



CLIMATE TRANSPARENCY REPORT 2020

Allianz Global Investors

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-FF30D2AA-6C7E-4307-BE85-D491C9A315D8/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	Allianz Global Investors
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ > 50 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2007
Region	Europe
Country	Germany
Disclosure of Voluntary Indicators	86% from 38 Voluntary indicators

Allianz Global Investors

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01	Mandatory	Public	Core Assessed	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1 Indicate if you have an investment policy that covers your responsible investment approach.

SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

We have analysed paths and methods to integrate climate change risk into strategic asset allocation and consider bottom-up climate risk integration into portfolio strategies important.

For mainstream investment strategies, all AllianzGI portfolio managers have access to the ESG and climate risk research including intrinsic issuer ESG ratings. For many sectors, climate change already poses a material consideration for fundamental analysts and, as such, is reflected in the sector frameworks (capturing material ESG risks) and stock ratings used to inform investment decisions.

Next to mainstream strategies AllianzGI offers impact driven funds such as green bonds, climate transition equity and illiquid renewable energy equity. These 'green' assets contribute positively to the alignment of an asset owner's portfolio related to the contribution to a 2°C economy and the portfolio's compatibility with climate and energy transition targets.

No

SG 01.7 CC Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

Describe the associated timescales linked to these risks and opportunities.

Short term - 1 year - transition risk and regulatory risk

Medium term - 1 to 5 years - transition risk and regulatory risk

Long term - longer than 5 years - physical climate change risks

No

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

- Yes
- No

**SG 01.9
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

- Yes

Describe

Please see our Climate Risk Positioning Statement, which can be found on our website. We have also developed a framework to measure carbon footprint of our portfolios.

- No

**SG 1.10
CC**

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

specify

Our parent company reports in its annual Sustainability Report according to TCFD recommendations.

- We currently do not publish TCFD disclosures

Governance and human resources

SG 07 CC

Mandatory to Report Voluntary to Disclose

Public

Descriptive

General

**SG 07.5
CC**

Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or heads of departments

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other role, specify (1)

Risk and compliance

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

**SG 07.6
CC**

For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

The ESG Board is the highest governing body for sustainability issues including climate change and oversees the Allianz Group Climate Change Strategy. It consists of three members of the Allianz SE Board of Management (BoM), meets quarterly and informs the BoM on relevant topics and activities at least twice a year. Each member is responsible for Asset Management, Investment Management, or CFO activities.

**SG 07.7
CC**

For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

AllianzGI has an ESG Committee in place with representatives from various departments. It advises the executive board and other relevant committees on ESG issues including climate change. Chief Sustainability Officer at AllianzGI also has responsibility for all sustainability related topics, including climate change.

ESG issues in asset allocation

SG 13

Mandatory

Public

Descriptive

PRI 1

SG 13.1

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities

Describe

In the past AllianzGI and ACS have performed joint research on topics like carbon price modelling as part of fundamental analysis, regional and asset class specific climate risks as well as causal climate risk structuring. We have analysed paths and methods to integrate climate change risk into strategic asset allocation

- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 13.3

Additional information. [OPTIONAL]

In the past AllianzGI and ACS have performed joint research on topics like carbon price modelling as part of fundamental analysis, regional and asset class specific climate risks as well as causal climate risk structuring.

We have analysed paths and methods to integrate climate change risk into strategic asset allocation and consider bottom-up climate risk integration into portfolio strategies important.

SG 13 CC

Mandatory to Report Voluntary to Disclose

Public

Descriptive

General

SG 13.4
CC

Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.

Initial assessment

Describe

We have done in-depth initial assessments and reviews of a range of pathways and different methodologies, which have contributed to fostering the internal debate on climate scenario analysis internally. Additionally, by starting initial pilot tests on a range of selected portfolios we have been able to understand the differences between differing climate scenario approaches yet gain first insight into potential impacts of climate-related risks and opportunities on the portfolios we manage for our clients.

We are also an active member in an initiative of the Institutional Investor Group's on Climate Change about Paris Aligned Investing in Listed Equity and Corporate Fixed Income. This has enabled a path for closer alignment between the industry members and a work-in-progress in distilling the best practice.

Incorporation into investment analysis

Inform active ownership

Other

SG 13.5
CC

Indicate who uses this analysis.

Board members, trustees, C-level roles, Investment Committee

Portfolio managers

Dedicated responsible investment staff

External managers

Investment consultants/actuaries

Other

SG 13.6
CC

Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

Yes

Describe

We undertook an initial assessment of climate-related risks on selected number of our investment strategies. In the assessments, we examined both physical and transition climate risks across a range of different time horizons ranging from 2023, to 2030 and 2050.

No

SG 13.7
CC

Indicate whether a range of climate scenarios is used.

Analysis based on a 2°C or lower scenario

Analysis based on an abrupt transition, consistent with the Inevitable Policy Response

Analysis based on a 4°C or higher scenario

No, a range is not used

Provider	Scenario used	
IEA	<input checked="" type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)	
IEA	<input checked="" type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	<input checked="" type="checkbox"/> Sustainable Development Scenario (SDS)	
IEA	<input type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)	
IRENA	<input type="checkbox"/> RE Map	
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution	
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)	
Bloomberg	<input type="checkbox"/> BNEF reference scenario	
IPCC	<input checked="" type="checkbox"/> Representative Concentration Pathway (RCP) 8.5	
IPCC	<input type="checkbox"/> RPC 6	
IPCC	<input checked="" type="checkbox"/> RPC 4.5	
IPCC	<input checked="" type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div style="background-color: #0070C0; color: white; padding: 2px;">Other (1) please specify:</div> PIK REMIND, CLAIMS
Other	<input type="checkbox"/> Other (2)	
Other	<input type="checkbox"/> Other (3)	

SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM		5	620	000	000
Currency	EUR				
Assets in USD		6	194	933	290

Specify the framework or taxonomy used.

The following AuM are included here: Climate Equity Transition strategy, green bonds and Renewable Equity Infrastructure strategies (direct investments)

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

SG 14 CC	Voluntary	Public	General
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SG 14.6 CC	Provide further details on the key metric(s) used to assess climate-related risks and opportunities.
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Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Weighted average carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	assess transition risks and opportunities	tCO2 equivalent emissions/mn EUR sales (weighted)	MSCI methodology
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	assess transition risks and opportunities	tCO2 equivalent emissions/mn EUR sales	MSCI methodology
Portfolio carbon footprint	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	assess transition risks and opportunities	tCO2 equivalent emissions/mn EUR sales (weighted)	MSCI methodology
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	assess transition risks and opportunities	the portfolio's share in the green sectors	Underlying data is sourced from MSCI

SG 14.8 CC	Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.
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- Processes for climate-related risks are integrated into overall risk management
- Processes for climate-related risks are not integrated into overall risk management

Please describe

We are currently in process to begin examining the potential ways how to integrate climate risks into overall risk management. However, as part of its intrinsic ESG rating analysis, the AllianzGI research team looks at extreme environmental risks on a corporate issuer level, including possible tail risks from climate change transition risks. Research views and investment opinions are exchanged and documented on a global proprietary research platform -"Chatter" - which can be accessed by all investment professionals. In the light of our ESG integration efforts all AllianzGI portfolio managers, therefore, can consider climate change risks in the investment strategies they manage.

SG 14.9 CC	Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.
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- Yes

Please describe

As an active supporter of TCFD recommendations, we encourage our portfolio managers and ESG analysts are highlighting the need for embedding climate-related risks and opportunities in financial disclosure when engaging with companies, referencing the TCFD recommendations.

- No, we do not undertake active ownership activities.
- No, we do not undertake active ownership activities to encourage TCFD adoption.

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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- Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
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%

1.6

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
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Area

- Energy efficiency / Clean technology
- Renewable energy

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Infrastructure

Percentage of AUM (+/-5%) per asset class invested in the area

31

- Other (1)
- Other (2)

Brief description and measures of investment

The figure relates to our investments in wind farms and solar parks. Please note that the percentage only encompasses our Infrastructure Equity assets.

- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water

Asset class invested

- Listed equity

Percentage of AUM (+/-5%) per asset class invested in the area

0.4

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Infrastructure
- Other (1)
- Other (2)

Brief description and measures of investment

We operate AllianzGI Global Water Fund. The Fund invests in stocks of companies that provide technologies to improve the supply, efficiency or quality of water, which is rapidly becoming an increasingly scarce commodity.

Other area, specify

Green bonds, social bonds and sustainability bonds

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

Percentage of AUM (+/-5%) per asset class invested in the area

6.4

- Fixed income - Securitised
- Private equity
- Infrastructure
- Other (1)
- Other (2)

Brief description and measures of investment

This figure encompasses both AuM related to our AllianzGI Green Bond Fund and green bonds which are part of other funds as well as investments in social and sustainability bonds.

AllianzGI Green Bond Fund was launched in 2015. It invests in green bonds issued by corporates with investment-grade ratings and some sovereign, supnationals and agency issues. It only invests in bonds issued in Organisation for Economic Cooperation and Development (OECD) currencies.

No