

P I M C O

# 2020 Corporate Responsibility

A company of Allianz 



# Message from Emmanuel Roman



On behalf of PIMCO, I'm proud to provide an update on our progress in the critical areas of sustainability and corporate responsibility.

As one of the world's largest active fixed income investment managers, we aim to play a crucial role in financing a sustainable future, and we take that responsibility very seriously. Transitioning the global economy to a net-zero emissions future will require trillions of dollars of investment. We believe that the global bond market, almost double the size of the equity market, and its investors will be essential in meeting such an ambitious goal.

The COVID-19 pandemic has elevated the importance of sustainable investing and corporate sustainability, and we firmly believe that healthy societies and healthy markets go hand-in-hand. People, communities, and economies will not be able to thrive if the world does not address threats such as environmental devastation, health scourges, and social inequities and imbalances. This makes working toward the Sustainable

Development Goals (SDGs), and a sustainable future, more important than ever.

At PIMCO, we remain a proud signatory of the UN Global Compact and its ten principles, focusing on human rights, labor standards, the environment, and anti-corruption. Embedding these principles into PIMCO's strategy is essential to our high-performance culture – enabling us to deliver the best results for our clients, communities, and colleagues worldwide. In this regard, I wish to highlight our important work on Inclusion and Diversity, presented in this report.

By leveraging our existing and long-standing relationships with bond issuers around the globe, we aim to find new opportunities for our clients, influence positive changes via active engagement, and support the sustainable bond markets' growth to benefit all stakeholders.

I am committed to our continued progress and partnership in all of these areas.

A handwritten signature in black ink that reads "E. Roman". The signature is stylized and written in a cursive-like font.

**Emmanuel Roman**  
CEO of PIMCO

## 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

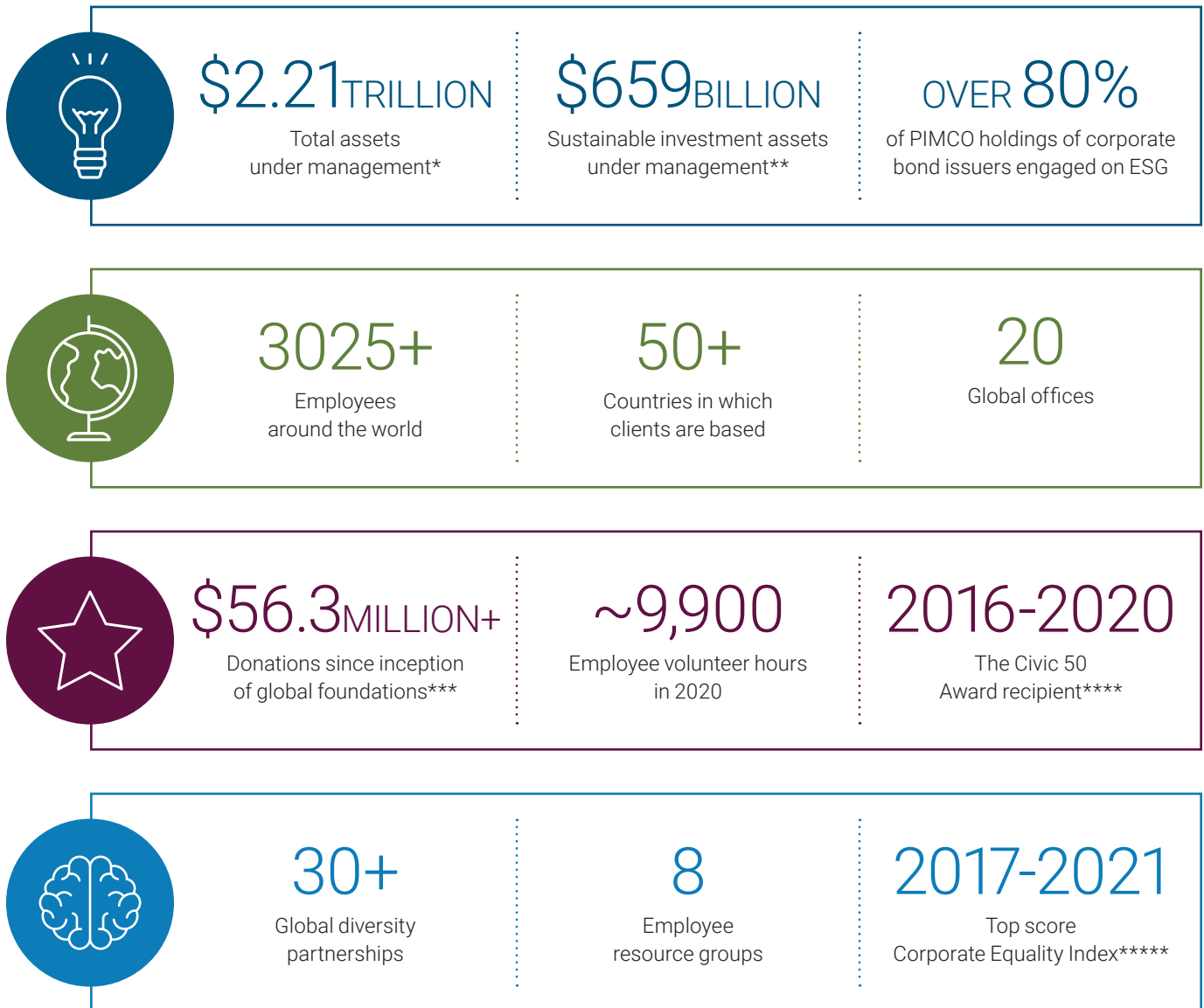


As of 31 December 2020.

<sup>1</sup> The Solana Beach, CA and Chicago, IL offices relate to PIMCO's acquisition of Gurtin Fixed Income Management, LLC in January 2019.



## Snapshot as of 31 December 2020



\* PIMCO manages \$2.21 trillion in assets, including \$1.63 trillion in third-party client assets as of 31 December 2020. Assets include \$17.1 billion in assets of clients contracted with Gurtin Fixed Income Management, LLC, and \$79.7 billion in assets of clients contracted with Allianz Real Estate, affiliates, and wholly-owned subsidiaries of PIMCO.

\*\* Sustainable Investment AUM includes third party Socially Responsible AUM (negative screened portfolios), ESG AUM (portfolios with ESG objectives) and thematic AUM, along with Allianz Sustainable Investment AUM.

\*\*\* Since Inception date of 2000

\*\*\*\* 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.

\*\*\*\*\* 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.

## Overview of Materiality



We are entering a new era in terms of the role of business in society. Rising expectations by investors, employees, communities, and governments mean that companies – across sectors and geographies – will need to rapidly adopt effective stakeholder models built on core tenets of ethical business. These approaches will define the successful companies and organizations of tomorrow.

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

In 2019, PIMCO initiated an exercise to better understand which sustainability issues and business drivers are most important to our key stakeholders, which includes our clients, colleagues, investors, regulators, and civil society. This exercise entailed interviews with key senior leadership, evaluation of employee engagement data, and a review of our partnerships with relevant external stakeholders. We developed a list of potential material sustainability issues utilizing the Sustainability Accounting Standards Board (SASB) as a framework. These material issues were evaluated by a newly formed PIMCO Sustainability Group. They based their evaluation on existing business priorities, relevant reporting frameworks, industry associations and collaborative initiatives, stakeholder priorities, and regulatory considerations.

The PIMCO Sustainability Group (“SG”) is a standing interdepartmental forum designed to engage senior PIMCO leaders in strategic coordination and policy recommendation discussions with respect to the firm’s overall sustainability efforts. The SG’s remit is to coordinate departmental activities with an emphasis on information sharing and leveraging alignment and synergies in relation to the above-cited areas and broader external commitments. As well, the SG seeks to develop appropriate policy recommendations for consideration by the PIMCO Executive Committee and other departmental decision-making bodies.

The SG is composed of senior global business leaders representing Portfolio Management, Legal and Compliance, ESG and Sustainability Strategy, Operations, Human Resources, Investments, Technology, Marketing, Philanthropy and Community Engagement, and our Executive Office. This leadership team provides advocacy as well as policy and process guidance related to sustainable business practices. Chaired by PIMCO’s Chief of Sustainable Development and International Affairs, the SG meets quarterly and engages in interim ad hoc communication as required.

### SUSTAINABILITY GROUP MEMBERS:

**Olivia Albrecht**  
Head of ESG Business Strategy

**Mangala Ananthanarayanan**  
Head of Business Management, EMEA

**Laura Batty**  
Senior Vice President, Corporate Communications

**Marta Bezoari**  
Head of Inclusion and Diversity Strategy

**Nate Brown**  
Director, Purpose at PIMCO

**Michael Burns**  
Head, U.K. and Ireland

**Grover Burtney**  
Portfolio Manager

**David Flattum**  
Global General Counsel

**John Kirkowski**  
Chief Financial Officer

**Dirk Manelski**  
Chief Technology Officer

**Scott Mather**  
CIO, U.S. Core Strategies

**Johnathan May**  
Enterprise Risk and Quality Management

**Gavin Power**  
Chief of Sustainable Development (Chair of SG)

**Robin Shanahan**  
Co-Chief Operating Officer

**Julie Shepherd**  
Head of Office Services

**Cathy Stahl**  
Head of Marketing

**Peter Strelow**  
Co-Chief Operating Officer

**Mathieu De Sutter**  
Head of Nordics

## KEY MATERIALITY THEMES

Delivering for our clients is of paramount importance.

### RESPONSIBLE INVESTING

Given PIMCO's size and market presence, **sustainable investing** presents an important opportunity to advance objectives important to our clients, colleagues and global communities.

### SUSTAINABLE BUSINESS

Mitigating risk within our business operations is critical to our long-term success. We seek to continuously evaluate and improve our efforts related to **compliance, anti-corruption, cybersecurity and business continuity** in addition to other operational functions.

### 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.

### EMPOWERING COMMUNITIES

Addressing urgent societal challenges related to the **environment and human development** is an ongoing aspiration.

Leadership in these areas is essential to our high performance culture and to delivering the best advice and results for our clients.

# Responsible Investing



Sustainable investing is, without doubt, the fastest growing and most innovative area of global asset management. The twin crises of Covid-19 and Climate Change have elevated the importance of ESG issues to investors, corporations, and a range of stakeholders. Addressing these priority issues is about building stronger and more resilient markets and societies.

**Scott Mather,**  
CIO, U.S. Core Strategies

As a premier fixed income manager, PIMCO's mission is to seek strong investment returns, solutions, and service to our clients. For 50 years, we have worked relentlessly to help millions of investors pursue their objectives – regardless of shifting market conditions. Leadership in ESG investing is essential to deliver on our clients' financial objectives, to maintain our high-performance culture by engaging top talent, and to support long-term, sustainable economic growth globally.

## ESG INTEGRATION

At PIMCO, we define ESG integration as the consistent consideration of material ESG factors into our investment research process to enhance our clients' risk-adjusted returns. Material ESG factors may include but are not limited to: climate change risks, social inequality, shifting consumer preferences, regulatory risks, talent management, or misconduct of an issuer, among others. We believe incorporating relevant ESG factors should be part of a robust investment process.

We recognize that ESG factors are increasingly essential inputs when evaluating global economies, markets, industries, and business models. Material ESG factors are important considerations when evaluating long-term investment opportunities and risks for all asset classes in both public and private markets. Our commitment to ESG integration was one of the main drivers that led PIMCO to become a signatory to the UN-supported Principles of Responsible Investment (PRI) in September 2011.

Integrating ESG factors into the evaluation process does not mean that ESG information is the sole or primary consideration for an investment decision; instead, PIMCO's portfolio managers and analyst teams evaluate and weigh a variety of financial and non-financial factors, which can include ESG considerations, to make investment decisions. The relevance of ESG considerations to investment decisions varies across asset classes and strategies. By increasing and diversifying the information assessed by the portfolio management team where relevant, we believe that we are able to generate a more holistic view of an investment, which we believe can generate opportunities to enhance returns for our clients.



## ENGAGEMENT PHILOSOPHY

As one of the world's largest bondholders on behalf of our clients, PIMCO has a large and important platform with which to engage issuers to drive meaningful change on sustainability dimensions. Engagement is an essential tool for delivering impact in ESG investing. We believe that ESG investing is not only about partnering with issuers that already demonstrate a deeply unified approach to ESG, but also about engaging with those with less advanced sustainability practices. This can be a direct way for PIMCO to influence positive changes that may benefit all stakeholders, including investors, employees, society, and the environment.

We aim to have an industry-leading engagement program among fixed income asset managers. By investing across diverse asset classes and groups of issuers – including corporations, municipalities, sovereigns, and others – we believe PIMCO is ideally positioned to drive greater change than through exclusions or evaluations alone. In our experience we have found that our collaborative engagement approach has the potential to result in tangible, positive changes in certain companies given the strength and history of our platform.

## PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI) ASSESSMENT REPORT

The PRI assessment report assesses how well ESG metrics are incorporated into the investment process of asset managers signed up to the PRI.



PIMCO has received A+ ratings across all fixed income categories in the PRI Assessment Report for three consecutive years.

Principles for Responsible Investment Assessment Report	2020		2019		2018	
	PIMCO	Median	PIMCO	Median	PIMCO	Median
Strategy & Governance	A+	A	A+	A	A+	A
Fixed Income – Sovereigns, Supranationals, Agencies (SSA)	A+	B	A+	B	A+	B
Fixed Income – Corporate Financial	A+	B	A+	B	A+	B
Fixed Income – Corporate Non-Financial	A+	B	A+	B	A+	B
Fixed Income – Securitized	A+	B	A+	C	A+	C

Source: PRI assessment report limited to asset managers signed up to the Principles for Responsible Investment (PRI) and based on how well ESG metrics are incorporated into their investment processes. PRI Transparency Reports are available at <https://www.unpri.org/382.subject#data>. For methodology, please refer to About PRI Assessment: <https://www.unpri.org/reporting-and-assessment/how-investors-are-assessed-on-their-reporting/3066.article>

**Past performance is no guarantee of future results.**








As a 2.21<sup>1</sup> trillion global asset manager, we believe incorporating ESG factors should be part of a robust investment process—essential in analyzing global economies, markets, business models and investments. The world is rapidly changing all around us with new regulations, impactful policies, shifting consumer trends and increasing investor requirements. It is our responsibility to critically evaluate this shifting landscape to deliver performance outcomes for our clients.

**Olivia Albrecht**  
Head of ESG Business Strategy

<sup>1</sup> As of 31 December 2020

## SUSTAINABILITY PARTNERSHIPS

Below are some of PIMCO's major investor-oriented partnerships and alliances.

AFFILIATION	OVERVIEW
 <p><b>Principles for Responsible Investment</b> PIMCO is a Signatory</p>	<ul style="list-style-type: none"> <li>The UN-supported Principles for Responsible Investment is the world's largest investor initiative focusing on integrating ESG factors into investment processes and decision-making. PIMCO is an active signatory of the PRI and engaged in several key PRI working groups.</li> </ul>
 <p><b>United Nations Global Compact</b> PIMCO is a Participant</p>	<ul style="list-style-type: none"> <li>The UN Global Compact is a principles-based framework for businesses worldwide aimed at advancing sustainable and responsible policies and practices, and reporting on implementation.</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 them into our strategy, culture, and day-to-day operations.</li> <li>PIMCO co-chairs the UN Global Compact's CFO Taskforce, an effort to create a global movement of chief financial officers to address SDG financing.</li> </ul>
 <p><b>UN Global Investors for Sustainable Development Alliance (GISD)</b> PIMCO is a Member</p>	<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 long-term investment into sustainable development. In partnership with investors, governments, and multilateral institutions around the world, the GISD will deliver concrete solutions to scale up long-term finance and investment that will specifically contribute to the realization of the Sustainable Development Goals (SDGs).</li> </ul>
 <p><b>Carbon Disclosure Project (CDP)</b> PIMCO is a Signatory</p>	<ul style="list-style-type: none"> <li>PIMCO is a signatory of the CDP, an organization that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts. It is backed by over 650 investors totaling \$87 trillion in assets.</li> </ul>
 <p><b>Sustainability Accounting Standards Board (SASB) – Investor Advisory Group (IAG)</b> PIMCO is a Founding Member</p>	<ul style="list-style-type: none"> <li>SASB is a group comprising leading asset owners and managers who recognize the need for consistent, comparable, and reliable disclosure of material and decision-useful ESG information.</li> <li>It participates in the ongoing standards development process and encourages companies to participate in the development process.</li> </ul>

## AFFILIATION

## OVERVIEW



Climate Action 100+  
PIMCO is an Investor

- Pledge made by investors to push 100 of the highest-emitting companies globally to do more to tackle the threat of climate change.
- More than 200 institutional investors with \$26 trillion in assets under management 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 non-binding, voluntary recommendations for better climate-related financial disclosures.
- Its goal is to help firms understand what financial markets want from disclosure in order to measure and respond to climate change risks, and encourage firms to align their disclosures with investors' needs.



The Institutional Investors Group on Climate Change

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

- The leading investors coalition on climate change with more than 170 members across 13 countries, with over €23 trillion in assets.
- Membership body for investor collaboration on climate change and the voice of investors taking action for a prosperous, low-carbon future.



Climate Bonds Initiative (CBI)  
PIMCO is a Partner

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



One Planet Framework  
PIMCO is a Member

- Initiative created following the 2015 Paris Agreement to collectively mitigate the effects of climate change.
- Aims to help sovereign wealth funds foster a shared understanding of key principles, methodologies, and indicators related to climate change; identify climate-related risks and opportunities in their investments; and enhance their decision-making frameworks to better inform their priorities as investors and financial market participants.

# Sustainable Business



At PIMCO, we take a holistic view of corporate responsibility and sustainable business and seek to firmly align our practices to universal standards and principles such as the UN Global Compact. For us, corporate responsibility means creating a strong, sustainable, and resilient business model—with the effective integration of environmental, social, and governance issues seen as a driver of both value and values.

**Peter Strelow**  
Co-Chief Operating Officer

At PIMCO, we are keenly aware of the market and societal trends that are reshaping what it means to manage a global sustainable business in the 21st century. In our view, running a sustainable business entails incorporating critical ethical, environmental, and social commitments into strategy, operations and culture, as well as ensuring the necessary business continuity, technology, and supply chain capabilities and processes are in place. No doubt—companies of the future will need to cover all bases to run successful businesses.

## CODE OF ETHICS

Our Code of Ethics is intended to assist employees in meeting the high ethical standards PIMCO follows in conducting its business. The following general fiduciary principles govern our activities:

- A duty to place the interests of clients first
- Raising awareness of and managing actual or potential conflicts of interest
- Not taking inappropriate advantage of one's position
- Complying with all applicable Securities and Commodities Laws

100% of employees complete our annual code of ethics certification.

## FOCUS ON ENVIRONMENTAL IMPACT

Our planet faces unprecedented global environmental challenges. Climate change represents a genuine existential threat to humanity and is considered a “threat multiplier” as it intensifies other global challenges – for example, water scarcity and biodiversity loss – while also undermining efforts related to securing human rights and alleviating poverty. Securing markets and raising general prosperity will simply not be possible if environmental systems are at a breaking point.

For these reasons, many organizations in the public, private, and nonprofit sectors are examining their own operations, resource use, and impacts in an effort to minimize negative environmental impacts and find ways to contribute positively to environmental challenges and solutions.

This is certainly true at PIMCO and is expressed – at the policy level – in our commitment to the core UN Global Compact environmental principles, themselves drawn from international environmental conventions and declarations.



PIMCO works relentlessly to serve the needs of our clients. With that same persistence we seek to manage our resources thoughtfully and to integrate environmental factors into our business decisions in order to reduce our impact on the planet. Efforts such as the launch of our Model Office Survey, our 2020 Earth Day campaign and the transition to a “green rate” at our corporate headquarters reinforce PIMCO’s ongoing commitment to sustainability.

**John Kirkowski**  
Chief Financial Officer

In partnership with our parent company, Allianz, and utilizing a third-party auditor, we now 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.

The following are some highlights related to these efforts.

**MODEL OFFICE SURVEY**

As our firm focuses on environmental sustainability, we look to adopt global strategies that offset our footprint, align with our ESG commitments, and include mindful consideration of our impact on the planet. Many efforts have already been made within various offices such as elimination of all single-use plastics or removal of individual trash bins. In 2020 we continued to research renewable energy and other measures such as technology utilization and updated travel policies. As we move forward, we hope to create a consistent employee experience and effectively communicate PIMCO’s commitment to the environment in a way that reflects our values and supports a common understanding of our efforts globally.

In alignment with this goal, in June 2020 we launched an internal office survey with the goal of better understanding holistically where each of our offices is on its sustainability journey. We learned:



**100%**  
of PIMCO offices have energy-efficient appliances



**85%**  
have water-saving aerators or spring-loaded valves



**85%**  
of buildings are LEED (Leadership in Energy and Environmental Design) certified or equivalent for region



**77%**  
of offices have active recycling programs including electronic waste recycling

Results reinforced PIMCO’s sustainability commitment and also support efforts to easily and efficiently roll out future environmentally sustainable initiatives, serving as a guidepost helping determine where as a firm we have the greatest opportunity to effect change.

**PIMCO JOINS SOUTHERN CALIFORNIA EDISON GREEN RATE PROGRAM**

In 2020 PIMCO coordinated a “green rate” with Southern California Edison (SCE), the utility provider for PIMCO’s Newport Beach headquarters. The green rate enables PIMCO to access renewable energy for the office’s operations via renewable energy certificates. These programs play a key role in creating a cleaner, healthier environment, and PIMCO’s green rate payment supports SCE to purchase more green power. SCE purchases solar energy on PIMCO’s behalf from independently owned solar farms in California, and PIMCO in turn purchases this solar power equal to 100 percent of the building’s electricity use. For SCE, the Green Rate and Community Renewables programs complement our existing solar and other renewable energy initiatives. SCE is a national leader in clean energy and 51.2% of electricity delivered to customers in 2019 came from carbon-free resources.

## EARTH DAY CAMPAIGN

Started in 1970, Earth Day is an annual event celebrated around the world on April 22 to demonstrate support for environmental protection. 2020 marked 50 years of this global recognition event with the theme of climate action. Climate change represents one of the biggest challenges to the future of humanity and the life-support systems that make our world habitable.

At PIMCO, we believe that our focus on sustainable business practices enhances the economy and society. We're committed to evaluating our own environmental footprint and coming up with innovative ways to offset negative impacts on the planet.

One of the unique ways we engaged colleagues in 2020 was via the firm's virtual Earth Day Campaign. Despite operating in a primarily remote environment, PIMCO employees took part in a weeklong online conversation, which included highlighting the many global efforts our firm and colleagues have adopted to foster environmental sustainability. Colleagues from across offices posted pictures of their favorite place on the planet where they are most connected to nature, engaged in surveys about the effect of individual carbon footprints, and shared contributions highlighting individual and team efforts to create a more sustainable world. Our PIMCO Families employee resource group led an "at-home" scavenger hunt focused on eliminating food waste and single-use plastics as well as picking up trash around the neighborhood. Each of these activities helps increase awareness about climate solutions and encourages behavioral change, which we know is key to climate action.

## FOCUS ON ANTI-CORRUPTION

PIMCO is committed to complying with all applicable statutory and regulatory requirements relating to bribery and corruption. As such, we prohibit bribery and corruption in any of our business activities or in business activities of third parties acting on PIMCO's behalf and have instituted a robust program that is 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 that is 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 training for all employees.

PIMCO remains in compliance with Anti-Corruption laws and regulation and on an annual basis, compliance training on corruption and bribery is completed by all employees.

## BUSINESS CONTINUITY PLANNING

PIMCO's Business Continuity Management ("BCM") program is an overarching framework that aims to minimize the impact of operational disruptions to clients and overall business.

PIMCO's main business recovery strategies are designed to address the disruption of its critical assets or dependencies:

- **Workspace Recovery Sites:** PIMCO utilizes workspace recovery sites to deal with the unavailability of its main facilities (e.g., due to localized incidents prompting evacuations such as fires) for applicable offices.
- **Global Hand-Offs:** PIMCO has core operations, including trading, in at least two offices in each of the three main geographic areas where it operates, and all offices share a common suite of investment management tools and applications. Accordingly, the company is able to transfer critical functions workload within as well as across regions. This strategy is utilized for both localized facilities incidents and wide area incidents (e.g., severe regional weather events or earthquakes).
- **Work From Home:** PIMCO operates a high capacity and secured extranet supporting work from home. Such arrangements have obviously been essential amid the COVID-19 pandemic (see below).
- **Disaster Recovery (DR) Data Center:** PIMCO operates a primary data center supporting the core investment management applications used by all of its offices globally. In the event of a disruption, the primary data center services would transfer over to the company's DR data center where critical data is replicated on an ongoing basis. These data centers are respectively located on the west coast and the east coast of the United States to ensure a high level of geographic dispersion.

As a result of the COVID-19 situation in 2020, the firm invoked its Business Continuity Planning (BCP) across all offices globally. BCP strategies enacted varied by offices and included remote work, work transfer across offices, and split operations (using workspace recovery sites). PIMCO has also put in place tools and resources that are designed to promote connectivity across and within teams, and to support employee well-being in order to adapt to the new working environment, whether in the office or working remotely.

## INFORMATION SECURITY

PIMCO has an established Information Security Program. This Program is led by the Global Information Security Officer, who runs an ongoing program of information security risk management, including assessment and improvement. PIMCO has adopted a written Information Security Program ("Program") that contains administrative, technical, and physical safeguards for the protection of business, employee, client, and investor information, including the personal data in PIMCO-sponsored funds (collectively, "Information").

The Program is operated and maintained by the firm's Information Security Officer. The Program incorporates other policies, procedures and controls designed to protect and safeguard Information. Major components of the Program include:

- Oversight of third-party service providers that may receive, maintain, process, or otherwise access PIMCO's Information in connection with performing services to PIMCO to ensure they are capable of maintaining appropriate security measures to protect such information consistent with applicable federal regulations;
- Monitoring the Program, including service providers, to ensure it is reasonably designed to prevent unauthorized access to or unauthorized use of Information;
- Review and documentation of responsive actions taken in connection with any incident involving a breach of security of personal information; and
- A review of the scope of the Program at least annually or whenever there is a material change in business practice.

PIMCO has also adopted an Acceptable Use Policy to ensure that PIMCO employees and third-party users understand their responsibilities regarding the acceptable use of PIMCO information resources (systems, data, processes, etc.) controlled by PIMCO, including resources managed by third parties on behalf of PIMCO. The policy was established to achieve the following:

- Create information security awareness among employees, contractors, and consultants;
- Inform authorized users of their responsibility for maintaining information security at PIMCO;
- Implement controls to prevent and monitor the prohibited use of PIMCO systems and information resources; and
- Ensure compliance with applicable law and other rules and regulations regarding the management of information resources.



From a technology perspective, a key aspect of corporate sustainability is ensuring that we are mitigating the risks of disruption to key business processes while ensuring information security. In this regard, we engage leading technology firms to help ensure the integrity of PIMCO's computer and network systems. As well, technology and effective data management enable our investment professionals in their day-to-day analysis and decision-making— including evaluating investments on their ESG and sustainability characteristics.

**Dirk Manelski**  
Chief Technology Officer

## FOCUS ON OPERATIONS, TECHNOLOGY, AND ADMINISTRATION

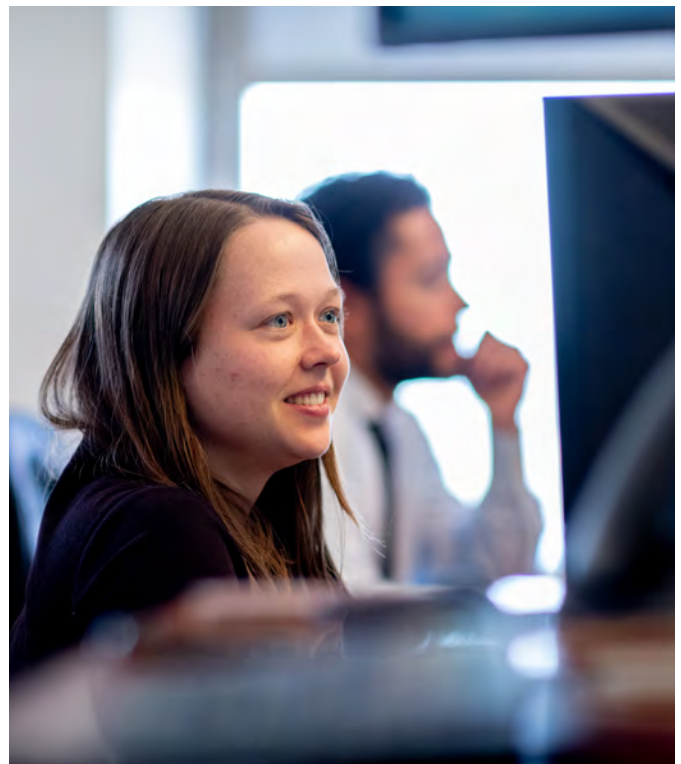
PIMCO employs a measured approach to technology development in order to mitigate risk of unpredictable technological changes disrupting the business and control environment.

Our Information Security Team has partnered with Ernst & Young for dedicated Vulnerability Management and 24x7x365 Security Operations Center services to proactively identify and manage cybersecurity risks and threats. This allows PIMCO to ensure enterprise network security and stability with minimal downtime from potential cyber incidents. We engage industry-leading firms to conduct external and internal penetration tests of PIMCO computer and network systems to assess the effectiveness of our information security program at least on an annual basis. PIMCO has also heavily invested in our capabilities to deliver Security Awareness Training to all employees on a quarterly basis to help foster a cybersecurity-conscious workplace.

Also in regard to business continuity, a detailed plan, approved by senior management, exists to respond to multiple levels of contingencies, ranging from a local building fire to an area-wide disaster. The plan is based on a comprehensively documented business-impact review that identified the most critical parts of the business. PIMCO policy requires that the contingency plan be tested annually to ensure its continuing feasibility and effectiveness.

## SUPPLY CHAIN

PIMCO's procurement activities largely involve third parties within the regulated financial services industry or other professional services entities. However, we continue to take steps to ensure we mitigate risk associated with the universe of our third party vendors. In addition to complying with the UK Modern Slavery Act, in 2019, we updated our Vendor Management Policy to include new sections within our vendor due diligence questionnaire related to labor, inclusion & diversity and environment.





# Commitment to Talent



PIMCO’s decades of fixed income leadership would not have been possible without a culture that embraces diverse points of view. Our people are our greatest asset, and we are committed to fostering an environment of inclusion and diversity that helps our employees and clients thrive.



Attracting, developing and retaining talent are cornerstones of PIMCO’s inclusion and diversity efforts. We are increasingly using data and analytics to further inform our program offerings of promoting a workforce that represents a broad range of perspectives and experiences, and delivers the best investment ideas and products for our clients.

**Robin Shanahan**  
Co-Chief Operating Officer

## INCLUSION & DIVERSITY

PIMCO’s philosophy acknowledges a wide range of identity dimensions such as race, ethnicity, gender, sexual orientation, gender identity, and military status but also focuses on dimensions and concepts such as culture, business segments, geographical diversity, unconscious bias, cognitive diversity, and inclusive leadership.

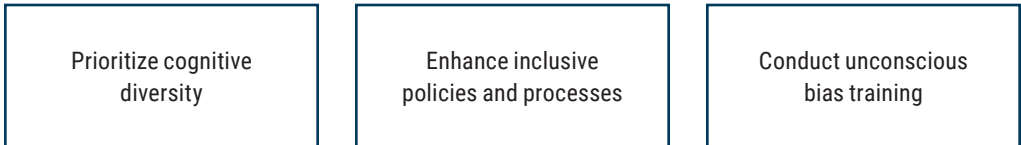
PIMCO seeks to embed inclusion and diversity in the fabric of our organization. Each of us has a unique and evolving set of perspectives, experiences, backgrounds, and styles to contribute. Our approach is designed to support and empower our people personally and professionally throughout the employee journey.



Our globally inclusive culture recognizes that diversity is defined differently around the world and across different businesses and teams. Our focus areas have included the following dating from 2010:



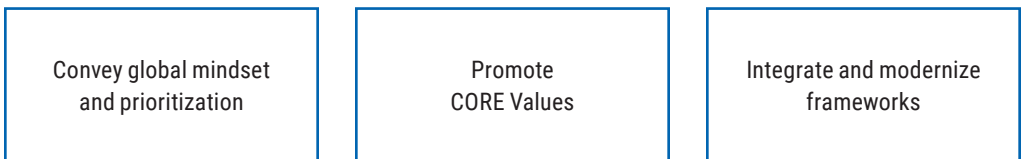
**FOSTER AN INCLUSIVE WORKPLACE**



**Accomplishments, strategies and processes**

- First global employee resource group (ERG)
- Inclusive policies (pay equity, benefits)
- Process enhancements (recruiting, development)
- Unconscious bias training
- Development plans
- Communication channels

**EMBED INTO OUR CULTURE**



**Accomplishments, strategies and processes**

- Firm-wide goals
- Executive committee oversight
- Values that encourage authenticity, promote openness
- Increased sense of community (8 ERGs)
- Evolved performance criteria and accountability
- Human resources modernization
- People analytics and benchmarking

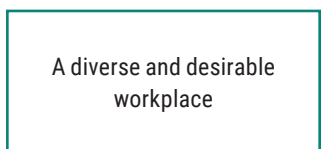
**DIVERSITY DRIVEN STRATEGY**



**Accomplishments, strategies and processes**

- Tailored / localized business-specific strategies
- Human resources partnership
- Strategic partnership model; grow business impact
- Goals align to framework of attract, develop, retain and engage

**OUTCOME**



**Accomplishments, strategies and processes**

- Focused on a long-lasting inclusive culture



At PIMCO, we have tailored our approach to setting diversity goals within local teams since diversity is defined differently around the world and across businesses. We recognize that Inclusion and Diversity is more than what we do, it is who we are. Therefore our inclusion efforts are global and each of us plays a vital role in fostering an environment of openness and authenticity. We must invest today in the skills, perspectives, and experiences of our employees to build a better future for the years to come.

**Marta Bezoari**  
Head of Inclusion and Diversity Strategy



We seek diverse perspectives across the firm. This benefits our culture, creating an environment that attracts and retains top talent. Our people play an active role with eight employee-led resource groups. Beginning in 2010, our firm’s gender-equity-focused Employee Resource Group (ERG) and their community partners were instrumental in informing our earlier efforts toward diversity and inclusion. As of 2020 we have grown to 8 ERGs, partnering with a spectrum of distinguished organizations across multiple identity and experience dimensions, to advance progress globally within our organization and across our industry.

## POWERING CONNECTIVITY

Eight employee-led groups represent more than 3,025 employees across 20 offices in 13 countries.



The launch of PIMCO Black reinforces our organization’s commitment to attracting, developing and retaining talent from various backgrounds, which in turn leverages unique perspectives to generate innovative solutions for clients. Meanwhile, the PIMCO Black Scholarship reflects our focus on expanding the pipeline of underrepresented talent in the asset management industry.

**Caleb Pitters**  
 Managing Director and  
 Head of U.S. Nonprofit and  
 Private Family Capital

### BLACK

Supports Black employees through programs designed to provide a sense of community, foster inclusion and help recruit, retain and develop Black professionals at all career stages.

### *Families*

Provides meaningful support to employees as they integrate their career and caregiving responsibilities.

### Multicultural

Celebrates, Supports, and Promotes Cultural Diversity within PIMCO

### MyWellbeing

Promotes initiatives focused on improving mental and physical health and general well-being.

### PRIDE

Fosters a culture that enables all employees to be their authentic selves, regardless of sexual orientation, gender identity or gender expression.

### Social

Increases collaboration and encourages a culture of connectivity while fostering increased appreciation for diverse skills and perspectives.

### VETERANS

Contributes to the success of the firm by supporting veterans’ transition to civilian life and work through networking and mentoring initiatives.

### Women

Focuses on gender equality and on the attraction, development, retention and engagement of women at all stages of their careers.

## SPOTLIGHT ON BUILDING THE INDUSTRY PIPELINE OF FUTURE TALENT

We undertake strategic efforts early in the talent pipeline in an effort to make our organization and industry more appealing:

- PIMCO's Career Exploration Program (CEP) is a Black and Hispanic/Latinx diversity-focused sophomore intern program. This program provides college students the opportunity to learn about the asset management industry and give back to our communities through philanthropic efforts, and feeds directly into our full-time analyst hiring process.
- We launched the annual PIMCO Black Scholarship, which will award two pre-MBA and two undergraduates in the U.S. who identify as Black and/or African-American each with a one-time \$20,000 scholarship.
- PIMCO partnered with 200 of the industry's leading players by participating in the #100BlackInterns initiative in the U.K. We are looking to offer internships to Black students across the U.K. to help kick-start their careers in investment management.
- U.K. PIMCO employees took part in a mentoring program with UpReach to mentor students throughout their university experience. The program focused on 85 students each year of which 45% are female and 75% are from Black, Asian and Minority Ethnic (BAME) backgrounds.

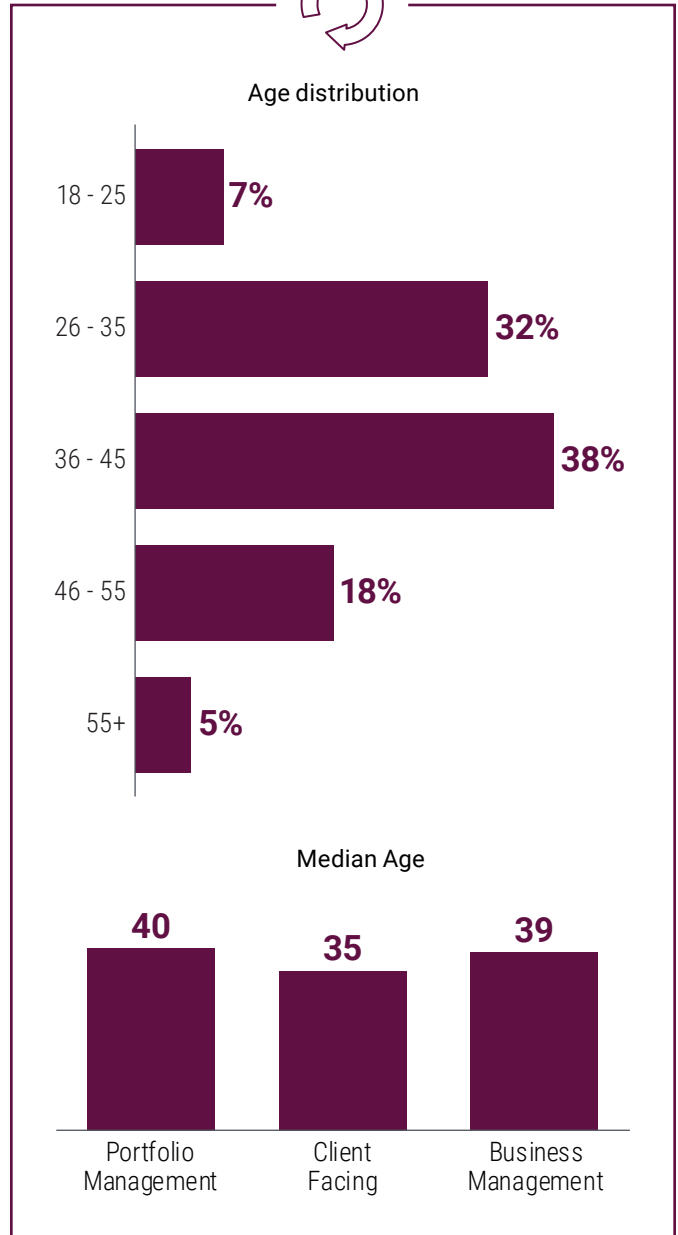
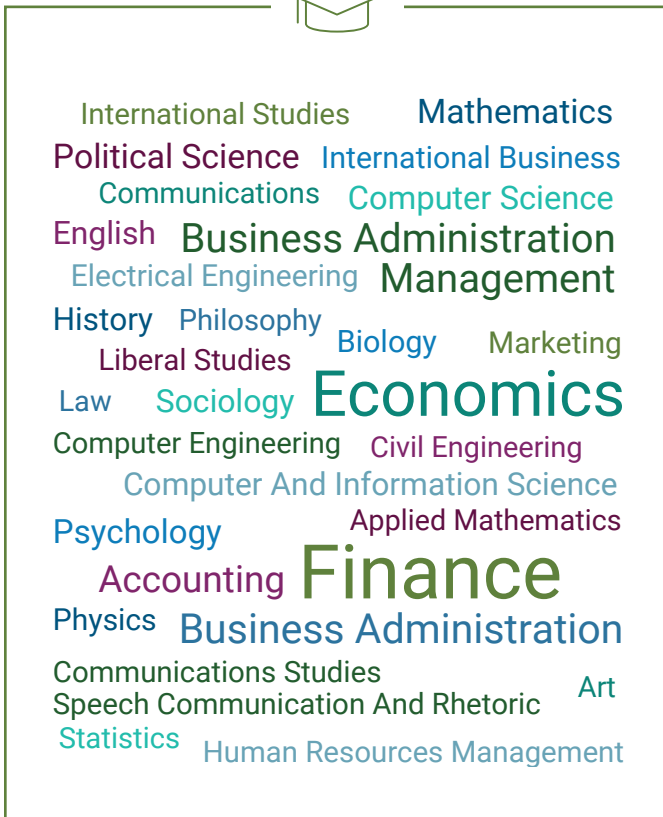
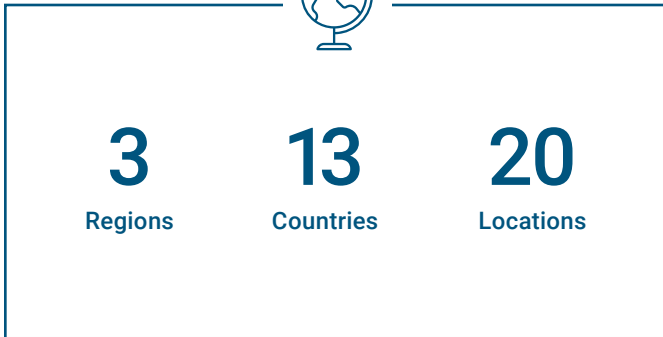


A culture of inclusion is essential to ensuring diverse perspectives can truly enhance our process. As such, we actively encourage and promote opportunities for all members of our investment teams to have a voice in our investment process.

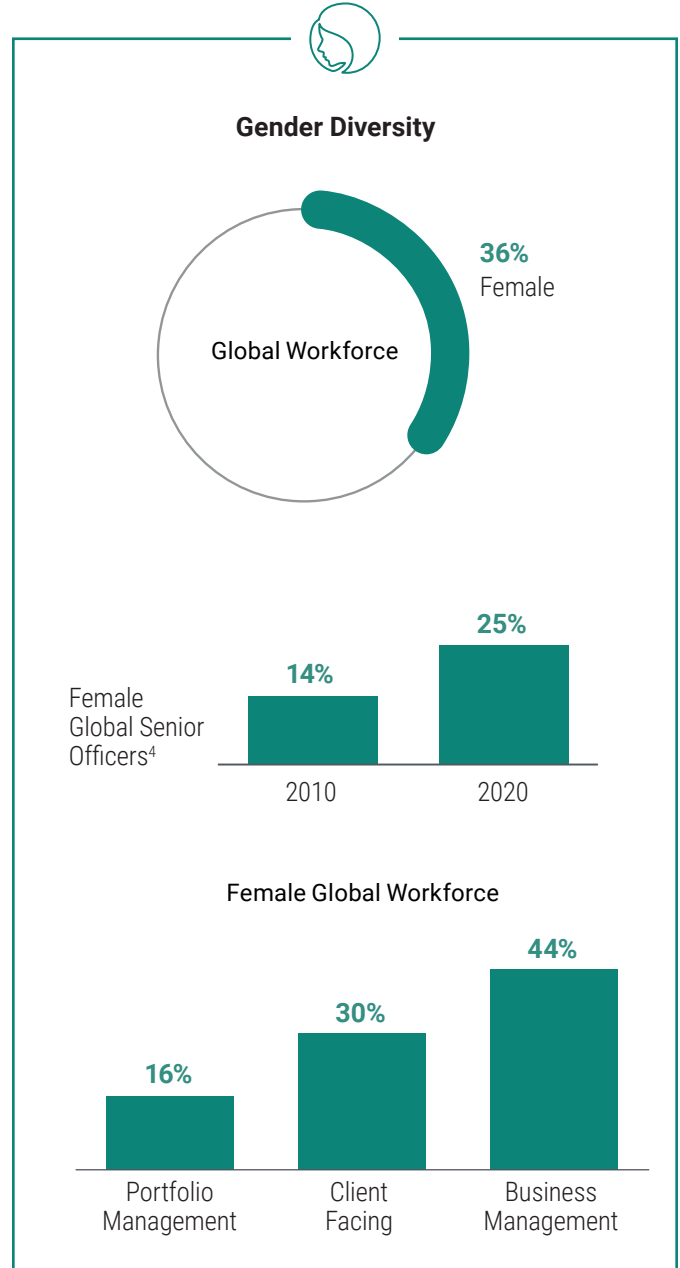
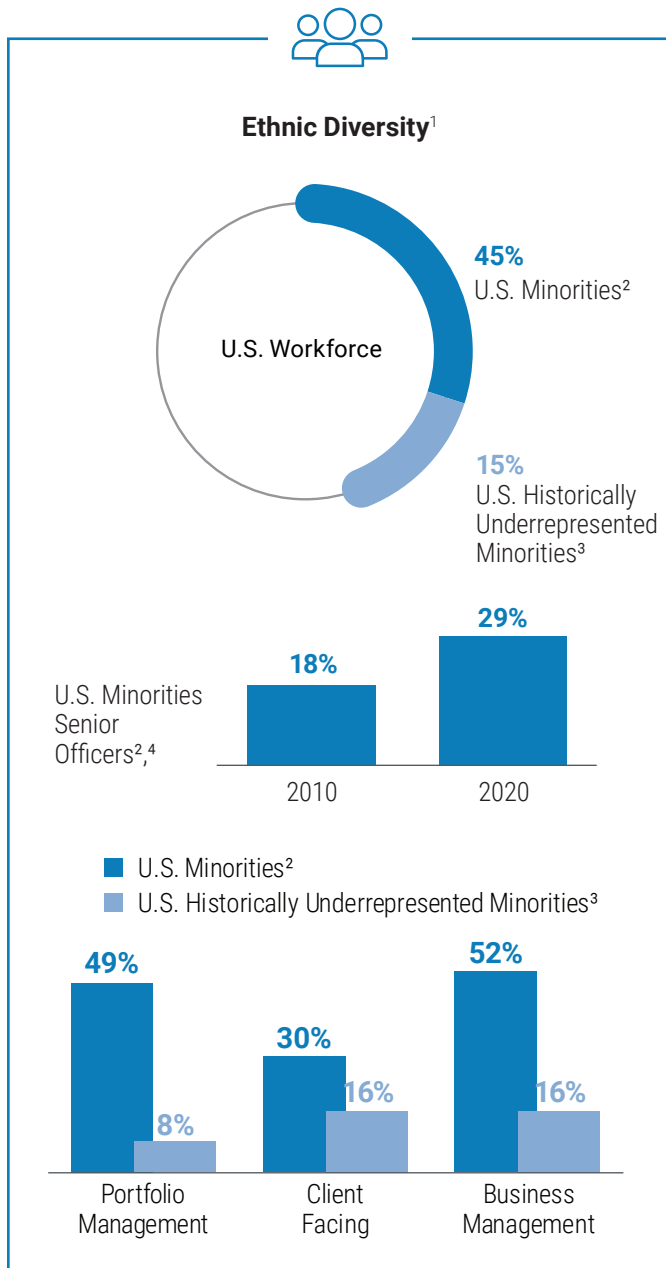
**Dan Ivascyn**  
PIMCO Group CIO

## OUR EMPLOYEE DIVERSITY

A snapshot of our current employee diversity



Source: PIMCO, consistent with EEOC guidelines, the underlying data is based on both self-reported identification and visual survey for gender and ethnicity for those that did not self-report, as of January 01, 2021.



Source: PIMCO, consistent with EEOC guidelines, the underlying data is based on both self-reported identification and visual survey for gender and ethnicity for those that did not self-report, as of January 01, 2021. Excludes Gurtin and AAM US employees.

- 1 These numbers reflect our U.S. population only due to varying data collection considerations of this type of data in other regions
- 2 U.S. Minorities (African American or Black, Hispanic or Latino, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, Asian, or Two or more races)
- 3 U.S. Historically Underrepresented Minorities (African American or Black, Hispanic or Latino, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander)
- 4 Employees with officer titles of Senior Vice President and above.

PARTNERED FOR IMPACT

Partnering to advance progress within our organization and across our industry



SIGNATORIES & ACCOLADES



## **SPOTLIGHT: BEST PLACE TO WORK FOR LGBT EQUALITY**

PIMCO is honored to earn 100% on 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, transgender, and queer (LGBTQ) equality and inclusion in the workplace for the fifth year in a row (2017–2021). The Best Place to Work for LGBTQ Equality designation is recognition of our continued commitment to foster an inclusive and diverse work environment. HRC has continuously improved its standards and ranking methodology, and each year firms are held to a higher standard. This achievement is a testament to PIMCO's continued commitment to inclusion and diversity and to providing industry-leading benefits to our employees. It is a reflection of the partnership between our PIMCO PRIDE Employee Resource Groups (ERG) and our Human Resources (HR) team to evolve policies and improve processes.

In 2020, PIMCO EMEA established a new membership with Stonewall, the largest LGBT+ rights organization in Europe, and joined Stonewall's Diversity Champions program, the leading employers' program for ensuring all LGBT staff are accepted without exception in the workplace. PIMCO PRIDE APAC instituted an annual Allyship day for LGBT+ inclusion in which all employees are invited to demonstrate their support of LGBT+ colleagues in different ways.

## **RESPECTFUL WORKPLACE**

PIMCO's policies prohibit discrimination and harassment of any kind. Further, PIMCO prohibits retaliation against any employee who raises issues of discrimination or harassment, assists in an investigation of possible discrimination or harassment, or files a complaint, grievance, or lawsuit alleging discrimination or harassment. All employees are encouraged to escalate challenging workplace issues, without fear of retaliation, to PIMCO's global Human Resources team or ombudsman service. All supervisors and managers are required to report any incident of discrimination or harassment that they observe or become aware of to Human Resources. When a claim of misconduct is reported, the Company will appoint an impartial officer in Human Resources, and he or she will undertake a

prompt investigation. Complaints of retaliation will be investigated in the same manner as complaints of discrimination or harassment. PIMCO also requires all employees and contractors to complete training on preventing discrimination and harassment on an annual basis. Although generally required in the U.S., the training is mandatory in all of PIMCO's offices globally.

## **COMPENSATION & BENEFITS**

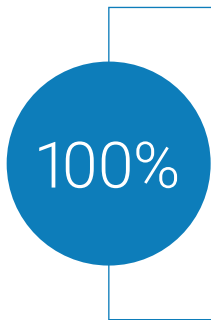
As a global organization, we embrace and support a diverse workforce where people are treated fairly by providing equitable benefits, opportunities for development, career progression, and industry- and market-attractive compensation. Contribution to the firm's inclusion and diversity goals and demonstration of PIMCO's values, including valuing diverse perspectives and fostering an inclusive work environment, are a few of many components considered when assessing performance and determining compensation. We are committed to paying employees fairly based on the quality of their performance. PIMCO participates in annual compensation benchmark surveys and engages various consultancies to ensure pay practices are within market levels.

PIMCO is committed to offering a comprehensive portfolio of employee benefits designed to support the health and well-being of our employees and their families. Importantly, we provide equivalent coverage to domestic partners as we do spouses, regardless of gender. In an evolving environment, it is crucial to ensure that our employees' well-being remains front and center of our benefits offerings. As such, PIMCO is deeply focused on supporting employees' mental and emotional resilience through partnerships with Lyra in the U.S. and various Employee Assistance Partners (EAP) globally.

We offer competitive family-friendly benefits, policies, and programming such as our New Expecting Parent Support Team (NEST) program, parental leave training guides, global fertility/surrogacy/adoption support, flexible work arrangements, and breastmilk shipment benefits. PIMCO also provides family leave for employees who need to care for either themselves or family members.



## 2020 Highlights



- Employees with access to benefits (full time)
- Employees with access to skills-based training
- Employees with access to educational assistance
- Completion of respectful workplace training
- To increase inclusivity and mitigate bias in our recruitment processes, we incorporated process enhancements including, but not limited to, the use of tech tools to evaluate the gender balance and inclusiveness of text in job descriptions.
- We offered several programs to develop, mentor, and educate talent, such as McKinsey's Black Executive Leadership Program, APAC Women Mentoring Program, and OutLeadership.
- PIMCO received a perfect score of 100% on the Human Rights Campaign Corporate Equality Index (HRC CEI) for the fifth consecutive year.

## 2020 ACCOMPLISHMENTS

### Attract

- Built diversity-focused Career Exploration Program for business management departments
- Enacted program to engage search firms 20 days into searches to ensure diverse candidate slates
- Developed relationship between Talent Acquisition and Learning (TA&L) and PIMCO Black ERG to develop future priorities
- Launched PIMCO Black Scholarship

### Develop

- Rolled out enhanced performance management process inclusive of business-specific rubrics, firm-wide performance criteria, firm-wide promotion criteria, calibration, and transparent ratings; embedded unconscious bias content in supporting materials and training
- Rolled out "Manager Tips," just-in-time manager development initiative to equip managers for key talent

decision-making milestones and ongoing talent management skills-building, embedding inclusive language and unconscious bias content

- Developed PIMCO Connected, a platform to support employees and managers through COVID-19
- PIMCO employees are participating in McKinsey's Black Leadership Academy, designed to accelerate the progression of Black leaders

### Retain

- Built People Analytics function, paving the way for greater measurement of workforce data
- Built and launched self-ID reporting and tracking to allow 1) assessment of demographic trends over time and 2) more inclusive internal mobility processes
- Enacted benefits partnerships on PIMCO Connected to support employees through the COVID-19 disruption

# Empowering Communities



At PIMCO, we understand both the opportunity and obligation to effect meaningful social change. We are innovative, collaborative, and determined in our efforts to confront some of society’s most urgent global challenges.

Through investments of time and financial resources, we’re committed to aligning with the Sustainable Development Goals (SDGs). Our focus on hunger (SDG 2) and gender equality (SDG 5) reflects our belief that these fundamental issues are critical to human development and sustainable worldwide economic growth. In line with our core values, we seek to add value to society, and create a better world via our community engagement efforts.



Across the globe societies face unprecedented challenges. In the wake of COVID-19, these challenges intensified, and will require collective action in order to support the most vulnerable. In 2020, we harnessed the entire Purpose at PIMCO platform, activating the PIMCO Foundation’s grant-making strategies and our colleagues’ time and talents to address hunger (SDG 2), gender equality (SDG 5) and critical community needs.

**Cathy Stahl**  
Head of Marketing

## HUNGER & GENDER EQUALITY



### WE GIVE

We donate to high performing non-profit partners to support critical on-the-ground services and innovative opportunities around the globe.

- Global Foodbanking Network
- NOMI Network
- Community Giving/ Grants
- Bill Gross Award
- Disaster Relief
- Employee Match
- Employee Choice Awards



### WE ACT

We invest our time, skills and expertise to drive meaningful impact in the communities where we work and live.

- Global Month of Volunteering
- Share the Harvest
- Local Volunteering
- Pro Bono Programs
- Board Placement Program
- Team Building Events



### WE ADVOCATE

We aim to take leadership within our industry as thought leaders and strategic partners to create solutions and advocate for change.

- Pulitzer Center
- UN SDGs
- Girls Who Invest
- Women & Investing
- Alignment with Employee Resource Groups

## PANDEMIC RESPONSE AND HUNGER RELIEF

In 2020 we adapted and responded to great need during unprecedented times. In response to COVID-19, we activated the PIMCO Foundation's grant-making strategies, providing \$3.24 million to nonprofits around the world:

- At the first signs of the COVID-19 outbreak in January 2020, PIMCO donated funds from its Disaster Relief Program to support communities in China.
- In April 2020, The Foundation issued 18 new grants to charity partners focused on hunger and humanitarian relief for those affected by COVID-19.
- PIMCO's signature partner, The Global FoodBanking Network, continued to work closely with its 800+ members across 42 countries to ensure that relief continued during this crisis.
- In November 2020, the PIMCO Foundation made a donation of \$250,000 to Feeding America with funds supporting immediate food distribution primarily in southern, rural states and areas most prevalently populated by people of color, while building food-banking infrastructure to enable these communities to be more resilient in the long term.
- In December 2020, the Foundation directed \$117,000 to World Central Kitchen to help them respond to the hunger crisis.

## GENDER EQUALITY

PIMCO strives to make a measurable impact in our support of gender equality by directly investing in the economic empowerment of vulnerable women and girls.

Our commitment to advancing gender equality also extends to advocacy and awareness, where we support organizations that can influence hearts and minds through ongoing education and outreach.

In 2020, the PIMCO Foundation continued its engagement with NOMI Network, which focuses on creating safe, sustainable, life changing employment and business opportunities for vulnerable women and girls. The partnership is part of PIMCO's broader gender equality initiative, driven in part by PIMCO's Women & Investing platform. Women & Investing has three focus areas – Women in Investing, Women as Investors, and Investing in Women. The NOMI Network partnership reinforces PIMCO's commitment to these focus areas within the investment management industry and throughout communities worldwide, and contributes to our priority of supporting the economic empowerment of the most vulnerable women and girls. In December 2020, PIMCO's U.S. Foundation Board approved a grant of \$500,000 to NOMI Network in support of two of the organization's programs empowering women and girls in the states of Bihar, Odisha, and West Bengal, India: the Workforce Development Program (WDP) and the Adolescent Girls Program (AGP).



PIMCO has built a multilayered approach to address hunger at a system and individual level, leveraging its funds and human capital. As the humanitarian toll of the pandemic surfaced, the PIMCO Foundation worked with existing partnerships around the globe to alleviate hunger and support historically marginalized populations disproportionality impacted by the pandemic.

**Nate Brown**  
Director, Purpose at PIMCO



Women and girls around the globe face a multitude of unique challenges. The Pulitzer Center’s reporting, which shares the stories of these women and girls, is critically important to achieving gender equality.

**Mangala Ananthanarayanan**  
Head of Business Management for EMEA & APAC

In 2020, we expanded our gender equality portfolio in an effort to support organizations working in the U.S. and U.K. communities where PIMCO offices are based. A total of \$400,000 in grants enabled us to start new relationships with the Tiyya Foundation, Austin Community Foundation, JUST Community Inc., New York Women’s Foundation, Hot Bread Kitchen, and The Wonder Foundation, aimed at helping strengthen economic outcomes for women and girls. Priority areas include improving income; attaining, retaining, and improving employment; financial strength; and socio-economic status.

To promote awareness of gender equality issues, PIMCO entered a unique new partnership with the Pulitzer Center, an award-winning innovative journalism organization. This partnership furthers the Pulitzer Center’s reporting on gender equality issues, as well as its education outreach to schools across the United States. A \$950,000, three-year grant will support reporting projects, education outreach, and community engagement on issues related to gender equality and the economic empowerment of vulnerable girls and women.

**SUSTAINABLE DEVELOPMENT GOALS**

**2 ZERO HUNGER**

- Increased commitment to ending hunger with **30%** of engagements aligned to SDG 2; granted **3,106,529 USD** and forged new partnerships with Banco Alimentare (EMEA), Feeding America (US) and FoodCycle & SOS Bali (APAC).
- Colleagues personally donated **~97,600 USD** to support hunger initiatives, and also activated **~81,000 USD** in employee match.

**2,174** hours of volunteer support aligned to SDG 2.

**5 GENDER EQUALITY**

- Forged new partnership with the award-winning **Pulitzer Center** advocating for gender equality (SDG 5) and the economic empowerment of vulnerable women and girls.
- Launched local gender equality grant program in US and EMEA with **6** charities, donating **1,210,650 USD**; increased SDG 5 aligned volunteer efforts by **40% from 2019**.

**469** global colleagues pledged their commitment to gender equality on International Women’s Day.

## GLOBAL MONTH OF VOLUNTEERING (GMV) VIRTUAL EVENTS

In response to COVID-19, we pivoted employee engagement to a mostly virtual interface.

### Missing Maps project

In 2020, PIMCO initiated a partnership with Missing Maps, run by Humanitarian OpenStreetMap Team. This is a humanitarian project that preemptively maps parts of the world that are vulnerable to natural disasters, conflicts, and disease epidemics. OpenStreetMap ensures all data gathered is free, open, and available for use by international and local NGOs and individuals to better respond to crises affecting those areas. In 2020, 327 PIMCO volunteers identified 32,162 buildings in developing countries.

### Career Events with CoLabL

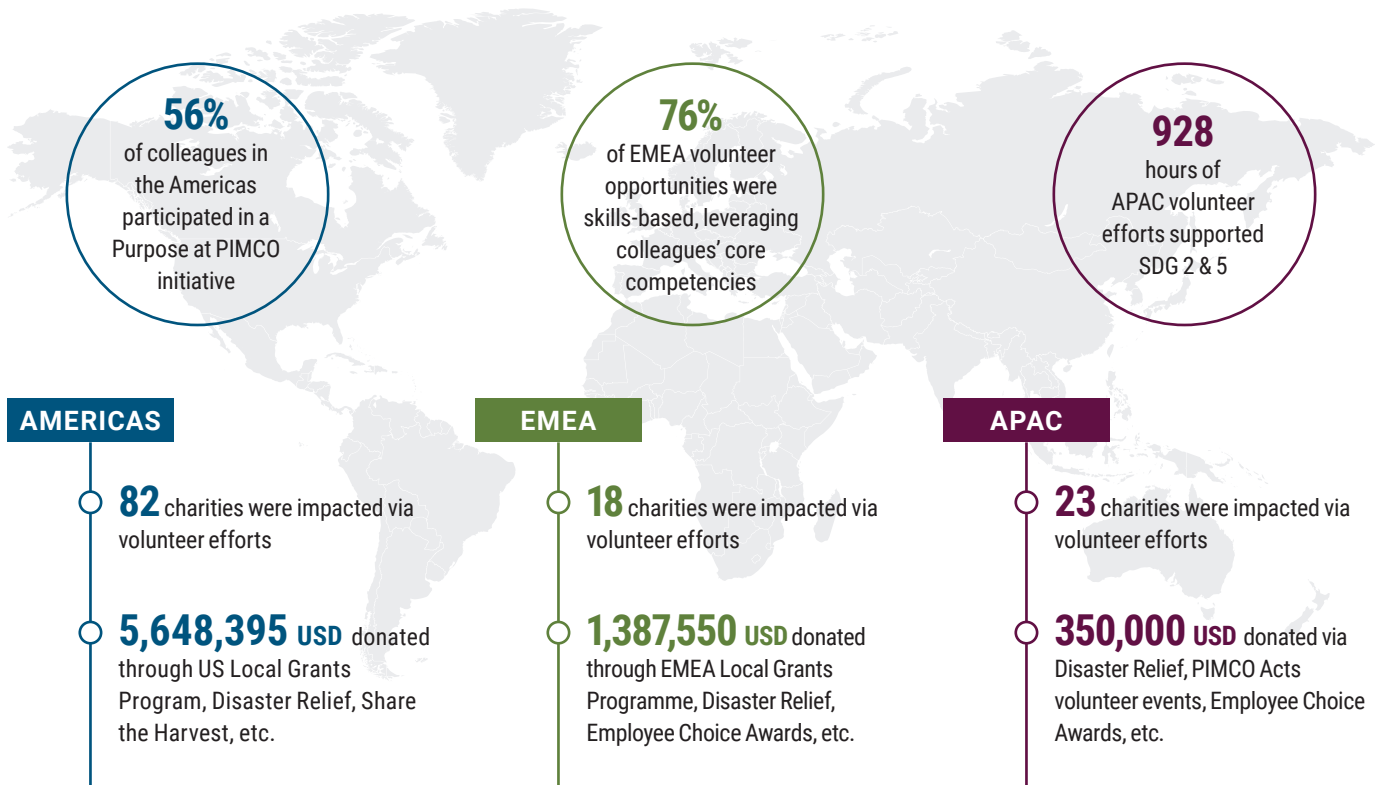
In partnership with PIMCO’s Employee Resource Groups, we ran a series of virtual career mentoring events, providing an opportunity for students to speak directly and in small groups with PIMCO employees. During these breakout sessions, employees shared personal and professional advice.



7,385,945 USD was granted to address **hunger (SDG 2), gender equality (SDG 5)** and **critical community needs**.



Globally, **1,910 colleagues** engaged in **222 events**, donating **~9,900 hours** to **123 charities** including hands-on, skills based and pro bono volunteering efforts.



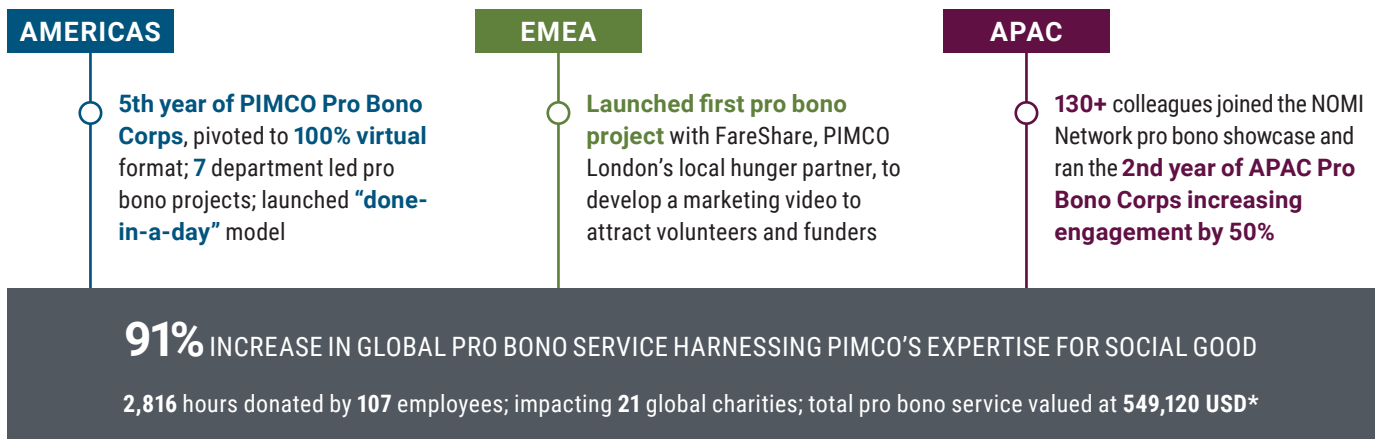
### PIMCO PRO BONO CORPS

In 2020, we saw a 91% increase in volunteer participation in the PIMCO Pro Bono Corps, with 2,816 hours donated by 107 employees helping 21 global charities. 2020 total pro bono service is valued at \$549,120.

Pro bono projects at PIMCO are aimed at supporting sustainable change and growth in the nonprofit sector while developing colleagues’ professional and leadership skills. Colleagues work on teams and are paired with selected nonprofit organizations to help develop an actionable solution in the areas of financial management and data analysis, organizational strategy and effectiveness, human resources, technology, or marketing and outreach. In its fifth year, PIMCO’s

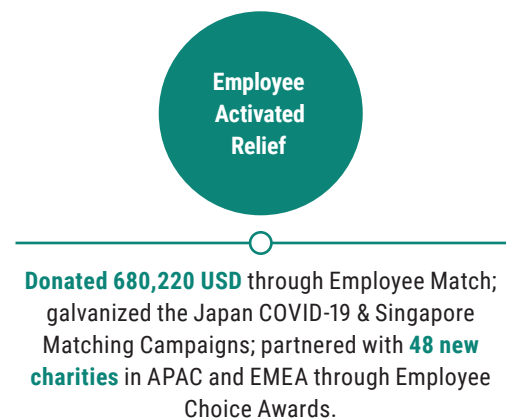
Pro Bono Corps program pivoted to a 100% virtual format, connecting nonprofit organizations and employees across PIMCO’s U.S. offices. A “done-in-a-day” marathon model was launched to provide additional opportunities for employees and nonprofit organizations to participate.

Leadership development is an explicit aspect of the pro bono program. 100% of participants in the marathon program indicated that they found the program helped them to develop or improve their skills, and 100% of participants in the multi-week program indicated that they made progress against their professional development goals aligned with PIMCO’s performance criteria.



### NONPROFIT BOARD CAPACITY BUILDING – COVID-19 RESPONSE

In response to the pandemic’s significant impact on the nonprofit sector, we conducted a needs assessment of our nonprofit partners to determine how PIMCO could help address their organizational capacity needs. Based on this assessment, we worked with our board service partner, CoLabL, to design a three-part virtual training series for nonprofit leaders and PIMCO employees who serve on their boards aimed at equipping nonprofit boards with the knowledge, skills, and tools to address ramifications of COVID-19. These trainings focused on pivoting core programming to virtual, creative fundraising and donor engagement practices, and driving brand awareness.



**AWARDS AND RECOGNITION**

**Civic 50<sup>1</sup>**



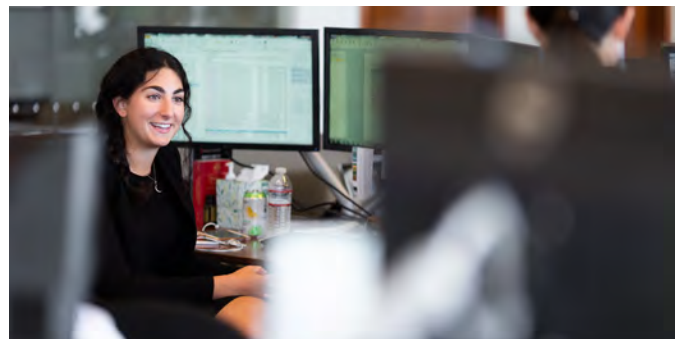
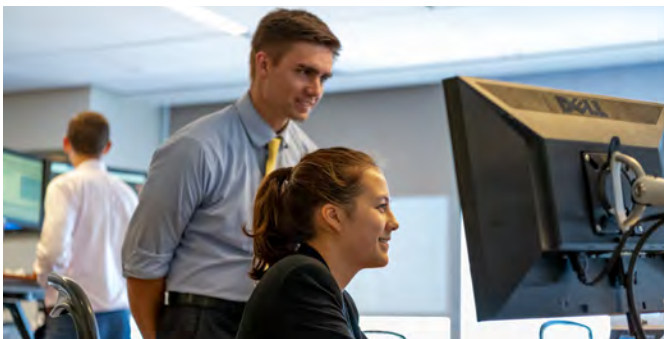
For the fifth year in a row, PIMCO was proud to be named to The Civic 50, an initiative of Points of Light, which recognizes the 50 most community-minded companies in the U.S. each year as determined by an annual survey administered by True Impact. Since it was launched in 2012, the program has served as benchmarking tool and platform for sharing best practices in the corporate citizenship sector. 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.

**Austin Gives<sup>2</sup>**



In 2020, PIMCO received the Generous Business Award in the Medium Business Category from the Austin Chamber of Commerce’s Austin Gives program, which recognizes businesses for excellence in giving back. Austin Gives highlights companies across the Austin region that donate 1% or more of their pre-tax earnings to the local community, inclusive of financial contributions, donation of products/services, and volunteer hours.

- 1 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.
- 2 Austin Gives recognizes businesses that have pledged one percent of pre-tax earnings—such as volunteer time, products, services, and financial support—toward community impact efforts. The program is voluntary with no cost to participants. The Generous Business Awards were created by Austin Gives to recognize and celebrate businesses in the Austin community who make giving back a part of their business model, as outlined on their website: <https://www.austinchamber.com/about/austin-gives>. This award was not paid for by PIMCO.



## Learn More

For additional information on the practices outlined in this report, please visit the following sections of our website:

- [ESG Insights](#)
- [ESG Policy Statement](#)
- [Leadership](#)
- [Purpose at PIMCO](#)
- [Inclusion and Diversity](#)





## UN Global Compact: Communication on Progress

In May 2017, PIMCO initially confirmed its support for the Ten Principles of the UN Global Compact with respect to human rights, labor, environment, and anti-corruption. Since that time, our CEO has reconfirmed that commitment.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes 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 Taskforce, 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:**

	<b>Responsible Investing</b>	<b>Sustainable Business</b>	<b>Commitment to Talent</b>	<b>Empowering Communities</b>
<b>Human Rights</b>	<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> </ul>	<ul style="list-style-type: none"> <li>• Code of Ethics</li> <li>• Policy of prohibiting discrimination of any kind; regular training</li> <li>• UK Modern Slavery Act</li> </ul>	<ul style="list-style-type: none"> <li>• Partners</li> <li>• Best place to work for LGBT equality</li> </ul>	<ul style="list-style-type: none"> <li>• Purpose at PIMCO</li> <li>• Pandemic Response and Hunger Relief</li> <li>• Pulitzer Center partnership</li> </ul>
<b>Labor</b>	<ul style="list-style-type: none"> <li>• Incorporation of UNGC labor principles in investment analysis and engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Policy of prohibiting discrimination of any kind; regular training</li> <li>• Supply Chain</li> </ul>	<ul style="list-style-type: none"> <li>• Inclusion &amp; Diversity</li> <li>• Respectful Workplace</li> <li>• Compensation &amp; Benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Women &amp; Investing</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>• Incorporation of UNGC environmental principles in investment analysis and engagement</li> <li>• Commitment to TCFD, Climate Action 100+</li> <li>• Carbon footprinting of portfolio</li> </ul>	<ul style="list-style-type: none"> <li>• Commitment to UNGC’s environmental principles in operations</li> <li>• Model Office Survey</li> </ul>	<ul style="list-style-type: none"> <li>• Earth Day Campaign</li> </ul>	<ul style="list-style-type: none"> <li>• Missing Maps project</li> </ul>
<b>Anti-Corruption</b>	<ul style="list-style-type: none"> <li>• Incorporation of UNGC’s anti-corruption principle in investment analysis and engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Code of Ethics, committing senior management and employees to highest level of ethical standards</li> <li>• Compliance with Anti-Corruption laws and regulations, with regular training on corruption and bribery for all employees</li> </ul>		

This update serves as additional action beyond the policies and commitments outlined in our 2019 UN Global Compact Communication of Progress, which is available [here](#).

This material is distributed for informational purposes only. The content herein is not intended to be investment advice or a recommendation of any particular security, strategy or investment product, and should not be regarded as such. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. Socially responsible investing is qualitative and subjective by nature, and there is no guarantee that the criteria utilized, or judgment exercised, by PIMCO will reflect the beliefs or values of any one particular investor, company, country or region. Information regarding responsible practices is obtained through voluntary or third-party reporting, which may not be accurate or complete, and PIMCO is dependent on such information to evaluate a company's commitment to, or implementation of, responsible practices. Socially responsible norms differ by region. There is no assurance that the socially responsible investing strategy and techniques employed will be successful. Past performance is not a guarantee or reliable indicator of future results.

PIMCO as a general matter provides services to qualified institutions, financial intermediaries and institutional investors. Individual investors should contact their own financial professional to determine the most appropriate investment options for their financial situation. This is not an offer to any person in any jurisdiction where unlawful or unauthorized. | **Pacific Investment Management Company LLC**, 650 Newport Center Drive, Newport Beach, CA 92660 is regulated by the United States Securities and Exchange Commission. | **PIMCO Europe Ltd (Company No. 2604517)** is authorised and regulated by the Financial Conduct Authority (12 Endeavour Square, London E20 1JN) in the UK. The services provided by PIMCO Europe Ltd are not available to retail investors, who should not rely on this communication but contact their financial adviser. | **PIMCO Europe GmbH (Company No. 192083, Seidlstr. 24-24a, 80335 Munich, Germany)**, **PIMCO Europe GmbH Italian Branch (Company No. 10005170963)**, **PIMCO Europe GmbH Spanish Branch (N.I.F. W2765338E)** and **PIMCO Europe GmbH Irish Branch (Company No. 909462)** are authorised and regulated by the German Federal Financial Supervisory Authority (BaFin) (Marie-Curie-Str. 24-28, 60439 Frankfurt am Main) in Germany in accordance with Section 32 of the German Banking Act (KWG). The Italian Branch, Irish Branch and Spanish Branch are additionally supervised by: (1) Italian Branch: the Commissione Nazionale per le Società e la Borsa (CONSOB) in accordance with Article 27 of the Italian Consolidated Financial Act; (2) Irish Branch: the Central Bank of Ireland in accordance with Regulation 43 of the European Union (Markets in Financial Instruments) Regulations 2017, as amended; and (3) Spanish Branch: the Comisión Nacional del Mercado de Valores (CNMV) in accordance with obligations stipulated in articles 168 and 203 to 224, as well as obligations contained in Title V, Section I of the Law on the Securities Market (LSM) and in articles 111, 114 and 117 of Royal Decree 217/2008, respectively. The services provided by PIMCO Europe GmbH are available only to professional clients as defined in Section 67 para. 2 German Securities Trading Act (WpHG). They are not available to individual investors, who should not rely on this communication. | **PIMCO (Schweiz) GmbH (registered in Switzerland, Company No. CH-020.4.038.582-2)**. The services provided by PIMCO (Schweiz) GmbH are not available to retail investors, who should not rely on this communication but contact their financial adviser. | **PIMCO Asia Pte Ltd** (Registration No. 199804652K) is regulated by the Monetary Authority of Singapore as a holder of a capital markets services licence and an exempt financial adviser. The asset management services and investment products are not available to persons where provision of such services and products is unauthorised. | **PIMCO Asia Limited** is licensed by the Securities and Futures Commission for Types 1, 4 and 9 regulated activities under the Securities and Futures Ordinance. PIMCO Asia Limited is registered as a cross-border discretionary investment manager with the Financial Supervisory Commission of Korea (Registration No. 08-02-307). The asset management services and investment products are not available to persons where provision of such services and products is unauthorised. | **PIMCO Investment Management (Shanghai) Limited** Unit 3638-39, Phase II Shanghai IFC, 8 Century Avenue, Pilot Free Trade Zone, Shanghai, 200120, China (Unified social credit code: 91310115MA1K41MU72) is registered with Asset Management Association of China as Private Fund Manager (Registration No. P1071502, Type: Other) | **PIMCO Australia Pty Ltd** ABN 54 084 280 508, AFSL 246862. This publication has been prepared without taking into account the objectives, financial situation or needs of investors. Before making an investment decision, investors should obtain professional advice and consider whether the information contained herein is appropriate having regard to their objectives, financial situation and needs. | **PIMCO Japan Ltd**, Financial Instruments Business Registration Number is Director of Kanto Local Finance Bureau (Financial Instruments Firm) No. 382. PIMCO Japan Ltd is a member of Japan Investment Advisers Association and The Investment Trusts Association, Japan. All investments contain risk. There is no guarantee that the principal amount of the investment will be preserved, or that a certain return will be realized; the investment could suffer a loss. All profits and losses incur to the investor. The amounts, maximum amounts and calculation methodologies of each type of fee and expense and their total amounts will vary depending on the investment strategy, the status of investment performance, period of management and outstanding balance of assets and thus such fees and expenses cannot be set forth herein. | **PIMCO Taiwan Limited** is managed and operated independently. The reference number of business license of the company approved by the competent authority is (109) Jin Guan Tou Gu Xin Zi No. 027. 40F., No.68, Sec. 5, Zhongxiao E. Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C.). Tel: +886 2 8729-5500. | **PIMCO Canada Corp.** (199 Bay Street, Suite 2050, Commerce Court Station, P.O. Box 363, Toronto, ON, M5L 1G2) services and products may only be available in certain provinces or territories of Canada and only through dealers authorized for that purpose. | **PIMCO Latin America** Av. Brigadeiro Faria Lima 3477, Torre A, 5° andar São Paulo, Brazil 04538-133. | No part of this publication may be reproduced in any form, or referred to in any other publication, without express written permission. PIMCO is a trademark of Allianz Asset Management of America L.P. in the United States and throughout the world. ©2021, PIMCO.