

UNEP-FI Principles for Sustainable Insurance Public Disclosure of Progress 2014

In early 2014, Allianz became a signatory to the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance (PSI). This insurance industry initiative encourages an industry-wide commitment to ESG integration and works with industry partners to accelerate positive action.

We aim to contribute to the initiative as a leading global insurer and to encourage others in the insurance industry to develop their approach to ESG issues further. We believe that the insurance industry can play a more valuable role to economies and society by extending analysis and understanding of risk, and our skills in risk management, to cover ESG issues.

As a signatory to the PSI, Allianz is required to make an annual disclosure of the progress we have made in implementing the Principles. The key actions undertaken during the past year are summarized below, and referenced in other areas of the Sustainability Report where appropriate.

Principle 1

We will embed in our decision-making environmental, social and governance (ESG) issues relevant to our insurance business

- During 2014, Allianz continued to implement the ESG management and screening system. We have made progress in developing our approach to screening sensitive countries and human rights risks, to complement to our existing sensitive business guidelines. See [link](#) for more information.
- During 2014, Allianz assessed a wide range of business transactions for ESG considerations across our sensitive business areas. Overall, 150 transactions were reviewed across our insurance and investment business. 81% of the transactions were approved, 10% were given conditional approval subject to further information or mitigating actions being taken and 9% were declined.¹ See [link](#) for more information.

Principle 2

We will work together with our clients and business partners to raise awareness of environmental, social and governance (ESG) issues, manage risk and develop solutions

- As part of our ESG screening process, Allianz engaged with a wide range of clients in 2014. This has been for the purpose of obtaining further information on client approaches to ESG where needed, or developing a joint plan of action.
- We have started to develop a formalized client and theme-based engagement approach, which will leverage the strength of both our insurance and investment business. Allianz is often both an investor in and insurer of a company, by looking at our client relationships across our entire business, it will enable a dialogue in more areas of risk.
- As part of the PSI initiative, Allianz became a member of the core project team that assesses how ESG can be integrated into Surety Bonds. Together with Munich Re, the International Finance Corporation (IFC) and other stakeholders, Allianz will look to leverage the experience of our subsidiary, Euler Hermes, who is the leading trade credit insurer.
- We offer a range of green solutions that support the transition to a low-carbon economy, protect the environment and help customers prepare for the negative effects of climate change and mitigate associated risks. At the end of 2014 we offered 156 green solutions, ranging from asset management to insurance and services. See [link](#) for more information.

1) Transactions declined for ESG reasons or as part of the overall risk evaluation.

Principle 3

We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance (ESG) issues

- As part of our ESG process, Allianz conducts an annual engagement dialogue with a range of leading NGOs. This provides the opportunity to discuss issues of concern to the NGOs, present Allianz's progress in the field of ESG and provide a platform for open dialogue. See [link](#) for more information.
- We engage in regular discussions with political, academic and societal circles on fundamental developments that have a strategic impact on the company's business. We are also in constant dialogue with our stakeholders who are furthering public awareness and understanding of ESG across society. In addition, we organize conferences on these topics, such as the annual Berlin Demography Forum and 2014 Berlin-Forum Energy-Infrastructure, and engage in research activities, which we actively share with the public. See [link](#) for more information.






Principle 4

We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles

- For additional background information that supports our compliance with the Principles for Sustainable Insurance in 2014, see Sustainability Report 2014 chapters ESG in Underwriting process ([link](#)) and Our ESG Approach ([link](#)).

For more information see

Allianz Group Sustainability Report 2014

-  ESG in investments of own assets
-  ESG in underwriting
-  Green solutions
-  Our ESG approach
-  Political engagement
-  Stakeholder engagement

 UNEF-FI PSI