

Allianz Group

Anticipate. Care. Enable.

Encouraging solutions for
tomorrow's climate.

Allianz 



Dare to be the change

2015 is likely to be the hottest year on record and the year which brought a strong international climate agreement to life.

We firmly believe that now is the right time to **anticipate the inevitable change** – and act accordingly. We need to have a clearer understanding of how our way of doing business needs to change and how we need to alter our investment decisions.

We **care about the change**. By the very nature of our business we are sensitive to shifts in extreme weather and climate patterns. We will feel the change as much as our customers feel it. Together we have the opportunity to understand and manage the upcoming risks.

We want to **enable the necessary change**: the transition to a low-carbon society. We believe climate change is a global challenge that can only be successfully addressed collaboratively by the private and public sector with support from a strong civil society.

We anticipate the risks of climate change, work to protect and care for our customers and enable the transition to a low-carbon economy. We aspire to encourage solutions for tomorrow's climate.

Anticipate.



Care.



Enable.



Allianz encourages solutions for tomorrow's climate

We are committed to integrating climate protection firmly into our core business. With our risk competence, financial strength and long-term investment perspective, we can effectively support the fight against climate change, and simultaneously take advantage of long-term opportunities for our customers. Over the last years, we have already been implementing a Group-wide strategy covering climate-related risks and opportunities, both for our business and our customers, in order to protect our clients from climate risks and enable the transition to a low-carbon society. Furthermore, we are engaged in leading industry initiatives like the UN Environment Programme Finance Initiative (UNEP FI), the Munich Climate Insurance Initiative (MCII), the Geneva Association and ClimateWise to share our knowledge on climate research and analysis with peers and convey messages to decision makers and society.



Anticipate.

We invest over EUR 630bn of our insurance premiums, of which over 90 percent are invested in fixed-income securities and equities. Recognizing that climate change can severely impact our business activities, we started to integrate sustainability criteria in our investment decisions in 2011.

Divesting from coal...

€225mn

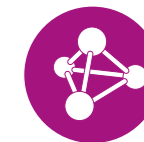
from equities

€3900mn

fixed-income investments to expire

We anticipate change.

We consider climate and carbon risks in our business.



What we aspire to in the future:

Consider climate and sustainability criteria for all our investments

For the first time, Allianz investments will be systematically analyzed using 37 environmental, social and corporate governance (ESG) criteria. These include greenhouse gas emissions, energy efficiency, data protection and corruption. Using the data provided by our ESG rating agency, transparency across the entire portfolio will be achieved by mid-2016. This enables targeted management of opportunities and risks and allows sustainable investment strategies and long-term stable return opportunities for our customers.

Phase out coal

Allianz will stop financing coal-based business models and will divest from equity stakes in coal-based business models in 2016. This means we will no longer invest in companies that earn more than 30% of revenue from coal mining or generate over 30% of their energy from coal. We will divest equities amounting to EUR 225mn by March 2016, while bonds amounting to EUR 3.9bn will expire. During the climate negotiations in Paris, we joined the Portfolio Decarbonization Coalition which convenes 25 investors aligning their portfolios with the low-carbon transition.



Care.

Managing risks is our profession. We advise our customers on how they can reduce risks and minimize damages, and we compensate those who have suffered losses. With a view to climate change impacts, this means both incentivizing preventive measures and compensating customers.

In 2070,

8

of the top 10 cities ranked by asset exposure to coastal flooding will be in Asia

57mn

micro-insurance customers

We care about change.

We engage in the protection of the climate-vulnerable.



What we aspire to in the future:

Insure climate risks in developing countries

To enable protection from climate risks in the countries most vulnerable to climate change, Allianz can build on its experience as leading micro-insurer, offering primarily credit and life insurance policies to 57 million customers. In China and India, we are providing reinsurance cover for 125 million small-scale farmers. We are also a reinsurer of the African Risk Capacity and cover Uruguay's hydroelectric power generation against drought. Currently, we are working on innovative crop insurance for rice farmers in Asia based on satellite technology. The G7 has set the goal of providing an additional 400mn people with climate risk insurance by 2020. Under the umbrella of the Munich Climate Insurance Initiative (MCII), Allianz and other insurers are working on new insurance approaches to achieve this goal.

Understand climate risks for our customers

The 2015 Allianz Risk Barometer indicates that climate change is clearly perceived as the No. 1 long-term business risk for our industrial customers. Additionally, the leading short-term risks are business interruptions and natural disasters, neither of which can be clearly separated from each other or from events induced by climate change, as evidenced by the Thailand floods of 2011. We have to better understand the impacts of climate change, in order to provide the best possible risk advice and develop products to respond to these challenges. In Brazil, for example, we are researching how the change of rainfall patterns and extreme weather events influence crop yields. Findings like these not only serve our business but enable our customers to take preventive measures and can inform decision-makers.



Enable.

Barcelona

could be powered by our investments in solar and wind parks.

Double our

EUR 2.5bn

invested in renewable energies

Our business operations are carbon-neutral since 2012. We provide over 155 green solutions for our customers, from special tariffs for electric cars to green home coverage. In our asset management business, we offer dedicated funds for green bonds and renewable energy. We are a leading financial insurer of and investor in renewable energies with more than EUR 2.5bn invested.

We enable change.

We provide solutions for a low-carbon society.



What we aspire to in the future:

Finance a climate-friendly economy

Climate-related investments, such as renewable energies and low-carbon infrastructure, are an attractive growth market. They provide portfolio diversification, which spreads risks, and can offer sound long-term returns. The International Energy Agency (IEA) estimates that the annual investment necessary for the global energy transition will increase from USD 380bn today to USD 780bn in 2035. Less than 1% of assets of pension funds and insurance in the OECD countries, valued at more than USD 92 trillion, would suffice. We are doing our part: In the medium-term, we want to at least double our investments in renewable energies from currently EUR 2.5bn.

Further shrink our environmental footprint

Since 2006 we have been measuring and reporting on our environmental performance. We have managed to outperform our targets with a reduction of both our CO₂ footprint by 35% and our energy use by 10% by 2015 (measured against 2006/2010 baselines). Our main environmental impacts as a company directly link to some of the key measures to tackle climate change: energy efficiency, sourcing renewable energies, low-carbon travel alternatives. We will, amongst other things, continue to drive energy efficiency in our buildings and IT. By incorporating innovation such as green building technologies we will be able to go beyond incremental improvements.

Imprint:

Allianz Climate Solutions GmbH
Seidlstraße 24-24a
80335 München

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