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B4Ukraine Coalition

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July 26, 2024

Dear B4Ukraine Coalition,

Thank you for your letter of July 12 addressed to Mr. Oliver Bäte, CEO of Allianz SE, and I am happy to respond on behalf of Allianz.

Most importantly, Allianz condemns the unprovoked attack by Russia on Ukraine. This is an offense to the values of all people who believe in open and free societies and has created a humanitarian tragedy.

In early 2022, we immediately decided to take all necessary and possible steps to wind down our activities in Russia. This includes the discontinuation of new business in Russia, the full surrender of any controlling operational influence, and the evaluation of orderly exit options for our remaining inactive stakes in Russian operations.

As a matter of course, Allianz complies with all sanctions and regulations that apply to business in and with Russia. Furthermore, we maintain a rigorous screening process for business that may have connections with Russia, reflecting environmental, governance and social issues, including human rights.

Indeed, respect for human rights is a minimum requirement for responsible business within and beyond our direct operations. For Allianz, human rights are relevant in our different roles - as an insurer, investor, asset manager, employer and in the supply chain. More information can be found on our dedicated [website](#), in our [Human Rights Policy Statement](#), which contains our overall human rights commitment as passed by the Allianz SE Board of Management, and our [Sustainability Integration Framework](#), which explains how we screen for human rights-related risks in our business.

Allianz stands with Ukraine. Besides considerable donations supporting humanitarian efforts, Allianz has been offering free insurance coverage to Ukrainian refugees and their helpers, including those who provide private accommodation in various European countries.

You specifically referred to the latest (14<sup>th</sup> round) of European Union sanctions on Russia and their potential effect on European businesses currently trading legally with Russia. While we fully appreciate your interest in our business and are keen to be as open as possible, we – just like any other organization - also need to respect the principle of confidentiality of client-related information. That's why we are not able to comment on possible client relationships, or how such sanctions would affect individual companies.

What we can confirm is that Allianz Group complies with all applicable sanctions. That means that no insurance cover would be available for client activities that are subject to sanctions and any such coverage would be automatically excluded as soon as such sanctions come into force.

I hope this clarifies our position on our business in Russia and reassures you that we fully support and comply with all sanctions against Russia.

Please contact me if you have more questions.

Sincerely,

*Christiane Hach*

Christiane Hach

Head of Societal Impact Communications, Allianz SE

Oliver Bäte  
Chief Executive Officer  
Allianz SE  
Königinstrasse 28  
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Germany

July 12, 2024

Dear Mr. Bäte and the Allianz Leadership Team,

We write to you as [B4Ukraine](#), a coalition of Ukrainian and international civil society organizations working to curtail the financial resources enabling the Russian invasion of Ukraine. In the spirit of respect for the fundamental rights of all people, the rules-based international order, and a prosperous global economy, we expect companies to demonstrate public support for the people, democracy, and territorial integrity of Ukraine, opposition to Russia's war of aggression, and alignment with the UN Guiding Principles on Business and Human Rights (UNGPs).

We are reaching out to address allegations reported in an article that, despite the ongoing war in Ukraine, Allianz continues to insure Belgium's Fluxys, a company which imports gas into France and Belgium from businesses linked to oligarchs accused of funding Russia's war effort.<sup>1</sup> Recent data shows that Fluxys helped export €10.7 billion of Russian liquified gas from Russia since the start of the invasion.<sup>2</sup> As you are likely aware, Fluxys was named a sponsor of war by the Ukrainian government agency, NAZK, due to its contribution to the Russian war effort.<sup>3</sup>

A significant proportion of the gas unloaded by tankers in Zeebrugge and Dunkirk, operated by Fluxys, originates from the Yamal LNG terminal, which is partially owned by Novatek, a group with significant strategic and financial ties to the Russian regime and its war effort. Investigations show that gas produced by Novatek was linked to Russian military supply chains, and its CEO is accused of recruiting mercenaries for the Russian army in Ukraine.<sup>4</sup>

Since the start of the invasion, over a third of the LNG handled by Fluxys at Zeebrugge and Dunkirk originated from Russia. This indicates that a substantial portion of the company's revenue from offering services to LNG shippers comes from Russian cargoes. Moreover, 94% of the Russian exports handled by Fluxys in the same period came from the Yamal LNG production project in northwest Siberia.<sup>5</sup>

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<sup>1</sup> Malina Dittrich , Elena Kolb, "Allianz insures infrastructure for import of Russian gas," *Correctiv*, May 6, 2024, <https://correctiv.org/aktuelles/klimawandel/2024/05/06/allianz-versichert-infrastruktur-fuer-import-von-russischem-gas/> (accessed May 19, 2024).

<sup>2</sup> Global Witness, "Fluxys helped export €10.7 billion of Russian liquified gas since the Ukraine invasion," June 20, 2024, <https://www.globalwitness.org/en/press-releases/fluxys-helped-export-107-billion-of-russian-liquified-gas-since-the-ukraine-invasion/> (accessed July 10, 2024).

<sup>3</sup> NAZK, "NACP adds Belgian gas company Fluxys to list of international war sponsors," November 30, 2023, <https://nazk.gov.ua/en/news/nacp-adds-belgian-gas-company-fluxys-to-list-of-international-war-sponsors/> (accessed May 19, 2024).

<sup>4</sup> Global Witness (n2).

<sup>5</sup> Global Witness (n2).

According to the article, Allianz has provided Fluxys with general corporate insurance contracts that include coverage against "terrorism and political violence."<sup>6</sup> Allegedly, Allianz entered into the contract in 2023. By this time – a year into the full-scale invasion and nine years since the occupation of Crimea – Allianz was undoubtedly aware of Fluxys' importance and connection to the Kremlin.

Previously, Allianz was reported to leave the Russian market by fully transferring control over its Russian portfolio.<sup>7</sup> Allianz does not insure any companies or special risks in Russia.<sup>8</sup> Furthermore, in its response to the article, Allianz specified its compliance with all international sanctions.

However, we would like to remind Allianz that sanctions compliance is complementary to, but distinct from, a business' responsibility to respect human rights as described under the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines, the UNDP Guide on Heightened Human Rights Due Diligence for Business in Conflict-Affected Contexts, as well as the broader business and human rights framework or responsible and ethical business conduct.

Additionally, the EU has recently approved the 14th package of sanctions on Russia which includes a ban on the transshipment of LNG from Russia into the European Union. These new sanctions prevent EU ports from reselling Russian LNG once it arrives and halt financing for planned Russian LNG terminals in the Arctic and the Baltic.<sup>9</sup> The contracted transshipment capacity with Fluxys and Zeebrugge is 11 bcm per year.<sup>10</sup>

The new sanctions package is yet another potential risk Allianz is facing in continuing its operations with Fluxys specifically, and Russia indirectly.

While we are not accusing Allianz of breaching sanctions, its continued business links to Fluxys, and therefore to Novatek and to Kremlin, are undoubtedly contradictory to the company's statements and principles regarding respect for human rights, as well as CSR and ESG more broadly.

Allianz states that it is committed to "supporting and respecting the protection of international human rights," and "ensuring that Allianz is not complicit in human rights abuses."<sup>11</sup> Moreover, Allianz claims that, in its approach to human rights, the company follows the OECD Guidelines and the UNGPs. Expanding, the company states, "Allianz aims to identify, prevent, mitigate, or remediate adverse human rights impacts linked to our business activities and operations, including our supply chain."<sup>12</sup>

It has been over two years since Russia invaded Ukraine and the devastating impacts continue to shock the global conscience and shake the global economy. Russia is violating international humanitarian law (IHL), including war crimes and crimes against humanity, through attacks on

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<sup>6</sup> Kolb, Dittrich (n1).

<sup>7</sup> Leave-Russia, "Allianz SE," <https://leave-russia.org/allianz> (accessed May 22, 2024).

<sup>8</sup> Kolb, Dittrich (n 1).

<sup>9</sup> Alexandra Brzozowski, "War in Ukraine: EU adopts new package of sanctions against Moscow," *Euractiv*, June 20, 2024, <https://www.euractiv.fr/section/ukraine/news/guerre-en-ukraine-lue-adopte-un-nouveau-paquet-de-sanctions-contre-moscou/> (accessed July 10, 2024).

<sup>10</sup> Angelos Koutsis, "An EU ban on Russian LNG transshipments/re-exports; A quantitative analysis of impacts and implications," June 2024, <https://drive.google.com/file/d/1Hq0Xnr4381lgiSMhgVm1JWbVpEaXcbxf/view?bpmtrackid=2&bpmreplica=0> (accessed July 10, 2024).

<sup>11</sup> Allianz, "Respecting human rights," [https://www.allianz.com/en/sustainability/sustainability-at-allianz/Social\\_Approach/human-rights.html#:~:text=At%20Allianz%2C%20we%20regard%20the,complicit%20in%20human%20rights%20abuses](https://www.allianz.com/en/sustainability/sustainability-at-allianz/Social_Approach/human-rights.html#:~:text=At%20Allianz%2C%20we%20regard%20the,complicit%20in%20human%20rights%20abuses) (accessed May 22, 2024).

<sup>12</sup> Ibid.

civilians and civilian infrastructure (e.g., mass executions, sexual violence, torture, forcible transfer of civilians). More than 30,000 Ukrainian civilians have been killed and injured and millions more have been forced to flee their homes, creating one of the largest humanitarian and refugee crises of modern times. In recognition of the severity of abuses, in March 2023 the International Criminal Court issued an arrest warrant for Vladimir Putin to answer war crimes charges.<sup>13</sup>

In response to this unprovoked and unjustified war of aggression,<sup>14</sup> many companies have ceased any operations in the Russian market.

Moreover, recent developments in Russia point to an expanding universe of financial, legal, and reputational risks facing those still conducting business operations with Russia.

**We are writing now to enquire whether Allianz intends to continue providing insurance to Fluxys or any other operator that services the Yamal LNG project, thereby contributing to Russia's aggressive war and the resulting widespread human rights violations in Ukraine.**

Accordingly, we would like to pose the following questions:

- **Can you clarify how the continued business operations with Fluxys aligns with Allianz's Human Rights Policy and the company's commitment to human rights?**
- **Is Allianz concerned that maintaining this business relationship could negatively impact its ESG score and result in significant reputational risks?**
- **Can Allianz provide insight into the specific human rights due diligence process undertaken with regard to its insurance contracts with companies like Fluxys, particularly concerning their potential links to entities supporting Russia's war effort?**
- **Can Allianz clarify its mechanisms for ensuring that its business practices consistently align with its stated commitments to human rights, CSR, and ethical conduct, especially in contexts with severe human rights violations?**

In consideration of the above points, we request an urgent dialogue with the Allianz's relevant senior management and staff to discuss ongoing activities and relationships in Russia, associated risks to the people of Ukraine, and potential steps to prevent/mitigate these risks. Please contact the B4Ukraine Coalition at [contact@b4ukraine.org](mailto:contact@b4ukraine.org) to schedule a call. We kindly ask for your response by 5:00pm CET, July 26, 2024.

Please note that this letter and any response provided, or lack thereof, will be published on the B4Ukraine webpages. In case you would like to join the proposed call, any such meeting will be held under Chatham House Rules.

Sincerely,

The B4Ukraine Coalition

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<sup>13</sup> International Criminal Court, "Situation in Ukraine: ICC judges issue arrest warrants against Vladimir Vladimirovich Putin and Maria Alekseyevna Lvova-Belova," March 17, 2023, <https://www.icc-cpi.int/news/situation-ukraine-icc-judges-issue-arrest-warrants-against-vladimir-vladimirovich-putin-and> (accessed March 22, 2023).

<sup>14</sup> The UN General Assembly condemned Russia's "aggression against Ukraine" and demanded that Moscow "unconditionally withdraw all of its military forces from the territory of Ukraine within its internationally recognized borders".