

# Introduction to Allianz ESG Strategy and Climate Change Approach

Diane Gates

MN House Climate and Energy Finance and Policy Committee

March 8, 2022





# Agenda

**01**

Who is Allianz?

**02**

Our ESG Strategy

**03**

Allianz's Climate Strategy

**04**

Net Zero Asset Owner Alliance

**05**

Q&A



# Allianz SE

**Customers** – over 85 million

**Countries** – over 70

**Employees** – over 148,000

**Is the world's:**

- 46<sup>th</sup> largest company <sup>1</sup>
- 5<sup>th</sup> largest asset manager <sup>2</sup>
- 3<sup>rd</sup> largest diversified insurance company, based on assets <sup>3</sup>
- 4<sup>th</sup> largest diversified insurance company, based on market value <sup>3</sup>

**Property/  
Casualty  
Insurance**

**Life/  
Health  
Insurance**

**Asset  
Management**

<sup>1</sup> Fortune Global 500 June 2020. Ranking based on revenue.

<sup>2</sup> Allianz SE, P&I/Towers Watson World 500, October 2020. Ranked by total AUM.

<sup>3</sup> Forbes Global 2000, The World's Biggest Public Companies, May 2020.



# Allianz Life Insurance Company of North America

**Founded** – 1896

**Contract owners** – over 3.7 million

**Products** – wealth management products that include fixed index and variable annuities and fixed index universal life insurance



# Allianz – the ESG strategy...

... is based on the 17 UN Sustainable Development Goals ...



... impacting our roles as insurer, investor, employer and corporate citizen



# Allianz Investment: six pillars approach of ESG integration

## 6. Engagement

Local support to Group Engagement  
Dialogues with investee companies to increase ESG integration & transparency

## 5. ESG scoring for public assets

Uses MSCI third party data to measure ESG performance

## 4. ESG systematic evaluation for private assets

Helps assess ESG risks focusing on sensitive business areas



## 1. Asset Manager Selection

Must integrate ESG into their investment process

## 2. Exclusion Criteria

For example, no cluster bombs, excluding companies with >30% revenue from coal

## 3. Sustainable Investments\*

- Over \$530mn towards Low Income Housing Tax Credit (LIHTC) deals with properties in 45 states plus Puerto Rico and the US Virgin Islands
- \$1.6bn renewable energy across hydro, solar, and wind sub-sectors



# Allianz's climate change strategy

The Strategy focuses on three areas:

## We anticipate the risks of a changing climate by:

- systematically considering **climate criteria in insurance and investment business**,
- no longer financing coal-based business models and no longer providing insurance for construction and/or operation of single coal-fired power plants and coal mines,
- **fully phasing out coal-based business models** across proprietary investment and P&C insurance portfolios **by 2040, at the latest**,
- engaging with policymakers to drive **sustainable finance** and achieve the Paris Agreement's goals, and
- ensuring **active dialogue** with investee companies on climate strategies.

## We care for the climate-vulnerable by:

- **supporting our customers to reduce risks** and minimize damage and compensating those who have suffered losses,
- working with peers, governments and the civil society to **manage climate risks** and 'close the protection gap', and
- **supporting scientific research** and innovation that improves society's understanding of climate-related risks.

## We enable the low-carbon transition by:

- pioneering insurance of low-carbon technologies and, for instance, insuring renewables in more than 60 countries,
- strategically **investing in low-carbon assets**, including renewable energy, green buildings, and green bonds,
- **setting long-term climate goals** for our proprietary investments and business operations, **in line with '1.5°C-aligned net-zero emission by 2050' pathways**, and
- joining forces with other asset owners through the **U.N.-convened Net-Zero Asset Owner Alliance (AOA)** to collaboratively support companies in their low-carbon transition.

## Allianz's climate-related financial disclosure applies TCFD<sup>1</sup> framework

Link to Allianz's Sustainability Report: [https://www.allianz.com/content/dam/onemarketing/azcom/Allianz\\_com/sustainability/documents/Allianz\\_Group\\_Sustainability\\_Report\\_2019-web.pdf](https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/sustainability/documents/Allianz_Group_Sustainability_Report_2019-web.pdf)



# UN-convened Net-Zero Asset Owner Alliance

## What is it?

- International group of over 70 institutional investors, representing over \$10 trillion AUM
- Allianz was a founding member
- Launched at UN Climate Action Week on September 2019

## What is the commitment?

- Members commit to **transition investment portfolio to net zero Greenhouse Gas (GHG) emissions by 2050** consistent with a maximum temperature rise of 1.5 C
- Set intermediate targets every 5 years





# Q&A

Products are issued by Allianz Life Insurance Company of North America