

STOP FUNDING GAS



Project Name MCCP OP Allianz

Country Global

Institution IFC

Investment Type FI-1

Status Approved

Project Cost/Financing Amount \$56 million equity

Projected Board Approval Date Approved July 28, 2022

Key Social & Environmental Concerns

According to the Global Coal Exit List, Allianz Global Investors is a major investor in the coal sector with US\$ 2.1 billion invested in coal companies. Reclaim Finance also shows Allianz GI has invested in 96 coal companies producing 1,556 million tons of coal annually and operating 475 GW of combined coal power capacity. This includes 43 coal developers, 31 companies planning the development of 137 GW of new coal power capacity.

Allianz GI has an existing coal exclusion policy but it fails to align its exclusion threshold with best practice – such as excluding companies over a 30% coal exposure threshold while a growing number of financial institutions are adopting a 20% or lower threshold. It also does not contain any references to two major drivers of the climate emergency: stopping the expansion and gradually phasing out existing coal assets.

Lastly, its relative exclusion threshold is far from sufficient: it won't effectively exclude large coal producers such as Glencore (\$32m invested) and BHP (\$95m). This means Allianz GI must adopt absolute exclusion thresholds for companies producing over 10 million tons of coal annually or with over 5 GW of coal power capacities. In addition, the fact that the investor can make exception for companies over its only exclusion criteria further weakens its policy.

Allianz has also recently launched its guidelines for oil and gas business meant to “accelerate the decarbonization of the energy sector in the medium term” and support business operations to be net-zero as early as 2030. Allianz is currently one of the biggest oil and gas insurers in the world and its commitment to stop insuring and investing in new oil and gas fields, new oil power plants, new midstream oil infrastructure, and practices related to Arctic drilling raises the bar for the insurance industry. Allianz is the 10th major insurance company to adopt oil and gas restrictions – but the real momentum now for all insurance companies is to adopt policies that align with climate science.

Other Resources

<https://disclosures.ifc.org/project-detail/SII/46878/mcpp-op-allianz>

On Allianz GI coal policy: <https://reclaimfinance.org/site/en/2021/07/09/allianz-global-investors-new-coal-policy-is-stuck-in-2015/>

Allianz Oil and Gas: https://www.allianz.com/en/press/news/commitment/environment/220429_Allianz-reinforces-its-commitment-to-net-zero-strategy.html

<https://reclaimfinance.org/site/en/2022/04/29/allianz-raises-the-bar-with-the-adoption-of-ambitious-oil-and-gas-exit-policy/>