

Allianz Statement on Coal-based Investments

Background

While the global demand for reliable and affordable energy continues to rise, there is widespread scientific consensus that energy generation needs to be uncoupled from greenhouse gas (GHG) emissions in order to limit global warming to not more than two degrees, as postulated by the Intergovernmental Panel on Climate Change (IPCC).

The necessary GHG emissions reduction entails that fossil-fuel based energy generation will have to be drastically reduced over time until 2050. With coal being the fuel with the highest CO₂ emissions in relation to its energy content, a phase out of coal based energy production will significantly contribute to transition global energy generation to lower emission levels. Therefore, Allianz seeks to support this transition as laid out below.

Objective

Allianz stops financing coal-based business models by divesting equity stakes in coal-based business models by the end of March 2016; fixed income stakes can be held until maturity (run-off).

With this step we contribute to:

- the de-risking of our portfolios from an economic, as well as climate change perspective;
- preparing for imminent developments in climate regulation across the globe;
- our ongoing commitment to strengthen ESG integration in our investment processes.

Definition of coal-based business models

- Mining companies deriving 30% or more of their revenues from mining thermal coal.
- Electric utilities deriving 30% or more of their generated electricity from thermal coal.

An exception is only possible, following a case-by-case assessment, in case the share of revenue / generated electricity from coal is between 30% and 50% and if the company has a clear strategy to reduce its coal share below the 30% threshold in the next years.

Implementation, Scope & Timing

Coal-based business models will be specified with the help of MSCI ESG Research and communicated to asset managers through a centrally managed global restriction list.

The divestment of equity stakes will be concluded no later than by end of March 2016.

Fixed income exposures might be held until their maturity, new-/re-investments are prohibited as of the day of enforcement of this statement.

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