science Based Target Initiative: Commitment to the long-term development of a carbon-free economy

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The Allianz Group is significantly expanding its climate strategy and has announced commitments to actively support the global change to a low-carbon economy over the coming decades. Allianz is one of the first insurance companies to set itself long-term climate goals which are linked to the two-degree target of the Paris Climate Agreement. By 2040, in a step by step process, Allianz will have phased out both its proprietary investments in coal-based business and its insurance coverage of such risks. In addition, the company will reduce the carbon footprint of its business operations by 2040, for example through a higher proportion of renewable energies in electricity purchase.

The stated aim of the climate strategy is to ensure the integration of the two-degree target in all of the Allianz Group's relevant business activities. Together with partners from science, civil society and economy within the non-profit Science Based Target initiative (SBTi), Allianz will develop the underlying methods and targets by the end of the year. This builds on the company's well-established ESG (Environment-Social-Governance) approach.

"Climate change generates enormous economic and social risks. It is already harming millions of people today," explains the CEO of Allianz SE, Oliver Bäte. "As a leading insurer and investor, we want to promote the transition to a climate-friendly economy." In 2015, the worldwide community of states agreed to limit global warming to below two degrees Celsius to avoid serious risks associated with climate change. Allianz is also supporting this long-term transformation by financing renewable energies and is a worldwide leader in providing specialty insurance for renewable energy production plants.

For the *investment of the premiums of its insurance customers*, Allianz defines one of its long-term objectives as structuring its tradable investments in all carbon-intensive sectors to be climate-neutral. Companies that do not succeed in adjusting their greenhouse gas emissions to the two-degree target over the coming decades will be gradually removed from the portfolio. This will be implemented for example by active dialogue with the companies and by requests for long-term climate protection targets, similar to the ESG scoring approach, which is already applied to companies with high ESG risks. “We are convinced that our approach will further improve the risk/return profile of our portfolio in the long term, and that we will strengthen our position as a forward-looking investor,” explains Dr. Günther Thallinger, member of the Board of Management of Allianz SE and responsible for investments and ESG. “As a long-term investor, we want to shape the change to a climate-friendly economy together with our clients. We will thus also strategically develop our investment opportunities in new technologies.”

Additionally, the threshold value in the energy sector for the maximum share of coal used by the emitters that Allianz finances will be successively lowered in five percent steps from currently thirty percent to zero by 2040. The threshold relates to the revenue that is generated by a mining company by mining coal or to the percentage of electricity generated from coal by energy companies. The next adjustment will take place within the next five years. With immediate effect, Allianz will no longer invest in energy companies that put the two-degree target at risk by extensively building coal-fired power plants.

In *Property and Casualty insurance*, with immediate effect, Allianz will no longer provide insurance to single coal-fired power plants or coal mines, that are operational or planned. Companies that generate electricity from multiple sources, such as coal, other fossil fuels or renewable energies, will continue to be insured, and individually reviewed on the basis of defined ESG criteria. However, Allianz’s stated goal is to completely phase out coal risks in the insurance business by 2040. “We will actively inform our clients about the short-term implications and long-term strategic changes. We will work together closely with them to find suitable solutions that enable a joint path towards a low-carbon economy”, says Chris Fischer Hirs, CEO of Allianz Global Corporate and Specialty, the global industrial insurer of the Allianz Group, which will implement the new guidelines as one of many Allianz entities worldwide.

About the Science Based Target Initiative

SBTi is a non-profit organization initiated by the UN Global Compact, Carbon Disclosure Project and the World Wildlife Fund (WWF), among others. The aim is to support companies from over 45 industries and all regions of the world in setting emission reduction targets that are in line with achieving international climate targets.

The financial industry is challenged by the lack of methods and marketable analytical tools to conduct science based carbon footprinting. Therefore, Allianz is working with other market players, by contributing its expertise and sustainability approaches, to help develop an appropriate methodology for the financial sector. More on <http://sciencebasedtargets.org/>

Additional information:

[Statement on coal-based business models](#)

allianz.com/sustainability

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About Allianz

The Allianz Group is one of the world's leading insurers and asset managers with more than 88 million retail and corporate customers. 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 over 650 billion euros on behalf of its insurance customers while our asset managers Allianz Global Investors and PIMCO manage an additional 1.4 trillion euros of third-party assets. Thanks to our systematic integration of ecological and social criteria in our business processes and investment decisions, we hold the leading position for insurers in the Dow Jones Sustainability Index. In 2017, over 140,000 employees in more than 70 countries achieved total revenue of 126 billion euros and an operating profit of 11 billion euros for the group.

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

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