

ALLIANZ ACTS ON DECARBONIZATION COMMITMENT, PURSUING REAL-WORLD IMPACT

First set of measures supporting Allianz's SBTi commitment

SEPTEMBER 2018

Our commitment to the Science Based Targets initiative (SBTi) covers not only our corporate operations, but also our proprietary insurance asset portfolio. As a long-term investor, we want to support the low-carbon transition of the global economy based on science by developing specific measures which we will roll out in our investment portfolio and processes. All of these measures are designed to create – directly or indirectly – real-world impact and span across the four large levers we have as an asset owner: investment, engagement, policy advocacy and disclosure.

The low-carbon transformation of the economy is a fundamental and long-term endeavor, therefore the below list of actions constitutes the current status quo and is subject to regular review and amendment.

PORTFOLIO ANALYSIS

- Testing and applying existing methodologies to measure and quantify the carbon footprint of our portfolio (e.g. carbon-data sets from Bloomberg and MSCI, approaches by 2dii)
- Further developing methods to assess current climate actions of corporates against their science-based adherence (<2°)

Note: Although not a lever in itself, the ability to assess and measure the emissions contained in our portfolio and, more importantly, the decarbonization strategies of the companies we are invested in, is a prerequisite to further align our portfolio with a <2° world.

INVESTMENT

- Strengthening our restrictions of coal-based business models by lowering the applicable thresholds to 25% in 2022 (see our Statement on coal-based business models [here](#))
- Developing internal guidance to assess the „decarbonization-fitness“ of alternative assets (Decarbonization Taxonomy)
- Growing our low-carbon investment portfolio through, for example:
 - Investments in certified green buildings (real estate);
 - Co-financing renewable energy in emerging markets with development banks;
 - Seeking opportunities in green bond investing;
 - Further investments in renewable energy

ENGAGEMENT

- Building of a Science Based Targets (SBTs) engagement approach by:
 - Promoting SBTs as a common engagement theme among asset owner peers and networks;
 - Engaging corporates to develop suitable decarbonization strategies in line with science;
 - Working across existing sector associations and initiatives to establish SBTs as a common basis for climate-related activities

POLICY ADVOCACY

- Supporting private and public efforts for the emergence of suitable carbon pricing signals (e.g. through the European Task Force on Carbon Pricing and the Climate Leadership Council in the US)
- Positioning SBTs as a suitable nexus for climate-related policy-making (e.g. disclosure requirements)

DISCLOSURE

- Further building and developing our TCFD disclosure including disclosure around Portfolio Analysis results
- Regular reporting on our progress towards our SBTi commitment and respective actions taken