



Allianz Target4Life

SUSTAINABILITY POLICY

Pursuant to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on Sustainable Finance Disclosure Regulation (SFDR)

Date of last update: 30/12/2022

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PRODUCT SUMMARY

Over the last decades, sustainability issues have become increasingly important in the areas of financial regulation and the regulation of markets and intermediaries.

In this context, the European legislative programme drawn up with the aim of making a transition towards a more sustainable and resilient economic and financial system is highlighted. This legislative intervention led, inter alia, to the adoption of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability reporting in the financial services sector (SFDR) and Regulation (EU) 2020 /852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (Taxonomy Regulation).

Regulation (EU) 2019/2088 contains, among other things, rules on transparency regarding the integration of sustainability risks into investment decision-making processes as well as the results of the assessment of the likely impacts of sustainability risks on the performance of the products offered.

With this notice, Allianz Global Life dac intends to comply with the disclosure obligations deriving from the aforementioned regulatory framework.

The information applies to the insurance investment product of the Unit Linked type called "Target4Life" which is characterized by the fact that the Policy holder does not choose the internal Funds in which to allocate the Premium paid, but his investment is managed through a *Life Cycle* approach, in which the asset allocation of the internal Funds linked to the Contract is constantly reviewed and optimised in terms of risk/return. The riskiness decreases as the expiry of the *Life Cycle* approaches. This means that the risk will be greater in the early stages in order to accumulate more returns.

INFORMATION PURSUANT TO ARTICLE 6 OF REGULATION (EU) 2019/2088

In the context of Allianz Global Life dac, "sustainability risk" is understood as an event or condition relating to environmental, social or *governance* factors (hereinafter "**ESG**") which, if it were to occur, could cause a material adverse impact on the asset value, profitability or reputation of the Allianz Group or any of its member companies. By way of example, ESG risks may include risks related to climate change, biodiversity loss, violation of workers' rights and corruption.

The way in which ESG risks are integrated into Internal Insurance Funds ("AIFs") or External Funds is guided by the product's investment policy as represented in each fund's regulations.

The management of the Funds is delegated to *Asset Managers*, both belonging to the Group and external, on the basis of a specific mandate that binds the manager to comply with the regulations of each fund. Allianz Global Life dac only selects *asset managers* who are signatories to the United Nations Principles for Responsible Investment (PRI) or, alternatively, have adopted their own ESG policy. PRIs commit underwriters to consider ESG risks in investment analysis and to reflect them in investment decision-making processes.

Allianz Global Life dac considers negative impacts on sustainability factors throughout the investment process. In order to assess the main negative impacts, it draws on the expertise of ESG rating agencies and data providers for investments in companies or countries. For investments in infrastructure projects, renewable energy or real estate, for example, case-by-case reviews are conducted together with investment managers, including screening of Allianz's ESG-sensitive business areas to ensure that the Company's rigorous screening criteria to avoid negative

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impacts are taken into account. Allianz's exclusions on controversial weapons are mandatory for all investments of the Allianz Group.

For sustainable investments, the Company has implemented additional requirements that must be met to avoid negative impacts on sustainability indicators:

- Companies that are exposed to high risks in the biodiversity, water and waste sectors and do not adequately address these risks cannot be labelled as sustainable.
- Companies that are known to systematically violate the 10 principles of the UN Global Compact cannot be labeled as sustainable. The 10 principles are based on international norms and standards on: human rights, labour standards, environment and corruption prevention.
- The Company verifies serious human rights violations by sovereign bond issuers and labels as sustainable only those sovereign securities that have a low exposure to human rights risk (e.g. Allianz Human Rights Risk score incorporating numerous criteria in line with the UN Declaration of Human Rights).

For more details with respect to the above, please consult the dedicated section of the website at this link https://www.allianzgloballife.com/en_GB/documentation-and-forms.html in the "Sustainability Notice" section.

The 'do no significant harm' principle applies only to investments underlying the financial product that take into account EU criteria for environmentally sustainable economic activities.

The investments underlying the insurance-based investment product do not take into account the EU criteria for environmentally sustainable economic activities.