

# PRINCIPLES FOR SUSTAINABLE INSURANCE

AUGUST 2025

In early 2014, Allianz became a signatory to the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance (PSI), which serves as a global framework for the insurance industry to address environmental, social and governance (ESG) risks and opportunities.

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, details of Allianz's progress on implementing the PSI's principles during 2022 can be found in the sections below. The key actions are summarized below, for further information refer to the [Allianz Group Sustainability Report 2022](#).

## PRINCIPLE ONE

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

- Allianz is committed to clear and transparent governance principles, and has the ambition to fully integrate sustainability across the company. The Board of Management at Allianz SE is ultimately responsible for all matters related to sustainability and is supported by the Group Sustainability Board. The Supervisory Board of Allianz SE is responsible for defining and assessing targets for the Board of Management. The Sustainability Committee of the Supervisory Board is responsible to advise on sustainability related target setting and assessment. For a full overview of Allianz's sustainability governance, refer to the Allianz Group Sustainability Report 2022, section 05.4
- During 2022, Allianz continued to implement our ESG referral and assessment process. This includes the systematic integration of sustainability risks, by conducting case-by-case due diligence of critical transactions. Overall, 1,395 transactions were reviewed across our insurance and investment business. 81.9% of transactions were approved, 15.6% were given conditional approval subject to further information or mitigating actions being taken and 2.4% were declined<sup>1</sup>.

<sup>1</sup> Source: Allianz Group Sustainability Report 2022, Table ESG-2, p. 27.

- Training continued to be rolled out to underwriting functions to support underwriters in understanding and identifying ESG risks. Full information on our ESG approach is available in our ESG Integration Framework which provides transparency around our sustainability related processes and guidelines.
- We offer a range of sustainable solutions that support the transition to a low-carbon economy, protect the environment, help customers prepare for the negative effects of climate change and mitigate associated risks. At the end of 2022, we generated revenues totaling EUR 1.282.9 million from 103 sustainable solutions.
- We also continued our expansion in Africa, Asia, and Latin America to support a growing number of emerging consumers – especially with digital products and services – by partnering with insurtechs, mobile network operators, mobility platforms, and other digitally operating partners. In 2022, Allianz insured 57.2 million emerging consumers in 12 countries across Africa, Asia and Latin America. We also launched several new products in 2022, including digitally enabled crop insurance for smallholder cocoa farmers in Ivory Coast.
- As part of our approach to phase out fossil fuels, in 2022, we introduced a targeted restriction for the oil and gas sector, which applies to proprietary investments and P&C insurance. As of 2023, direct investments in and single-site/standalone insurance of selected oil and gas projects are prohibited. The [Statement](#) also defines Allianz expectations for the largest hydrocarbon production companies (i.e., above 60 million barrels of oil equivalent production) to commit to net-zero by 2050, and across their full value chain by January 2025. We also continued to phase out coal in line with 1.5°C pathways with low/no overshoot across P&C insurance and proprietary investments. Details on our fossil-fuel approach can be found in the Allianz Group Sustainability Report 2022, section 03.2.
- Allianz Investment Management also continued to integrate sustainability in proprietary investments, striving to implement best practice across all asset classes, guided by recommendations of leading sustainable investor organizations like PRI and The Institutional Investors Group on Climate Change (IIGCC). Further information is detailed in the Allianz Group Sustainability Report 2022, section 02.2.

## PRINCIPLE TWO

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

- Allianz broadly engaged through interviews, surveys and workshops with business partners, conducted bilateral dialogues with clients, and participated in global initiatives such as CA100+ and IIGCC in 2022. In addition, Allianz consults and advises customers on specific ESG criteria, protection and adaptation measures against climate change-related risks, especially Natural Catastrophes. This proactive engagement supports insurance-related processes, like product development, risk models and tariff calculations.
- Allianz aims to foster innovative approaches to addressing and building resilience to climate risks. We hosted the annual Climate Risk Award in December 2022. The award acknowledges and rewards scientists whose work shed light on the nexus between climate change and extreme weather events. In 2022, the award winner presented innovative research on using Artificial Intelligence to downscale tropical cyclone models. Further

information on the award can be found on our [website](#) and our Allianz Group Sustainability Report 2022.

- To support the most vulnerable to climate change, we actively support the InsuResilience Global Partnership's goal to provide climate risk insurance for up to 500 million people in most vulnerable developing countries by 2025. Allianz and Swiss Re are co-leading a project to develop a sovereign disaster risk insurance solution for Ghana with support by the local UNDP office. The project, supported by a grant from the ISF, entered the product development phase in July 2022 and work continued into 2023 between the private and public sector partners to build this insurance solution concept.

### PRINCIPLE THREE

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

- In 2022, we engaged with regulators and policymakers over sustainable finance regulations, supporting public-private cooperation, prudential regulation, digital regulation and conduct regulation. The engagement addresses topics such as environmental and social taxonomy, financing the green and digital transitions, and the Artificial Intelligence Act.
- We continued to advocate for governmental policies in line with requirements of 1.5°C pathways. An example of our policy advocacy was Allianz's co-leading role in the policy work of the NZAOA – the first and only group of financial sector global players – including, among others specialized initiatives on: Escalating Energy Crisis, Governmental Carbon Pricing, and Support Scaling Blended Finance. More details about Allianz partnerships, memberships and financial industry engagement are in the Allianz Group Sustainability Report 2022, section 03.2 Strategies.
- 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.

### PRINCIPLE FOUR

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, see our Allianz Group Sustainability Report. This progress report provides our ninth annual disclosure update.