

P I M C O

# Corporate Responsibility Report 2022

A company of Allianz 





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# A Message from Emmanuel Roman

I am pleased to provide this annual progress report on PIMCO’s corporate responsibility and sustainability initiatives covering 2022.

Before briefly outlining its contents and inviting you to read through its pages, I believe it’s important to pause and reflect on last year’s global picture in order to set these efforts – and the efforts of our industry more generally – into a broader context.

Many refer to current times as an era of polycrisis – when multiple global challenges converge and collide in ways that undermine political, social, economic, and market conditions. These shocks and challenges are nearly too numerous to describe but certainly include the war in Ukraine, worsening climate change, the ongoing pandemic disruption, and a cost-of-living crisis for many vulnerable citizens.

Add to this list last year’s disruption and shocks to financial and commodity markets – from energy to food – and one can very quickly become pessimistic.

But there is another, more hopeful, lens. Seen differently, today’s global challenges place new importance on all social actors – from the public sector to the private sector – to assume greater leadership responsibilities.

In this regard, corporate responsibility and sustainability commitments and practices become an essential pillar of a stable and equitable global order – one that delivers both commercial and societal benefits.

As business leaders, we must all elevate our ambitions and our efforts. To this end, I reaffirm and strengthen PIMCO’s commitment to the UN Global Compact and its Ten Principles, as well as the Sustainable Development Goals and Principles for Responsible Investment.

The following pages reflect our holistic approach to corporate responsibility – covering sustainable investing; workplace inclusion, diversity, and wellbeing; and engagement in our communities. What unites all these efforts, I believe, is our focus on people

As I have said before, we wish to lead, but also to learn. Going forward, partnerships and alliances take on an even greater meaning. This report includes a survey of many of our most important partnerships, including community partners doing truly exceptional and inspiring work.

Thank you, and I look forward to your comments and reflections.



A stylized handwritten signature in black ink, appearing to read 'E. Roman'.

**Emmanuel Roman**  
Chief Executive Officer



# PIMCO Overview

Pacific Investment Management Company LLC (“PIMCO”) was founded in Newport Beach, California, in 1971 and is a global investment solutions provider. PIMCO started as a subsidiary of Pacific Life Insurance Company managing institutional separately managed fixed income accounts. In 2000, PIMCO was acquired by Allianz SE (“Allianz”), a large global financial services company based in Germany, with the agreement that it would be able to operate as a separate and autonomous subsidiary. While primarily known as one of the world’s largest fixed income managers, PIMCO also manages a broad range of strategies across different asset classes including alternatives, equities, and real assets.

## Our Values

### COLLABORATION

#### WE BELIEVE

each of us is here to help others succeed

#### WE LEVERAGE

diverse perspectives to make better decisions

#### WE SHARE

ideas, information and intelligence

### RESPONSIBILITY

#### WE PRIORITIZE

client needs and objectives ahead of our own

#### WE NEVER STOP LEARNING

and building expertise, individually and within teams

#### WE ARE ACCOUNTABLE

for the impact of our actions on clients, culture and community

### OPENNESS

#### WE SEEK

challenges to our most closely held viewpoints

#### WE LISTEN

and engage with fairness and candor

#### WE RECOGNIZE

the importance of a global mindset

### EXCELLENCE

#### WE PURSUE

deep insight with humility

#### WE TRANSFORM

individual solutions into institutional best practices

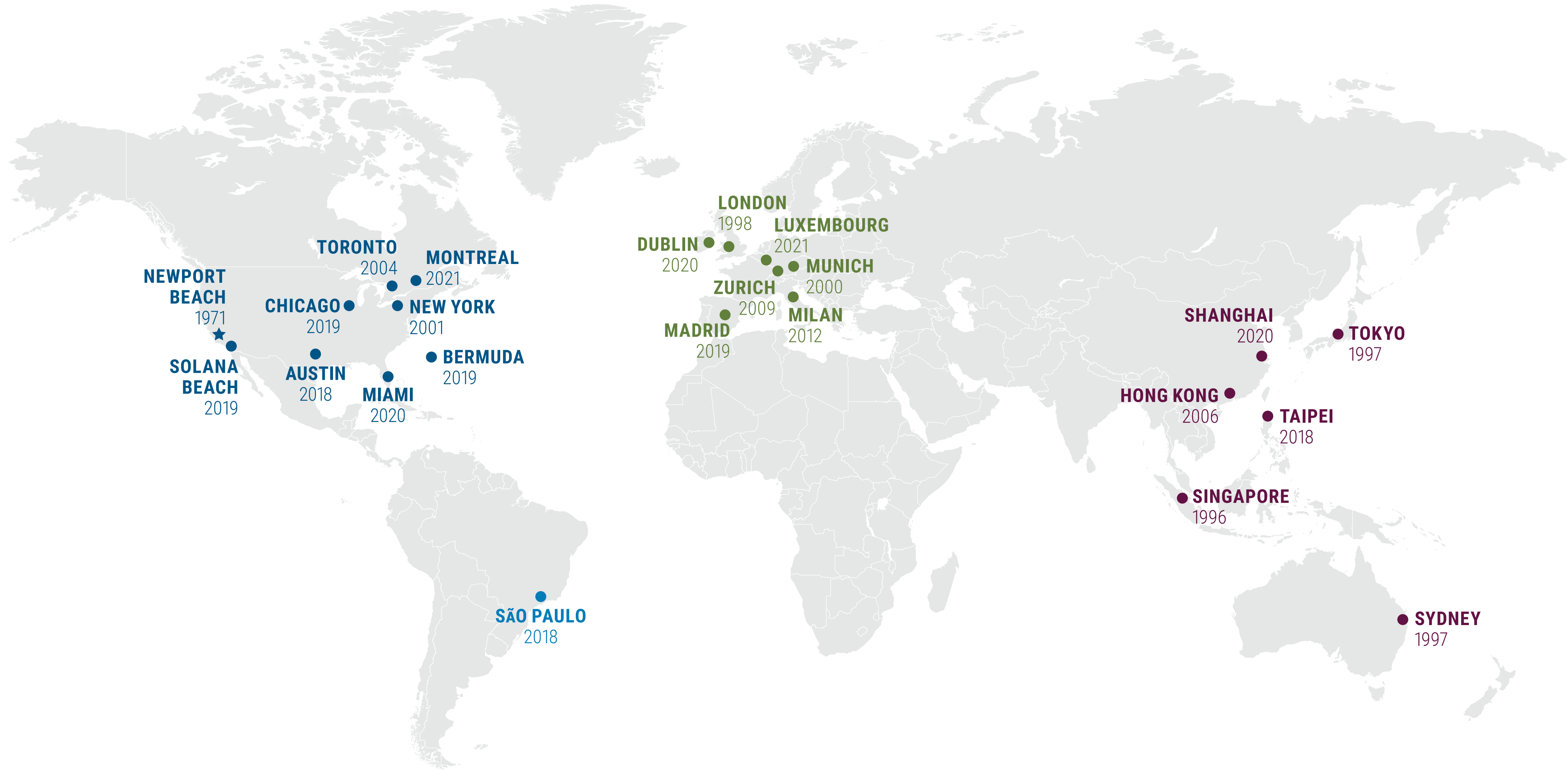
#### WE ALL ACT AS LEADERS

and think as leaders





# Global Offices

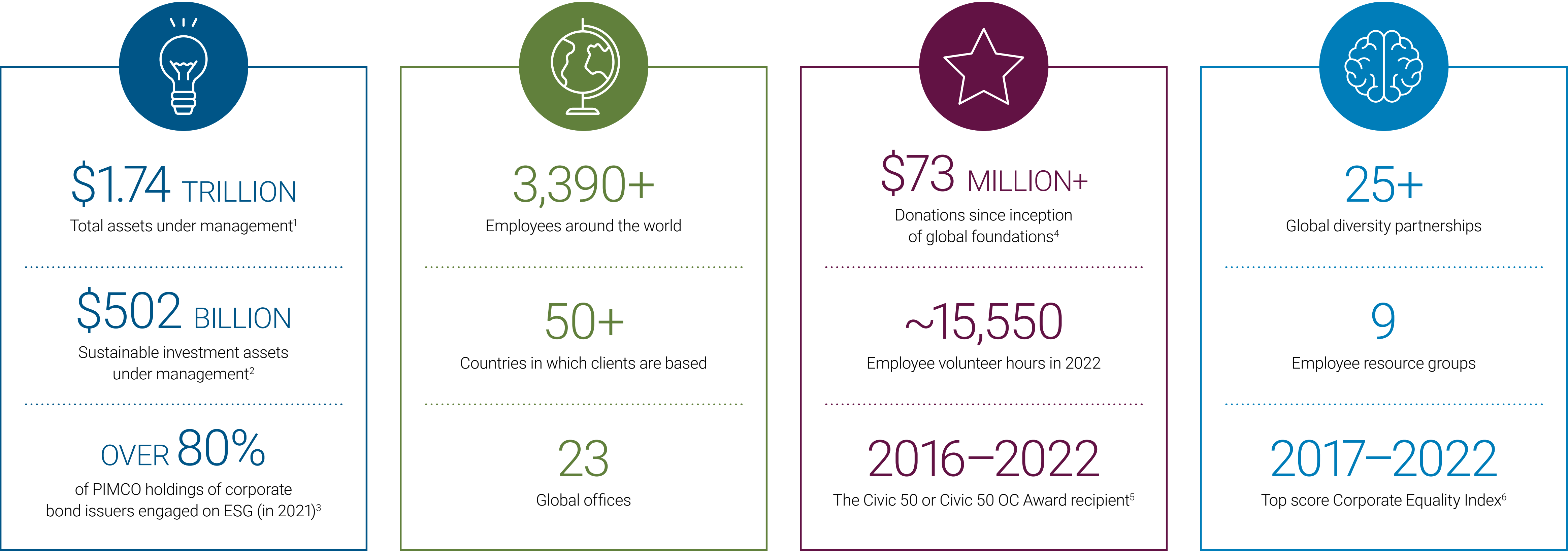


As of 31 December 2022.





# Snapshot as of 31 December 2022



1 PIMCO manages \$1.74 Trillion in assets, including \$1.38 Trillion in third-party client assets as of 31 December 2022. Assets include \$81.8 Billion (as of 30 september 2022) in assets of clients contracted with Allianz Real Estate, an affiliate and wholly-owned subsidiary of PIMCO and PIMCO Europe GMBH. Employee data excludes Allianz Real Estate employees.

2 PIMCO, as of 31 December 202. The figure includes 1) Third party ESG AUM with (i) specified ESG-linked objectives (“ESG” portfolios); or (ii) a focus on a sustainability-related theme (“thematic portfolios”). 2) third party Socially Responsible AUM (negative screened portfolios), which consists of PIMCO-sponsored funds and separate accounts with more than one client-driven values-based exclusion (“socially responsible portfolios”); and 3) Allianz ESG and Socially Responsible AUM.

3 Calculated as % by par-adjusted Firm AUM. Corporate issuer is defined as a non-government legal entity that develops, registers and sells securities to finance its operations. The statistic relates solely to the in-depth engagement activities by PIMCO’s ESG analysts.

4 Since Inception date is 2000

5 The Civic 50 recognizes the 50 most community-minded companies in the nation each year as determined by an annual survey. We also report best practices each year to provide a framework for good corporate citizenship. The Civic 50 honorees are public and private companies with U.S. operations and revenues of \$1bn or more. They rank only their U.S. community engagement programs, as outlined on their website: <https://www.pointsoflight.org/the-civic-50/>. This award is open to all companies with \$1B or more in revenue. This award was not paid for by PIMCO.

6 PIMCO is honored to earn the designation as a Best Place to Work for LGBT Equality in recognition for our continued commitment to foster an inclusive and diverse work environment. The Human Rights Campaign (HRC) Corporate Equality Index (CEI), a national benchmarking survey and report on corporate benefits, policies and practices pertinent to lesbian, gay, bisexual, and transgender (LGBT) equality and inclusion in the workplace. PIMCO first received this designation 5 December 2017



# Sustainability at PIMCO



**Ryan Korinke**  
Global Head of Sustainability

Corporate sustainability, and the related fields of sustainable and ESG investing, have experienced numerous evolutionary phases since these movements emerged in earnest in the mid-2000s – a decade that saw the launch of a wave of international norms, codes, and standards. This early phase was largely a response to negative external pressures – including concerns about the role of business in society, and the effects of globalization more broadly.

A second phase coalesced in and around 2010 as the business philosophy of stakeholder capitalism gathered increasing momentum and companies embraced the idea of satisfying the growing expectations of a wider set of constituents – shareholders, yes, but equally employees, communities, and policymakers.

In many respects, we are now squarely in the third phase: a proactive agenda to address a range of global issues – from climate change to social inequalities – that find expression in the convictions and closely held values of companies’ employees as well as the communities in which they operate. Indeed, companies’ ability to attract and retain talent in the new era will be influenced by their ability to deliver on this evolving agenda.

This is certainly the experience and thinking at PIMCO, where we take a comprehensive view of sustainability, encompassing our internal workplace policies and environmental footprint, our investment management activities, and our external community work and giving. You will find detailed descriptions of this work within the pages of this year’s Corporate Responsibility Report.

We are proud of our continuing progress and activities, and the new era demands higher levels of sustainability performance by all private sector organizations. ESG investing, largely rooted in risk management considerations, is evolving into the broader field of sustainable investing where delivering returns and real-world outcomes become twin objectives, provided such strategies are consistent with fiduciary duty. In this regard, and in our view, the Sustainable Development Goals (SDGs) represent an essential blueprint. Two specific SDGs – Zero Hunger and Gender Equality – are embedded in our community work, while core human rights principles underpin our internal programs and practices.

On the investment side, we are pleased to hold leadership seats in a number of key global initiatives, including the Global Investors for Sustainable Development Alliance and the UN CFO Coalition for the SDGs.

Climate change is clearly another critical global issue and we are focused on providing key investment tools and insights for our clients, along with our internal policies.

Sustainability is a journey, not a fixed destination. As responsible companies, we must constantly adapt and seek to stay ahead of trends and developments. Our clients, employees, and communities expect no less. Nor should they.



# Sustainable Investing

We believe that leadership in sustainable investing is an important factor in meeting our clients’ financial objectives as well as supporting long-term, sustainable economic growth globally – for the benefit of our clients, markets, and the broader society.

For over 50 years, we have helped millions of clients pursue their financial goals. A significant driver of our investment process is our secular focus, which often includes sustainability issues and how they impact long-term valuations, in addition to our rigorous approach to analysis and risk management. We also offer strategies that incorporate sustainability goals, and reinforced our commitment to integrating material environmental, social and governance (ESG) factors in our investments when we endorsed the Principles of Responsible Investment (PRI) in 2011.

We believe that growth must be sustainable for financial markets to prosper over the super-secular horizon. PIMCO has significantly expanded its ESG work and commitments during the past decade – reflecting our belief that sustainable investing has become a global megatrend. We see this as more and more clients globally seek strategies to address a range of environmental and social risks and opportunities – from climate

change to social issues – many of which have been accentuated by the global pandemic and geopolitical disruption.

For PIMCO, sustainable investing represents an approach that seeks to appropriately consider material issues in investment decision making and portfolio construction, including issuers’ impact on the environment and society more broadly – linked, for example, to the SDGs and the Paris Climate Accord.

Our approach to ESG rests on two pillars. First, we integrate ESG analysis into the firm’s robust investment process, recognizing that ESG factors can be material inputs into our understanding of risk inherent in global economies, markets, industries, and business models. We integrate these factors into our investment research and decision making when relevant and material, in order to ultimately consider portfolio risk.

Second, for investors seeking greater ESG and sustainability orientations in their portfolios, we offer a platform of dedicated solutions that focus on solutions seeking financial returns together with sustainability objectives, properly aligned with fiduciary duty and associated investment objectives.



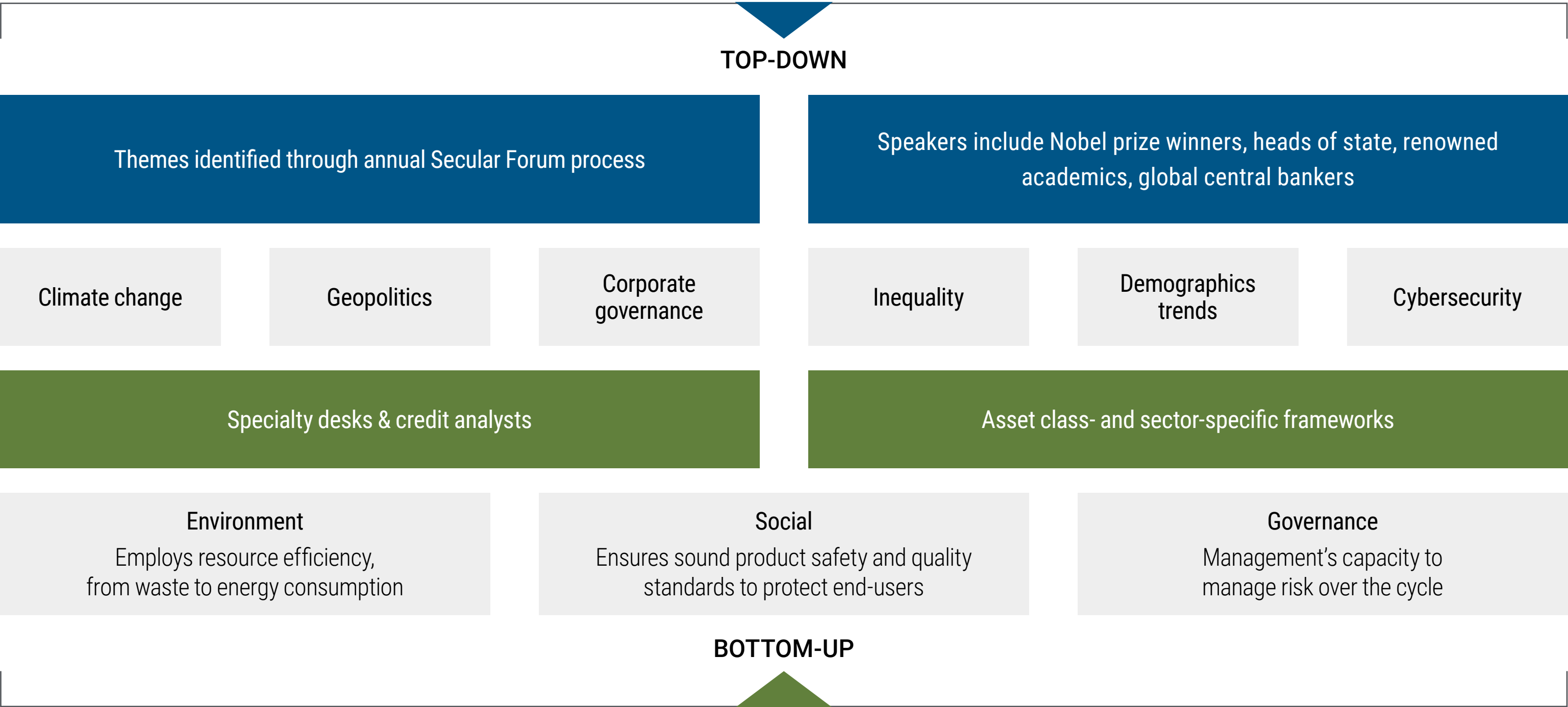


## ESG INTEGRATION IN PIMCO’S INVESTMENT RESEARCH PROCESS

At the firm level, PIMCO’s investment process emphasizes rigorous analysis of broad secular trends, which are at the core of both global ESG trends and long-term asset returns. Our investment process evaluates ESG risk factors from the top-down (i.e., macro) and the bottom-up (i.e., security specific) where applicable, with the goal of enhancing our clients’ risk-adjusted returns.

The first and most important step in PIMCO’s process is to identify major long-term themes likely to affect the global economy and financial markets. PIMCO believes that this type of analysis is fundamental to making sound investment decisions. The firm’s annual Secular Forums are devoted to identifying and analyzing these longer-term trends, and when appropriate the consideration of ESG-related issues are incorporated into this process. Secondly, the firm’s global research teams aim to evaluate ESG-related issues as part of their bottom-up analysis.

As illustrated below, PIMCO blends macro analysis with extensive bottom-up work.



For Illustrative Purposes only.





We evaluate ESG factors across markets and asset classes, where applicable; the relevance of ESG considerations to investment decisions will vary across strategies. By integrating material ESG factors into the evaluation process, PIMCO is increasing the total amount of information assessed in order to generate a more holistic view of an investment, in an effort to pursue appropriate outcomes for our clients. Relevant ESG factors may include, but are not limited to: climate change risks, resource efficiency, natural capital, human capital management, human rights, regulatory risks, and reputational risk at an issuer level, among others.

To facilitate the integration of ESG risk factors in our analysis and to monitor ESG-related risks, we are continually enhancing our proprietary research with specific ESG-related attributes and dedicated scoring. In addition, we have hosted training sessions for our analysts covering available scoring methodologies, ESG systems, data, and tools. ESG data and analysis, both internal and external, are readily available to all portfolio managers, traders, and research analysts across the firm, and are available to help inform investment decisions where appropriate.

Below is an illustration of the general ESG indicators and examples of sector-specific metrics used by PIMCO’s analysts to evaluate corporate issuers’ exposure to ESG risks, as well as practices to mitigate those risks.

| ENVIRONMENTAL                                                                                                                                                                                                              | SOCIAL                                                                                                                                                                                                                                                                             | GOVERNANCE                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Climate change</li><li>• Green house gas emissions</li><li>• Resource efficiency</li><li>• Natural capital</li><li>• Land use &amp; biodiversity</li><li>• Air pollution</li></ul> | <ul style="list-style-type: none"><li>• Human capital management</li><li>• Community &amp; stakeholder relationships</li><li>• Product safety &amp; quality</li><li>• Product innovation &amp; wellness</li><li>• Health &amp; safety</li><li>• Human &amp; labor rights</li></ul> | <ul style="list-style-type: none"><li>• Board, management, &amp; ownership</li><li>• Business ethics</li><li>• Conduct &amp; culture</li><li>• Delivery on business strategy</li><li>• Transparency &amp; reporting</li><li>• Risk management</li></ul> |







## ESG OPTIMIZATION IN PIMCO’S SUSTAINABLE INVESTMENT SOLUTIONS

We have developed a suite of sustainable investment solutions for clients seeking risk-adjusted returns and the inclusion of sustainability objectives in the investment selection process; this may include managing the portfolio’s carbon footprint; active engagement with issuers; green, social, sustainable or sustainability linked (GSS) bond allocations; and/or a tilt toward issuers with quality or improving ESG characteristics. These investment solutions build on PIMCO’s 50+-year core investment processes, while actively incorporating our clients’ sustainability objectives. Clients around the world define their sustainability objectives differently – and that customization is supported through our investment solutions. At PIMCO, we are readily equipped to help partner with clients to identify and deliver sustainability objectives tailored to meet their risk and return profile.

With respect to comingled funds or separately managed accounts that follow ESG strategies and guidelines, we have built on PIMCO’s 50+ -year core investment processes that utilize three guiding principles:

- **Exclude:** We exclude issuers fundamentally misaligned with specific factors.
- **Evaluate:** Using our proprietary and independent ESG scoring system as one factor in portfolio construction, we seek to optimize ESG portfolios to emphasize companies in each industry and more generally issuers with leading or improving ESG practices, limited carbon footprint and/or high quality sustainable bond frameworks. Members of PIMCO’s global research team are responsible for assigning ESG scores to issuers in collaboration with dedicated ESG analysts.
- **Engage:** We believe that by collaborating with and allocating capital toward issuers willing to improve their ESG-related business practices, these strategies can generate a greater ESG impact than by simply excluding issuers with poor ESG metrics, and favoring issuers with strong metrics. We conduct engagement based on opportunities that we believe will have the most significant impact – unique to each issuer. We engage with issuers on a variety of topics, including alignment of business activities with the SDGs, including via green/sustainable bond issuance, and we track progress over time.



ENGAGEMENT WITH ISSUERS AND COMPANIES

As one of the largest bondholders in the world, PIMCO has a large and important platform with which to engage issuers on sustainability matters. Engagement is an essential tool for gaining investment insights and influencing sustainability outcomes. We believe that sustainable investing is not only about partnering with issuers who already demonstrate a deeply unified approach to sustainability, but also about engaging with those issuers who are continuing to evolve their sustainability practices. This can be a direct way for PIMCO to influence positive outcomes intended to benefit investors, as well as potentially our employees and broader society.

We aim to have an industry leading engagement program among fixed income asset managers. By investing across diverse asset classes and types of issuers – including corporates and sovereigns – we believe PIMCO’s engagement practices are ideally positioned to help influence change, rather than through exclusions or evaluations alone. In our experience we have found that our collaborative approach with issuers has the potential to result in tangible outcomes in certain issuers, given the strength and history of our platform.

PIMCO ESG GLOBAL AND INDUSTRY LEADERSHIP

PIMCO’s ESG team includes more than 50 investment professionals across the firm with ESG-specific responsibilities. PIMCO’s ESG team is not a separate business unit, but is integrated across all functions of the firm – from portfolio management to client-facing, executive office to product strategy, compliance to marketing. This ensures that ESG is incorporated into PIMCO’s broad research process and includes staff at every point along the value chain. We believe it is important to have all of our experts monitor the ESG risks that are relevant to their particular sector and universe of securities. This ensures that ESG risk factors and opportunities are integrated into our broader investment decision-making.

GLOBAL ESG LEADERSHIP TEAM



**Grover Burtney**  
Head of ESG Portfolio Management, EVP  
Leads ESG investment activity and the ESG analyst team



**Lupin Rahman**  
Portfolio Manager, EVP



**Del Anderson**  
Credit Analyst, EVP



**Ryan Korinke**  
Global Head of Sustainability, Managing Director



**Tina Adatia**  
Fixed Income Strategist, EVP,  
Leads Global ESG Product Strategy



**Kwame Anochie**  
Account Manager, EVP



**Gavin Power**  
Chief of Sustainable Development and International Affairs, EVP



**Jelle Brons**  
Portfolio Manager, EVP



One area that our ESG Leadership team also oversees is evaluating and approving the firm’s participation in certain third-party partnerships (i.e., industry engagements and/or affiliations). We view these partnerships as important ways to add value for our investors by increasing our knowledge and expertise on particular topics, and providing leadership in areas where internal sustainability stakeholders have strong views – all with the objective of strengthening investment outcomes.

PIMCO’s role as a fiduciary is a guiding principle for evaluating potential affiliations. The firm’s role as a steward of client assets is of paramount importance and means we understand that our investment activities and commitments must be led by client mandates and considerations expressed through investment objectives, guidelines and/or restrictions.

We believe that fostering sustainable economic development across sectors is essential to deliver on our clients’ financial objectives, and we view broader considerations for the environment and society as central to this approach. Below is a sampling of key global affiliations and industry initiatives:

| AFFILIATION                                                                                                                                                                                           | OVERVIEW                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <div><div>Principles for Responsible Investment</div><div>PIMCO is a Signatory</div></div>                          | <ul style="list-style-type: none"><li>• The UN-supported Principles for Responsible Investment (PRI) is the world’s largest investor initiative focusing on integrating ESG factors into the investment processes.</li><li>• PIMCO is an active signatory of the PRI and engaged in several workstreams, including Chairing the PRI Sustainable Development Goals Advisory Committee (SDG), and as a member of the Advance Initiative’s Advisory Committee, working to advance human rights action.</li></ul>                                                                                                                         |
| <div><div>United Nations Global Compact</div><div>UN Global Compact</div><div>PIMCO is a Member</div></div>         | <ul style="list-style-type: none"><li>• The UN Global Compact is a principles-based framework for businesses aimed at advancing sustainable and responsible policies and practices.</li><li>• PIMCO supports the Ten Principles of the UN Global Compact with respect to human rights, labor, the environment, and anti-corruption – and is committed to incorporating these principles into our strategy, culture, and day-to-day operations.</li><li>• PIMCO co-chairs the UN Global Compact’s CFO Coalition; this is an effort to create a movement of chief financial officers to address SDG investment and financing.</li></ul> |
| <div><div>UN Global Investors for Sustainable Development Alliance (GISD)</div><div>PIMCO is a Member</div></div> | <ul style="list-style-type: none"><li>• PIMCO is one of only 30 members of the UN Secretary-General’s GISD Alliance, which focuses on accelerating investment into sustainable development. In partnership with investors, governments, and multilateral institutions, the GISD will drive investment towards achieving the UN’s Sustainable Development Goals (SDGs).</li></ul>                                                                                                                                                                                                                                                      |
| <div><div>Carbon Disclosure Project (CDP)</div><div>PIMCO is a Signatory</div></div>                              | <ul style="list-style-type: none"><li>• PIMCO is a signatory of the CDP, an organization that runs the disclosure system for stakeholders across the globe to manage the environmental impact of greenhouse gas emissions. CDP is backed by approximately 680 investors totaling over \$130 trillion in assets.</li></ul>                                                                                                                                                                                                                                                                                                             |



AFFILIATION

OVERVIEW



Sustainability Accounting Standards Board (SASB) – Investor Advisory Group (IAG)  
PIMCO is a Founding Member

- SASB, under the umbrella of the Value Reporting Framework, comprises asset owners and managers who recognize the need for consistent, comparable, and reliable disclosure of ESG information.
- SASB participates in the reporting standards development process and encourages companies to participate as well.



Climate Action 100+  
PIMCO is an Investor

- This is a pledge made by investors to push 100 of the highest-emitting companies globally to do more to tackle the threat of climate change.
- There are more than 700 institutional investors with \$68 trillion in assets pledged to support this initiative.



FSB’s Task Force on Climate-related Financial Disclosures (TCFD)  
PIMCO is a Signatory

- This task force has created a set of voluntary recommendations for better climate-related financial disclosures.
- TCFD’s goal is to help firms understand what investors demand from disclosures in order to measure and respond to climate risks.



Institutional Investors Group on Climate Change (IIGCC)  
PIMCO is a Member

- This is a leading investor coalition on climate change with more than 350 members across 23 countries, managing over €50 trillion in assets.
- IIGCC drives investor collaboration on combatting climate change and takes action for a low-carbon future.

AFFILIATION

OVERVIEW



Climate Bonds Initiative (CBI)  
PIMCO is a Partner

- This is a leading organization focused on fixed income and climate change solutions.
- CBI has been instrumental in supporting more robust data disclosure and standards to propel the green bond market, and remains heavily involved in shaping new green-bond regulations.



One Planet Framework  
PIMCO is a Member

- The framework was created following the 2015 Paris Agreement in order to mitigate the effects of climate change.
- It aims to help sovereign wealth funds foster a shared understanding of climate change, identify climate-related risks and opportunities, and enhance their decision-making to better inform their priorities as responsible investors.



International Capital Market Association (ICMA)  
PIMCO is a Member of the Executive Committee

- ICMA promotes building internationally accepted standards of best practice in markets through the development of appropriate, broadly accepted guidelines, rule, recommendations, and standard documentation. In order to maintain and enhance the framework of cross-border issuing, trade, and investing in debt securities.
- Examples of ICMA’s standards include the Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, and Sustainability-Linked Bond Principles.



Access to Nutrition Initiative (ATNI)  
PIMCO is a Signatory

- ATNI establishes partnerships with organizations committed to solving the world’s nutrition challenge, specifically working with food and beverage companies to improve their business practices. ATNI collaborates with investors, academics, non-profits, and foundations across the globe.



# Sustainable Business

Today’s companies, especially global companies, operate in an increasingly complex business environment – both in term of internal dynamics and external forces, including economic shocks.

To manage an enterprise sustainably, and for the long term, requires leaders throughout an organization to think holistically – ensuring that internal business processes are stable and resilient; striving for excellence in client and customer service; meeting the professional and values-oriented needs of a diverse and sometimes disparate workforce; and managing resource inputs to maximize environmental sustainability.

Moreover, firms must adapt to changes in the regulatory landscape, which can differ enormously by jurisdiction.

A sustainable business, therefore, is one that successfully balances these internal and external needs and expectations, while also instilling a mindset of continuous improvement.

PIMCO’s commitment to operational sustainability begins with our Code of Conduct, covering compliance, our fiduciary duty to clients, and the firm’s expectations with respect to ethical conduct.

In addition, we are guided the firm’s commitment to the UN Global Compact and its Ten Principles, encompassing human rights, working conditions, the environment, and anti-corruption. We take pride in being one of few global asset managers to endorse these principles, supported by an annual disclosure.

Of course, business environments and markets can shift rapidly. This is why we place a high value on regular interactions and discussions with clients, employees, supply chain partners, and a range of other stakeholders.

We hope the following provides further insight into our approach to creating and maintaining a successful sustainable business.





CODE OF CONDUCT

Our Code of Conduct sets out the standards of business conduct that we require of our employees in carrying out our fiduciary obligations. The following general fiduciary principles govern our activities:

- Know and comply with all relevant policies, procedures, laws and regulations
- Act in the best interest of PIMCO’s clients
- Identify and manage actual or potential conflicts of interest
- Act with honesty and integrity in all aspects of PIMCO’s business activities

ENVIRONMENTAL MANAGEMENT

The way that a company manages its environmental impact is a central pillar of operating a sustainable business.

At a policy level, PIMCO’s environmental initiatives and projects are anchored in our commitment to the core UN Global Compact environmental principles, which are drawn from international environmental conventions and declarations.

In 2022, PIMCO initiated several projects that have laid the groundwork and will shape and strengthen multiple aspects of the firm’s corporate sustainability strategy in the short and long term.

In partnership with our parent company, Allianz, and utilizing a third-party auditor, we measure and monitor the carbon footprint of our offices and are engaged in several internal initiatives and projects to lower our carbon emissions and maximize resource-use efficiencies.

In our global offices, we have taken measures to reduce energy consumption in 2022. Two of our offices in Europe continue to use environmentally sustainable electricity while another is working on a similar transition. Across all PIMCO locations, our global office services teams encourage sustainable practices wherever possible, aimed at reducing energy waste, water usage, and paper use.

One project, which was completed in January 2023, is the installation of LED lighting throughout our Newport Beach headquarters. While it’s too soon to quantify the savings and emissions reductions, we look forward to reporting the results next year.

At our headquarters, we also installed a Load Based Optimization System (LOBOS) in 2021; this is a building intelligence platform that provides HVAC (heating, ventilation, and air conditioning) control. The objective of the system is to make building occupants more comfortable, while converting the waste inherent in large scale HVAC systems into energy savings through automated demand response capacity.

LOBOS enables customized and automatic heating and cooling based on variables that impact temperature, such as sun exposure. Throughout 2022, we sought to optimize the LOBOS system and it is now fully operational. We have compared 2022 energy consumption with 2019 (since both years had higher occupancy levels). In 2022, we reported a reduction of 777,615 KWH of electricity compared to 2019 – this is a 10 percent reduction. The system is continuously monitored and tuning adjustments are made as needed. Building engineers are working on additional customized reporting that will further demonstrate LOBOS savings.

It is worth noting that January 2023 levels were 495,080 KWh. This is the lowest KWh usage after fully moving into the building in 2014.





ANTI-CORRUPTION

PIMCO is committed to complying with all applicable statutory and regulatory requirements relating to bribery and corruption – consistent with the UN Global Compact’s tenth principle on anti-corruption. We prohibit bribery and corruption in all business activities and in business activities of third parties acting on PIMCO’s behalf, and have instituted a robust program designed to detect and prevent the use of our services or personnel in such activities.

PIMCO’s Legal and Compliance Department has a dedicated Anti-Financial Crimes Team responsible for implementing and maintaining the firm’s Global Anti-Corruption Program. This program is reasonably designed to comply with applicable laws, regulations, and rules relating to bribery and corruption and includes, but is not limited to: policies and procedures; risk assessments; risk-based due diligence on our clients, prospects, and other third parties; ongoing monitoring; and anti-corruption and anti-bribery training for all employees on an annual basis.

VENDOR MANAGEMENT

PIMCO operates a Vendor Management Oversight Program which sets out the requirements for the appointment and ongoing oversight of its material service providers. As part of onboarding and retention processes, PIMCO requests material service providers to complete extensive due diligence questionnaires. Practices related to inclusion and diversity, labor, cybersecurity, and environmental management are key elements within the questionnaires and form part of the qualitative assessment of our service providers. Among the aspects evaluated are a service provider’s documented certifications, policies, standards and practices in these important areas.



# Commitment to Talent

For more than 50 years, PIMCO has leveraged the power of diversity of thought in our investment process. Inclusion and Diversity is embedded in what we do, who we are and how we work with each other.

## COMMITMENT TO TALENT

Developing talent, supporting diversity and cultivating an inclusive culture are important to fostering a healthy organizational dynamic in which teams can deliver innovative and leading investment products and services.



**Sabrin Chowdhury**  
Global Head of Inclusion and Diversity



In 2022, we focused on enhancing the measurement and governance of our Inclusion and Diversity (I&D) strategy and programs. To that end, we launched the Inclusion Assessment (IA) in January, supplemented with a series of employee engagement surveys that allowed us to develop a baseline of key inclusion metrics from which we continue to measure the impact of our programs throughout the year. In addition to appointing the Managing Director I&D Advisory Council, we launched an inaugural I&D Ambassadors Board consisting of employees across regions, levels, business groups, and demographics, who raised their hand to proactively contribute to our work – thereby offering an employee lens on the design and development of PIMCO’s I&D strategies and programs.

We believe two core strategies will play a role in fostering inclusion both within PIMCO and across our industry. Internally, we have built on our values of collaboration and openness to create more opportunities for connectivity, networking, and employee engagement. Externally, we have partnered with our U.S. Global Wealth Management group to support the talent pipeline and development of financial advisors with diverse backgrounds.



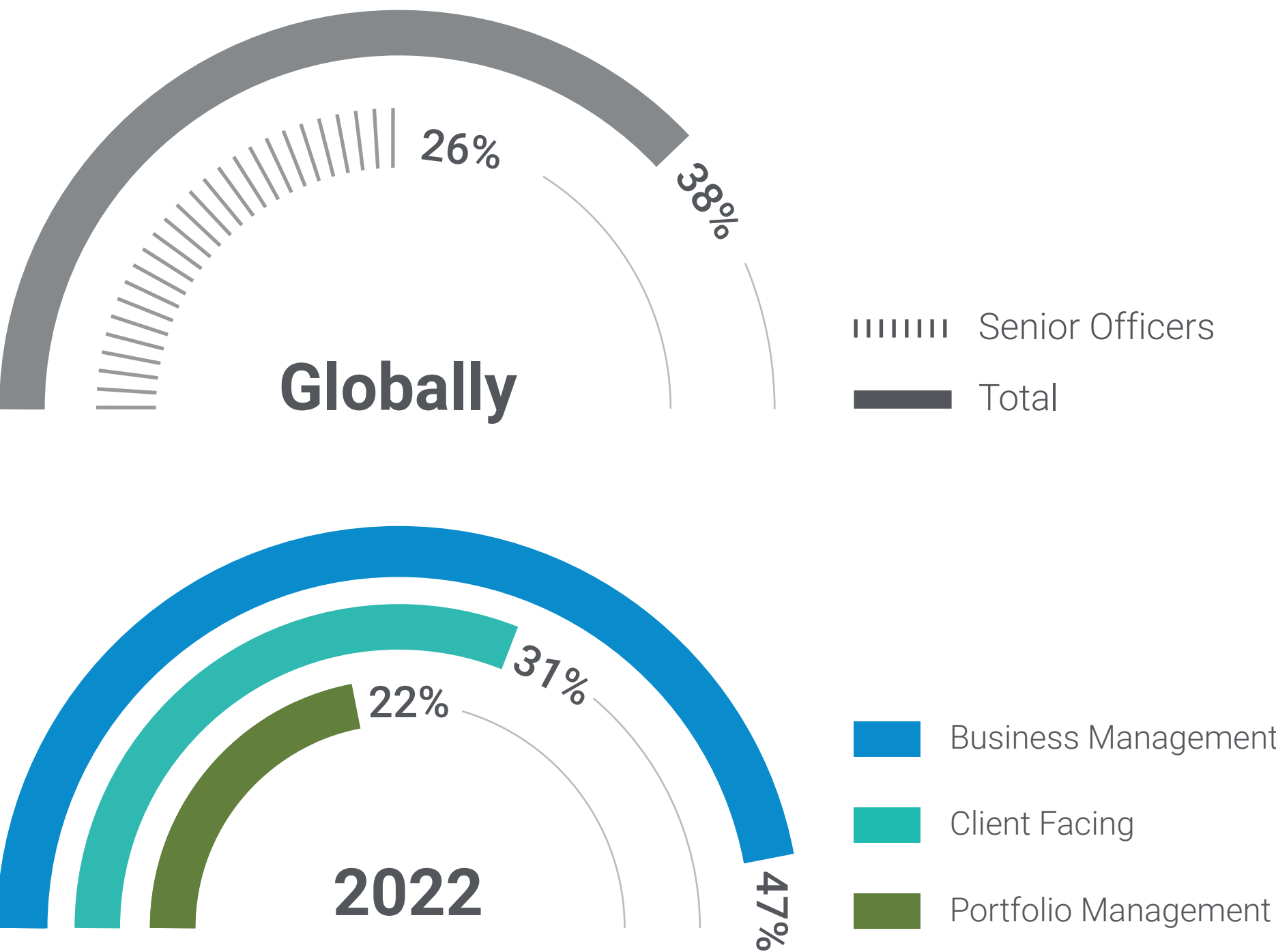
SUPPORTING DIVERSITY

By giving our employees a space where they feel their contributions are included and valued, we are able to retain a diverse pool of top talent, leading to the best thinking and therefore the best outcomes for our clients and business.

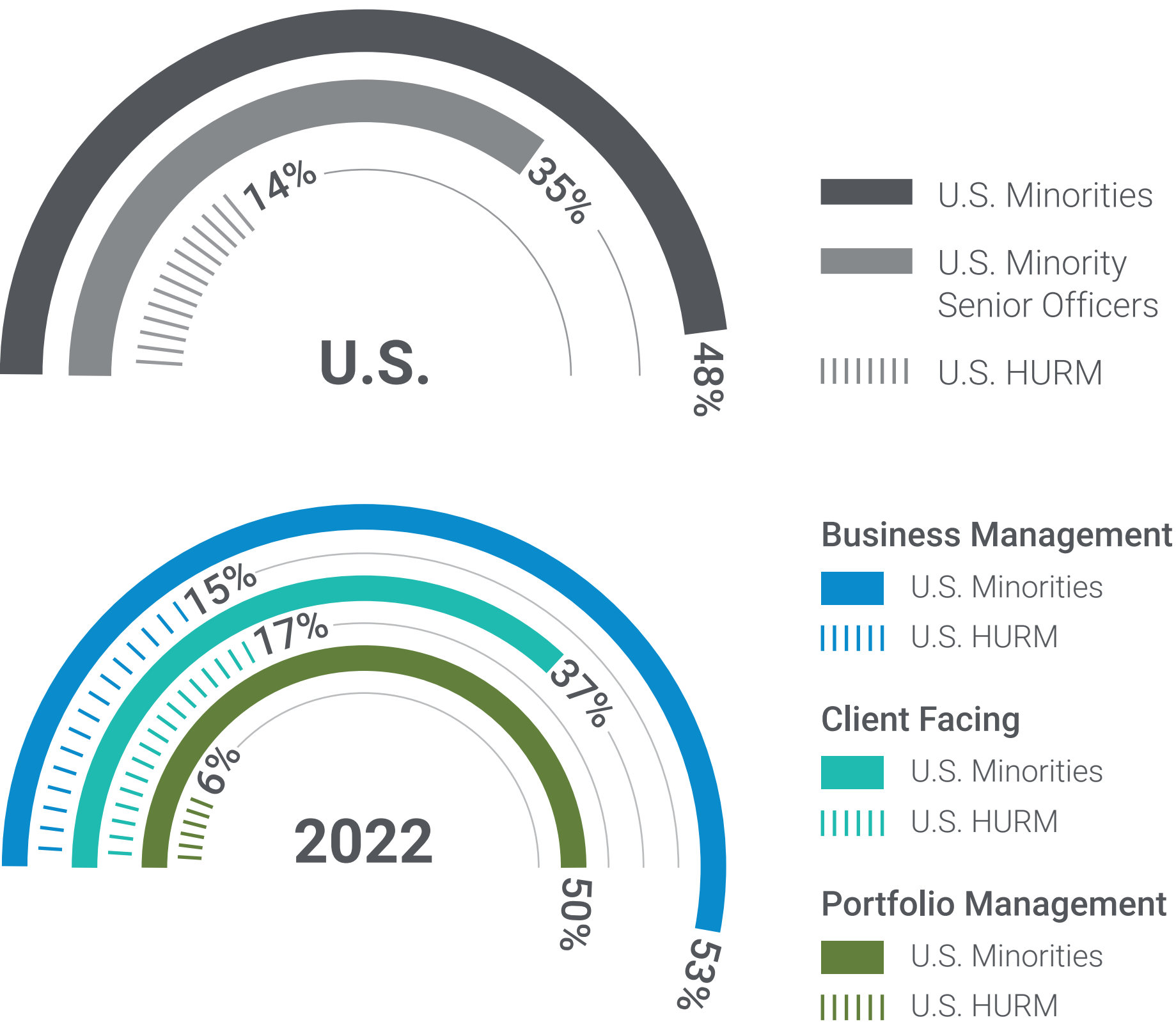
DIVERSITY AT PIMCO



WOMEN AT PIMCO:



U.S. MINORITIES AND HISTORICALLY UNDERREPRESENTED MINORITIES:



Source: PIMCO, based on data as of December 31, 2022 gathered consistent with EEOC guidelines. Excludes AAM and ARE employees. These numbers reflect our U.S. population only due to varying data collection considerations of this type of data in other regions.

U.S. Minorities: African American or Black, Hispanic and Latino/a/x, Native American or Alaska Native, Native Hawaiian or Other Pacific Islander, Asian, or Two or more races.

U.S. Historically Underrepresented Minorities: African American or Black, Hispanic and Latino/a/x, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander.

Senior Officers: Employees with officer titles of Senior Vice President and above. Data as of January 1 2011, 2017 and 2023 to reflect year end promotions.



DEVELOPING TALENT

We know that PIMCO’s success is driven by our people.

To attract top talent, we have advanced our recruiting strategies and processes to build a workforce that better reflects the diversity of our clients and communities.

As a leader in fixed income, PIMCO is working to enhance the industry’s future by investing in a diverse and bright next generation of talent who exemplify PIMCO’s CORE values of collaboration, openness, responsibility, and excellence.

In 2022, the PIMCO Future Leaders Scholarship awarded \$1 million in the form of 50 \$20,000 scholarships to Black, Hispanic and Latino/a/x candidates interested in pursuing careers in finance. The applicant pool of over 2,100 candidates was thoroughly reviewed based on their resumes, written statements, and video interviews. The 100 finalists received live interviews with senior leaders representing diverse businesses and backgrounds to better understand the finalists’ passions, goals, and alignment with PIMCO values. We hosted a reception in Newport Beach for the 50 candidates receiving scholarships. During the two-day visit, the scholarship recipients networked with peers and met with leaders from around PIMCO to learn about career opportunities.

Starting in 2023, PIMCO will further expand the Future Leaders Scholarship from the initial \$1 million commitment to \$2 million annually. We are proud to invest in the next generation of diverse financial leaders at PIMCO and in the broader industry.

We continue to invest in and provide ongoing leadership programs to support the development and advancement of underrepresented talent.

In 2022, we launched the second PIMCO Elevate program, a six-month development program designed to enable and empower the next generation of women leaders to become more successful in their roles and advance their careers.

Furthermore, within the past two years, more than 70 PIMCO employees completed sessions with the McKinsey Connected Leadership Academies for Black, Asian, Hispanic and Latino/a/x talent focused on honing skills and broadening professional networks.







## EMPLOYEE AND FAMILY WELLBEING

PIMCO is committed to offering a comprehensive portfolio of employee benefits designed to support the health and wellbeing of our employees and their families. In 2022, we bolstered our offerings to include:

- Global expansion of the Grow Your Family program by tripling the financial support provided to ensure families have the best access to adoption, surrogacy, and fertility services and treatments
- New benefits including a global virtual care model with Maven to support women and families from preconception to parenting
- Doubling backup childcare and elder care benefits coverage for employees in the U.S. and U.K.
- Providing Lyra mental and emotional support program to all PIMCO offices globally, doubling the number of company paid mental and emotional support sessions
- PIMCO Wellbeing around the world also held local events to promote and support employees:
  - PIMCO EMEA colleagues participated in various sports activities including running events in London, rugby in Dublin, and a cross-country skiing tour.
  - In APAC, workshops were hosted during Mental Health Awareness Month. Our Australia team held a session with an R U OK Day ambassador who shared his story and guidance on how we can help raise awareness around the importance of mental health.
  - Take Our Kids to Work Day is a popular event focused on showing children their parents' workplace and giving parents and children the time and space to bond over the experience.



## CULTIVATING AN INCLUSIVE CULTURE

Creating a culture of connectivity and belonging, where all colleagues feel valued, respected, and heard, is core to our mission and critical to our journey. In 2022, we launched several new programs to ensure we are fostering empathy and belonging internally.

**Managing Directors I&D Advisory Council Leadership Teach-Ins** are interactive, small group workshops that focus on effectively implementing I&D benefits to add value to our clients and colleagues. We do this through case-study-based discussions, practical applications, and leadership commitments on incorporating inclusion in day-to-day leadership and team interactions.

20+  
I&D TEACH-INS

200+  
SENIOR LEADERS GLOBALLY

**“Bonds We Share” Roundtable Series** is led by Managing Directors and aims to encourage intimate conversations about local issues in our employees’ communities. In 2022, we promoted roundtables in New York, Newport Beach, Austin, Hong Kong, Singapore, and Tokyo on important topics including Asian hate crimes and anti-Semitism, mental health, and LGBTQ+ issues.

250+  
PARTICIPANTS GLOBALLY

Source: PIMCO, based on data as of December 31, 2022.

- PIMCO’s Employee Resource Groups (ERGs)** play a crucial role in facilitating employee engagement and connecting colleagues around the organization who find community through shared experiences. Allyship is also embedded in the fabric of these inclusion networks through membership and leadership.
- In 2022, we launched a new employee resource group, PIMCO LEAP (Leading & Engaging as Asian Professionals). PIMCO LEAP is focused on leadership development and engagement.
  - PIMCO’s employee networks have led multiple campaigns, social gatherings, and sponsored speaking events. Throughout the year, we celebrated various key dates and heritage months to help raise awareness and bring a greater understanding of the diverse communities represented at PIMCO.
  - PIMCO Women developed and hosted the first-ever PIMCO Women Summit with 1,400+ participants globally. This internal, virtual event sought to foster community and allyship, inspire conversations, and leave attendees with tangible learnings to use every day.
  - As we reflect on the multiple facets of our identities and how they all intersect to shape our experiences of the world, we recognize that understanding intersectional experiences is more important than ever. To that end, in 2022, we increased cross-collaboration across ERGs.





As a leading financial services firm, we believe we have a responsibility to help advance inclusion and diversity across the industry.



In 2022, we invested in and published thought leadership focused on incorporating inclusion and diversity and behavioral science practices into our investment process. These shared practices and insights can be used in a variety of institutional scenarios. Learn more here: <https://global.pimco.com/en-gbl/insights/viewpoints/the-human-factor-using-behavioral-science-to-improve-investment-decisions>

As part of our commitment to support financial advisors with diverse backgrounds, PIMCO has established a new partnership with the Association of African American Financial Advisors (AAAA) and was a platinum sponsor of the 2022 V.I.S.I.O.N. Conference in Atlanta, where 500+ professionals from across the country came together to share best practices, experiences, and ideas on how to advance careers, businesses, and networks.



## PARTNERING ACROSS THE INDUSTRY

We partner with many important organizations to advance progress within our firm and across our industry.





# Empowering Communities

Our “all-in” approach complements PIMCO’s philanthropy by leveraging our colleagues’ professional expertise, diverse skills and leadership on behalf of our partners.

We believe the intersection between social, business, and employee impact drives meaningful social change. PIMCO employs a holistic approach to community engagement; we intentionally harness our giving, human capital and voice/thought leadership in support of our partners and the people they serve. Since 2018, we have been publicly committed to SDGs 2: Zero Hunger and 5: Gender Equality, partnering with organizations serving the most vulnerable populations.

This all-in approach allows us to invest multi-dimensionally in ways that build enduring capacity for our community partners while empowering and inviting our employees and clients to be part of the solution. In 2022, the PIMCO Foundation donated \$9.3 million to support food security, gender equality and critical community needs. More than 2,200 colleagues volunteered over 13,000 hours with 137 charities around the globe.

In the United States, informative demographic data about our beneficiaries, combined with a national focus on equity, compels us to prioritize the intersectionality of racial equity and our current focus areas, when making domestic community investments.

**~\$9,330,000 INVESTED** TO  
SUPPORT OUR PARTNERS  
FOCUSED ON HUNGER, GENDER  
EQUALITY AND CRITICAL  
COMMUNITY NEEDS

**STRATEGIC GLOBAL PARTNERS**  
**\$1 MILLION COMMITTED** TO  
ADDRESS THE INTERSECTION OF  
RACIAL AND GENDER EQUALITY



PIMCO GIVES – ZERO HUNGER

While food insecurity exists in all areas of the world, it is more concentrated among the most economically vulnerable. To help global communities suffering from hunger and poverty gain better access to food, PIMCO Foundation reinvested over \$2.2 million in the Global FoodBanking Network (GFN), as part of a \$10 million commitment across five years. This investment is focused on: (i) accelerating and launching emerging and start-up food banks in communities with the highest need worldwide; and (ii) scaling established food banks in Colombia, Guatemala, and India. Key goals of PIMCO’s five-year partnership with GFN include:

- Improving food access for an additional 3.28 million people and distributing an additional 17.9 million kilograms of food
- Significantly scaling impact in Colombia, Guatemala, and India through long-term investment strategies
- Accelerating nine emerging food bank networks in Southeast Asia and Sub-Saharan Africa in areas with chronic hunger rates greater than 9%
- Launching several start-up food banks, as the founding funding partner, to grow food banking (where it does not already exist) in underserved communities, and where patient capital is required for significant, long-term impact; communities targeted will be those where chronic hunger rates are greater than 15% and which have the greatest concentration of chronically hungry people worldwide

In the United States, food insecurity is disproportionately experienced in communities of color. For this reason, in the past year we partnered with Feeding America to support 10 communities in southern, rural states predominately populated by historically underserved minorities with less access to food programs. This investment resulted in the distribution of nearly 10 million meals.

In Europe, we increased funding for our local Hunger partner in Dublin, Ireland – FoodCloud – a company at the forefront of foodbanking technology, providing cloud solutions to increase efficiencies. PIMCO made a 2022 commitment as a foundational funder of FoodCloud’s Foodiverse technology in support of food banks and their retail partners in Central Europe. Foodiverse is the first global technology platform to rescue surplus food at every stage of the food supply chain. This technology results in an increased volume of surplus food donated, automation of the donation process, reduced food waste across operations, and a reduced carbon impact from food waste.

In the Asia-Pacific region, we continued to support GFN’s APAC incubator, aimed at accelerating the development and scaling of food banking. Working with eight food banks throughout the region, the objective of the incubator is to reduce the time it takes to start a food bank and to reach more people facing hunger in their communities.



**NEARLY \$2.5 MILLION INVESTED TO  
IMPROVE FOOD SECURITY  
BY DISTRIBUTING  
  
1.5 MILLION MEALS,  
RECOVERING 600,000 KILOGRAMS  
OF FOOD  
  
\$10 MILLION COMMITTED TO THE  
GLOBAL FOODBANKING NETWORK TO  
EXPAND FOOD BANKS’ REACH TO THE  
WORLD’S MOST FOOD INSECURE**



GENDER EQUALITY

In 2022, the PIMCO Foundation continued its partnership with Nomi Network, an organization that supports gender equity by helping highly vulnerable women and survivors of human trafficking achieve financial independence. In December 2022, PIMCO’s U.S. Foundation Board approved a three-year, \$3 million grant to support continued success of Nomi’s Workforce Development (WFD) Program initiative across India and to pilot the program in the U.S. WFD is a two-year program that includes training in the areas of life skills, technical skills, and job placement. The program includes a year-long follow up period to ensure job retention and prevent women from entering or falling back into human trafficking. We also supported the buildout and framing of Nomi’s Corporate Summit, bringing together thought leaders from across the globe, to discuss best practices on how they can leverage partnerships with non-profit organizations to drive performance in social factors, including eradicating human trafficking in supply chains, to the next level.

Finally – through a pro bono project – a PIMCO team focused on market research to help Nomi Network evaluate potential program expansion opportunities throughout Southeast Asia and beyond the organization’s current India- and Cambodia-focused footprint. Research included consideration of employment growth sectors, foreign investment levels, and the prevalence of companies interested in offering employment as part of their social impact goals. The process included discovery, research, and reporting.

IN 2022, PIMCO’S WORK WITH NOMI NETWORK  
RESULTED IN THE FOLLOWING BENEFITS:

985 WOMEN GAINED FINANCIAL STRENGTH

2,343 BUSINESSES WERE CREATED

862 BENEFICIARIES ATTAINED, RETAINED OR  
IMPROVED EMPLOYMENT

PIMCO targets its social investments with great intention, in order to address the intersection of race and gender equality. For this reason, we entered a second year of partnership with two organizations that address the economic barriers that disproportionately impact women of color:

**Black Girl Ventures:** Provides Black and Brown woman-identifying business owners with access to financial and social capital, community, and capacity-building opportunities

**FreeFrom:** Dedicated to dismantling the nexus between gender-based violence and financial insecurity

In 2022, we expanded our global gender equality portfolio throughout the Asia-Pacific region (APAC) by funding five new gender equality grantees– including Single Mother’s Forum, Daughters of Tomorrow, United Women of Singapore, EMpower, and Room to Read. We also engaged 165 APAC colleagues in Nomi Network events.



Nate Brown,  
Director, PIMCO Foundation &  
Purpose at PIMCO



While we’ve always known that our investments impact the most vulnerable – including racial minorities, women and girls – we’ve found that focusing on these populations both improves outcomes for those impacted and helps mitigate prevailing inequities.”

~\$2 MILLION DONATED  
TO DONATED TO SUPPORT 30,918 BENEFICIARIES

931 WOMEN  
SUPPORTED WITH MEANINGFUL EMPLOYMENT

3,087 HOURS DEDICATED  
TO ADVANCING GENDER EQUALITY





GLOBALLY, **2,248 COLLEAGUES** ENGAGED IN **137 EVENTS**, DONATING **~13,014 HOURS** TO **137 CHARITIES** INCLUDING HANDS-ON, SKILLS BASED AND PRO BONO VOLUNTEERING EFFORTS.



**71 GLOBAL COLLEAGUES** HARNESSED THEIR PROFESSIONAL EXPERTISE FOR MORE THAN **13 CHARITIES**; PROVIDING **1,164 HOURS** OF PRO BONO SERVICE **VALUED AT ~\$227,000.**



**82% OF EMPLOYEES** LINK THEIR VOLUNTEERISM TO JOB SATISFACTION.





PRO BONO AT PIMCO

Through PIMCO’s Pro Bono program, teams of PIMCO employees leverage their professional expertise to address a capacity-building challenge identified by nonprofit organizations, in order to support the nonprofit’s mission.

In 2022, 71 PIMCO volunteers worked on pro bono projects with 13 nonprofit organizations around the globe.

We know that food banking plays a critical role in strengthening food systems at the community level, especially where food loss is high and social protections are weak. However, with food distribution as the main goal, environmental impact can be compromised. Seeking to address green(er) solutions to hunger, PIMCO launched an innovative pro bono challenge, bringing corporations together to address how food banks and their networks can reduce their environmental footprint, while increasing service delivery to serve food insecure communities.

Colleagues from PIMCO, Goldman Sachs, Morgan Stanley, Bayer and Western Digital pitched five concepts to a cross-sector panel of judges to help “green” food banks. The project combined the best of PIMCO and our clients’ talent around ESG, technology, and financial planning while uniting many companies behind a common impact goal.

While all five solutions are being implemented in GFN’s newly launched strategic plan, the winning idea was an impact calculator to help avoid emissions from food redistribution, coupled with a Virtual Volunteer Corps to enhance the Global FoodBanking Network’s (GFN’s) existing



online resources. The net result provided GFN a strategic framework, across diverse contexts, to optimize operations while minimizing environmental impact.

In 2022, we launched the fourth year of the Pro Bono Corps program in APAC. Through this program colleagues donate their time and expertise to support the capacity-building efforts of nonprofit organizations working towards SDG 2: Zero Hunger and SDG 5: Gender Equality.

PIMCO ADVOCATES

We provide thought leadership and leverage our voice on behalf of partner organizations. In 2022 we activated our advocacy efforts in four key ways to raise awareness around SDG 2 & SDG 5 for International Women’s Day, World Food Day and through our partnership with the Pulitzer Center.

**International Women’s Day:** PIMCO hosted an immersive simulation for several hundred employees in partnership with Nomi Network. The purpose of the simulation was for participants to “walk in the shoes” of the women Nomi Network typically serves. The activity resulted in increased awareness of the challenges facing Nomi Network program beneficiaries, inspired self-reflection, and sparked robust group discussion. A capstone of the gathering was the announcement of \$1 million contribution focused on two new national partnerships with FreeFrom and Black Girl Ventures.







**Pulitzer Center:** We are committed to advocating and educating the public by supporting the Pulitzer Center’s ongoing journalism, awareness raising, and educational work on gender equality.

The center published 56 in-depth gender equality articles, reports and educational pieces, ranging from Emmy award-winning articles to K-12 curriculum, and ultimately engaging over 4 million readers. In addition, in 2022, we hosted 788 employees and clients in a conversation with the Pulitzer Center titled, “Gender Equality in Light of Crisis.” Managing Director Greg Sharenow facilitated a discussion with award-winning journalist Nadja Drost and foreign correspondent Jane Ferguson – both contributors to the PBS NewsHour. The guests shared how journalism illuminates disparities faced by women and girls globally, and how many of women remain resilient in the face these disparities.

**\$375,000** TO SUPPORT THE PULITZER CENTER  
IN PUBLISHING **56 REPORTS**  
**REACHING ~4.27 MILLION READERS**

**990 COLLEAGUES AND CLIENTS**  
PARTICIPATED IN **1,465 EDUCATIONAL HOURS**  
TO BECOME ADVOCATES FOR SOCIAL CAUSES

IDENTIFIED CONNECTIONS WITH CLIENTS  
THROUGH **98+ ENGAGEMENTS** AIMED AT  
COLLABORATIVE IMPACT FOR SDG 2 & SDG 5

SOCIAL INVESTMENTS INFORMED BY DATA

Recognizing the importance of data in assessing impact, we’ve worked with True Impact since 2019 to support our social investment partners in collecting reliable, comparable data to better understand the impact of PIMCO’s social investments, and to build our partners’ capacity to communicate their own stories.

In 2020 we worked with True Impact to create logic models and identify key performance indicators (KPIs) for outcomes associated with grant portfolios, trained grantees on how to report in the system. In 2021, grantees reported on these KPIs and the outcomes of funded programs, enabling us to make informed funding decisions. Since 2021, PIMCO has been able to credibly review specific data on the outcomes of its social investments on a portfolio level. The following data points detail progress specifically around UN Sustainable Development Goals 2 and 5:

**98% OF 2022 FUNDING BENEFICIARIES IDENTIFY AS ECONOMICALLY DISADVANTAGED**

PARTNERS RECOVERED **600,000 KILOGRAMS OF FOOD** THAT WOULD OTHERWISE GO TO WASTE

**8,000 FAMILY MEMBERS** OF GENDER EQUALITY PROGRAM BENEFICIARIES IMPROVED THEIR ECONOMIC WELLBEING AS A RESULT OF PIMCO’S FUNDING

AWARDS AND RECOGNITION



**The Civic 50**

Since 2016, PIMCO has been named to The Civic 50 and/or The Civic 50 Orange County, initiatives of Points of

Light and OneOC. These organizations recognize the 50 most community-minded companies in the U.S. and throughout Orange County, CA each year – as determined by annual survey administered by True Impact and OneOC, respectively. The surveys are based on the Points of Light Corporate Civic Engagement Framework that provides a roadmap for companies committed to leveraging their time, talent, and resources to drive social impact in their business and communities. The Civic 50 honorees are selected based on the four dimensions of their community engagement and social impact programs: investment of resources, integration across business functions, institutionalization through policies and systems, and impact measurement.

The Civic 50 recognizes the 50 most community-minded companies in the region each year as determined by an annual survey. We also report best practices each year to provide a framework for good corporate citizenship. The Civic50 honorees are public and private companies with U.S. operations and revenues of \$1bn or more. They rank only their U.S. community engagement programs, as outlined on their website: <https://www.pointsoflight.org/the-civic-50/>. This award is open to all companies with \$1 billion or more in revenue. At a regional level, OneOC administers a local award in partnership with Points of Light and as outlined on their website: <https://oneoc.org/get-involved/community-events/civic-50/>. Neither award was paid for by PIMCO.



# UN Global Compact: Communication on Progress

In May 2017, PIMCO officially endorsed Ten Principles of the UN Global Compact with respect to human rights, labor, environment, and anti-corruption. Since that time, our CEO has reconfirmed this commitment annually.



We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) describing PIMCO’s efforts to implement the Ten Principles. To further this, we commit to support the principles of the UN Global Compact by reporting on our progress annually, in a manner consistent with UN Global Compact COP policy. Within this report, we have therefore integrated the following content:

- a signed statement expressing continued support for the Global Compact and renewing our ongoing commitment to the initiative and its principles;
- a description of practical actions (i.e., disclosure of any relevant policies, procedures, activities) that PIMCO has taken (or plans to undertake) to implement the Global Compact principles in each of the four issue areas (human rights, labor, environment, anti-corruption); and
- a measurement of outcomes (i.e., the degree to which targets/ performance indicators were met or other qualitative or quantitative measurements of results).

In addition to the core commitments, PIMCO is advancing the UN Global Compact’s call-to-action on Agenda 2030 and the Sustainable Development Goals. PIMCO is the Co-Chair of the UN Global Compact’s “CFO for the SDGs Initiative,” as well as a member of the UN Secretary-General’s Global Investors for Sustainable Development Alliance.

Please see below for specific areas within this report where practical actions in relation to the Ten Principles are described.

|                 | Sustainable Investing                                                                                                                                                                                                                                                                                  | Sustainable Business                                                                                                                                                                                                                                            | Commitment to Talent                                                                                                                                                                                                                        | Empowering Communities                                                                                                                   |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Human Rights    | <ul style="list-style-type: none"><li>• Integration of human rights and social factors in investment analysis (“ESG”)</li><li>• Engagement with companies, sovereigns and other investments on human rights and related commitments and records</li><li>• Member of PRI’s Advance Initiative</li></ul> | <ul style="list-style-type: none"><li>• Code of Conduct</li></ul>                                                                                                                                                                                               | <ul style="list-style-type: none"><li>• Partnerships to advance diversity within PIMCO and across the industry</li><li>• Transgender Inclusion training</li><li>• Best Place to work LGBTQ Equality</li></ul>                               | <ul style="list-style-type: none"><li>• PIMCO Foundation donations toward SDGs 2 &amp; 5</li><li>• Pulitzer Center partnership</li></ul> |
| Labor           | <ul style="list-style-type: none"><li>• Incorporation of UNGC labor principles in investment analysis and engagement</li><li>• Incorporation of indicators that assess human capital in investment analysis and engagement</li></ul>                                                                   | <ul style="list-style-type: none"><li>• Vendor Management</li></ul>                                                                                                                                                                                             | <ul style="list-style-type: none"><li>• Inclusion &amp; Diversity</li><li>• Employee Resource Groups</li><li>• Comprehensive employee benefits designed to support health and wellbeing</li><li>• Business-specific I&amp;D goals</li></ul> |                                                                                                                                          |
| Environment     | <ul style="list-style-type: none"><li>• Incorporation of UNGC environmental principles in investment analysis and engagement</li><li>• Incorporation of environmental indicators in investment analysis and engagement</li><li>• Commitment to TCFD, Climate Action 100+</li></ul>                     | <ul style="list-style-type: none"><li>• Commitment to UNGC’s environmental principles in operations</li><li>• Global offices adopting sustainable energy practices</li><li>• LOBOS HVAC system at NPB headquarters</li></ul>                                    |                                                                                                                                                                                                                                             | <ul style="list-style-type: none"><li>• Impact Champions Pro Bono</li></ul>                                                              |
| Anti-Corruption | <ul style="list-style-type: none"><li>• Incorporation of UNGC’s anti-corruption principle in investment analysis and engagement</li><li>• Incorporation of business ethics and conduct indicators in investment analysis and engagement</li></ul>                                                      | <ul style="list-style-type: none"><li>• Code of Conduct committing all employees to carry out fiduciary obligations</li><li>• Compliance with Anti-Corruption laws and regulations, with regular training on corruption and bribery for all employees</li></ul> |                                                                                                                                                                                                                                             |                                                                                                                                          |



Environmental (“E”) factors can include matters such as climate change, pollution, waste, and how an issuer protects and/or conserves natural resources. Social (“S”) factors can include how an issuer manages its relationships with individuals, such as its employees, stakeholders, customers and its community. Governance (“G”) factors can include how an issuer operates, such as its leadership, pay and incentive structures, internal controls, and the rights of equity and debt holders.

PIMCO is committed to the integration of Environmental, Social and Governance (“ESG”) factors into our broad research process and engaging with issuers on sustainability factors and our climate change investment analysis. At PIMCO, we define ESG integration as the consistent consideration of material ESG factors into our investment research process, which may include, but are not limited to, climate change risks, diversity, inclusion and social equality, regulatory risks, human capital management, and others. Further information is available in PIMCO’s Environmental, Social and Governance (ESG) Investment Policy Statement.

PIMCO’s credit research analysts assess the Environmental, Social, and Governance (“ESG”) profile of corporate, municipal, and sovereign issuers relative to peer issuers with a goal of separating leaders from laggards. Using industry-specific ESG frameworks, analysts review issuers’ ESG performance based on information available in public filings, recent ESG news and controversies, as well as through engagement with company management teams. Analysts assign three separate numerical scores from 1 to 5 (with 5 being the highest) to their environmental, social and governance-based business practices. The score in each category is related to an issuer’s rank relative to industry peers, and the relative weights of the E, S, and G scores in the composite score vary based on industries, as each industry is assigned a different factor weight. For example, the environmental category has the greatest weight for issuers in extractive industries (e.g., oil, gas, and mining), the social category has the greatest weight for pharmaceutical issuers, and the governance category has the greatest weight for financial issuers. Analysts also include a forward-looking ESG trend assessment, which recognizes companies whose ESG performance is significantly improving or deteriorating. These factors are combined to create a proprietary composite **ESG issuer score**.

PIMCO’s credit research analysts also assess green, social, sustainability, and sustainability-linked bonds (collectively “ESG bonds”) at an issuance level, including prior to and after issuance. Utilizing PIMCO’s proprietary ESG Bond Framework assessment, credit analysts evaluate such instruments starting with the strategic fit, assessing the alignment of the issuers’ ESG-related strategies with the bond’s objectives and use of proceeds, key performance indicators (KPIs), and the evidence of significant positive impact of the activities compared to “business as usual”. We continuously screen for “red flags” and controversies through this process and also assess the degree of reporting by the issuer to analyze misalignment with key market standards, such as the Green Bond Principles. These factors result in a proprietary **ESG bond score** ranging from 1 to 5 (with 5 being the highest). PIMCO does not score all ESG bonds. Unassessed ESG bonds receive a default score of 3. ESG bonds holdings in PIMCO portfolios are then assigned a score that combines the **issuer’s ESG score** and the **ESG bond score**. Specifically, an ESG bond holding receives the ESG issuer score plus an adjustment ranging from 0 up to 1.0 point, depending on the type of ESG bond (use of proceeds or sustainability-linked) and the quality of the ESG bond according to PIMCO’s proprietary assessment. Holdings of securitized ESG bond issuances (asset-backed securities, collateralized loan obligations, collateralized mortgage obligations, collateralized debt obligations, and mortgage pass through securities) receive the ESG issuer score and are not adjusted.

We use MSCI and other third-party ratings for reference but make our own assessment based on our own, independent analysis of the industry and relevant ESG factors. PIMCO’s resulting assessments are proprietary and distinct from those provided by ESG rating providers. Inclusion of a proprietary PIMCO ESG rating creates a conflict of interest because PIMCO and its affiliates benefit when PIMCO assigns a particular security a high score, or assigns a benchmark index or security a low score.

**All investments** contain risk and may lose value. **ESG investing is qualitative and subjective by nature**, and there is no guarantee that the factors utilized by PIMCO or any judgment exercised by PIMCO will reflect the opinions of any particular investor, and the factors utilized by PIMCO may differ from the factors that any particular investor considers relevant in evaluating an issuer’s ESG practices. In evaluating an issuer, PIMCO is dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, or present conflicting information and data with respect to an issuer, which in each case could cause PIMCO to incorrectly assess an issuer’s business practices with respect to its ESG practices. Socially responsible norms differ by region, and an issuer’s ESG practices or PIMCO’s assessment of an issuer’s ESG practices may change over time. There is no standardized industry definition or certification for certain ESG categories, for example “green bonds”; as such, the inclusion of securities in these statistics involves PIMCO’s subjectivity and discretion. There is no assurance that the ESG investing strategy or techniques employed will be successful. **Past performance is not a guarantee or reliable indicator of future results.**

Statements concerning financial market trends or portfolio strategies are based on current market conditions, which will fluctuate. There is no guarantee that these investment strategies will work under all market conditions or are appropriate for all investors and each investor should evaluate their ability to invest for the long term, especially during periods of downturn in the market. Outlook and strategies are subject to change without notice.

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