

Media Release

Allianz announces its sustainability performance 2020 and new guidelines for coal-based business models

- High customer satisfaction, most attractive employer in the insurance industry and more female managers
- Significant reduction in greenhouse gas emissions from business operations
- Expansion of guidelines for carbon-based business models in property and casualty insurance and proprietary investments from 2023 onwards

Munich, May 3rd, 2021

Allianz Group has released its 20th [Sustainability Report](#), outlining its environmental, social and corporate governance achievements in fiscal year 2020, as well as its sustainability strategy and targets. In the coming years, the company plans to further embed environmental and social criteria in its business strategy, product development and marketing. Allianz meets the increasing interest in sustainability from customers, applicants and investors through numerous insurance solutions with environmental or social benefits, sustainable financial products and through the reduction of climate gases in its core business and operations, in accordance with the Paris Climate Agreement.

Sustainable insurance and financial products not only support the transition to a low-carbon economy, but also open up growth opportunities. Allianz invested around 6.8 billion euros in 116 wind and solar parks, and thus remains an important investor of the energy transition. Investments in certified green buildings rose from 14.6 billion euros to 18.3 billion euros; the volume of sustainable financial products in the investment portfolio increased by almost 10 billion euros to 39.3 billion euros. Asset managers Allianz Global Investors and PIMCO expanded their ESG approaches, and invested over 231 billion euros in sustainable projects and companies. Allianz is also a major insurer of wind and solar energy and aims to support the developing hydrogen industry with insurance solutions.

In the investment of policyholder funds, Allianz will continuously reduce greenhouse gas emissions to net zero by 2050, reaching an interim target by 2025. Coal-based business models in investment and property and casualty insurance will be phased out by 2040. Allianz supports this long-term transformation, which affects all industries and markets, primarily through dialog and engagement with companies via international platforms/networks. Allianz will also apply gradual exclusions to particularly emissions-intensive business models, such as the extraction and use of thermal coal. Identifiable environmental and financial risks will thus be minimized in its portfolios in the medium term.

"We want to protect our customers from the increasing risks of climate change and at the same time set the course for a sustainable economy today," says Line Hestvik, Chief Sustainability Officer at Allianz Group. "Of course, this fundamental change can only be achieved gradually and together with other stakeholders. That is why we will stand by our clients as a partner on their path to climate-friendly business in the coming years. However, if companies do not develop a resilient climate strategy in the foreseeable future despite the regulatory and scientific framework, we will also withdraw as a last resort."

As part of its climate strategy, Allianz has further increased [its ambition for companies with carbon-based business activities](#) in investment and property and casualty insurance. This is in line with scientific recommendations for a faster reduction of global greenhouse gas emissions over the next ten years. Key changes: Mining companies that plan new coal mines or generate more than 25 percent revenue from coal mining or more than 10 million tons of coal annually will no longer receive property and casualty insurance and financing beginning January 1, 2023. The same applies to energy companies that build new coal-fired power plants or generate more than 25 percent energy or more than five gigawatts annually from coal, as well as service providers that generate more than 25 percent revenue from coal. Business activities and investment opportunities of these companies that are exclusively renewable will continue to be insured or financed if an overall climate transition path is in place. There have already been no new coal projects in the portfolio of policyholder funds since 2018. Since 2015, Allianz has phased out over 6.3 million euros of investments in coal-based business models; the threshold here will also be reduced to 25 percent from 2023.

From July 1, 2021, Allianz will extend the existing exclusion of single site insurance and investments of coal-fired power plants and mines in operation and construction to corresponding infrastructure such as coal ports.

Allianz is also on track to reach its sustainability goals in its operations: over the past ten years, per capita greenhouse gas emissions have fallen by 62 percent. The share of renewable energy was 57 percent in 2020 and will be expanded to 100 percent by the end of 2023. The company supports an open corporate culture and flexible working models. Women are well-represented at Allianz, making up over 38 percent of managers and 42 percent of the talent pool. Employee satisfaction with the corporate culture (Inclusive Meritocracy Index) has risen to 78 out of 100 points. Customers also gave Allianz high marks last year: 79 percent of Allianz entities had a Net Promoter Score (NPS) greater than market average or the loyalty leadership in the respective market (2019: 70 percent).

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About Allianz

The Allianz Group is one of the world's leading insurers and asset managers with more than 100 million¹ 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 790 billion euros on behalf of its insurance customers. Furthermore, our asset managers PIMCO and Allianz Global Investors manage 1.7 trillion euros of third-party assets. Thanks to our systematic integration of ecological and social criteria in our business processes and investment decisions, we are amongst the leaders in the insurance industry in the Dow Jones Sustainability Index. In 2020, over 150,000 employees achieved total revenues of 140 billion euros and an operating profit of 10.8 billion euros for the group.

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¹ Including non-consolidated entities with Allianz customers.