

Eurosif European SRI Transparency Code

Commitment

December 2020



Statement of Commitment	p. 4
Compliance with Transparency Code	p. 4
1) List of funds covered by the Code	p. 4
2) General information about the fund management company	p. 7
2.1) Name of the fund management company that manages the applicant funds	p. 7
2.2) What are the company's track record and principles when it comes to integrating SRI into its processes?	p. 7
2.3) How does the company formalise its sustainable investment process?	p. 7
2.4) How are ESG risks and opportunities – including those linked to climate change – understood/taken into account by company?	p. 7
2.5) How many employees are directly involved in the company's sustainable investment activity?	p. 7
2.6) Is the company involved in any RI initiatives?	p. 7
2.7) What is the total number of SRI assets under company's management?	p. 8
3) General information about the SRI funds that come under the scope of the Code	p. 8
3.1) What are the funds aiming to achieve by integrating ESG factors?	p. 8
3.2) What internal or external resources are used for ESG evaluation of the issuers who make up the investment universe of the funds?	p. 8
3.3) What ESG criteria are taken into account by the funds?	p. 9
3.4) What principles and criteria linked to climate change are taken into account in the funds?	p. 10
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.)?	p. 11
4) Investment process	p. 11
4.1) How are the results of the ESG research integrated into portfolio construction?	p. 11
4.2) How are criteria specific to climate change integrated into portfolio construction?	p. 24
4.3) How are the issuers that are present in the portfolio, but not subject to ESG analysis evaluated (not including mutual funds)?	p. 25
4.4) Has the ESG evaluation or investment process changed in the last 12 months?	p. 25
4.5) Is a part of the funds invested in entities pursuing strong social goals/social enterprises?	p. 25
4.6) Do the funds engage in securities lending activities?	p. 26
4.7) Do the funds use derivative instruments?	p. 26
4.8) Do the funds invest in mutual funds?	p. 27

5) ESG controls	p. 27
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?	p. 27
6) Impact measures and ESG reporting	p. 28
6.1) How is the ESG quality of the funds assessed?	p. 28
6.2) What ESG indicators are used by the funds?	p. 29
6.3) What communication resources are used to provide investors with information about the SRI management of the funds?	p. 30
6.4) Does the fund management company publish the results of its voting and engagement policies?	p. 30

STATEMENT OF COMMITMENT

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

This is our statement of commitment covering the period November 2019 to December 2020. 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
Allianz Valeurs Durables	Best-in-Class, Engagement & Voting Norms-Based Screening	Actively managed, Shares in a euro area country	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal	EUR 785 m	French State SRI Label	https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/sri?SearchWithFilter=true
Allianz Europe Equity SRI	Best-in-Class, Engagement & Voting Norms-Based Screening	Actively managed, Shares in an EU country	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal, Unconventional O&G	EUR 52 m	Towards Sustainability label	https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/sri?SearchWithFilter=true
Allianz Climate Transition	Impact Investing, Engagement & Voting Norms-Based Screening	Actively managed, Shares in an EU country	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal	EUR 88 m		https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/liste?SearchWithFilter=true&q=climate
Allianz Global Sustainability	Best-in-Class, Engagement & Voting Norms-Based Screening	Actively managed, International shares	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal	EUR 1,57 bn		https://uk.allianzgi.com/en-gb/x-funds/mutual-funds?SearchWithFilter=true&q=sustainability
Allianz Stiftungsfonds Nachhaltigkeit	Best-in-Class, Norms-Based Screening	Actively Managed, Multi Asset	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal	EUR 233,4 m		https://de.allianzgi.com/de-de/unsere-fonds/fonds/list?SearchWithFilter=true&q=nachhaltigkeit
Allianz Euro Credit SRI	Best-in-Class, Norms-Based Screening	Actively managed, Bonds and other debt securities denominated in euro	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal	EUR 917 m		https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/sri?SearchWithFilter=true
Allianz Securicash SRI	Best-in-Class, Norms-Based Screening	Actively managed, short term monetary assets	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal	EUR 2,816 bn	French State SRI Label	https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/sri?SearchWithFilter=true
Allianz Euro Oblig Court Terme ISR	Best-in-Class, Norms-Based Screening	Actively managed, Monetary assets	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal, Unconventional O&G	EUR 2,121 bn	French State SRI Label, Towards Sustainability label	https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/sri?SearchWithFilter=true

Name of the fund	Dominant/preferred SRI strategy	Asset class	Exclusion standards and norms	Fund capital as at 31 Dec	Other labels	Links
Allianz Green Bond	Impact Investing, Norms-Based Screening	Actively managed, International bonds and other debt securities	Human Rights, Other: Adherence to Green Bond Principles and Climate Bond Principals	EUR 327 m	Greenfin Label	https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/liste?SearchWithFilter=true&q=green
AREF Fund Family	Impact Investing	Actively managed, Structured Funds	Other: ESG compliant investments in Renewables	EUR 1,5 bn		https://allianzgi.v-learningportal.com/Account/LogOn?ReturnUrl=%2fZone%2fDisplay%2fApp%2f5d9d19e9-a16a-4f82-a348-e6a710c7cdd4#/0/5cbd1f5f-0411-403b-b88f-3882e4cdc507
Allianz Global Multi-Asset Credit SRI	Best-in-class, Norms-Based Screening	Actively managed, International bonds and other debt securities	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal	EUR 38,8 m		https://de.allianzgi.com/de-de/unsere-fonds/fonds/list?q=Allianz%20Global%20Multi-Asset%20Credit
Allianz Emerging Markets SRI Bond	Best-in-class, Norms-Based Screening	Actively managed, International bonds and other debt securities	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal, Unconventional O&G	EUR 53,6 m	Towards Sustainability label	https://de.allianzgi.com/de-de/unsere-fonds/fonds/list?q=Allianz%20Emerging%20Markets%20SRI
Allianz Emerging Markets SRI Corporate Bond	Best-in-class, Norms-Based Screening	Actively managed, International bonds and other debt securities	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal	EUR 12,6 m		https://de.allianzgi.com/de-de/unsere-fonds/fonds/list?q=Allianz%20Emerging%20Markets%20SRI%20Corporate
Allianz Vermögenskonzept SRI Dynamisch	Best-in-class, Norms-Based Screening	Actively Managed, Multi Asset	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal	EUR 127,4 m		https://de.allianzgi.com/de-de/unsere-fonds/fonds/list?q=Allianz%20Verm%C3%B6genskonzept%20SRI%20Dynamisch
Allianz Vermögenskonzept SRI Ausgewogen	Best-in-class, Norms-Based Screening	Actively Managed, Multi Asset	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal	EUR 200,5 m		https://de.allianzgi.com/de-de/unsere-fonds/fonds/list?q=Allianz%20Verm%C3%B6genskonzept%20SRI%20Ausgewogen
Allianz Vermögenskonzept SRI Defensiv	Best-in-class, Norms-Based Screening	Actively Managed, Multi Asset	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal	EUR 359,2 m		https://de.allianzgi.com/de-de/unsere-fonds/fonds/list?q=Allianz%20Verm%C3%B6genskonzept%20SRI%20Defensiv
Allianz Multi Tempere ISR	Best-in-class, Norms-Based Screening	Actively managed, Fund of funds	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal	EUR 10,38 m	French State SRI label	https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/sri/allianz-multi-temp-r-isr-c-et-ou-d-eur
Allianz Epargne Actions ISR Solidaire	Best-in-class, Norms-Based Screening	Actively managed, Shares in a euro area country	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal	EUR 35 m		https://fr.allianzgi.com/investisseursparticuliers/search-results?q=ALLIANZ%20EPARGNE%20ACTIONS%20ISR%20SOLIDAIRE
Allianz Epargne Durable	Best-in-Class, Norms-Based Screening	Actively managed, Shares in a euro area country	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal	EUR 4 m		https://fr.allianzgi.com/investisseursparticuliers/search-results?q=ALLIANZ%20EPARGNE%20DURABLE
Allianz Epargne Monetaire ISR	Best-in-Class, Norms-Based Screening	Actively managed, short term monetary assets	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal	EUR 47,6 m	French State SRI Label	https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/sri?SearchWithFilter=true

Name of the fund	Dominant/preferred SRI strategy	Asset class	Exclusion standards and norms	Fund capital as at 31 Dec	Other labels	Links
Allianz Pee Monetaire ISR	Best-in-Class, Norms-Based Screening	Actively managed, short term monetary assets	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal	EUR 99,9 m	French State SRI Label	https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/sri?SearchWithFilter=true
Allianz Monetaire (2C)	Best-in-Class, Norms-Based Screening	Actively managed, short term monetary assets	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal	EUR 65,45 m		https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/sri?SearchWithFilter=true
Allianz Euro Short Term 12 Mois (B38)	Best-in-Class, Norms-Based Screening	Actively managed, short term monetary assets	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal	EUR 50,24 m		https://fr.allianzgi.com/investisseursparticuliers/search-results?q=Allianz%20Euro%20Short%20Term%2012%20Mois%20(B38)
Allianz Dynamic Multi Asset Strategy SRI 15	Best-in-Class, Norms-Based Screening	Actively managed, Multi Asset	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal	EUR 817,0 m		https://de.allianzgi.com/de-de/unsere-fonds/fonds/list?q=Allianz%20Dynamic%20Multi%20Asset%20Strategy%20SRI%2015
Allianz Global Credit SRI	Best-in-Class, Norms-Based Screening	Actively managed global non-sovereign bonds	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal	EUR 105,9 m		https://de.allianzgi.com/de-de/unsere-fonds/fonds/list?q=Allianz%20Global%20Credit%20SRI
Allianz Best Styles Europe Equity SRI	Best-in-Class, Norms-Based Screening	Actively managed, Shares in a euro area country	Controversial Weapons, Alcohol, Tobacco, Arms, Nuclear power, Human rights, Labour rights, Gambling, Pornography, Other: Coal, Genetic engineering, Global Compact, Arctic Drilling, Hydraulic fracturing, Oil sands	EUR 42 m		https://de.allianzgi.com/de-de/unsere-fonds/fonds/list?q=Allianz%20Best%20Styles%20Europe%20Equity%20SRI
Allianz Neo ISR 2019	Best-in-Class, Norms-Based Screening	Actively managed, Shares in a euro area country	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal	EUR 136,8 m		https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/sri/allianz-neo-isr-2019-it7-eur
Allianz Neo ISR 2020	Best-in-Class, Norms-Based Screening	Actively managed, Shares in a euro area country	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal	EUR 193,6 m		https://fr.allianzgi.com/fr-fr/nos-opcvm/fonds/sri/allianz-neo-isr-2020-it7-eur
Allianz Euro Credit SRI Plus	Best-in-Class, Norms-Based Screening	Actively managed, Bonds and other debt securities denominated in euro	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal Unconventional O&G	EUR 121,6 m	Towards Sustainability Label	https://de.allianzgi.com/de-de/unsere-fonds/fonds/list/allianz-euro-credit-sri-plus-p-eur
Allianz Dynamic Multi Asset Strategy SRI 50	Best-in-Class, Norms-Based Screening	Actively Managed, Multi Asset	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal	EUR 1 bn		https://de.allianzgi.com/de-de/unsere-fonds/fonds/list?q=Allianz%20Dynamic%20Multi%20Asset%20Strategy%20SRI%2050
Allianz Dynamic Multi Asset Strategy SRI 75	Best-in-Class, Norms-Based Screening	Actively Managed, Multi Asset	Controversial Weapons, Arms, Tobacco, ILO Conventions, Other: UN Global Compact severe violations, Coal	EUR 525,5 m		https://de.allianzgi.com/de-de/unsere-fonds/fonds/list?q=Allianz%20Dynamic%20Multi%20Asset%20Strategy%20SRI%2075

2) GENERAL INFORMATION ABOUT THE FUND MANAGEMENT COMPANY

2.1) Name of the fund management company that manages the applicant funds

Allianz Global Investors GmbH, 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).

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

Allianz Global Investors is a global pioneer of sustainable investing with ESG credentials that date back two decades. The launch of the Global Sustainability Strategy in 2000 marked the starting point for evolution of Allianz Global Investors' ESG capabilities and expertise. 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.

Research is core to our ability to generate returns and we use ESG research as an important indicator of future performance, ensuring that all our portfolio managers have access to proprietary ESG research to inform their investment decisions. We combine ESG analysis with robust stewardship and engagement to help improve the risk profile of investments and steer companies towards greater and more sustainable long-term profitability. This encourages investee companies to adopt better business models and business behaviours.

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 change risk may impact the future performance of assets. Furthermore, we are convinced that the value added from an ESG investment 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 Statement, which can be found in the Key Policy Documents & Reports section of our website:

<https://www.allianzgi.com/en/ourfirm/esg/documents#keypolicydocumentsandreports>

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

There are 54 employees involved: 30 SRI Portfolio Managers, 16 ESG Specialists, and 8 SRI Product Specialists.

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
National Asset Manager Association	CDP		ACGA
PRI	CFLI		CII
SIFs - Sustainable Investment Forums	Climate Action 100+		
SASB	Climate Bond Initiative Green Bond Principles IIGCC TCFD		

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 more than EUR 43 billion as of the end of December 2020.

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.

At AllianzGI we are convinced that investment choices which take into account environmental, social and governance issues provide a better estimation of the issuer's intrinsic value in the medium and long run, thus, helping with detection of new investment opportunities and reducing the risks of asset management based solely on financial criteria. For this reason, ESG 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 along-

side mainstream company analysis in order to identify risks and opportunities.

The Sustainability Team in Allianz Global Investors consists of Sustainability specialists across the investment platform (in total 16 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 Sustainable & Impact Investing, who reports directly to our Global Head of Investment Platform.

AllianzGI recognizes that clients' interest in sustainable investing stems from different perspectives, which require the application of different approaches and investment strategies. Having built expertise across a range of sustainable investment approaches over more than two decades, AllianzGI continues to remain focused on categorizing these offerings in a way that will help clients identify appropriate strategies for their needs. Sustainable Investing is a rapidly changing and growing field. Reflecting this, AllianzGI's sustainable investing offerings are also constantly evolving as we observe change in clients' demands and develop and extend our own sustainable investing capabilities internally.

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 are specialized on the specific ESG issues that impact businesses. This means they have the expertise necessary to identify and track key ESG issues impacting the issuers in their sectors. This approach ensures that 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. It can also be used as an input for our thematic investment strategies. These insights feed into our holistic ESG approach, influencing our research, engagement approach, and our positions on industry ESG initiatives. This approach enhances our ability to steer investee companies towards better practices by sharing successful approaches from outside their industry.

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 funds?

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. Fund specific

details can be found under 1) List of funds covered by the Code above.

United Nations Global Compact Principles

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

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

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

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.

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: is an exclusion filter for all Allianz Global Investors dedicated SRI strategies. The evaluation of

corporate securities in the light of this domain is based on the issuer's respect of human rights in its business conduct (integration of Universal Declaration of Human Rights principles, respect of major International Labor Organization conventions (ILO) and signature of the Global Compact (UN)). For sovereign issuers, the signature of the 8 major International Labor Organization conventions and the Universal Declaration of Human Rights is also 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:** providing 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: energy production mix and CO2 emission variations are examples of the criteria examined. The state's willingness and capacity to commit to reducing its environmental impact is also analyzed. Our methodology analysis 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:** the issuer's direct social responsibility is taken into account. Appraisal of companies is based on the extent of dialogue with employees, workplace health and safety considerations and career management. 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 - Governance:** includes an analysis of the issuer's willingness and capacity to organize its internal structure to limit dysfunction risks. For corporate issuers, this domain includes an evaluation of the Management Board or Supervisory Board composition, the transparency of remuneration systems and the existence of independent remuneration, nomination and audit committees. For sovereign issuers, this domain 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:** analysis of the relationships between the issuer and other parties (client suppliers, local authorities, etc.). For companies, this domain also includes an evaluation of the impact the products or services have on society (mainly product safety) as well as the respect of market regulations (absence of anticompetitive and corruption practices). This Domain is not applied to 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. This qualitative analysis may lead to a rating being modified upwards or downwards by the SRI analyst.

We firmly believe in the separation of roles to avoid conflict of interest. Thus, the quantitative SRI analysis is run by our IT unit which owns this process. The process is based on a methodology set up by the SRI Research Team and is reviewed continuously. Only SRI Analysts have the authority to override ratings. SRI Portfolio Managers' interaction with the model is exclusively related to identifying which issuers are a part of their investable universe. SRI Portfolio Managers cannot override a rating.

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/esg/documents#keypolicydocumentsandreports>

AllianzGI's dedicated SRI research team and mainstream analysts monitor and assess data related to climate, 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. Research views and investment opinions are exchanged and documented on a global proprietary research platform -"Chatter" - which can be accessed by all investment professionals within the company.

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, NGOs, press 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 continuously and the database is updated on a monthly basis. 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 have allowed Allianz Global Investors dedicated SRI strategies to generate performance and evolve 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.

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 and engages with the 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 & Allianz Epargne Actions ISR Solidaire

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).

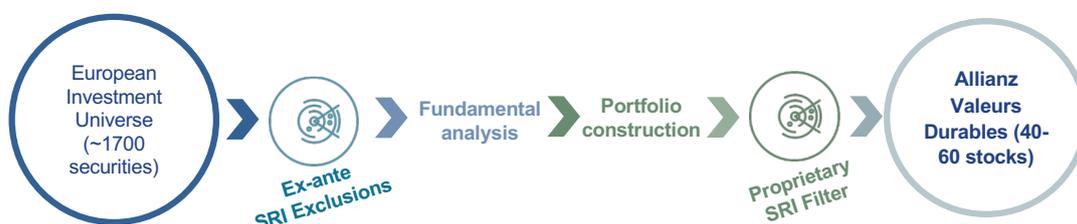
In addition to our SRI analysis, our selection of stocks is based on an in-depth analysis of each company from a financial perspective.

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 & Allianz Epargne Actions ISR Solidaire 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.



A long-term fundamental approach, with an SRI philosophy integrated all along the investment process

Source: Allianz Global Investors, for illustrative purposes only.

Allianz Europe Equity Climate Transition

The Europe 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 gCO₂ / 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.

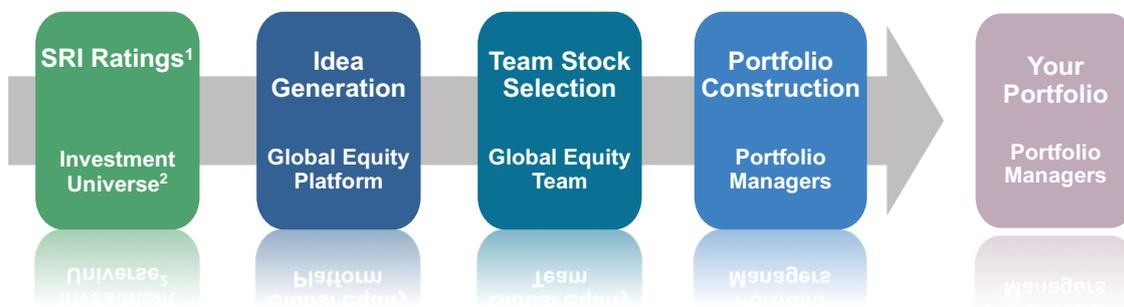
Based on these indicators, we select the companies which make the most efforts to reduce GHG emissions in their sector.

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 on over 4,000 companies.
 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 communications 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 plat-

form, 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 research 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 analysts' 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 points 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.

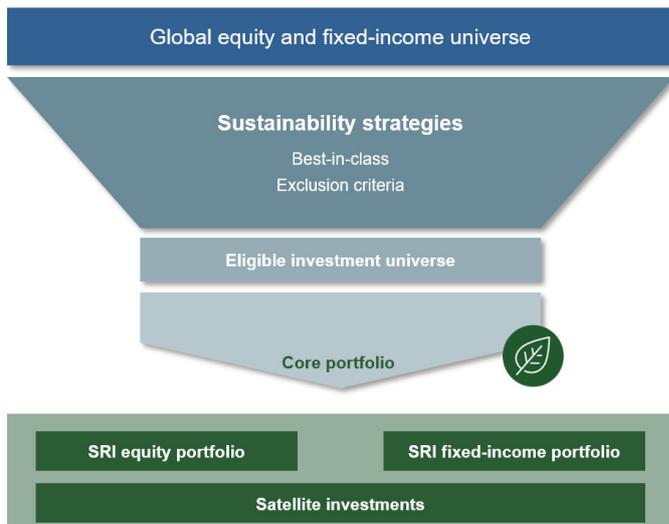
Allianz Stiftungsfonds Nachhaltigkeit & Allianz Vermögenskonzept SRI Defensiv & Allianz Vermögenskonzept SRI Ausgewogen & Allianz Vermögenskonzept SRI Dynamisch & Allianz Dynamic Multi Asset Strategy SRI 15 (DMAS SRI 15) & Allianz Dynamic Multi Asset Strategy SRI 50 (DMAS SRI 50) & Allianz Dynamic Multi Asset Strategy SRI 75 (DMAS SRI 75).

Investment objective of the funds

The SRI (Sustainable & Responsible Investing) approach, which underlies the selection of individual securities, involves analysing investments according to ESG (Environment, Social, Governance Investment Criteria). When selecting the individual securities in the core portfolio and within the scope of the global search for opportunities in interesting asset classes (satellite investments), we try to select the

best in their sector and apply specific exclusion criteria. Responsible investing aims to create added value for investors while improving the risk profile.

ESG analysis and evaluation are included in the 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.



Seize opportunities and invest responsibly

The funds range enables investors to benefit from return opportunities in different sectors.

The emphasis of the core portfolio is on global equities and euro bonds from developed countries, selected using **SRI sustainability strategies**.

The Multi Asset portfolio manager is not directly involved in the security selection within the underlying asset classes. This is performed by the portfolio management teams responsible for the specific asset classes. This way, we use the respective experts on all individual decision levels in the management of the fund.

Az DMAS SRI 15 50 75: a maximum of 20% of the total fund may invest in non-SRI exposure in active or passive target funds and long derivatives positions. Short derivatives positions are not restricted with respect to SRI criteria.

ESG research is used for risk management, it impacts the weights of the assets in the portfolio and it has a constraining power.

For the fund we apply minimum exclusion criteria following Allianz Global Investors’ Sustainable and Responsible Investment Exclusion Policy. Additionally, a Best-in-Class approach is applied that excludes all securities issued by companies belonging to the 20% with the weakest SRI Rating based on a region and sector neutral evaluation in the global equities and EUR bond segment of the fund.

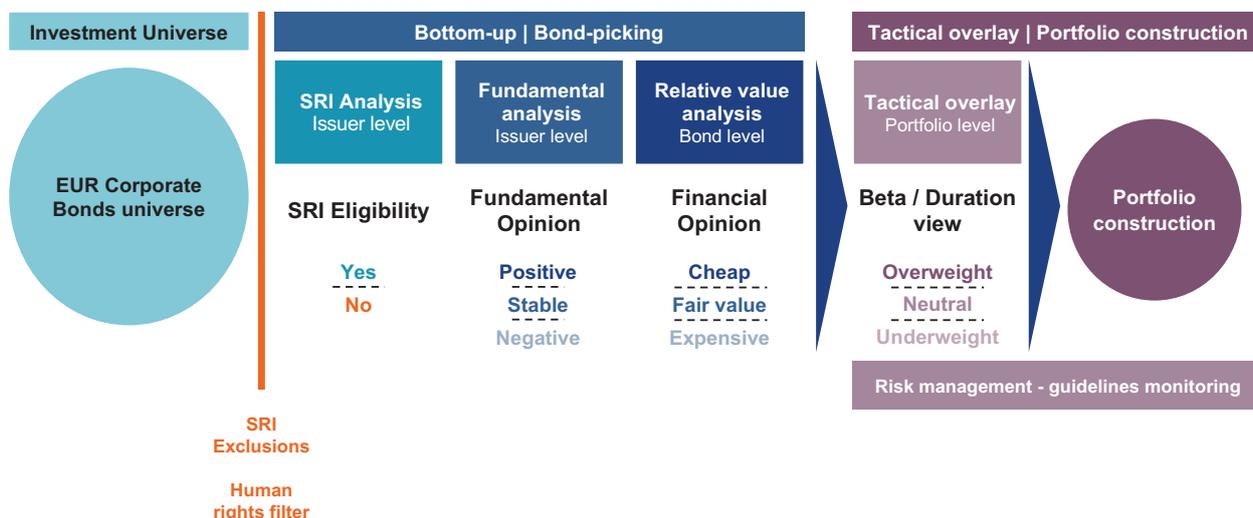
The fund’s investment process includes top-down and bottom-up elements. It starts with a top-down filtering of the investment universe by applying the described minimum exclusions and then by additionally excluding securities based on a Best-in-Class approach. The security selection within the remaining universe uses top-down and bottom-up, fundamental elements.

For example, the security selection in the global equities segment combines top-down investment style research and bottom-up fundamental research in a systematic way.

Allianz Europe Credit SRI & Allianz Euro Credit SRI Plus

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.

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:

- SRI Exclusions and Human Rights filter to avoid exposure to controversial issuers;
- SRI analysis is a combination of quantitative ESG analysis based on a “best-in-class” approach and reinforced by a “worst practice” non-investable rule as a fundamental part of the investment process. During this step, the SRI research team uses internal & external analysis to set up our internal SRI rating;

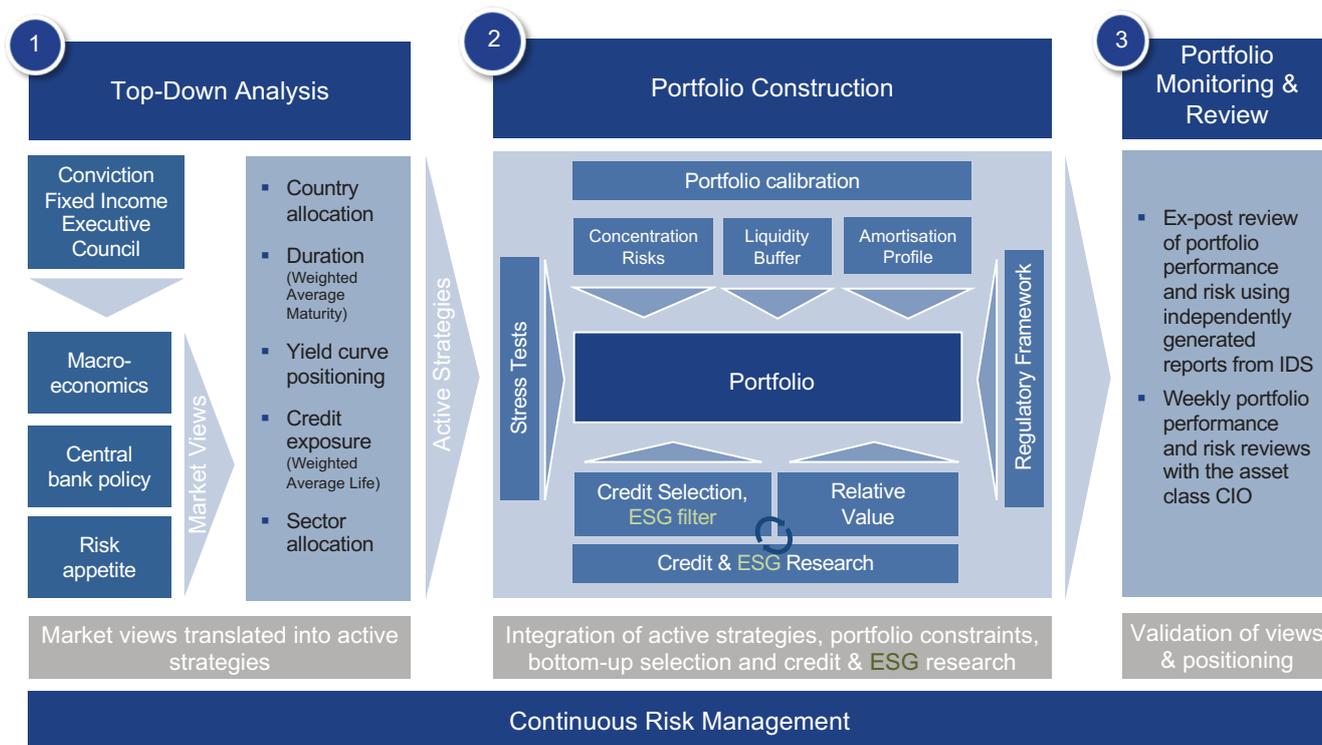
- Fundamental analysis which is based on quantitative analysis, financial modelling, ESG integration and research outputs;
- Valuation helps evaluate the attractiveness while taking into account the technical factors as well;
- Tactical overlay relies on a continuous assessment of fundamentals, technicals and market valuation to be reactive regarding relevant news flow.

We start our investment process by screening our universe and applying SRI Exclusions and a human rights filter in

order to exclude controversial or potentially controversial issuers.

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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 sector average.
- 10% of assets could have an ESG rating \leq average or not rated.
- 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

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.

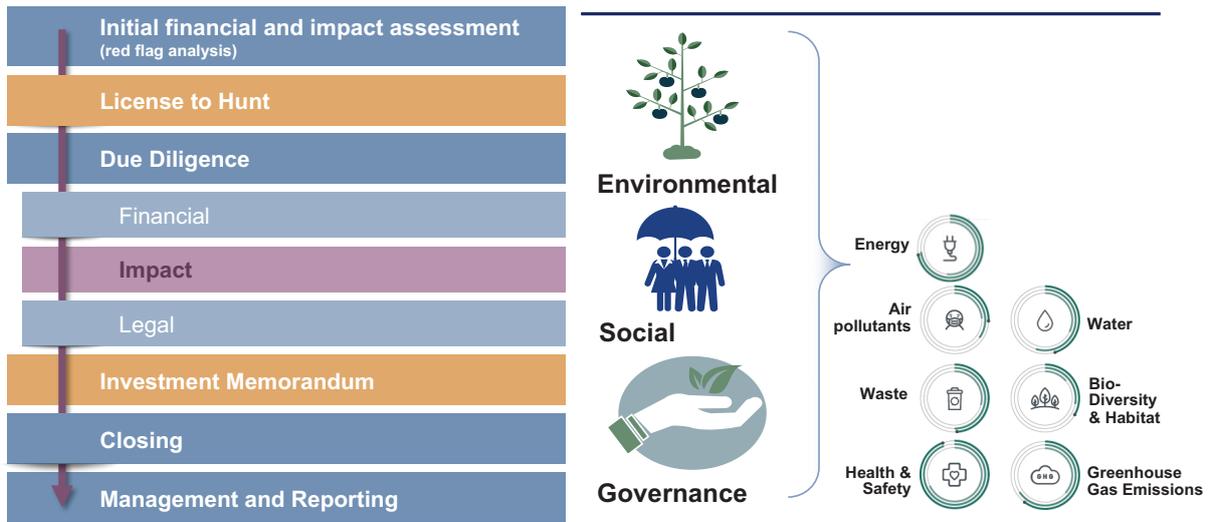
AREF Fund Family

The Allianz ESG Integration Framework is considered for each of the AREF Fund Family funds managed by the IEQ team. The Team follows the Allianz ESG Guideline on Infrastructure (section §3.4.9) when addressing ESG risks and opportunities in an investment, as well as Allianz SE Exclusion Policy (§3.9). When looking at investment opportunities linked to ESG topics, Allianz' key focus is to enable the transition to a low carbon economy, promote sustainable development, and to address environmental and/or climate-related concerns.

Likewise, the IEQ team strives to invest sustainably across green energy infrastructure projects. In order to keep up with our ambition, we incorporate ESG factors into our investment processes. During the investment process, it is ensured that ESG considerations are integrated into the portfolio construction. Therefore, the Transaction Management team screens each investment for potential ESG and reputational-related risks during the due diligence process. This includes the consideration of sensitive areas as defined by Allianz Group such as environmental contamination (ground, water – eg, from cleaning solar modules with prohibited chemical products - and air, including CO2 emissions), fauna protection (eg, bats), resettlement of businesses/people, loss of rights (land and water) or H&S (health & safety) measures.

The due diligence process includes an ESG assessment as reflected in the graph on following page.

The impact assessment is an integral part of the investment process



Source: Allianz Global Investors, 2020.

In addition, and applicable to all the AREF Fund Family vehicles, relevant aspects for equity investments in green energy assets are reflected in the legal documentation. To this end, a tailored checklist based on the United Nations Sustainable Development Goals (SDGs) was created by the IEQ team which is a major part of the ESG assessment. The SDGs checklist indicates whether the investment has a positive, neutral or negative impact on each of the SDGs. The checklist is used to assess all investments as part of the due diligence process. The outcome of the assessment, which is included in the respective investment memorandum of each associated investment opportunity, will lead to:

- a transaction proceeding in the regular investment processes which will include scrutiny of reports provided by

the seller or commissioned by the IEQ team relating to ESG in order to define project specific key performance indicators (KPIs), or

- additional information being required, or certain conditions being determined prior to proceeding, or
- a transaction being declined on ESG grounds.

For the AREF Fund Family, the Asset Management team controls the day-to-day operations of the companies and relationships with suppliers of the projects and therefore directly manages potential ESG issues, if any, within our assets. The steps of the IEQ team’s identification, analysis and monitoring during the lifetime of the invested assets are detailed in the following graph.

■ SDG / SRI Investment Assessment (1/2)

- 1 IEQ 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.
- 2 The checklist is used to assess all investments as part of the **Due Diligence process**. The result is included in the respective investment memorandum of each associated investment opportunity.
- 3 In case of a negative contribution, the Investment Committee of each fund discusses **what measures can be taken** in order to mitigate such negative effect.

■ The Manager’s actions

■ SDG / SRI Investment Assessment (2/2)

➤ **Continuous measurement along the fund’s lifetime:** IEQ measures each year on how the investments contributed to the improvement of the SDG goals and reports the progress in its dedicated **"Environmental, Social, Governance and Climate Risk Portfolio Reporting"**.

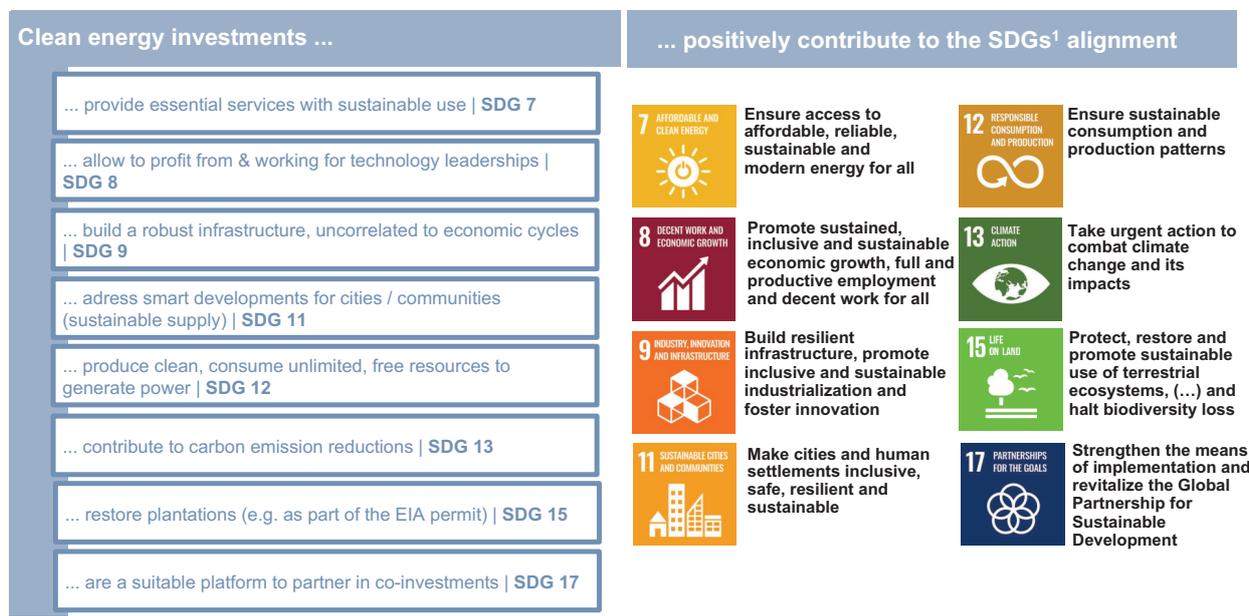
➤ **Environmental** issues are taken into account as 3rd party providers perform **bat monitoring** and shut down wind farms where necessary. **Social** issues are covered when 3rd party operators provide **free electricity for community events**. In the IEQ Funds were a "responsible contractor standard" is applicable, social issues such as **fair wage** and treatment are covered. **Governance** issues are covered by conducting compliance test for all parties involved.

Given the fact that the AREF Fund Family is exclusively invested in onshore wind farms and photovoltaic plants, the analysis shows that all assets meet the criteria of the SDG-checklist. All investments are in line with general UN SDG considerations, as the vehicles' purpose is to finance green social energy assets.

Source: Allianz Global Investors, 2020.

In all our AREF Fund Family products, we pursue the improvement of at least one SDG: the SDG 7 (ensure access to affordable, reliable, sustainable, and modern energy for all). In addition, the goals associated with SDG 8, SDG 9,

SDG 11, SDG 12, SDG 13, SDG 15 and SDG 17 are, in most of our assets, also monitored. See the following graph for a definition on the mostly applicable SDGs.



Source: Allianz Global Investors, 2020.

Renewable energy assets have an inherent positive value on the achievement of ESG targets. Therefore, and in addition to the ESG fulfilment, our current focus on ESG issues is "Impact" oriented. Thus, we only invest in green energy assets that provide additional value to the achievement of ESG targets. "Additionality" is key in our investments.

The graph below reflects how we identify additional ESG/impact value in the investment process in the short-term, ie when investing in greenfield projects, and in the long-term, ie when acquiring a brownfield asset and optimising it.

Impact is inherent in green energy assets. With our AREF Fund Family we have the ability to measure incremental (social and environmental) benefits and create value from the deployment of our clients' capital

Short-term additionality: greenfield investments	Long-term additionality: asset optimisation
<input type="checkbox"/> We bring new assets into existence. We are not just buying assets that are already operational.	<input type="checkbox"/> Renewable energies are cool today, useful tomorrow.
<input type="checkbox"/> The positive and incremental impact of a new installation is so much greater, and so much more tangible.	<input type="checkbox"/> We strive to improve the financial, and also the social return of existing assets. How?
<div style="border: 1px solid black; padding: 5px;"> <p>How?</p> <input type="checkbox"/> ...contributing to the well-being of local communities (i.a. "Bürgerparkbeteiligung", free-electricity during selected events, twinkle analysis,...)</div>	

Source: Allianz Global Investors, 2020.

Allianz Global Credit SRI & Allianz Global Multi-Asset Credit SRI

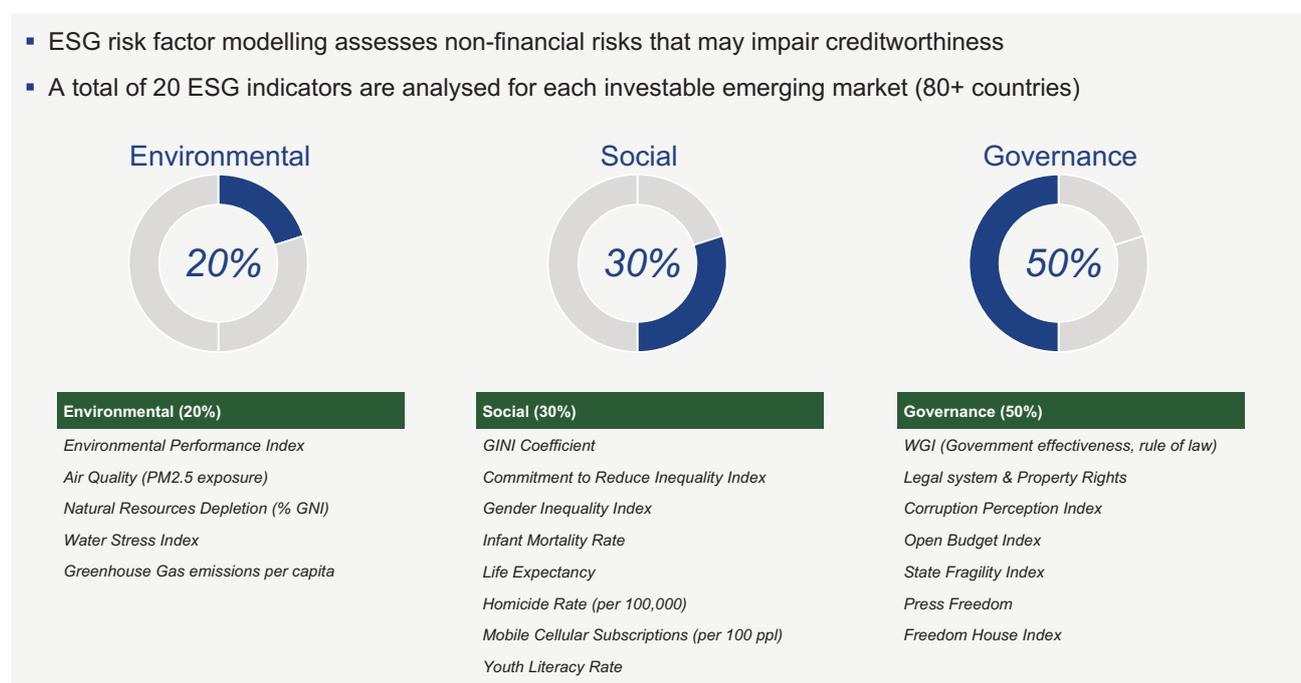
The funds exclude several industry sectors, including tobacco and coal producers. Additionally, they follow a “best in class” approach with at least 80% of issuers rated >1.75 by the SRI research team. The remaining segment may be filled with issuers who are either unrated or have a score between 1.0 and 1.75 and the portfolio management team has conviction of an improving trajectory.

Allianz Emerging Markets SRI Bond

The strategy uses our proprietary EM sovereign ESG framework, covering around 85 investable EM countries, to

help quantify ESG risks in addition to the financial risks assessed for each issuer. In total, 20 indicators have been selected from various public, independent and non-commercial third-party sources (international organisations, non-governmental organisations, academia etc) as the ESG framework’s inputs. The selection of relevant indicators is driven by three main considerations: how well an indicator captures a certain dimension, such as the quality of education or the independence of state institutions; the breadth of country coverage and credibility of the source; and how much control the government has over implementing policies that can directly affect the indicator. For example, we consider metrics that are good gauges of a country’s effort to meet the UN Sustainable Development Goals (SDGs).

- ESG risk factor modelling assesses non-financial risks that may impair creditworthiness
- A total of 20 ESG indicators are analysed for each investable emerging market (80+ countries)



Source: Allianz Global Investors, 2021. This is for illustrative purposes only.

For each one of our 20 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 ESG 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 ESG 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.

Integration of ESG in EMD investment process

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

Our exclusionary criteria focus on removing countries scoring in the bottom 10 percentiles on each of the three E, S & G pillars. This leads to an exclusion of around 20 EM countries, which represent around 20% of the market share in the EM Sovereign universe.

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 Best Styles Europe Equity SRI

AllianzGI SRI ratings and sustainability research restrict the investable universe: Only stocks from companies that (a) are rated and fulfil the Best-in-Class approach, (b) are not part of the AllianzGI SRI Exclusion Policy, (c) do not have human rights controversies and (d) are not involved in further controversial activities qualify for portfolio construction.

Portfolio construction is based on the remaining eligible universe by optimizing the portfolio with respect to many

constraints. Sustainability research enters in the way that many indicators are controlled via constraints, and hence impact stock selection. For example, it is targeted that stocks from companies with best ratings and / or stocks from companies which show positive rating changes are outweighed. Also, the portfolio's carbon footprint is controlled, and a reduction of absolute carbon emissions is targeted.

Allianz Multi Tempere ISR

The Fund is a fund of funds managed by the MultiGestion MA Team and invests in funds which comply with the French Label. 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 additional restriction from the 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 basis, 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 650 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 AVIP Top Tempéré fund builds the portfolio, monitoring of allocations and risks is then applied throughout the life of the fund.

Allianz Neo 2019 & Allianz 2020

Both Allianz Neo 2019 & Allianz Neo 2020 are structured products. From the SRI-universe of Allianz Valeurs Durables, the limited amount of stocks is selected based on the financial requirements for coupon payments disclosed in their prospectus.

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

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

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

In each of the AREF Fund Family products, the carbon emissions avoidance is measured and monitored. The impact on carbon emission reduction of the operational project is compared to a "business-as-usual" national scenario. The information on emissions per MWh for each country is based on the "Total Supplier Mix", which is taken from the study "European Residual Mixes. Results of the calculation of Residual Mixes for the calendar year 2018" published by the Association of Issuing Bodies on 28 May 2019 (Version 1.1). As of today, our carbon reporting fulfils the requirements of all our investors and is aligned with the French Energy Transition Law in its article 173.

Allianz Emerging Markets SRI Bond & Allianz Emerging Markets SRI Corporate Bond

Indicators such as Greenhouse gas emissions, natural resources depletion, etc which refer to a country's contribution to climate change are used to calculate our proprietary E score. By excluding the bottom 10 percentile of countries on the E pillar, we reduce our exposure to the highest contributors to climate change.

Allianz Best Styles Europe Equity SRI

Climate change considerations enter by excluding stocks from (a) companies that derive more than 10% of their revenue from thermal coal extraction and (b) utility companies that generate more than 20% of their revenues from coal in line with the AllianzGI SRI Exclusion Policy.

In the portfolio construction based on the remaining eligible universe, the portfolio's carbon footprint is managed, and a reduction of absolute carbon emissions compared to the market index is targeted. Further indicators are controlled, such as the alignment with the UN Sustainable Development Goals as well as revenue contributions to Goal 13 (Climate Action).

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?

Allianz Global Credit SRI & Allianz Global Multi-Asset Credit SRI

The Global Credit SRI fund adopted the AllianzGI SRI protocol in September 2019. Prior to this, the fund was managed on an ESG-aware basis.

The Global Multi-Asset Credit SRI fund launched in June 2019; the process has not changed since then.

Allianz Emerging Markets SRI Bond & Allianz Emerging Markets SRI Corporate Bond

It was decided to enhance the ESG framework by 2 new indicators (Greenhouse gas emissions per capita and commitment to reduce equality). All other aspects remain unchanged. There is 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?

AREF Family

The AREF Fund Family is labelled as "Impact", demonstrating the three core beliefs of Allianz Global Investors' Private Market Impact definition; showing intention to generate positive outcomes, having a clear association between each investment and the positive outputs delivered and having the ability to measure and report in order to validate the fund's Impact strategy. With our strategies, we can measure incremental (social and environmental) benefits and (financial) value creation from the deployment of the clients' capital. Our products aim to contribute to meet our clients' targets on environmental ("E"), but also social ("S") goals.

The "S" for "social" is one of the components the IEQ team measures when assessing the positive impact of a project. There are several metrics to measure the "social" impact of a renewable energy asset and one of them is the gender equality / personnel diversity. Diversity has been one of the aspects considered in AREF III, the AREF Fund Family's latest vehicle which has a focus on investments in the US.

In AREF III, the IEQ team adopted a Responsible Contractor Policy ("RCP") for investments in renewable energy projects. Developed in partnership with the North America's Building Trades Unions ("NABTU"), the RCP policy aims at fostering bidding by unions on construction and maintenance contracts attached to the investment projects, requires performance reporting from contractors and promotes fair wages, benefits, gender equality and diversity as well as working conditions for those engaged in the invested projects.

As another example of our invested assets improving the social acceptance of wind projects, it is worth recounting the experience with our project "Windpark Köhlen". One and a half years ago, we started a re-labelling of our wind

energy turbines at the windfarm in order to reduce the light disturbances caused by the flashing of the rotors to the local communities.

In general, and depending on the technology, project location and permitting, more and more social metrics are assessed in our AREF Fund Family. Below are some examples.

- The impact of noise and vibration on residents and businesses from an asset under construction, which is to be measured by our EPC (engineering, procurement, construction) contractors and supervised within the construction supervision tasks of our engineers.
- Health and safety metrics such as accident rates, disability access, security, labour standards in procurement policy (or similar), affordable workforce housing, social enterprise partnering, community development (and as to be compiled in the EPC and/or O&M (operation and maintenance) agreements).
- In the AREF Fund Family, where an RCP policy is incorporated for AREF III, social issues such as fair wage and treatment are covered.
- Employee diversity: in future European transactions, there might be a specific focus on the employment of refugees with a willingness to be integrated into the European society; progress against targets to be monitored.

Allianz Epargne Actions ISR Solidaire

The fund invests directly into public housing.

4.6) Do the funds engage in securities lending activities?

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.

**Allianz Vermögenskonzept SRI Dynamisch
& Allianz Vermögenskonzept SRI Ausgewogen
& Allianz Vermögenskonzept SRI Defensiv.**

The funds participate in security lending activities.

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 Euro Credit SRI, Allianz Euro Credit SRI Plus & Allianz Green Bond, Allianz Global Multi-Asset Credit SRI & Allianz Global Credit SR, Allianz Emerging Markets SRI Bond, Allianz Emerging Markets SRI Corporate Bond

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

Allianz Securicash SRI & Allianz Pée Monetaire ISR & Allianz Monetaire (2C), Allianz Euro Short Term 12 Mois (B38) & Allianz Epargne Monetaire ISR

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

**Allianz Stiftungsfonds Nachhaltigkeit,
Allianz Vermögenskonzept SRI Defensiv**

**Allianz Vermögenskonzept SRI Ausgewogen,
Allianz Vermögenskonzept SRI Dynamisch**

Allianz Dynamic Multi Asset Strategy SRI 15 (DMAS SRI 15), Allianz Dynamic Multi Asset Strategy SRI 50 (DMAS SRI 50)

Allianz Dynamic Multi Asset Strategy SRI 75 (DMAS SRI 75)

The funds make currently use of futures and options.

Allianz Multi Tempere ISR, Allianz Best Styles Europe Equity SRI, Allianz Stiftungsfonds Nachhaltigkeit

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.

Allianz Neo 2019 & Allianz Neo 2020

The funds use derivative instruments, being structured products.

4.8) Do the funds invest in mutual funds?

Allianz Valeurs Durables, Allianz Europe Equity SRI, Allianz Climate Transition & Allianz Global Sustainability, Allianz Euro Credit SRI, Allianz Euro Credit SRI Plus & Allianz Green Bond, Allianz Euro Oblig Court Terme ISR

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, Allianz Emerging Markets SRI Bond, Allianz Emerging Markets SRI Corporate Bond

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 Securicash SRI & Allianz Pee Monetaire ISR & Allianz Monetaire (2C), Allianz Euro Short Term 12 Mois (B38) & Allianz Epargne Monetaire ISR

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 Global Credit SRI & Allianz Global Multi-Asset Credit SRI, Allianz Stiftungsfonds Nachhaltigkeit

Allianz Vermögenskonzept SRI Defensiv, Allianz Vermögenskonzept SRI Ausgewogen

Allianz Vermögenskonzept SRI Dynamisch, Allianz Dynamic Multi Asset Strategy SRI 15 (DMAS SRI 15)

Allianz Dynamic Multi Asset Strategy SRI 50 (DMAS SRI 50), Allianz Dynamic Multi Asset Strategy SRI 75 (DMAS SRI 75)

Both funds may invest up to 10% in other AllianzGI mutual funds, subject to UCITS and Prospectus rules and internal approvals.

Allianz Multi Tempere

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 a severe SRI controversy, the SRI research team studies the issues and engages with the issuer. 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. The funds that have a label as specified in 1.) List of funds covered by the Code are subject to external due diligence.

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) 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) for French Funds and an SRI Report for selected funds.

This reporting can include 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.
- Engagements activities.

- Proxy Voting Activities.

Depending on the type of the fund we have additional reporting in place. For example, 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.

6.2) 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 behaviour + 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 Euroland Equity SRI	Overall SRI rating and separate rating for each of the four domains: corporate governance, environment, social and business behaviour + adherence human rights.
Allianz Europe Equity Climate Transition	Overall SRI rating and separate rating for each of the four domains: corporate governance, environment, social and business behaviour + 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 behaviour + 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.

Name of the fund	ESG indicators
Allianz Securicash SRI	Carbon intensity, Women in the Executive Committee, Target to improve Health and Safety Performance, Women Directors, Board Independence, UN GC signatories.C
Allianz Euro Oblig Court Terme ISR	arbon 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 and composition, independent directors, risk management.
Allianz Global Multi-Asset Credit SRI	Overall SRI rating + adherence human rights.
Allianz Emerging Markets SRI Bond	Overall SRI rating + adherence human rights.
Allianz Emerging Markets SRI Corporate Bond	Overall SRI rating + adherence human rights.
Allianz Vermögenskzept SRI Dynamisch	Overall SRI rating + adherence human rights.
Allianz Vermögenskzept SRI Ausgewogen	Overall SRI rating + adherence human rights.
Allianz Vermögenskzept SRI Defensiv	Overall SRI rating + adherence human rights.
Allianz Multi Tempere ISR	Overall SRI rating + adherence human rights.
Allianz Epargne Actions ISR Solidaire	Overall SRI rating + adherence human rights.
Allianz Epargne Durable	Overall SRI rating + adherence human rights.
Allianz Epargne Monetaire ISR	Overall SRI rating + adherence human rights.
Allianz Pee Monetaire ISR	Overall SRI rating + adherence human rights.
Allianz Monetaire (2C)	Overall SRI rating + adherence human rights.
Allianz Euro Short Term 12 Mois (B38)	Overall SRI rating + adherence human rights.
Allianz Dynamic Multi Asset Strategy SRI 15	Overall SRI rating + adherence human rights.
Allianz Global Credit SRI	Overall SRI rating + adherence human rights.
Allianz Best Styles Europe Equity SRI	Overall SRI rating + adherence human rights.
Allianz Neo ISR 2019	Overall SRI rating + adherence human rights.
Allianz Neo ISR 2020	Overall SRI rating + adherence human rights.
Allianz Euro Credit SRI Plus	Overall SRI rating + adherence human rights.
Allianz Dynamic Multi Asset Strategy SRI 50	Overall SRI rating + adherence human rights.
Allianz Dynamic Multi Asset Strategy SRI 75	Overall SRI rating + adherence human rights.

6.3) What communication resources are used to provide investors with information about the SRI management of the funds?

For most of the funds, the fund management company informs investors regarding the ESG criteria considered 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 reporting as stated under 6.1 above.

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 2020, please see AllianzGI Proxy Voting Report 2020 and AllianzGI Engagement Report 2020 respectively. These can be found on our website:

<https://www.allianzgi.com/en/our-firm/esg/documents#keypolicypolicydocumentsandreports>, see *Active Stewardship* section.

AllianzGI has provides transparency of its stewardship activities with a 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. This proxy voting tool highlights the importance AllianzGI places on adopting a global approach to active stewardship and ESG integration. This 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 *Active Stewardship* section.

Investing involves risk. The value of an investment and the income from it may fall as well as rise and investors might not get back the full amount invested. The volatility of fund unit/share prices may be increased or even strongly increased. Past performance is not a reliable indicator of future results. Investment funds may not be available for sale in all jurisdictions or to certain categories of investors.

For investors in Europe (excluding Switzerland)

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