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AllianzGI reports strong growth in sustainable assets

- Sustainable assets grew to EUR 165 billion and company engagement increased by 31% according to new Sustainability Report
- Coronavirus set to strengthen drive towards sustainability
- Climate transition becoming a central theme across asset classes
- AllianzGI responds to growing interest for strategies with positive societal outcomes with new UN SDG-aligned offering

Allianz Global Investors (AllianzGI), a leading active asset manager, has grown the volume of sustainable investments it manages over the last three years from around EUR 25bn to EUR 165 billion by the end of 2019. The largest proportion of these assets, 80%, are a result of the asset manager's push towards integrating ESG into portfolios' opportunity and risk management.

According to AllianzGI's new Sustainability Report, sustainably managed assets across the categories Integrated ESG, SRI, SDG-aligned and Impact investing grew by around EUR 20 billion or 14% in 2019 alone. Last year's increase in assets is due to 28 new sustainability strategies that were either newly launched or converted from traditional strategies, and innovations in the area of impact investing.

Active stewardship, through engagement and proxy voting, also continues to become increasingly important. In 2019, AllianzGI intensified its company engagement programme. It engaged on 448 occasions (+31% vs. the previous year) with 333 companies (2018: 247) on 711 individual topics (2018: 482). Corporate governance is traditionally the main focus, but AllianzGI also addressed environmental and climate risks with over 80 (82) companies. Climate concerns have also emerged as an important theme in proxy voting: in a report by ShareAction, an NGO, on how global asset managers deal with climate-related shareholder proposals, AllianzGI was ranked 2nd out of 57.

Increasingly, investors are looking for investments that combine a financial return with a positive contribution to wider societal objectives, such as the UN Sustainable Development Goals (UN SDGs). AllianzGI sees this as growth driver and is – on the back of its focus on Global Water investments – now introducing a new, SDG-aligned segment in its sustainable investment offering.

Tobias Pross, CEO of Allianz Global Investors, says:

“With the advent of the UN Sustainable Development Goals, we play a critical role in directing funds towards investments that support and enable these targets. As a leading investor in alternatives investments, we can also identify and access opportunities in private-market investments – including renewable energy – that are at the frontier of change on the journey towards a more sustainable future.”

“Given the human and financial damage inflicted by the corona crisis, the focus on responsible and sustainable business conduct is likely to increase. And while its effects are devastating, we should draw hope and inspiration from the unprecedented global solidarity shown during this crisis. A similar kind of international focus and co-ordination will be required to prevent global warming and facilitate the transition to a carbon-neutral economy.”

“While the opportunities of this transition are important and exciting, the process will be disruptive: there will be winners and losers. We believe that only active asset managers can navigate this disruption – by engaging proactively with firms and making active investment choices – to deliver change that is measurable and enduring.”

Beatrix Anton-Groenemeyer, Chief Sustainability Officer at Allianz Global Investors, comments:

“Following the coronavirus outbreak, will governments take the opportunity to focus their stimulus programmes on some of the other major issues facing the planet – such as facilitating pathways to decarbonisation? It may be too early to say, but these topics must remain high on decision-makers’ agendas.”

“The nature of some risks is that they are almost impossible to predict – so-called “black swan” events like the coronavirus outbreak – but the consensus is that there is a “green swan” risk emerging: the failure to address climate change. We are at a turning point, where private investors want to invest their money not only for positive returns but also in a sensible, beneficial way for society. In the medium to long term, decarbonisation is becoming a central investment theme, as the Net-Zero Asset Owner Alliance, the UN-convened institutional investor initiative, shows. Active stewardship and engagement can be effective levers to facilitate the required change.”

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Notes to editors

A copy of the Sustainability Report can be found <https://www.allianzgi.com/-/media/allianzgi/globalagi/our-firm/ouresgapproach/sustainability-report-2019/allianz-gi-sustainability-report-2019-final-1119094i.pdf>

AllianzGI has long track record in sustainable investing and ESG research and is committed to, and in the process of, embedding ESG factors across all of its investment strategies. AllianzGI already manages EUR 135bn of assets according to its Integrated ESG approach as well as EUR 23bn in dedicated SRI strategies. AllianzGI manages around EUR 7bn of impact investments. All investment professional have access to proprietary ESG research and pursue an active stewardship approach for their portfolio holdings. Just recently, AllianzGI received an ‘A+’ from the PRI Association for its overarching approach to ESG Strategy and Governance for the third year in a row.

About Allianz Global Investors

Allianz Global Investors is a leading active asset manager with over 800 investment professionals in 25 offices worldwide and managing more than EUR 563 billion in assets for individuals, families and institutions*.

Active is the most important word in our vocabulary. Active is how we create and share value with clients. We believe in solving, not selling, and in adding value beyond pure economic gain. We invest for the long term, employing our innovative investment expertise and global resources. Our goal is to ensure a superior experience for our clients, wherever they are based and whatever their investment needs.

Active is: Allianz Global Investors

*AUM data as at 31 December 2019.

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