

# Eurosif European SRI Transparency Code

## Commitment

November 2019



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## STATEMENT OF COMMITMENT

Sustainable and Responsible Investing is an essential part of the strategic positioning and behaviour of Allianz Global Investors (AllianzGI). We have been involved in SRI since 2000 and welcome the European SRI Transparency Code.

This is our tenth statement of commitment and covers the period July 2018 to June 2019. Our full response to the European SRI Transparency Code can be accessed below and is available in the annual report of the retail funds and on our website.

## COMPLIANCE WITH THE TRANSPARENCY CODE

AllianzGI is committed to transparency and we believe that we are as transparent as possible given the regulatory and competitive environments that exist in the countries in

which we operate. AllianzGI meets the full recommendations of the European SRI Transparency Code.

### 1) LIST OF FUNDS COVERED BY THE CODE

Name of the fund	Dominant/preferred SRI strategy	Asset class	Exclusion standards and norms	Fund capital as at 31 Dec	Other labels	Links to relevant documents
<b>Allianz Valeurs Durables</b>	Best-in-Class, Engagement & Voting	Actively managed: Shares in a euro area country	Controversial Weapons, Arms, UN Global Compact severe violations, CO2 intensive, Tobacco	EUR 723m	French State SRI Label	<a href="https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/sri?q=valeurs-durable&amp;ShareClassCurrency=(EUR)">https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/sri?q=valeurs-durable&amp;ShareClassCurrency=(EUR)</a>
<b>Allianz Europe Equity SRI</b>	Best-in-Class, Engagement & Voting	Actively managed: Shares in a euro area country	Controversial Weapons, Arms, UN Global Compact severe violations, CO2 intensive, Tobacco	EUR 47m		<a href="https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/sri?q=europe-equity-sri&amp;ShareClassCurrency=(EUR)">https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/sri?q=europe-equity-sri&amp;ShareClassCurrency=(EUR)</a>
<b>Allianz Climate Transition</b>	Impact Investing, Engagement & Voting	Actively managed: Shares in a euro area country	Controversial Weapons, Arms, UN Global Compact severe violations, CO2 intensive, Tobacco	EUR 40m		<a href="https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/liste?SearchWithFilter=true&amp;q=climate">https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/liste?SearchWithFilter=true&amp;q=climate</a>
<b>Allianz Global Sustainability</b>	Best-in-Class, Engagement & Voting	Actively managed: International shares	Controversial Weapons, Arms, UN Global Compact severe violations, CO2 intensive, Tobacco, Alcohol, Gambling, Pornography	EUR 237m		<a href="https://uk.allianzgi.com/engb/our-funds/mutual-funds/allianz-global-sustainability-a-eur">https://uk.allianzgi.com/engb/our-funds/mutual-funds/allianz-global-sustainability-a-eur</a>
<b>Allianz Stiftungsfonds Nachhaltigkeit</b>	Best-in-Class, Norms-Based Screening	Actively managed, Structured funds	Controversial Weapons, Arms, UN Global Compact severe violations, CO2 intensive, Tobacco	EUR 236m		<a href="https://de.allianzgi.com/de-de/unsere-fonds/fonds/list?SearchWithFilter=true&amp;q=nachhaltigkeit">https://de.allianzgi.com/de-de/unsere-fonds/fonds/list?SearchWithFilter=true&amp;q=nachhaltigkeit</a>
<b>Allianz Euro Credit SRI</b>	Best-in-Class, Norms-Based Screening	Actively managed: Bonds and other debt securities denominated in euro	Controversial Weapons, Arms, UN Global Compact severe violations, CO2 intensive, Tobacco	EUR 524m		<a href="https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/sri?SearchWithFilter=true">https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/sri?SearchWithFilter=true</a>
<b>Allianz Securicash SRI</b>	Best-in-Class, Norms-Based Screening	Actively managed, short term monetary assets	Controversial Weapons, Arms, UN Global Compact severe violations, CO2 intensive, Tobacco	EUR 2.88bn	French State SRI Label	<a href="https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/sri?q=securicash">https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/sri?q=securicash</a>
<b>Allianz Euro Oblig Court Terme ISR</b>	Best-in-Class, Norms-Based Screening	Actively managed: Monetary assets	Controversial Weapons, Arms, UN Global Compact severe violations, CO2 intensive, Tobacco	EUR 2.08bn	French State SRI Label	<a href="https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/sri?q=court-terme">https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/sri?q=court-terme</a>

Name of the fund	Dominant/preferred SRI strategy	Asset class	Exclusion standards and norms	Fund capital as at 31 Dec	Other labels	Links to relevant documents
<b>Allianz Green Bond</b>	Impact Investing, Norms-Based Screening	Actively managed: International bonds and other debt securities	Human Rights Violations Adherence to Green Bond Principles and Climate Bond Principals	EUR 177m	French TEEC Label	<a href="https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/liste?SearchWithFilter=true&amp;q=green">https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/liste?SearchWithFilter=true&amp;q=green</a>
<b>AREF Fund Family</b>	Impact Investing, Renewables Investing	Actively managed, Renewable Energies Equity Investment	ESG compliant investments in Renewables	EUR 1.41bn		<a href="https://allianzgi.v-learningportal.com/Account/LogOn?ReturnUrl=%2fZone%2fDisplay%2fApp%2f5d9d19e9-a16a-4f82-a348e6a710c7cdd4#0/5cbd1f5f-0411-403b-b88f3882e4cdc507">https://allianzgi.v-learningportal.com/Account/LogOn?ReturnUrl=%2fZone%2fDisplay%2fApp%2f5d9d19e9-a16a-4f82-a348e6a710c7cdd4#0/5cbd1f5f-0411-403b-b88f3882e4cdc507</a>
<b>Allianz Global Multi-Asset Credit SRI</b>	Best-in-class, Norms-Based Screening	Actively managed: International bonds and other debt securities	Controversial Weapons, Arms, UN Global Compact severe violations, CO2 intensive, Tobacco	EUR 19m*		<a href="https://regulatory.allianzgi.com/sv-SE/B2C/Sverige-SE/funds/mutual-funds/allianz-global-multi-asset-credit-sri-wt-h2-sek-sek">https://regulatory.allianzgi.com/sv-SE/B2C/Sverige-SE/funds/mutual-funds/allianz-global-multi-asset-credit-sri-wt-h2-sek-sek</a>
<b>Allianz Emerging Markets SRI Bond</b>	Best-in-class, Norms-Based Screening	Actively managed: International bonds and other debt securities	Controversial Weapons, Arms, UN Global Compact severe violations, CO2 intensive, Tobacco	EUR 20m*		<a href="https://regulatory.allianzgi.com/en-GB/B2C/United-Kingdom-EN/funds/mutual-funds?q=allianz%20emerging%20markets%20sri%20bond">https://regulatory.allianzgi.com/en-GB/B2C/United-Kingdom-EN/funds/mutual-funds?q=allianz emerging markets sri bond</a>
<b>Allianz Emerging Markets SRI Corporate Bond</b>	Best-in-class, Norms-Based Screening	Actively managed: International bonds and other debt securities	Controversial Weapons, Arms, UN Global Compact severe violations, CO2 intensive, Tobacco	EUR 11m*		<a href="https://regulatory.allianzgi.com/en-GB/B2C/United-Kingdom-EN/funds/mutual-funds?q=allianz%20emerging%20markets%20sri%20corporate%20bond">https://regulatory.allianzgi.com/en-GB/B2C/United-Kingdom-EN/funds/mutual-funds?q=allianz emerging markets sri corporate bond</a>
<b>Allianz Vermögenskonzept SRI Dynamisch</b>	Best-in-class, Norms-Based Screening	Actively managed: International shares, bonds and other debt securities denominated in euro, international bonds and other debt securities, monetary assets, short-term monetary assets	Controversial Weapons, Arms, UN Global Compact severe violations, CO2 intensive, Tobacco	EUR 95m		<a href="https://de.allianzgi.com/de-de/unsere-fonds/fonds/list/allianz-vermoegenskonzept-sri-dynamisch-a-eur">https://de.allianzgi.com/de-de/unsere-fonds/fonds/list/allianz-vermoegenskonzept-sri-dynamisch-a-eur</a>
<b>Allianz Vermögenskonzept SRI Ausgewogen</b>	Best-in-class, Norms-Based Screening	Actively managed: International shares, bonds and other debt securities denominated in euro, international bonds and other debt securities, monetary assets, short-term monetary assets	Controversial Weapons, Arms, UN Global Compact severe violations, CO2 intensive, Tobacco	EUR 126m		<a href="https://de.allianzgi.com/de-de/unsere-fonds/fonds/list/allianz-vermoegenskonzept-sri-ausgewogen-a-eur">https://de.allianzgi.com/de-de/unsere-fonds/fonds/list/allianz-vermoegenskonzept-sri-ausgewogen-a-eur</a>
<b>Allianz Vermögenskonzept SRI Defensiv</b>	Best-in-class, Norms-Based Screening	Actively managed: International shares, bonds and other debt securities denominated in euro, international bonds and other debt securities, monetary assets, short-term monetary assets	Controversial Weapons, Arms, UN Global Compact severe violations, CO2 intensive, Tobacco	EUR 365m		<a href="https://de.allianzgi.com/de-de/unsere-fonds/fonds/list/allianz-vermoegenskonzept-sri-defensiv-a-eur">https://de.allianzgi.com/de-de/unsere-fonds/fonds/list/allianz-vermoegenskonzept-sri-defensiv-a-eur</a>
<b>Allianz Multi Tempéré ISR</b>	Best-in-class, ESG Integration	Actively managed: International shares, International bonds and other debt securities and Monetary assets	Controversial Weapons, Other (this is a fund of funds - all asset managers have their own exclusions and norms)	EUR 10m		<a href="https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/liste/allianz-multi-temp-r-isr-c-et-ou-d-eur">https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/liste/allianz-multi-temp-r-isr-c-et-ou-d-eur</a>

\*Fund launched in 2019, AuM figures as of 30 June 2019.

## 2) GENERAL INFORMATION ABOUT THE FUND MANAGEMENT COMPANY

### 2.1) Name of the fund management company that manages the applicant fund(s)

Allianz Global Investors GmbH, [www.allianzgi.com](http://www.allianzgi.com), an investment company with limited liability, incorporated in Germany, with its registered office at Bockenheimer Landstrasse 42-44, 60323 Frankfurt/M, registered with the local court of Frankfurt/M under number HRB 9340 and authorised by Bundesanstalt für Finanzdienstleistungsaufsicht ([www.bafin.de](http://www.bafin.de)).

### 2.2) What are the company's track record and principles when it comes to integrating SRI into its processes?

Allianz Global Investors has been active in SRI since 2000. At that time, SRI was in its infancy and mostly involved negative screening of controversial or unethical business activities. The launch of the Global Sustainability Strategy in 2000 marked the starting point of Allianz Global Investors' evolution of our ESG capabilities and expertise. Although the Global Sustainability Strategy continued to apply negative screens to its investment universe, it was the first Allianz Global Investors' product to adopt a 'best-in-class' ESG approach. Since then we have continued to expand our range of SRI products, solutions and ESG resources to meet our clients' growing demand for ESG products and services. We are a member of the United Nations Principle of Responsible Investing (UN PRI) since 2007.

It is the conviction of AllianzGI that ESG factors are important investment performance drivers which can only be realized fully through a truly active approach to asset management. Recognizing the value that ESG factors can add to portfolios and to its clients, we are committed to integrating ESG factors into all investment decisions, across all asset classes, on our global investment platform. Given that, in addition to being sources of client alpha, ESG factors can significantly influence investment risk and disruptive trends, we believe considering ESG factors can form part of our fiduciary duty to clients. AllianzGI is one of the investment management industry's responsible investment pioneers, tracing its ESG credentials back nearly two decades.

**More information can be found on our website:**

<https://www.allianzgi.com/en/our-firm/our-esg-approach>

### 2.3) How does the company formalise its sustainable investment process?

More information can be found on our website:

<https://www.allianzgi.com/en/our-firm/our-esg-approach>

In section *Key policy documents* various policy documents can be found, such as our ESG Policy Framework, our Stewardship Statement and our Global Corporate Governance Guidelines.

### 2.4) How are ESG risks and opportunities – including those linked to climate change – understood/taken into account by company

We recognize that understanding material ESG risks and early identification of long-term investment opportunities can lead to lower risk profiles for our investments and can be a source of alpha to our clients. AllianzGI believes that ESG factors such as climate risk may impact the future performance of assets. Furthermore, we are convinced that the ESG investment 'value add' can only be fully capitalized through an active investment management approach. Our ESG approach comprises ESG tail risk analysis and active stewardship.

For more information we refer to AllianzGI ESG Policy Framework and AllianzGI Climate Risk Investment Positioning, which can be found in the *Key Policy documents* section of our website:

<https://www.allianzgi.com/en/our-firm/our-esg-approach>

### 2.5) How many employees are directly involved in the company's sustainable investment activity?

There are in total 41 employees involved: 18 ESG Specialists and 23 SRI Portfolio Managers.

### 2.6) Is the company involved in any RI initiatives?

**The company is involved in the following RI initiatives (next page):**

General Initiatives	Environmental / Climate Initiatives	Social Initiatives	Governance Initiatives
EFAMA RI WG	AIGCC	GIIN	ICGN
EU Technical Expert Group Member	CDP		ACGA
National Asset Manager Association	CFLI		CII
PRI	Climate Action 100+		
SIFs - Sustainable Investment Forums	Climate Bond Initiative		
WBCSD ARA (Aligning Retirement Assets with Sustainability)	Green Bond Principles		
	IIGCC		

## 2.7) What is the total number of SRI assets under the company's management?

AllianzGI is currently one of the SRI leaders in the European market in terms of AUM, with close to EUR 25 billion as at the end of June 2019.

## 3) GENERAL INFORMATION ABOUT THE SRI FUNDS THAT COME UNDER THE SCOPE OF THE CODE

### 3.1) What are the funds aiming to achieve by integrating ESG factors?

SRI investment within Allianz Global Investors targets two objectives:

- a sustainability objective ensuring long-term financial performance for our clients;
- a responsibility objective providing societal and environmental added-value to the broader society.

AllianzGI is confident that investment choices which take into account environmental, social and governance issues provide a fuller appreciation of issuers' intrinsic medium to long-term value, whilst facilitating the detection of opportunities and reducing the inherent risks of investment management based solely on financial criteria. For this reason, extra-financial analysis is as important as fundamental analysis within the investment process.

### 3.2) What internal or external resources are used for ESG evaluations of the issuers who make up the investment universe of the funds?

Allianz Global Investors has dedicated internal resources performing ESG Analysis since 2000. A fundamental role of the team is to share its expertise in the consideration of environmental, social and governance (ESG) factors alongside mainstream company analysis in order to identify risks

and opportunities that, as yet, have not been fully priced by the markets.

The Sustainability Department in Allianz Global Investors is composed of Sustainability specialists across the investment platform (in total 18 dedicated specialists). They are addressing ESG Strategy, Policy & Integration Framework, ESG Research, SRI Research, Engagement, Proxy Voting and Public Policy across all asset classes. The Sustainability Research Team reports to the Global Head of Research and the Chief Sustainability Officer that reports directly to our CEO.

AllianzGI recognizes that clients' interest in sustainable investing stems from different perspectives, which lend themselves to different approaches and investment strategies. Having built expertise across a range of sustainable investment approaches over a long period, AllianzGI continues to remain focused on taking care to categorize these offerings in a way that will help clients identify the appropriate strategy for their needs. At the same time, Sustainable Investing is a rapidly changing and growing field and the industry continues to face a lack of consensus around nomenclature and labelling. Reflecting this, AllianzGI's sustainable investing offerings are also constantly evolving as we observe changing client demands and as we develop and extend our own sustainable investing capabilities internally. As a result, you may notice changes that reflect the evolutionary nature of AllianzGI's Sustainable Investment offerings as the industry changes and clients' needs advance.

Sustainable Responsible Investing (SRI) has a long history at AllianzGI, with the first fund launched in 2000. Our approach is applied across different asset classes (Fixed Income, Equities and Multi Asset) and covers Equities, Bonds and Sovereigns across the globe. At AllianzGI, our SRI Strategies aim to build sustainable portfolios using an assessment of ES&G practices and values in the investment analysis and portfolio construction processes to deliver sustainable financial returns.

The SRI analysts have specialist knowledge on the specific ESG issues that impact businesses. This means they have the detailed knowledge necessary to identify and track key ESG issues impacting the issuers in their sectors. This approach ensures we are not overly reliant on external research providers and sell-side ESG brokers, enabling us to generate independent and differentiated insights into ESG topics ahead of the market.

In addition we also monitor a number of global themes to ensure we understand the "big picture" and can help portfolio managers analyze developments and trends. This approach enhances our ability to steer investee companies towards better practices by sharing successful approaches from outside their industry. It can also be used as an input for our thematic investment strategies. All of these insights feed into our holistic ESG approach, influencing our research, engagement approach and also our positions on industry ESG initiatives.

**The Sustainability Research team offers specialist ESG expertise and support to Allianz Global Investors across the entire spectrum of ESG-related requirements, including:**

- ESG research, both company specific and thematic, for all fundamental and SRI strategies;
- Proprietary SRI Ratings Model for SRI strategies;
- Proxy voting;
- Company and policy-level engagement.

Our SRI analysts and our ESG analysts use data provided by four ESG rating agencies: Sustainalytics, Vigeo Eiris, ISS Ethix and MSCI. The SRI research team has regular contact with these agencies in order to enrich the ESG data provided.

### 3.3) What ESG criteria are taken into account by the fund(s)?

AllianzGI Sustainable and Responsible Investment Funds apply minimum exclusion criteria for United Nations Global Compact violators, controversial weapons or companies that derive more than a certain percentage of their revenues from weapons, companies that derive more than a certain percentage of their revenue from thermal coal extraction and utility companies that generate more than a certain

percentage of their revenues from coal, companies involved in the production of tobacco, and companies involved in the distribution of tobacco in excess of a certain percentage of their revenues as shown below.

#### United Nations Global Compact Principles

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AllianzGI Sustainable and Responsible Investment Funds refrain from investing in securities issued by companies with severe controversies regarding the principles of the United Nations Global Compact. An internal engagement process is applied in case a company owned in our dedicated Sustainable and Responsible Investment Funds should be involved in a severe controversy regarding the UNGC principles. This active engagement may extend over some years. Should this engagement not be able to effect any change, our Sustainable and Responsible Investment Funds will divest from the positions held.

#### Weapons

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AllianzGI Sustainable and Responsible Investment Funds refrain from investing in:

- Securities issued by companies involved in controversial weapons (anti-personnel mines, duster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus and nuclear weapons);
- Securities issued by companies that derive more than 10% of their revenues from the involvement in military equipment and services.

#### Climate Change

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AllianzGI Sustainable and Responsible Investment Funds refrain from investing in:

- Securities issued by companies that derive more than 10% of their revenue from thermal coal extraction;
- Securities issued by utility companies that generate more than 20% of their revenues from coal.

#### Tobacco

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AllianzGI Sustainable and Responsible Investment Funds refrain from investing in:

- Securities issued by companies involved in the production of tobacco;
- Securities issued by companies involved in the distribution of tobacco in excess of 10% of their revenues.

AllianzGI uses ISS-Ethix as the provider for Environmental, Social and Governance (ESG) research data which is used for the above mentioned exclusions.

For more information see our website:  
<https://lu.allianzgi.com/SRI-exclusions>

Corporate issuer analysis and sovereign issuer analysis (to the extent relevant) are undertaken for all funds mentioned in this document.

The analysis covers 5 SRI Domains:

- 1- Human rights:** for AllianzGI SRI Funds Human rights are treated as an exclusion filter. The evaluation of securities is based on the issuer's respect of human rights in its business conduct and their policies to evaluate how a company integrates human rights in their activities and how they react in terms of controversy. For sovereign issuers, the signature of the 8 major International Labour Organization conventions and the Universal Declaration of Human Rights is taken into consideration in combination with an assessment of citizen political rights and civil liberties (including freedom of association) and freedom of the press.
- 2- Environment:** includes an assessment of the company's direct and indirect environmental impact and risks incurred. The analysis of sovereign issuers includes a global appraisal of government environmental policy. Our methodology incorporates the analysis of the sector specific environmental challenges a company faces; the way in which a company undertakes its environmental responsibility; and the development of environmental solutions.
- 3- Social:** includes the issuer's extent of dialogue with employees, workplace health and safety considerations, career management and the relationship with suppliers. General social policy is considered in the assessment of government states with a particular focus on topics such as the healthcare system, education, the role played by women in civil society and infrastructures providing citizens with access to basic needs.
- 4 - Corporate Governance:** includes an analysis of the issuer's willingness and capacity to organize its internal structure to limit dysfunction risks. For corporate issuers, this includes an evaluation of the Management Board or Supervisory Board composition, the transparency of remuneration systems, the existence of independent remuneration, nomination and audit committees, audit and internal controls. For sovereign issuers, includes an evaluation of systems used in the prevention and fight against corruption, the stability of political structures and government capacity to introduce necessary reforms.
- 5 - Business Behaviour:** includes the analysis of the relationships between the issuer and other parties, (client suppliers, local authorities, etc.). For companies, this criterion also includes an evaluation of the impact the products or services have on society and their safety (mainly product safety) as well as the ; respect of market regulations and business practices and ethics (absence

of anticompetitive and corruption practices). This domain is not used for the Sovereign analysis.

In parallel with this quantitative rating, an internal analysis is carried out covering a series of issues considered relevant by the SRI research team in collaboration with the SRI Portfolio Managers. This qualitative analysis may also lead to a rating being modified upwards or downwards by the SRI analyst.

We firmly believe in the separation between Investor and Rater since this could bring up issues of conflict of interest, thus the quantitative SRI analysis is run by our IT Unit who owns this process based upon a methodology set up the SRI research Team which is reviewed constantly. SRI Analysts are the only ones allowed to override ratings. SRI Portfolio Managers interaction with the model is exclusively related to identifying which issuers are part of their universe and exclude issuers based on specific requirements. SRI Portfolio Managers cannot override a rating. Our system allows for the traceability of who makes what changes at what date; thus enables a clear control of the whole process.

For its closed-ended funds (AREF Funds) that invest into Renewable Energies, the Investment Team has incorporated a clearly structured and binding process along the entire lifetime of each fund to ensure that environmental, social and corporate governance (ESG) considerations are integrated in the investment process of each asset and along the duration of each fund.

### 3.4) What principles and criteria linked to climate change are taken into account in the funds?

AllianzGI believes that ESG factors such as climate risk may impact the future performance of assets. Furthermore, we are convinced that the ESG investment 'value add' can only be fully capitalized through an active investment management approach. Our ESG approach comprises ESG risk analysis and active stewardship. For more information we refer to AllianzGI Climate Risk Investment Positioning, which can be found in the Key Policy documents section of our website:

<https://www.allianzgi.com/en/our-firm/our-esg-approach>

AllianzGI's dedicated SRI research team and mainstream analysts monitor and assess the science, regulatory response and business implications of climate change very closely. The SRI research team works alongside fundamental analysts and portfolio managers to ascertain the financial implications for individual stocks. We analyze a number of ways that climate change can be a driver of stock performance.

For example we research:

- How commodity prices such as oil prices may be negatively impacted from uptake of low carbon transportation;
- How the growth of deployment of renewable energy may impact the solar and wind value energy chain as well as utilization rates for traditional thermal power plants;
- How carbon prices, tax credits and subsidy schemes for fossil and renewable energy impact clean technologies and whether or how fast they disrupt incumbent business models.

As part of its proprietary SRI analysis, the AllianzGI research team looks at environmental risks on a corporate issuer level, including possible risks from climate change transition risks. Research views and investment opinions are exchanged and documented on a global proprietary research platform - "Chatter" - which can be accessed by all investment professionals.

### **3.5) What is the ESG analysis and evaluation methodology of the fund manager/fund management company (how is the investment universe built, what rating scale is used etc.)?**

#### **SRI Analysis**

We use a variety of information sources to analyze issuers, including independent extra-financial ratings agency reports, broker reports, dialogue with company representatives, CSR experts and other media sources. All data feeds into a proprietary database which has been calibrated in-house and integrates all data, including results of dialogue with issuers or other stakeholders, controversies analysis, SRI analysis of new issuers and a review of profiles established by extra-financial ratings agencies. Our SRI methodology is reviewed constantly and the database is updated monthly. The underlying combination of more than one source of data, the coherence in the approach across asset classes and sectors and the consistency in the way data is integrated has allowed Allianz Global Investors dedicated SRI strategies generate performance and adapt over time. The main ESG Data Providers that supply us with raw ESG Data are Vigeo-Eiris and Sustainalytics. We supplement these with ISS Ethix

and MSCI data. These sources are reviewed and updated and we will incorporate new sources if this is deemed necessary.

Our quantitative SRI analysis is in the form of our proprietary SRI ratings. These are on a scale of 0 to 4, with 4 being the 'best in class' rating and 0 being the 'worst in class' rating. Our SRI ratings cover a global universe comprised of equities, corporate bonds, sovereigns, agency and supra-national bonds. These SRI ratings are built based upon our proprietary model. The model identifies and weights ESG indicators for each sector, recognizing that ESG issues and their materiality will differ from sector to sector. Our proprietary model allows us to create specific coverage giving us the flexibility to meet our customer needs.

In detail our proprietary model allocates each issuer a rating of 0 to 4 in four domains: Corporate Governance, Environment, Social Development and Business Behaviour. We also analyse Human Rights as a fifth distinct domain, applying this as an ex-ante filter. As an ex-ante filter, the respect of human rights is taken into consideration as the first step in the investment process whilst a sector specific weighted average SRI rating using the other 4 domains is considered in the second step. The weight of these 4 domains in the average SRI Ratings is sector specific. The average rating and the human rights filter determine whether it is possible or not to invest in the issuer. This selection principle is then reinforced by a "worst practice" exclusion rule.

### **3.6) How often is the ESG evaluation of the issuers reviewed? How are any controversies managed?**

SRI ratings are reviewed monthly. There is also an annual review of the methodology. If a security or an issuer is subject to a severe SRI controversy, the SRI research team studies the issues, enters into discussion with the parties concerned and draws a conclusion. If the judgment by the SRI Research Team is negative, the fund manager will liquidate the position within a reasonable timeframe allowing for market liquidity. This is especially important for fixed income where there might be an absence of market liquidity. The portfolio manager will endeavour to sell this position as soon as market liquidity allows it to be sold.

## 4) INVESTMENT PROCESS

### 4.1) How are the results of the ESG research integrated into portfolio construction?

The financial and extra-financial aspects are completely combined in our valuation process. ESG analysis and evaluation are included in our evaluation methodology in the same way as traditional financial analysis, aiming to construct a portfolio with an optimum ESG quality/financial quality profile. An issuer will therefore be included in the portfolio if, and only if, the ESG profile and financial appraisal are both positive.

#### Allianz Valeurs Durables & Allianz Europe Equity SRI

There is full integration of the financial and ESG analysis of the companies in our investment decision-making process. Thus, our ESG evaluation is incorporated in our company's fundamental evaluation in the same way as traditional financial criteria, with the aim to construct a portfolio with an optimal ESG and financial profile.

For our SRI analysis, we rely on external research provided by several extra-financial rating agencies, with whom we have established long-term partnership. Nonetheless, far

beyond data processing from external research providers, our SRI Research team conducts complementary, in-depth, qualitative analysis on the ESG profiles of the companies. For more information on the ESG analysis process please see our answer to question 3.5).

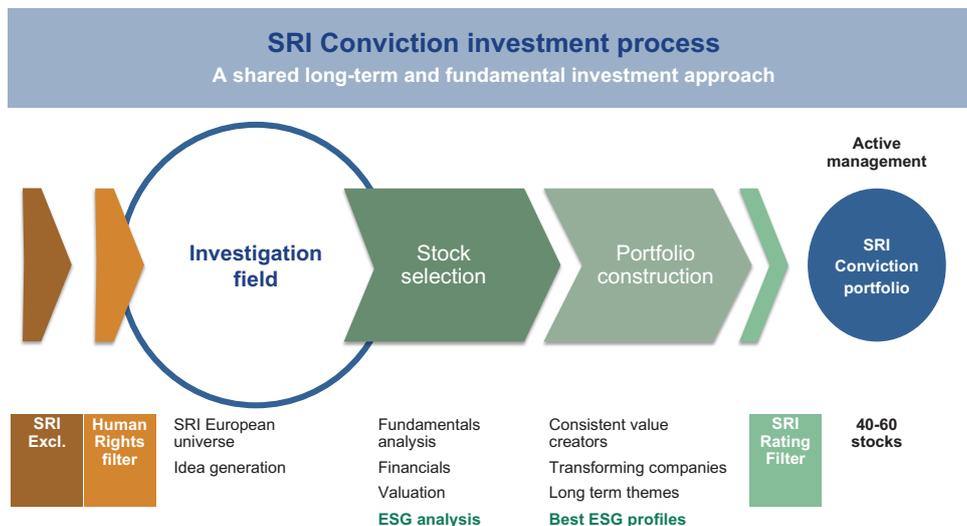
In addition to our SRI analysis, our selection of stocks is based on an in-depth analysis of each company from a financial perspective.

This analysis includes:

- Fundamentals (analysis of the business model and strategy, growth dynamics, market positioning, intangibles, restructuring case when applicable);
- Financial analysis (analysis of economic returns, financial risks);
- Valuation (fair value assessment using various valuation methodologies and taking into account long term risks).

All equities held by Allianz Valeurs Durables & Allianz Europe Equity SRI must be eligible according to our SRI methodology (i.e., rating equal or above 2 on a scale of 0 to 4) and our financial assessment must be positive.

The process is illustrated in the chart below.



Source: Allianz Global Investors, for illustrative purposes only.

## Allianz Europe Equity Climate Transition

The Europe Equity Climate Transition strategy was built upon our SRI Conviction investment process. Therefore, this process (notably, the financial and extra financial assessment described above) fully applies. In addition, the fund applies a specific impact evaluation which looks into the risks and the opportunities associated with the climate transition. From a climate perspective, our approach seeks to control the portfolio's exposure to carbon risk by monitoring the portfolio carbon footprint over time, without any a priori sector exclusion. The fund's investment strategy is based on the active and positive selection of stocks, which offer solutions to climate change and are part of the transition towards a low-carbon economy.

While not applying a priori sector exclusion, we do exclude worst practices on the basis of the following:

- Absence of greenhouse gas reduction targets despite undeniable risks in specific sectors;
- Serious environmental controversies;
- Very high-risk practices (e.g., Arctic drilling, deforestation).

After this first filter, our stock selection is based on a three-dimensional assessment:

**1- Performance dimension** ("Best Performers"): the "climate performance" of the issuer is assessed using industry-specific indicators (carbon intensity per GWh for utilities, vehicle emissions in gCO<sub>2</sub> / km for the automobile industry, etc.) or failing that, carbon intensity. Based on these indicators, we select the best performing companies of their sector.

**2- Progress dimension** ("Best Efforts"): progress is identified through the measuring of "climate performance" over time (calculation of the three-year change in sector-specific indicators or carbon intensity) and several quantitative and qualitative improvement indicators:

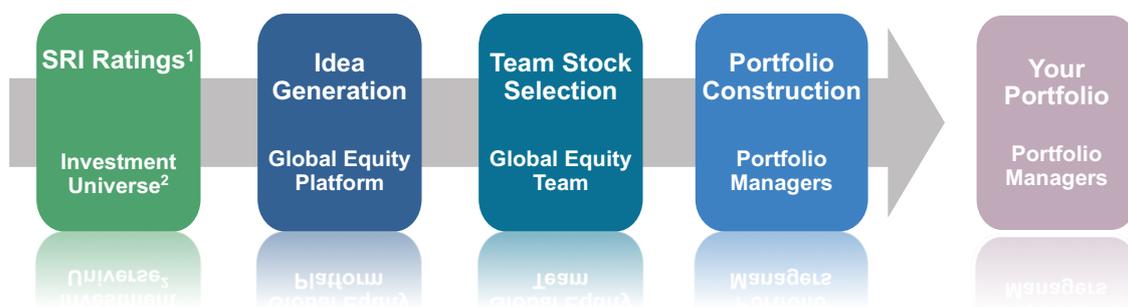
- Reduction of greenhouse gas emissions proven over time;
- Clear and ambitious objectives;
- Executive compensation linked to the achievement of certain environmental objectives.

Based on these indicators, we select the companies which make the most efforts to reduce GHG emissions in their sector.

**3- Solutions dimension** ("Best Solutions"): the product solutions add value to companies from all sectors of activity, offering so-called "green" products and services such as energy efficiency gains, an energy mix that favors renewable energies, energy storage solutions, metal recycling solutions, waste collection and treatment solutions, and investments in so-called "green" Research and Development. We select companies representing "solutions" to the climate change challenges outside of their own sector.

## Allianz Global Sustainability

The Allianz Global Sustainability strategy invests in a diversified mix of companies on the global stock market that generate long-term outperformance and a positive, measurable impact on society. The investment process is a collaborative effort, consisting of five stages: SRI Ratings; Creating an Investable Universe; Idea Generation, Team Stock Selection and Portfolio Construction.



1- Proprietary SRI Ratings.

2- Global listed companies with a market cap over \$1bn USD and a \$10mn average daily turnover.

### Step 1: SRI Ratings

Global Sustainability portfolios are built from stocks that have achieved a sufficiently high SRI rating. Avoiding reputational risk in the portfolio is also a key component of the strategy's investment objective. As such, we start by applying the Allianz Global Investors SRI exclusion policy and we also exclude from our investment universe companies whose main source of revenue comes from the following industries: alcohol, pornography and gambling. The rest of the screening process is dependent on the Global SRI team's proprietary SRI ratings model.

In order for a stock to be included in the portfolio, it must have an SRI Rating categorised as either 'Average' or 'Best in Class'. No stocks rated 'Worst in Class' can be included within the portfolio. Moreover, 75% of the portfolio must consist of stocks backed by a best-in-class SRI rating. The fund has scope to invest up to 25% of the portfolio in stocks that demonstrate average, but improving ESG characteristics.

### Step 2: Creating an Investable Universe

For liquidity reasons, the strategy only considers listed companies with a market capitalization (free-float) of at least USD 1 billion. In addition, local market practices must be taken into account and daily traded volume considered. This narrows down the investable universe to c. 4,000 stocks.

### Step 3: Idea Generation

The Global Equity team then uses all of Allianz Global Investors' research capabilities to identify those companies which may fulfil our Quality, Growth and Valuation investment philosophy criteria. This includes our platform of dedicated global sector-based career analysts, regional portfolio management teams, SRI and ESG Research, and Grassroots® Research, our proprietary market research division.

Idea generation is facilitated by Allianz Global Investors' Global Collaboration system, an online resource which enables interactive communication across the firm. Regular company engagement is also a core element of the Idea Generation process, with the firm's equity platform meeting over 1,000 businesses a year.

In addition, the Global Equity team has a weekly meeting. A central component of this meeting is an assessment of all the stocks ranked positively by the global research platform, using quantitative and technical screens. This list of

c.450 positively ranked stocks comprises the foundation of all global equity portfolios, with approximately 250 to 300 of these stocks being eligible for inclusion within our Global Sustainability portfolio. These names are constantly being examined and refined.

Additional inputs are cross-checked with the global sector, domestic and regional investment teams to assess where these teams have conviction within their portfolios. In this way the global equity teams source the best investment ideas that Allianz Global Investors' global investment platform can offer.

### Step 4: Team Stock Selection

Once a working universe of stocks has been established through the full and rigorous fundamental analysis of our research platform, the Global Equity team goes through its own process of stock selection.

This begins with the formation of an investment case, examining whether stocks meet the team's quality, growth and valuation criteria. Investment cases are presented at the Global Equity team's weekly meeting by a stock sponsor. Having a sponsor for each stock is an excellent tool for keeping the discipline of the investment process and philosophy. Once presented, an investment case is put to the Global Equity team for an anonymous vote. The stock sponsor's vote is not included in order to avoid bias. Stocks which have been selected are then free to be included in all Global Equity portfolios, subject to any respective guidelines.

Both sector and SRI analysts are regularly invited to attend these global equity portfolio construction meetings. They can provide additional information relating to financial and SRI ratings, ensuring a timely and efficient dialogue on any points of discussion.

At each weekly meeting, the Global Equity team also reviews the structure and performance of its existing portfolios, focusing on approved stocks and possible additions or replacements. Discussion centres on the most recent periods of performance, highlighting those stocks which have added value but also any negative contributors and the reasons behind this. This provides the Global Equity team with a means of measuring stock selection success.

### Step 5: Portfolio Construction

Paul Schofield and Jeremy Kent, the lead and deputy portfolio managers respectively, construct Global Sustainability portfolios at a separate monthly meeting. Lead portfolio manager, Paul Schofield, has ultimate decision-making responsibility.

The strategy invests primarily (up to 75% of portfolios) in companies that are considered 'Best in Class' according to Allianz Global Investors' proprietary SRI ratings. It can also invest up to 25% of the portfolio in 'Average' rated stocks that have demonstrated a commitment to improving ESG performance. This flexibility incentivises the portfolio managers to engage with investee company managements in order to press for continued ESG improvements. We believe that superior ESG performance will ultimately translate into share price appreciation. As a result, this mechanism is an important source of alpha for the strategy, as well as positive, societal impact. The strategy cannot hold any worst-in-class rated names.

As per the investment philosophy, position sizes are decided according to the portfolio manager's level of conviction in a stock's future financial and ESG performance. In addition to the Global Equity team's longer-term written investment case, high conviction stocks will have a superior SRI rating and fundamental analyst vote. The ideal stock is one which carries a financial analyst's vote of 5, together with an SRI ranking of Best in Class. This may be further supported by recent Grassroots Research which substantiates our longer-term investment case, as well as clear positive momentum in terms of the company's ESG performance.

Typically, a high conviction stock will have an active position size of between 200-300 basis points. If a stock goes beyond a 300 basis point position, it will be trimmed in order to mitigate any downside risk. Stocks with an active position of 100 basis points are typically lower conviction investments.

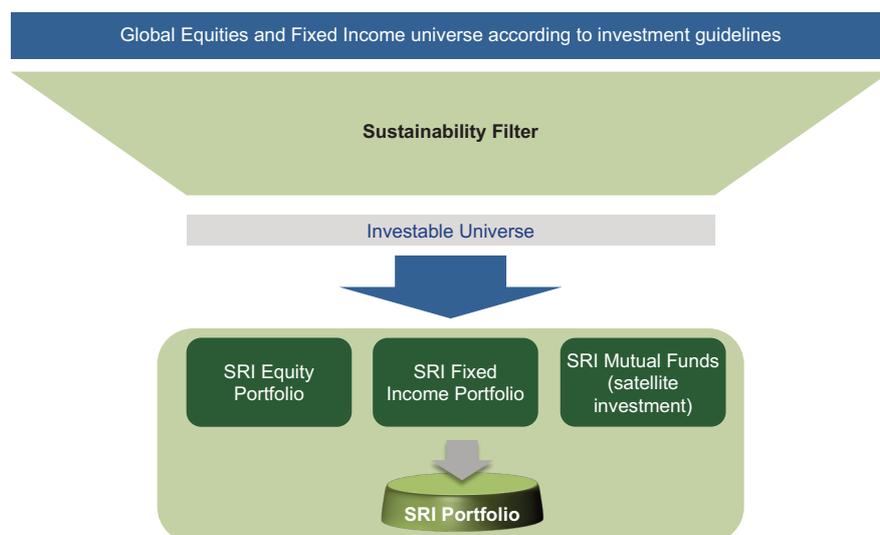
These will either be recent, new additions to the fund or alternatively, positions due to be exited that are sources of cash for new ideas.

Each stock that is added or removed from the portfolio is considered for its marginal contribution to risk at the aggregate portfolio level which further controls the risk profile of the strategy. The portfolio managers do not make any active sector, country or market capitalization allocation decisions. Factor risk is monitored and minimized so that stock-specific risk is the largest driver of returns. The primary risk model used to gauge the effect of new position on the factors driving the portfolio's ex-ante tracking error is APT. Given that our SRI ratings are sector-relative, we are not forced to be structurally underweight certain sectors in order to maintain the ESG integrity of the portfolio.

### Allianz Stiftungsfonds Nachhaltigkeit

The Fund builds upon the Dynamic Multi Asset Plus SRI strategy (DMAP®). This aims to deliver a superior risk adjusted return compared to its benchmark over a market cycle. Our active asset allocation approach seeks to invest in the best performing asset classes over time. We strive to further enhance returns through the use of active security selection within the SRI framework. Here we can leverage the full expertise of Allianz Global Investors portfolio management teams. Investors, with more than 500 investment professionals, located across the world in centers of expertise, including SRI and ESG Research.

For the Equity and Fixed Income selection part, which are done in-house, both Best-in-Class methodology, Human Rights filter and Allianz Global Investors SRI exclusion policy are applied. In case of satellite investments (not done in-house), we make sure that the applied ESG criteria are in line with the above.



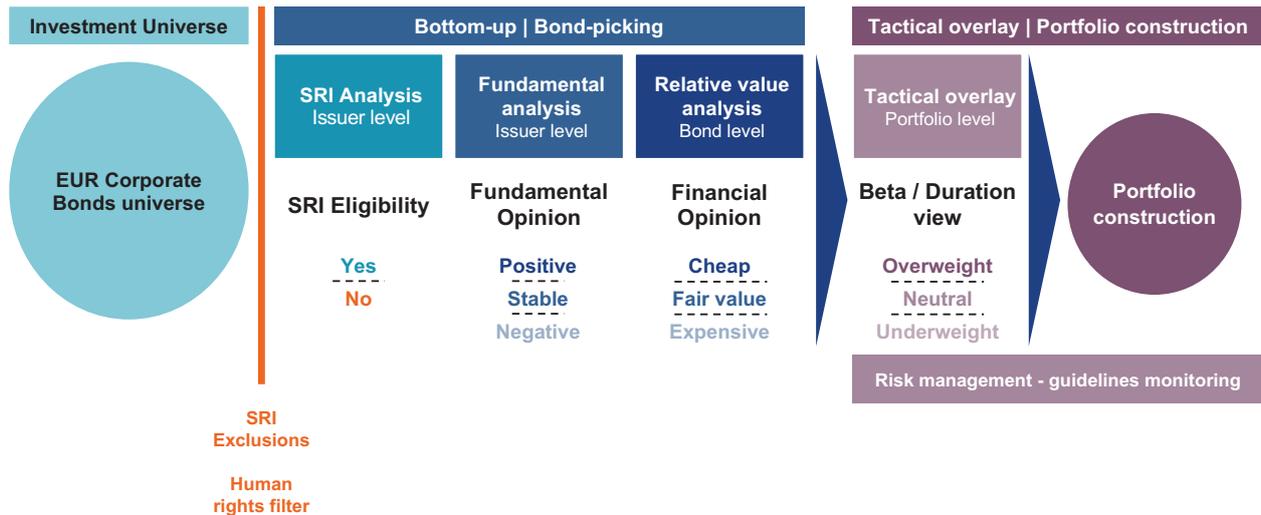
Source: Allianz Global Investors, for illustrative purposes only.

## Allianz Europe Credit SRI

The Allianz Euro Credit SRI investment philosophy is based on a long-term conviction process relying on two pillars: extra-financial and financial fundamental analysis. Extra-financial environmental, social and governance criteria, and the respect of human rights provide a more exhaustive evaluation of issuers' long term risk. For this reason, extra-financial analysis is as important as fundamental analysis within the investment process.

Allianz Global Investors combines a "best-in-class" / "best-effort" approach for its SRI funds which promotes, in any given sector, the application and improvement of good ESG and human rights practice.

The reference benchmark of Allianz Euro Credit SRI is the Bloomberg Barclays Capital Euro Corporate (Bloomberg: LECPTREU Index). Our investment process for Allianz Euro Credit SRI is based on the two dynamics (bond-picking and tactical overlay) as illustrated in the chart below.



Source: Allianz Global Investors, for illustrative purposes only.

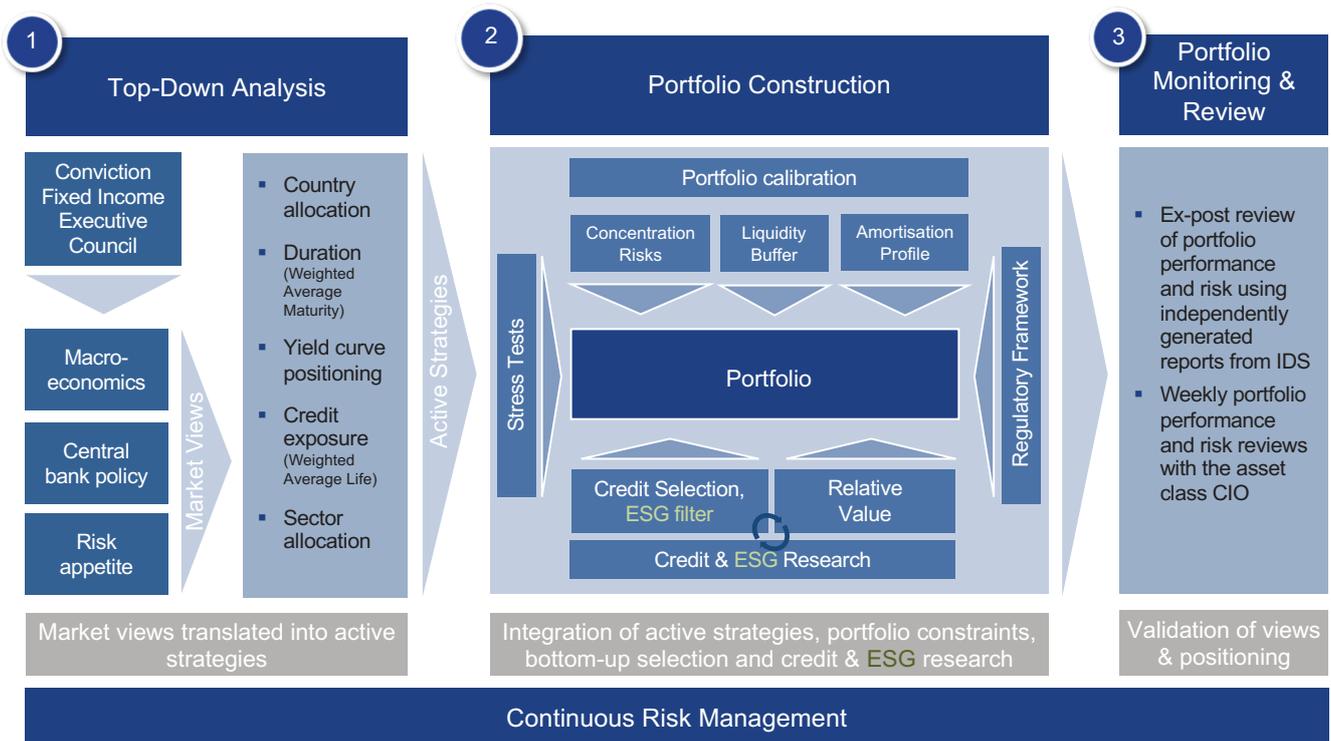
This investment process featured in the chart above consists on achieving key steps:

- **Allianz Global Investors SRI exclusion policy** and Human Rights filter to assess companies' robustness of HR violation prevention and involvement in allegations and controversies;
- **SRI analysis**, then uses both internal & external analysis to set up an internal SRI rating;
- **Fundamental analysis** which is based on quantitative analysis, financial modelling, ESG integration and research outputs;
- **Valuation** helps evaluate the attractiveness while taking into account the technical factors as well;
- **Tactical overlay** relies on a continuous assessment of fundamentals, technicals and market valuation to be reactive regarding relevant news flow;
- **Average SRI** portfolio rating must exceed SRI benchmark rating;

- **At least 90%** of portfolio assets must receive an internal SRI rating  $\geq$  sector average;
- **Maximum 10%** of assets could have an SRI rating  $\leq$  average or no rating.

## Allianz Securicash SRI & Allianz Euro Oblig Court Terme ISR

Our stock-picking strategy is based on the dual focus of financial and "Social Responsibility" criteria. The non-financial analysis of securities, based on attention to environmental, human, sustainable development issues, and societal relations, allows us to assess the value of a security differently, by identifying risks and potential value destructions associated with a given issuer, which cannot be revealed by financial analysis alone.



Source: Allianz Global Investors, for illustrative purposes only.

The investment process starts with top down analysis to anticipate money market trends and rate changes based on regular studies of the macroeconomic environment, on forecasts of central bank policies and the assessment of risk appetite in the market. In the second step, the portfolio is constructed integrating the active strategies derived from the top-down analysis with portfolio constraints and the bottom-up selection supported by our credit and ESG research teams.

The interaction between financial criteria and ESG criteria is a permanent aspect in our bottom-up selection process. The overall SRI rating is calculated for each company within the investment universe, and these ratings are then used to populate a proprietary database. This SRI ratings database reflects our critical evaluation of companies' ESG positioning and helps in selecting stocks that may be considered for inclusion in the portfolio.

- At least 90% of portfolio assets must receive an internal SRI rating  $\geq$  average;
- 10% of assets could have an ESG rating  $\leq$  average;
- Excluded issuers (violating the Human Rights criteria, and issuers addressed by the Allianz Global Investors SRI exclusion policy) are not allowed in the portfolio.

## Allianz Green Bond

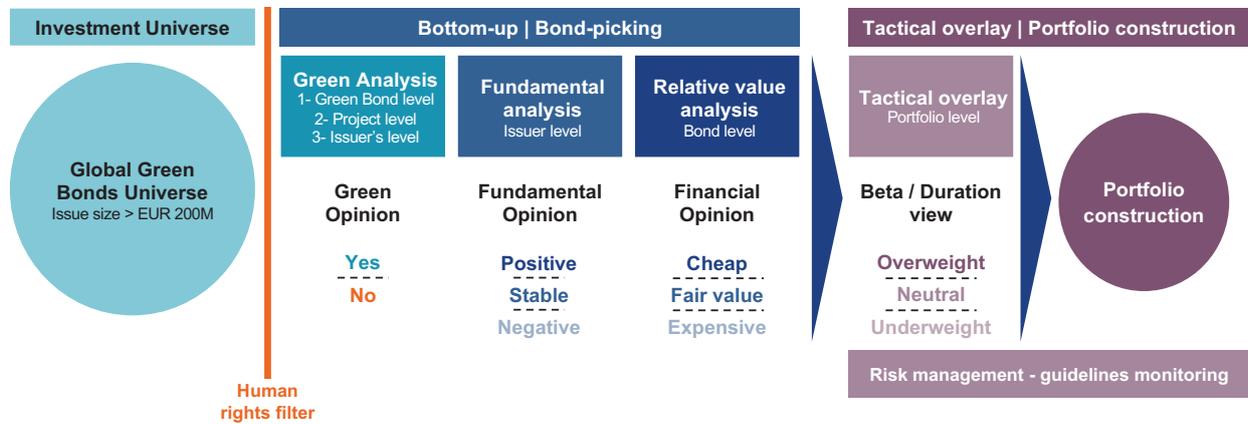
The philosophy of the Allianz Green Bond strategy is to mobilize capital markets towards the transition to a low carbon society, natural capital preservation and adaptation to climate change.

Allianz Green Bond invests in Global Green bonds. The research used for the management of the strategy comes from several sources and includes fundamental researches on Credit, Supranationals, Govies, Agencies and ESG.

Even if we do proceed to an evaluation of the ESG profile of an issuer, we do not strictly require a minimum SRI rating but make sure that the issuer has not been flagged regarding Human Rights and that he does not face any major controversy in the E, S and G areas.

Thus, the eligibility of an issuer is not determined by its ESG rating but by the absence of any alert on its overall profile. First, this investment rule enables the fund to avoid issuers under controversy on specific topics. Then, it allows the fund to keep in its investment universe issuers with an ESG profile which may not be best-in-class but which have a strong improvement potential and are willing to leverage on it. The aim of this approach is to be able to finance companies which have not already proceeded to their energy transition.

The reference benchmark of Allianz Green Bond Strategy is the ICE BofA Merrill Lynch Green Bond Index Hedged in EUR (Bloomberg: GREN Index). Our investment process for Allianz Green Bond is based on the dynamics illustrated on the chart below:



Source : Allianz Global Investors, uniquement à titre indicatif.

## AREF Fund Family

The AREF Funds managed by the Infrastructure Equity Team invest in renewable energy infrastructure assets based on the philosophy that adherence to the highest ESG standards is a pre-condition for long-term financial success. Consideration prior to investment: The Investment Team created a tailored checklist based on the United Nations Sustainable Development Goals (SDGs). The SDGs checklist indicates whether the investment has a positive, neutral or negative impact on each of the relevant SDGs. The checklist will be used to assess all investments as part of the Due Diligence process. The result will be included in the respective investment memorandum of each associated investment opportunity. In case of a negative contribution, the Investment Committee of each fund will discuss what measures can be taken in order to mitigate such negative effect. In case an ESG risk is assessed as too high, an investment can be stopped.

## Allianz Emerging Markets SRI Bond

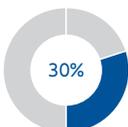
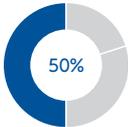
The strategy uses our proprietary EM sovereign SRI framework, covering around 85 investable EM countries, to help quantify ESG risks in addition to the financial risks assessed for each issuer. In total, 18 indicators have been selected

from various public, independent and non-commercial third-party sources (international organisations, non-governmental organisations, academia etc) as the SRI framework's inputs. We deliberately aimed to keep the number of indicators relatively low, in order to make the framework usable. It also makes it easier to identify areas of weakness on which to engage with sovereigns.

For each one of our 18 indicators, Z-scores are calculated, which indicate where each country stands compared to the average on that dimension. The Z-scores are then averaged for each of the three pillars, providing a score for each pillar.

Finally, the overall SRI score is computed as a weighted average of each pillar's score. The environmental pillar is given a weight of 20%, the social pillar 30% and governance 50%. We believe that governance factors have the greatest potential impact on a country's ability to implement robust environmental standards and achieve favourable social outcomes.

Lastly, our SRI scores are normalised on a scale from 0 to 10, with the worst performing country receiving a score of 0 and the best one receiving a score of 10. This makes it easy to interpret scores, while keeping the distance between countries' scores as another informative output.

Pillar	Indicator	Source
 Environmental	Environmental Performance index	Yale University and Columbia University
	Air Quality (PM2.5 exposure)	World Development indicators (WDI), World Bank
	Natural Resources Depletion (% GNI)	WDI
	Water Stress Index	World Resources Institute
 Social	GINI coefficient	WDI
	Gender Inequality Index	International Monetary Fund
	Infant Mortality Rate	United Nations (UN)
	Life Expectancy	WDI
	Homicide Rate (per 100'000)	UN Office on Drugs and Crime
	Mobile cellular subscriptions (per 100 people)	WDI
	Youth Literacy Rate	UNESCO
 Governance	WGI (Govt effectiveness, Reg quality, Rule of law)	World Bank
	Strength of Legal Rights	World Bank - Doing Business project
	Corruption Perception Index	Transparency International
	Open Budget Index	International Budget Partnership
	State Fragility Index	The Fund for Peace
	Press Freedom	Reporters without borders
	Freedom House Index	Freedom House

### Integration of ESG in EMD investment process

The SRI framework plays an important and integrated part in the investment process for EM debt as it can help account for differences in sovereign creditworthiness. Deterioration in a country's SRI score can be expected to be accompanied by wider credit spreads on its bonds, a result that has been confirmed by empirical research papers. The close link between ESG factors and credit spreads is also visible in the significant correlation between the two metrics. The correlation is stronger for the governance and social pillars than it is for the environment pillar, likely a reflection of the fact that environmental issues are even longer term factors than governance and social ones. Of course the relation is far from perfect, so that deviations of credit spreads from those implied by a simple bivariate regression model based on the ESG score can be used as an indication of possible richness or cheapness of sovereign credits on an ESG basis.

Due to the limitations of ESG data which are often lagged and slow moving, we find it necessary to complement the analysis with an assessment of whether a country is on an improving or deteriorating ESG trend. This is done as part of our regular internal research process. Complementing the hard data with a more qualitative and forward-looking ESG direction-of-travel assessment allows us to reflect more recent changes in governments or corruption scandals that might potentially influence institutional quality. For example,

Poland's overhaul of its judiciary system, increasing government's influence over the media and broader weakening of the rule of law has not yet been fully reflected in the country's still high ESG score.

Combining the quantitative and the qualitative outputs of the framework generates interesting signals. In particular, countries that flag as cheap on the regression model and are on a positive direction of travel should be of interest as it suggests that ESG factors might not be fully priced in.

### SRI process from the SRI framework

Our SRI framework is used to build an exclusion list for our dedicated SRI strategies such Allianz Emerging Markets SRI Bond.

Our exclusionary criteria focuses on removing countries scoring in the bottom 10 percentiles on each of the three E, S & G pillars.

We believe this approach insulates portfolios from the worst offenders on each ESG dimension, making sure that a country performing particularly badly on any single pillar is still picked up by the filter even if it performs better on the other two pillars. For instance, it ensures that Venezuela is excluded due to significant deficiencies on the governance front, even if it scores above average on the environment pillar.

## Allianz Emerging Markets SRI Corporate Bond

The strategy makes use of our proprietary EM sovereign SRI framework filter to screen out countries scoring in the bottom 10 percentiles on each of the three E, S & G pillars within the assessment.

In addition, the investment universe is also filtered using the firm's full SRI investment process, removing controversial sectors and issuers, such as those violating human rights flags. Thereafter ESG risk assessment is naturally integrated into the credit research process of the Global Fixed Income team when selecting securities.

ESG factors have always been a consideration in the Global Fixed Income team's process. Poor governance and environmental or social practices can often lead to otherwise unexpected costs, such as fines, clean-up programs or criminal liability. Any of these could impact on the ability of the corporate to service or repay their bonds.

When conducting research we take the view that a responsible approach to environmental, social, and ethical matters on the part of bond issuers will tend to be associated with healthier and more sustainable returns. Additionally, whilst corporate governance models vary by entity, jurisdiction and convention, we believe that open and transparent governance is conducive to effective accountability to stakeholders.

For corporate issuers we consider ESG risk within the qualitative analysis of an issuer's long-term business model. Companies with weaknesses in this area will receive lower scores from our Credit Research team and be less likely to be held in client portfolios.

SRI research is conducted as part of the overall research process. It is fully integrated into the working methodology of the Global Credit Research team. All analysts have received training, and continue to receive periodic updates, on ESG analysis and it is a topic covered in any management meetings undertaken.

In the corporate bond market, management errors are the primary reason for default, not financial ratios. Analysts conduct a large number of client meetings/visits and meet the management of every issuer that we own. If the analyst is happy with the management team and its business and financial strategy, the next step is a full financial and non-financial analysis, including consideration of ESG risk factors. Non-financial analysis will look at industry trends, the positioning of the business within the industry and its competitive positioning, governance quality and the potential environmental and social risks that may pose a threat to the business model. Where applicable there will be a full assessment of

any restructuring plan. The non-financial analysis will be used for inputs into a financial model that will look at the company's cash flow, liquidity, refinancing risk, margin trends and capital structure. After this stage, if the business model appears to make sense, the analyst will review any covenants and capital structure to help quantify downside risk. The final stage is to assess the relative value of this company and its securities versus a peer group. This will lead to a recommendation to the Portfolio Managers.

Our analysts assess each company's credit fundamentals to produce an Issuer Profile and Financial Model. For asset-backed securities, a thorough examination of the security's collateral is undertaken. For high yield issues, we analyse the covenant package in detail and have developed an in-house scoring tool to provide a quick summary of any limitations on the company or potential adverse impacts. All these considerations are then combined with the market technicals and valuations to arrive at the sector and issuer selections.

Each researched company is analysed and ranked on two factors:

- **Fundamental:** 1-3 score, with 1 improving, 2 stable, 3 deteriorating. This assessment will include the following factors: ratings stability; event risk; financial policy.
- **Valuation:** 1-3 score, with 1 cheap, 2 fair value, 3 rich.

This assessment will include the following factors: spread relative to sector; rating; duration (Option Adjusted Spread/Option Adjusted Duration allows for common spread per duration metric); recent and year to date spread and excess return performance.

The rationale for splitting the recommendation into the two different constituents is to indicate the driver for the conviction of a recommendation. It is also very useful to identify names we fundamentally like but where valuations may be rich. Such issuers could be useful for safe haven positioning. Our recommendation is a balance of the above factors and is based on our expectation for that issuer to outperform its sector over the next three months on an excess return basis.

In addition to the qualitative research described here, we use a number of models to filter the research universe and flag issuers and issues we believe to exhibit signs indicating a greater likelihood of future problems (the Credit Watch Model, High Yield Credit Filter and Covenant Scoring Tool for example).

Overall the credit selection process integrates both financial and non-financial considerations in the forming of our issuer views.

## Allianz Vermögenskonzept SRI fund family (Dynamisch / Ausgewogen / Defensiv)

ESG factors are the three key factors used to measure impact of an issuer's investment in securities – environmental, social and governance factors. Environmental factors include, among others, issues such as climate change, pollution, water management, waste management, biodiversity and energy efficiency. Social factors include, among others, issues such as human rights, industrial relations, health and safety, community relationships, human capital management, and data protection and security. Governance factors include, among others, issues such as the Board of Management structure, executive remuneration, accountability of the Board of Management, shareholders' rights, bribery and corruption, and diversity.

SRI research refers to the overall process of identifying potential risks and opportunities of an issuer's investment in securities in connection with ESG factors. An internal SRI rating is given based on the analysis of the ESG factors.

### Risk Regarding the Application of the SRI Strategy

Subfunds that pursue the SRI strategy apply minimum exclusion criteria (SRI strategy) and/or certain (internal/external) ESG rating assessments, which may influence the investment performance of a subfund, as the implementation of the SRI strategy may mean that opportunities to purchase certain securities that may otherwise be advantageous are missed or that securities are sold on the basis of their characteristics although this may be disadvantageous. Subfunds that apply the SRI strategy may use one or more different third-party providers of ESG research data and/or internal analyses and there may be differences in the way in which different subfunds apply certain criteria (used in the SRI strategy). When assessing the admissibility of an issuer on the basis of ESG research, this is dependent on information and data provided by external providers of ESG research data and on internal analyses, which may be incomplete, incorrect or not available. As a result, there is a risk that a security or issuer will be incorrectly assessed. There is also a risk that the fund manager of a subfund may not correctly apply the relevant criteria resulting from ESG research or that a subfund that pursues the SRI strategy may have indirect exposure to issuers who do not meet the relevant criteria (used in the SRI strategy). Neither the Company nor the Management Company nor the fund manager of a subfund shall make any express or implicit assurances or guarantees regarding the appropriateness,

correctness, accuracy, proportionality or completeness of any assessment of ESG research and the correct implementation of the SRI strategy.

SRI research refers to the overall process of identifying potential risks and opportunities of an issuer's investment in securities in connection with ESG factors. SRI research data combine external ESG research data with internal analyses. An internal rating (SRI rating) is given to a company or government issuer based on an aggregation of the results of the external and/or internal analyses of the ESG factors.

SRI strategy -this refers to the investment strategy of a subfund that complies with the principles of "sustainable and responsible investment", which are the two key factors that aim to address the sustainability risk and the return of an issuer's investment in securities. The term "sustainable" includes, among others, issues such as resource management, climate risks and shortages of natural resources (environmental factors), distribution of wealth, health care and social affairs, labour rights and gender equality, degree of democracy (social factors), government effectiveness, fiscal transparency, company independence and degree of corruption (governance factors). The term "responsible" encompasses, but is not limited to, management, commitment and active ownership. ESG factors and the two key SRI factors (including the above sub-categories) are defined in a specific relationship with one another by the investment manager of a subfund and define the investment universe of a subfund that may be used as part of the implementation of the SRI strategy. The SRI strategy may also be based on SRI ratings to apply negative or positive valuations to the investment universe of a subfund. Furthermore, minimum exclusion criteria are applied for violations of the United Nations Global Compact (sale of companies that do not wish to change after active commitment), controversial arms or companies that generate more than a certain percentage of their revenue from arms, companies that generate more than a certain percentage of their revenue from thermal coal mining and utility companies that generate more than a certain percentage of their revenues from coal, companies involved in tobacco production and companies involved in the distribution of tobacco that exceed a certain percentage of their revenue. The current exclusion criteria may be updated from time to time and can be found on the website at: <https://lu.allianzgi.com/SRI-exclusions>.

Various external ESG data and research providers are used to apply this exclusion.

## AVIP Multi Tempéré ISR

The Fund is a fund of fund managed by the MultiGestion MA Team and invests in funds which comply with the French Label (see below the list of funds including the link to their Transparency Code commitment).

This leads to a limited list of target funds which must respect a series of criteria divided into six themes defined by French decree in order to obtain the SRI label. To ensure that this is the case, the certification organization audits the candidate fund. The decision to award the SRI label is taken independently by the certification body on the basis of the audit report. The selected funds are the registered on an official list of the Ministry of Finance.

The MultiGestion process is the same as for the other funds of the team with however the restriction of this Label ISR list.

The investment process starts with a quantitative analysis for idea generation. The vast universe of the 40,000 funds

is filtered into about 90 groups of assets on a monthly frequency, with a behavioural approach that generates lists of investment ideas. The funds that have received the attention of fund analysts will be included in a long list, and an extensive qualitative analysis will be applied to certain funds on this list.

The fund selection committee meets monthly to decide the funds in the investment universe. The target fund universe is usually represented by around 120 funds.

The allocation is based on a predominantly quantitative approach to market cycles and a fundamental approach (FMAIC).

From this selection list restricted to the Label ISR criterion and allocation inputs for certain types of assets (equity funds, bond funds, money market funds, etc.), the manager in charge of the Allianz Mutli Tempéré ISR fund builds the portfolio. A monitoring of allocations and risks is then applied throughout the life of the fund.

ISIN	Fund name	Transparency code
FR0010914572	Allianz Euro Oblig Court Terme ISR I	<a href="https://www.allianzgi.com/en/our-firm/esg/documents#keypolicydocumentsandreports">https://www.allianzgi.com/en/our-firm/esg/documents#keypolicydocumentsandreports</a>
FR0010017731	Allianz Securicash SRI	<a href="https://www.allianzgi.com/en/our-firm/esg/documents#keypolicydocumentsandreports">https://www.allianzgi.com/en/our-firm/esg/documents#keypolicydocumentsandreports</a>
FR0010339481	Allianz Valeurs Durables I	<a href="https://www.allianzgi.com/en/our-firm/esg/documents#keypolicydocumentsandreports">https://www.allianzgi.com/en/our-firm/esg/documents#keypolicydocumentsandreports</a>
LU1956164260	BNP Paribas Us Multi-Factor Equity	<a href="https://docfinder.bnpparibas-am.com/api/files/0e88851a-b346-4e6c-8011-62f0c87f290f/512">https://docfinder.bnpparibas-am.com/api/files/0e88851a-b346-4e6c-8011-62f0c87f290f/512</a>
FR0010863688	Echiquier Positive Impact	<a href="https://www.frenchsif.org/isr-esg/wp-content/uploads/2019-04_Transparency-Code-AFG-FIR_EN.pdf">https://www.frenchsif.org/isr-esg/wp-content/uploads/2019-04_Transparency-Code-AFG-FIR_EN.pdf</a>
FR0010702167	Groupama Credit Euro ISR	<a href="https://www.groupama-am.com/wp-content/uploads/Adh%C3%A9sion-au-Code-de-Transparence-AFG2018pro.pdf">https://www.groupama-am.com/wp-content/uploads/Adh%C3%A9sion-au-Code-de-Transparence-AFG2018pro.pdf</a>
LU0914732671	Mirova Europe Environmental Equity	<a href="https://www.frenchsif.org/isr-esg/wp-content/uploads/Mirova_CodeTransparence-2017_ACTIONS_VF.pdf">https://www.frenchsif.org/isr-esg/wp-content/uploads/Mirova_CodeTransparence-2017_ACTIONS_VF.pdf</a>
LU1472740502	Mirova Global Green Bond	<a href="https://www.frenchsif.org/isr-esg/wp-content/uploads/Mirova_CodeTransparence-2017_TAUX_VF-2.pdf">https://www.frenchsif.org/isr-esg/wp-content/uploads/Mirova_CodeTransparence-2017_TAUX_VF-2.pdf</a>
LU0914729453	Mirova Global Sustainable Equity	<a href="https://www.frenchsif.org/isr-esg/wp-content/uploads/Mirova_CodeTransparence-2017_ACTIONS_VF.pdf">https://www.frenchsif.org/isr-esg/wp-content/uploads/Mirova_CodeTransparence-2017_ACTIONS_VF.pdf</a>
LU0503631805	Pictet Global Environmental Opportunities	<a href="https://www.am.pictet/-/media/pam/pam-common-gallery/article-content/2017/graphs/insights/equities/product-focus/esg/eurosif-transparency-code.pdf?la=it">https://www.am.pictet/-/media/pam/pam-common-gallery/article-content/2017/graphs/insights/equities/product-focus/esg/eurosif-transparency-code.pdf?la=it</a>
LU1811861431	RobecoSAM Global SDG Credits	<a href="http://www.eurosif.org/wp-content/uploads/2019/10/Robeco-Eurosif-questionnaire-SDG-Credits.pdf">http://www.eurosif.org/wp-content/uploads/2019/10/Robeco-Eurosif-questionnaire-SDG-Credits.pdf</a>
LU0199356550	RobecoSAM Smart Energy	<a href="https://www.forum-ng.org/images/stories/transparenz_2018/RobecoSAM_transparency-code_2018-2019.pdf">https://www.forum-ng.org/images/stories/transparenz_2018/RobecoSAM_transparency-code_2018-2019.pdf</a>
FR0011288489	Sycomore Selection Credit	<a href="https://www.sycomore-am.com/5d3873a0-Sycomore_AM_-_Fonds_Next_Gen_et_SSC_-_Code_de_transparence_AFGFIREUROSIF....pdf">https://www.sycomore-am.com/5d3873a0-Sycomore_AM_-_Fonds_Next_Gen_et_SSC_-_Code_de_transparence_AFGFIREUROSIF....pdf</a>

## 4.2) How are criteria specific to climate change integrated into portfolio construction?

For the general description of the process please see our answer to question 3.4) For funds which have a specific focus on climate, see below for a detailed description.

### Allianz Climate Transition

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The Allianz Climate Transition fund is managed under a dynamic low-carbon investment strategy in line with the objective of limiting global warming to 2°C. This approach involves sustainable development, likely to impact the business model and the growth and risk profile of companies across various business sectors, which also create potential medium and long-term investment opportunities. Our approach aims to limit portfolio exposure to carbon risk by ensuring the reduction of its impact on climate over the recommended investment horizon, without applying any sector exclusions targeting industries generating high greenhouse gas emissions.

Our stock-picking strategy targets two types of companies:

- 1) Companies demonstrating dynamic progress in terms of climate impact performance by aligning their strategies with energy transition objectives and therefore reducing risks incurred by implementing this type of transition.
- 2) Companies involved in businesses, products or services which reduce greenhouse gas emissions in the real economy and which therefore benefit from opportunities provided by energy transition.

### Allianz Green Bond

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Our commitment is to contribute positively to the climate transition. Allianz Green Bond is a global investment grade fund which follows a fundamental and active investment approach. The strategy aims to mobilize capital to finance the energy and climate transition. By using the Green Bond market segment, the strategy favours the reallocation of investments through a lower carbon-intensive economy which is an important challenge in the fight against climate change.

The management team is conscious that the investments needed to cope with the objectives of a maximum 2 degrees Celsius increase compared to pre-industrial times are huge. They aim to actively contribute to this capital market mobilization with this strategy.

This strategy being an impact strategy, the investment team does not exclude from the investment universe the issuers with the highest potential of improvement, the highest

potential impact. This strong positioning is in line with the ambitious transition objectives of the Paris Agreement for climate.

The most important step of climate change integration in the portfolio construction begins with the analysis of the bond structure to determine whether it is in line with the Green Bond Principles or not.

Eligibility criteria under which bonds are considered as "Green Bonds" include:

- A formal statement in the **use of proceeds** section of the bond prospectus stating that the proceeds will be used to finance "green" / climate projects;
- **Internal process** by the issuer to identify qualifying projects based on sound methodology and clear criteria;
- **Management of the proceeds** to make sure that they will be allocated to the identified projects and not to other general expenses / investments;
- **Reporting**, at least annually, of the status of the use of proceeds, the status of projects and the actual environmental impact.

The evaluation is followed by the analysis of the projects financed with the Green Bond issuance proceeds. Allianz Global Investors has been a partner of the Climate Bond Initiative since 2015.

This analysis is completed by an evaluation of the ESG profile of the issuer. Even if we do not strictly require a minimum ESG rating, we make sure that the issuer has not been flagged by our internal ESG team regarding Human Rights and that he does not face any major controversy in the E, S and G areas.

It allows the fund to keep in its investment universe issuers with an ESG profile which may not be best-in-class but which have a strong improvement potential and are willing to leverage on it.

### AREF Fund Family

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The Funds' purpose is the investment of the capital available to it in securities and any other permissible assets issued by undertakings active primarily in the energy infrastructure sector with a focus on renewable energy assets like wind and solar PV plants on a long term basis.

The following risks are being assessed **i)** carbon risks **ii)** physical climate risks **iii)** legal climate risks. The strategy particularly benefits from the collaboration with Allianz Climate Solutions ("ACS").

- **Carbon risks:** Carbon risks are defined as techno-economic risks linked to the transition to a low-carbon economy.

The AREF Funds investment strategy is focused on carbon-friendly renewable energy technologies. Due to this strategy, carbon risks for the strategy can be considered as low.

- **Physical climate risks:** physical climate risks are defined as risks related to the physical impact of climate change. As all other real assets, renewable energy plants are exposed to the change in the physical climate. However, as part of the IEQ investment process, insurance standards for solar PV and wind parks were developed in cooperation with Allianz Climate Solutions, the leading European renewable energy insurance Team which was found by the Infrastructure Equity CIO Mr Sandhövel. Mr Sandhövel acted as CEO of ACS until 2013. Following the requirements of the established insurance standards that cover amongst others, natural hazards, the exposure of the strategy with regards to physical climate risks can be considered as low.
- **Legal climate risks:** those are usually related to litigation on liability risks associated with climate change. Investments in renewable energy assets are generally regarded as climate friendly which means that legal climate risks are taken into consideration but can be considered as low.

#### 4.3) How are the issuers that are present in the portfolio, but not subject to ESG analysis evaluated (not including mutual funds)?

For the Equity funds in scope and the AREF Family funds all issuers are subject to ESG analysis. On the fixed income side, only a small portion of the assets (typically up to 10%) could enter a portfolio before having been subjected to ESG analysis. For example, for the Green Bond fund, we make sure that the issuer has not been flagged by our internal ESG research team regarding Human Rights and that the issuer does not face any major controversy in the E, S and G areas.

#### 4.4) Has the ESG evaluation or investment process changed in the last 12 months?

No, it has not changed. We have an annual review of the process in place.

#### 4.5) Is a part of the funds invested in entities pursuing strong social goals/ social enterprises?

No.

#### 4.6) Do the funds engage in securities lending activities?

Our SRI and Impact funds are not involved in securities lending. We do not currently engage in Securities Lending for our retail funds, however the use of securities lending across our business and for particular funds is consistently reviewed.

At this time, Allianz Global Investors have a number of clients who specifically request that we participate in securities lending in their segregated portfolios, and in these cases we have arranged an agency lending agreement with a third party provider. To facilitate timely return of holdings (e.g. to accommodate sale, dividend, Proxy Voting or Corporate Action purposes), our current lending arrangements contain guarantees referring to this, allowing for securities on loan to be recalled in a timely manner. The counterparty selection process does not formally integrate ESG criteria.

#### 4.7) Do the funds use derivative instruments?

The funds may use derivatives, though in practice this does not happen frequently. The use and constraints are outlined in the prospectus for each fund. Generally speaking the following derivatives can be used: interest-rate futures, equity index futures and interest-rate swaps. See below for more information per fund.

##### **Allianz Valeurs Durables, Allianz Europe Equity SRI, Allianz Climate Transition & Allianz Global Sustainability**

Although some derivative instruments are allowed in the prospectus these are not used in practice.

##### **Allianz Stiftungsfonds Nachhaltigkeit**

Derivatives are used to a limited extent for efficient portfolio allocation and especially for risk management purposes. Equity index futures are only used in practice to hedge the equity exposure. Bond futures of countries within the SRI criteria are used for hedging and duration management purposes.

##### **Allianz Euro Credit SRI et Allianz Green Bond**

Allianz Euro Credit SRI and Allianz Green Bond funds may use all of the above for hedging purpose (interest rate, credit or currency hedging).

##### **Allianz Securicash SRI**

Interest-rate derivatives can be used, solely to hedge interest rate risk. The Fund does not enter into Total Return Swaps.

**Allianz Euro Oblig Court Terme ISR**

Both credit and investment rate derivatives can be used for efficient portfolio management to hedge the portfolio and/or marginally add value, but are not used as major performance contributors.

The investment in CDS (selling protection) is mainly done on an opportunistic basis at very short maturities. On the other hand, CDS (buying protection) can be used to hedge individual credit exposures. In no case will this type of instrument be used for speculative purposes such as, for example, taking a short position on an issuer.

**AREF Fund Family**

Yes, interest rate swaps on asset level to hedge interest rate risk when loans have a variable interest structure; limit to leverage amount and to the amount which doesn't carry fixed rates.

**Allianz Global Multi-Asset Credit SRI**

The fund may use all of the above for hedging purpose or efficient portfolio management (interest rate, credit or currency hedging).

**Allianz Emerging Markets SRI Bond**

The fund may use all of the above for hedging purpose or efficient portfolio management (interest rate, credit or currency hedging).

**Allianz Emerging Markets SRI Corporate Bond**

The fund may use all of the above for hedging purpose or efficient portfolio management (interest rate, credit or currency hedging).

**Allianz Vermögenskonzept SRI fund family (Dynamisch / Ausgewogen / Defensiv)**

The funds make currently use of futures and options.

**Allianz Multi Tempéré ISR**

Derivatives are used to a limited extent for efficient portfolio allocation and especially for risk management purposes. Futures are used in practice to hedge the equity and/or bond exposures.

**4.8) Do the funds invest in mutual funds?****Allianz Valeurs Durables, Allianz Europe Equity SRI, Allianz Climate Transition & Allianz Global Sustainability**

For these funds it is permitted, however not used by the Portfolio Management team. It might be used for cash management purposes. In this case, we invest in Allianz Securicash SRI which is an SRI fund.

**Allianz Stiftungsfonds Nachhaltigkeit**

This fund utilizes mutual funds to a limited extent to establish efficient exposure to satellite themes. These funds are usually internally managed (e.g. Allianz Euro Credit SRI fund or Allianz Green Bond fund), therefore all our ESG standards and procedures are directly implemented. On the equity side, a small exposure is established in an exchange traded fund (ETF) which tracks an explicit ESG benchmark index (e.g. MSCI World SRI Index).

**Allianz Euro Credit SRI et Allianz Green Bond**

These two funds may invest a small portion of the assets in mutual fund, usually as a cash deposit substitute. Should they invest accordingly, the vehicle would be an internal money market fund with SRI label (like Allianz Securicash SRI).

**Allianz Securicash SRI**

As a short-term money market fund, Allianz Sécuricash SRI usually does not invest in other funds. However, it would be allowed to invest up to 10% of its assets in other short-term money market funds managed by Allianz Group entities.

**Allianz Euro Oblig Court Terme ISR**

As part of its cash management, Allianz Euro Oblig Court Terme ISR invests a limited portion of its assets in Allianz Sécuricash SRI, a short-term money market fund with SRI label.

**AREF Fund Family**

The Infrastructure Equity Team builds Alternative Investment Fund (AIF) structures and does not invest in or build mutual fund structures.

**Allianz Global Multi-Asset Credit SRI**

This fund utilizes mutual funds to a limited extent to establish efficient exposures to select themes. These funds are all internally managed, therefore our integrated ESG standards and procedures used within the firm are directly implemented.

**Allianz Emerging Markets SRI Bond**

This fund utilizes mutual funds to a limited extent to establish efficient exposures to select themes. These funds are all internally managed, therefore our integrated ESG standards and procedures used within the firm are directly implemented.

**Allianz Emerging Markets SRI Corporate Bond**

This fund utilizes mutual funds to a limited extent to establish efficient exposures to select themes. These funds are all internally managed, therefore our integrated ESG standards and procedures used within the firm are directly implemented.

### Allianz Vermögenskonzept SRI fund family (Dynamisch / Ausgewogen / Defensiv)

For these fund it is permitted to invest in mutual funds up to 10% of its assets, however this instrument is currently not used by the Portfolio Management team.

### Allianz Multi Tempéré ISR

Yes, this is a fund of funds.

## 5) ESG CONTROLS

### 5.1) What internal and/or external control mechanisms are in place to ensure compliance of the portfolio with the ESG rules on managing the funds as defined in section 4?

The SRI investment management process involves pre trade controls applied to the Allianz Global Investors SRI exclusion policy. The fund manager, in collaboration with the ESG research team, ensures that the proposed investment can be made in compliance with the fund's constraints.

If the SRI rating of a security or an issuer is modified so that it no longer meets the required conditions for the fund in question, or if it is subject to any ESG controversy, the SRI research team studies the issues, enters into discussion with the parties concerned and draws a conclusion. Certain issuers

which are subject to negative publicity regarding ESG issues are held in portfolio if the facts do not justify a divestment to be made, or if the issuer has put in place appropriate measures to remedy any dysfunctions observed and to avoid further incidents. In controversial cases, the SRI analysts contact the issuer concerned to assess the reactivity and explanations given and to enter into discussion with any relevant parties concerned. The SRI Research Analyst may review the SRI Rating as a result of this assessment. If the judgment is negative, the fund manager must liquidated the position. In the particular case of fixed-income investment management, the absence of market liquidity may mean that an issuer subject to negative publicity remains in the portfolio. It will then be sold as soon as possible.

For the time being, investors are not informed of divestments on ESG grounds.

## 6) IMPACT MEASURES AND ESG REPORTING

### 6.1) How is the ESG quality of the funds assessed?

AllianzGI provides an annual ESG scorecard and climate risk portfolio reporting, in line with the Article 173 of the French Energy Transition Law (FETL).

This reporting solution provides our clients with a quantified assessment of the portfolio in terms of ESG criteria and the green economy. This reporting includes the following information:

- The average portfolio ESG rating compared to the benchmark index;
- The carbon footprint of the portfolio and its benchmark (measured in CO2 tons issued per million euros of revenues);
- The portfolio's contribution to the green economy, measuring the proportion of the portfolio invested in green economy players.

We also report on our engagement activities at the fund

level. Depending on the type of the fund we have additional checks and balances in place. For example for the AREF Fund Family the Investment Team created a tailored checklist based on the United Nations Sustainable Development Goals (SDGs). The SDGs checklist indicates whether the investment has a positive, neutral or negative impact on each of the relevant SDGs. The checklist is used to assess all investments as part of the Due Diligence process. The results are included in the respective investment memorandum of each associated investment opportunity. In case of a negative contribution, the Investment Committee of each fund will discuss what measures can be taken in order to mitigate such negative effect. In case an ESG risk is assessed as too high, an investment can be stopped. In addition to that, there is continuous measurement along the fund's lifetime: the Investment Team will measure each year on how the investments in the fund contributed to the reduction of carbon emissions and will report the progress in its dedicated "Environmental, Social, Governance and Climate Risk Portfolio Reporting".

## 6.2) What ESG indicators are used by the funds?

Name of the fund	ESG indicators
Allianz Valeurs Durables	Overall SRI rating and separate rating for each of the four domains: corporate governance, environment, social and business behaviours + adherence human rights. Other metrics: Carbon intensity, Women in the Executive Committee, Target to improve Health and Safety Performance, Women Directors, Board Independence, UN GC signatories.
Allianz Europe Equity SRI	Overall SRI rating and separate rating for each of the four domains: corporate governance, environment, social and business behaviours + adherence human rights.
Allianz Climate Transition	Overall SRI rating and separate rating for each of the four domains: corporate governance, environment, social and business behaviours + adherence human rights. Other metrics: GHG emissions, GHG intensity.
Allianz Global Sustainability	Overall SRI rating and separate rating for each of the four domains: corporate governance, environment, social and business behaviours + adherence human rights. Other metrics: GHG intensity, Water intensity, Lost time incident rate, Fatalities, Board Independence, Women Directors.
Allianz Stiftungsfonds Nachhaltigkeit	Overall SRI rating + adherence human rights.
Allianz Euro Credit SRI	Carbon intensity, Women in the Executive Committee, Target to improve Health and Safety Performance, Women Directors, Board Independence, UN GC signatories.
Allianz Securicash SRI	Carbon intensity, Women in the Executive Committee, Target to improve Health and Safety Performance, Women Directors, Board Independence, UN GC signatories.
Allianz Euro Oblig Court Terme ISR	Carbon intensity, Women in the Executive Committee, Target to improve Health and Safety Performance, Women Directors, Board Independence, UN GC signatories.
Allianz Green Bond	Renewable energy installed capacity, Annual renewable energy generation, Carbon emissions avoided.
AREF Fund Family	Environment: Carbon intensity, renewable energy installed capacity, annual renewable energy generation, carbon emissions avoided, landscape, noise, biodiversity / ecology. Social: health and safety, accident rates, security, fair wages, labour standards in procurement policy, community development. Governance: bribery and corruption, shareholder structure and rights, business ethics, board structure composition, independent directors, risk management.
Allianz Global Multi-Asset Credit SRI	Overall SRI rating + adherence human rights.
Allianz Emerging Markets SRI Bond	Proprietary EM sovereign ESG framework rating + adherence human rights.
Allianz Emerging Markets SRI Corporate Bond	Proprietary EM sovereign ESG framework rating + overall SRI rating + adherence human rights.
Allianz Vermögenskonzept SRI Dynamisch	Overall SRI rating + adherence human rights.
Allianz Vermögenskonzept SRI Ausgewogen	Overall SRI rating + adherence human rights.
Allianz Vermögenskonzept SRI Defensiv	Overall SRI rating + adherence human rights.
Allianz Multi Tempéré ISR	Overall SRI rating + adherence human rights.

### 6.3) What communication resources are used to provide investors with information about the SRI management of the fund(s)?

For most of the funds, the fund management company informs investors regarding the ESG criteria taken into account every month via the monthly UCITS reporting: detail of ESG ratings, main ESG positions, ESG and human rights selectivity rate. There are also fund prospectuses available.

AllianzGI provides an annual ESG scorecard and climate risk portfolio reporting, in line with the Article 173 of the French Energy Transition Law (FETL).

This reporting solution provides our clients with a quantified assessment of the portfolio in terms of ESG criteria and the green economy. This reporting includes the following information:

- The average portfolio ESG rating compared to the benchmark index;
- The carbon footprint of the portfolio and its benchmark (measured in CO2 tons issued per million euros of revenues);
- The portfolio's contribution to the green economy, measuring the proportion of the portfolio invested in green economy players.

For the AREF Fund Family, the Investment Team measures each year on how the investments contributed to the reduction of carbon emissions and does report the progress in its dedicated "Environmental, Social, Governance and Climate Risk Portfolio Reporting". For the latest fund offering, legally binding language is included in the respective fund documentation in order to ensure compliance with the responsible investment framework. This has been done with regards to considerations prior to the investment and with regards to continuous measurement along the Fund's lifetime.

### 6.4) Does the fund management company publish the results of its voting and engagement policies?

For a summary of our Proxy voting activities and Engagement activities during 2018, please see AllianzGI Proxy Voting Report 2018 and AllianzGI Engagement Report 2018 respectively. These can be found on our website: <https://www.allianzgi.com/en/our-firm/our-esg-approach>, see *Reporting* section.

AllianzGI has also further increased transparency of its stewardship activities with the introduction of real time website disclosure of AllianzGI's voting activity on resolutions at thousands of companies, alongside an explanation of why against or abstention voting decisions were made. The development of this new proxy voting tool highlights the importance AllianzGI places on adopting a global approach to active stewardship and ESG integration. This new proxy voting disclosure tool offers fully automated timely disclosure of our proxy voting statistics, vote direction for all shareholder meetings and, crucially, our rationale for against or abstention votes. This provides our clients with a high level of transparency and gives us a powerful platform which will further facilitate our engagement with companies. These proxy voting records can be accessed via the website above, see *Reporting* section.