

Statement on coal-based business models

Version	Valid from	Classification
2025	October 10 2025	Public

Responsible	Allianz SE Global Sustainability
Area of Application	Allianz proprietary investments and P&C commercial underwriting as well as facultative P&C re-insurance

A Rationale

The burning of thermal coal¹ for energy is the single largest contributor to human-induced global temperature increase, accounting for about one third of the more than 1°C temperature rise above pre-industrial levels already observed.²

The necessary greenhouse gas (GHG) emissions reduction entails that fossil-fuel based energy generation will have to be drastically reduced in the coming decades. With coal being the fuel with the highest CO₂ emissions in relation to its energy content, no new coal projects should be built and existing coal needs to be stringently phased-out. The most recent energy system models require an accelerated transition in developed economies including phase outs of most thermal coal assets by 2030 in most global regions and a full phase out globally by 2040.

Allianz is committed to limiting global warming to 1.5°C.³ To drive this transition, Allianz has set ambitious climate and environmental targets, and collaborates with international organizations, companies and civil society. Allianz is a founding member of the UN-convened Net-Zero Asset Owner Alliance⁴ and participates in Climate Action 100+⁵ as well as the Institutional Investors Group on Climate Change⁶.

Allianz has been restricting coal since 2015. We are engaging companies in our proprietary investment as well as our Property & Casualty (P&C) commercial insurance portfolios to move away from coal-based business models towards renewable energies and to present effective strategies to reduce the share of coal in mining and combustion to a minimum, in line with the criteria laid out below. Ideally, companies close coal power plants and do not sell them.

Our approach has been tightened regularly in both scope and depth. For the definition and application of our criteria, we are relying on best available company data in a challenging data environment. We are open to any remarks regarding shortcomings as well as possible additions.

¹ Thermal coal refers to the use of coal in power generation as well as the mining of the thermal coal. It does not apply to metallurgical coal or coal utilized in the production of steel or cement as there are yet no commercially viable alternatives at scale; we also expect that the latter might benefit from carbon capture & sequestration technologies.

² Global Energy & CO₂ Status Report 2019 – Analysis - IEA

³ Along no and low overshoot temperature pathways as put forward by the IPCC Special Report on 1.5°C

⁴ UN-convened Net-Zero Asset Owner Alliance – United Nations Environment – Finance Initiative

⁵ Climate Action 100+

⁶ IIGCC - The Institutional Investors Group on Climate Change

B Scope of restriction

For above reasons, Allianz has decided on the following approach for our proprietary investment portfolio as well as property and casualty (P&C) commercial insurance and facultative re-insurance.⁷

RESTRICTIONS FOR PROJECT FINANCE AND SINGLE-SITE/STAND-ALONE P&C INSURANCE

We do not directly invest in any coal-based infrastructure, such as coal power plants, coal mines, coal-related railways or coal ports. Furthermore, Allianz does not offer single-site/stand-alone insurance coverages related to:

- the construction and/or operation of thermal coal power plants and mines where coal is extracted,
- the construction and/or operation of coal-related infrastructure which predominantly serves the coal value chain (e.g., respective rails, roads, ports, movable equipment, 3rd party equipment & contractors in mines)

Single-site/stand-alone coverage means the covering of loss and damages for a single power plant, mine, or infrastructure, be it green- or brownfield, for an insured, as well as for offering guarantees (bonds) to a respective client. The exclusion is applicable for new (first time) contracts and the renewal of contracts.

COMPANY RESTRICTIONS

We are excluding coal-based companies from our business along the following set of criteria and thresholds which have been developed in line with scientific targets to limit global warming to 1.5°C

Coal-based companies are defined by breaching the following thresholds. Companies which, either themselves (directly) or through entities they control (indirectly, minimum of 50% stake), breach any of the following thresholds:

1. deriving more than 25% of their generated electricity from thermal coal (utilities) or revenues (mining companies and coal service providers⁸).

This threshold will be reduced as per our Coal Phase-Out Plan (section D)

or

2. planning new coal (e.g. plants¹⁰ and mines⁹) (utilities, mining companies, and coal service providers)

or

3. having more than 5 GW of thermal coal power plant capacity installed or mining more than 10 million tonnes thermal coal annually (utilities and mining companies)

Equity stakes of affected companies are divested, fixed income investments are put to run-off and no new bond investments are allowed. Allianz may divest or exclude companies also earlier along contractual arrangements.

⁷ Direct insurance clients, incl. facultative re-insurance

⁸ Service providers: e.g. coal-related operation & maintenance services, coal-related engineering & construction, coal trading

⁹ Mining companies: New coal mining refers to either a 10% or more increase in the absolute volume of annually mined thermal coal that resulted from either an expansion or increase in output at existing mines, or any new mining site(-s).

C Company transition plans and related exemptions

The ultimate goal of this restriction is to drive a swift transition away from thermal coal globally. This also means, we want to insure and provide capital to those companies that do transition at the right speed and scale.

Therefore, if companies fail to meet our criteria and thresholds as outlined in section B, but present a credible and public strategy to transition away from coal at a pace which is compatible with the scientific pathways of limiting global warming to 1.5°C and which is confirmed by independent third-party assessments of target and performance, we will be evaluating on an individual basis if they can be exempted from our company restrictions along the following rules:

- If we assess a company as being aligned with a 1.5°C pathway, we will immediately exempt them on a company level. A company planning/building new coal is not 1.5°C aligned.
- If a company is assessed as not aligned with a 1.5°C pathway, no company-level exemptions are possible and all business is restricted. The renewable / low-carbon energy allowance as laid out below is unaffected by this.

Criteria we use to assess companies include public company commitments on coal phase-out and corresponding long-term strategy, asset-based closing plans and their past performance on this, and company-level GHG reduction targets¹⁰.

Data sources which we will use to assess company targets, strategy and performance include the Climate Action 100+ Net-Zero Company Benchmark, Carbon Tracker, the Transition Pathway Initiative, the Global Coal Exit List, and the Science Based Targets initiative.

SUPPORT OF LOW-CARBON SOLUTIONS

As we envisage a transition away from fossil fuels, renewable energy and other low-carbon solutions need to be scaled up to limit global warming. To support this, we are allowing **low-carbon solutions** projects of all companies. Furthermore, Allianz will allow P&C commercial insurance for, and direct investments in subsidiaries of companies otherwise restricted under our fossil fuel statements, provided such subsidiaries are primarily focused on low-carbon solutions. Our approach for this allowance is explained in our [Statement on Low-carbon solutions](#).

D Allianz coal phase-out plan

As we are committed to fully phasing out coal-based business models across our insurance investment¹¹ and P&C insurance portfolios, the relative threshold will be reduced over time. As of year-end 2025 we will reduce it to 15%. As of year-end 2029, the threshold will be reduced to 5% globally with the exception of Asia where 10% will apply. Steps after 2030 will be communicated at a later stage. The threshold will reach 0% as of 2040 at the latest.

The reduction pathway for the Allianz Coal Phase-Out is based on IPCC's 1.5°C scenarios with most recent and frequent data and no or low temperature overshoot. Our relative thresholds applicable to a company's coal share are aligned with the median share of coal¹² in the 1.5°C scenarios' global electricity composition. On global level, these values have been confirmed by the One Earth Climate Model work commissioned by the UN-convened Net-Zero Asset Owner Alliance as well as by the NZE2050 scenario of the International Energy Agency.

Notes: The approach outlined above remains subject to regular review to reflect developments in regulatory matters, and climate science and policies. This statement complements the existing sustainability due diligence approach as described in the Allianz Standard for Integration of Sustainability¹³.

¹⁰ In these we do not accept compensation of emissions via offsetting.

¹¹ Insurance investments refers to the investments of the funds of our insurance policyholders. All restrictions also apply to our corporate funds. Equity stakes of affected companies are divested, fixed income investments are put into run-off and no new bond investments are allowed. Allianz may divest or exclude companies also earlier along contractual arrangements.

¹² Coal without carbon capture and storage

¹³ For detailed information, refer to the [Allianz Group Annual Report](#).

Previous versions

Version	Milestone
November 2015	Inaugural statement
September 2018	Introduction of phase-out as well as P&C approach
May 2021	Tightened restriction criteria
February 2023	Updated renewable / low-carbon energy approach
October 2025	Updated low-carbon solutions approach