


P I M C O

# 2021 Corporate Responsibility

**IMPORTANT NOTICE**

Please note that the following contains the opinions of the manager as of the date noted, and may not have been updated to reflect real time market developments. All opinions are subject to change without notice.

A company of **Allianz** 





An aerial photograph of a beach. The water is a vibrant turquoise color, and the waves are breaking, creating a thick layer of white foam that contrasts sharply with the dark sand of the beach. The perspective is from directly above, looking down at the shoreline.

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# INTRODUCTION & PIMCO OVERVIEW

PIMCO

# Message from Emmanuel Roman



**Emmanuel Roman**  
CEO of PIMCO

On behalf of PIMCO, it is my pleasure to provide a progress report on our corporate responsibility and sustainability efforts.

Of course, this year's update occurs within the context of immense global challenges—from pandemic recovery to climate challenges to geopolitical and economic disruption.

I am hard-pressed to find another time when the private sector and the global investment community faced such a daunting array of issues and, indeed, expectations—whether from clients, employees, or the communities in which we operate.

For rising numbers of clients, sustainable investing is becoming not just a preference but a mandate. In the age of Covid, workers across industries and geographies seek greater employment stability and purpose. And communities rightly ask business to be part of the solution to societal ills and imbalances, and to embrace broader global aims such as the Sustainable Development Goals.

At PIMCO, meeting these and other expectations lies at the heart of our corporate responsibility efforts, described in the pages of this report. Our approach and strategy is holistic—touching all aspects of our internal and external activities, from investment management to workforce well-being (see our Commitment to Talent overview) to community engagement (see Empowering Communities).

In this, I reaffirm our commitment to the UN Global Compact and its Ten Principles, covering human rights, labor, the environment and anti-corruption. As well, we are signatories to the Principles for Responsible Investment and its ESG principles with respect to asset management.

On the topic of sustainable and ESG investing, we believe fixed income has a unique role to play, via engagement with issuers as well as driving market innovations such as sustainability-linked and green bonds where PIMCO is arguably playing a leading global role.

We wish to lead—but also to learn. Corporate responsibility and sustainability are complex and fast-changing agendas. No one firm can have all the answers. This is why we also place a high value on our industry and sustainability affiliations and partnerships, also summarized in this report.

As the African proverb puts it: "If you want to go fast, go alone. If you want to go far, go together."

Thank you, and we look forward to your reflections and recommendations.

A handwritten signature in black ink, appearing to read "E. Roman". The signature is written in a cursive, slightly stylized font and is positioned above a horizontal line.



# 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

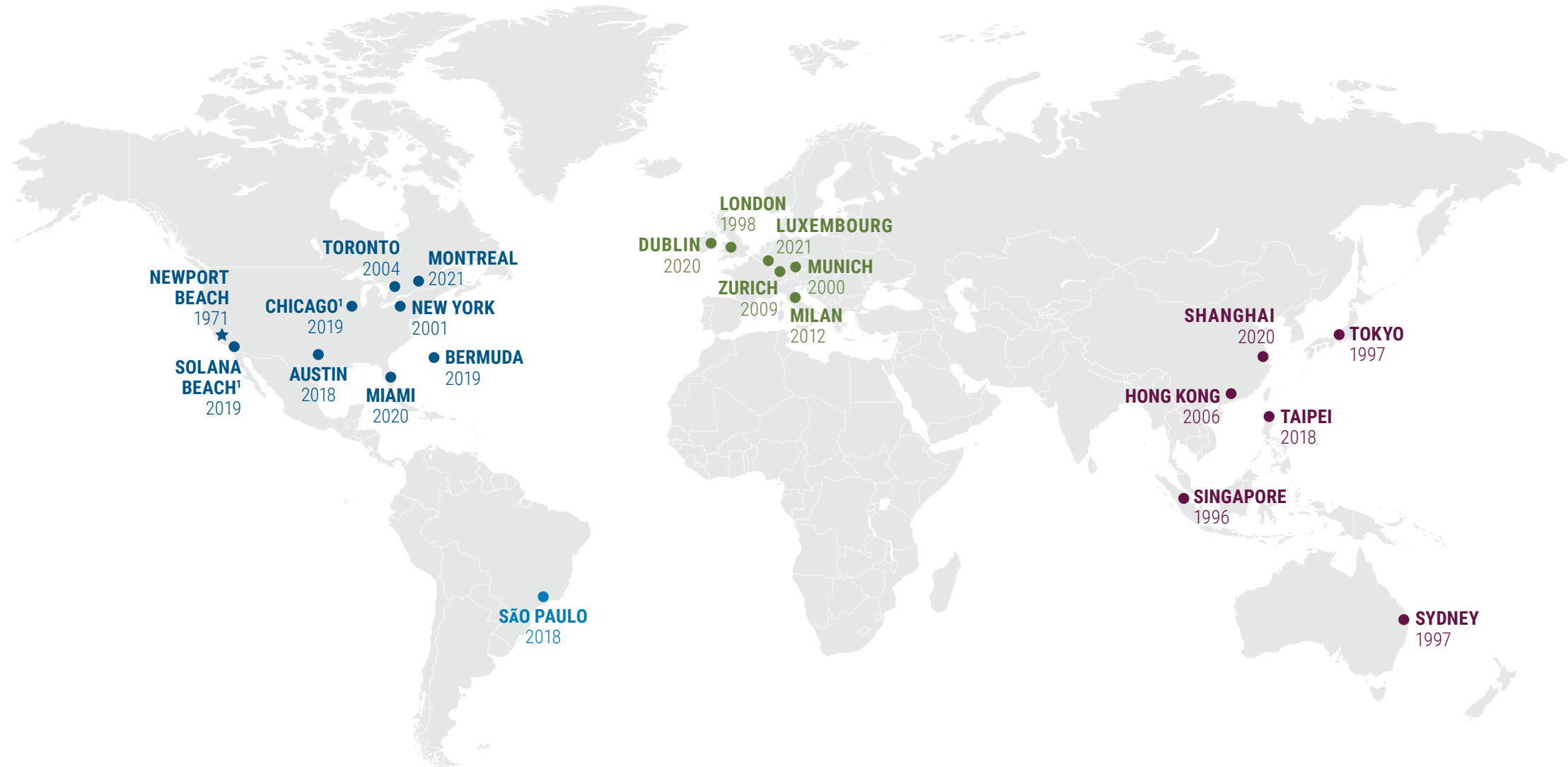
individual solutions into institutional best practices

##### WE ALL ACT AS LEADERS

and think as leaders



# Global Offices

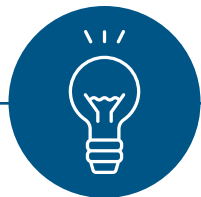


As of 31 December 2021.

<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 2021



**\$2.2 TRILLION**

Total assets under management\*

**\$628 BILLION**

Sustainable investment assets under management\*\*

**OVER 80%**

of PIMCO holdings of corporate bond issuers engaged on ESG



**3050+**

Employees around the world

**50+**

Countries in which clients are based

**22**

Global offices



**\$64 MILLION+**

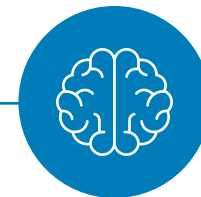
Donations since inception of global foundations\*\*\*

**~8,960**

Employee volunteer hours in 2021

**2016–2021**

The Civic 50 Award recipient\*\*\*\*



**35+**

Global diversity partnerships

**9**

Employee resource groups

**2017–2021**

Top score Corporate Equality Index\*\*\*\*\*

\* PIMCO manages \$2.20 trillion in assets, including \$1.71 trillion in third-party client assets as of 31 December, 2021. Assets include \$19.8 billion in assets of clients contracted with Gurtin Fixed Income Management, LLC and \$94.9 billion in assets of clients contracted with Allianz Real Estate, affiliates and wholly-owned subsidiaries of PIMCO and PIMCO Europe GmbH.

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

\*\*\* Since Inception date is 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





**Ryan Korinke**  
Global Head of Sustainability

“

We enter the new era with conviction and confidence, but also with humility. Sustainability is not a fixed destination but a journey, constantly in flux.

## Sustainability at PIMCO

In many ways, corporate sustainability continues to be a term searching for a definition—which is not necessarily a bad thing, but rather a reflection of the dynamism of the movement and its many facets, and its intersection with fast-changing global trends and challenges.

For some, sustainability is squarely about environmental management, and how private-sector organizations are responding to the range of acute global and local environmental challenges, from climate change to water stress to biodiversity loss.

For others, sustainability – and its synonym, corporate responsibility – is more about human capital; in other words, the experience and well-being of workers.

A broader view situates corporate sustainability within the global sustainable development agenda, raising important

questions regarding the role of business in society as well as the private sector’s responsibilities associated with ambitions such as the Sustainable Development Goals.

At PIMCO, we take a comprehensive view of sustainability and our corporate responsibilities. As an asset manager, we see three interlocking areas for focus: i) our internal policies and culture, encompassing both human capital and environmental issues; ii) our investment management activities, reflected in our sustainable investing and ESG strategies; and iii) our external community-oriented and philanthropic initiatives, nested within Purpose at PIMCO.

Our commitment to the UN Global Compact reflects this holistic approach, as does our endorsement of the Principles for Responsible Investment. We take seriously the Global Compact’s Ten Principles covering human rights, labor, the



environment, and anti-corruption—and within the pages of this year’s Corporate Responsibility Report, you will find examples of the actions and initiatives we are undertaking to support and implement these principles.

Our four “materiality themes” – identified a few years ago via an internal process – also inform our sustainability strategy and work, namely: Responsible Investing; Sustainable Business; Commitment to Talent; and Empowering Communities.

PIMCO’s holistic approach requires a high degree of stewardship and organization. To this end, PIMCO established a Sustainability Advisory Group, an interdepartmental forum designed to engage senior PIMCO leaders in strategic coordination and policy recommendations with respect to the firm’s overall sustainability efforts.

We have little doubt—a new era is dawning with respect to corporate sustainability. Expectations by clients, employees, and stakeholders are increasing, month by month, year by year, reflecting the desire to marry value and values. At PIMCO, we enter this era with conviction and confidence, but also with humility. Sustainability is not a fixed destination but a journey, constantly changing and in flux. This can be challenging—but also thrilling.

## CORPORATE SUSTAINABILITY ADVISORY GROUP MEMBERS:

### **Ryan Korinke**

Global Head of Sustainability  
(Chair of SG)

### **Gavin Power**

Chief of Sustainable Development  
(Deputy Chair of SG)

### **Mangala Ananthanarayanan**

Head of Business Management,  
EMEA & APAC

### **Laura Batty**

Corporate Communications

### **Marta Bezoari**

Head of Admin Support

### **Nate Brown**

Director, PIMCO Foundation &  
Purpose at PIMCO

### **Michael Burns**

Head, U.K. and Ireland

### **Grover Burtney**

Head of ESG Portfolio  
Management

### **Sabrin Chowdhury**

Head of Inclusion and Diversity

### **Mathieu De Sutter**

Head of Nordics

### **David Flattum**

Global General Counsel

### **John Kirkowski**

Chief Financial Officer

### **Dirk Manelski**

Chief Technology Officer

### **Scott Mather**

CIO, U.S. Core Strategies &  
Sustainable Investments

### **Johnathan May**

Enterprise Risk and  
Quality Management

### **Robin Shanahan**

Co-Chief Operating Officer

### **Julie Shepherd**

Head of Office Services

### **Cathy Stahl**

Head of Marketing

### **Peter Strelow**

Co-Chief Operating Officer





## 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.

### 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.

### SUSTAINABLE BUSINESS

Mitigating risk within our business 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 business management functions.

### EMPOWERING COMMUNITIES

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

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



**RESPONSIBLE AND SUSTAINABLE INVESTING**





# Responsible and Sustainable Investing

We believe that leadership in Responsible and Sustainable Investing is a significant factor in meeting our clients' financial objectives as well as supporting long-term, sustainable economic growth globally—for the benefit of markets and societies broadly. Our commitment to ESG integration was the main factor in our decision to endorse the Principles of Responsible Investment (PRI) in September 2011.





**Scott Mather,**  
CIO, U.S. Core Strategies &  
Sustainable Investment



We believe that ESG integration is essential in optimizing investment outcomes over the long term. At the same time,

we are pushing the frontiers of sustainable development investing, including market innovations such as sustainability-linked and SDG Bonds.<sup>1</sup>

<sup>1</sup> Sustainable Development Goal (SDG) Bonds are structurally linked to the issuer's achievement of climate or broader UN SDG goals, such as through a covenant linking the coupon of the bond.

During the past two years PIMCO has significantly expanded its ESG work and commitments – reflecting our belief that sustainable investing has become a secular megatrend as more and more clients 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.

For example, PIMCO is Co-Chair of the UN Global Compact's "CFOs Coalition for the SDGs," working with chief financial officers to advance corporate investment and finance in relation to the Sustainable Development Goals. This encompasses work in areas such as sustainability-linked bonds where PIMCO is becoming a market leader in this emerging asset class.

Our approach to ESG investing rests on two pillars. First, we integrate ESG analysis in the firm's robust investment process, recognizing that ESG factors are increasingly material inputs into our understanding of risk inherent in global economies, markets, industries and business models.

Second, for investors seeking greater ESG orientation in their portfolios, we built a platform of dedicated ESG solutions that focus on delivering financial returns along with the objective of sustainability.

PIMCO's robust platform of investment solutions with ESG objectives reflects the belief that ESG optimization is important to achieving outcomes over the long-term.

### **INCORPORATION OF ESG FACTORS INTO PIMCO INVESTMENT MANAGEMENT**

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. For this reason, our investment process evaluates ESG risk factors from both the top-down (i.e. macro) and bottom-up (i.e. security specific) where applicable.

The first and most important step in PIMCO's process is to correctly identify the major long-term themes that will impact the global economy and financial markets. PIMCO believes

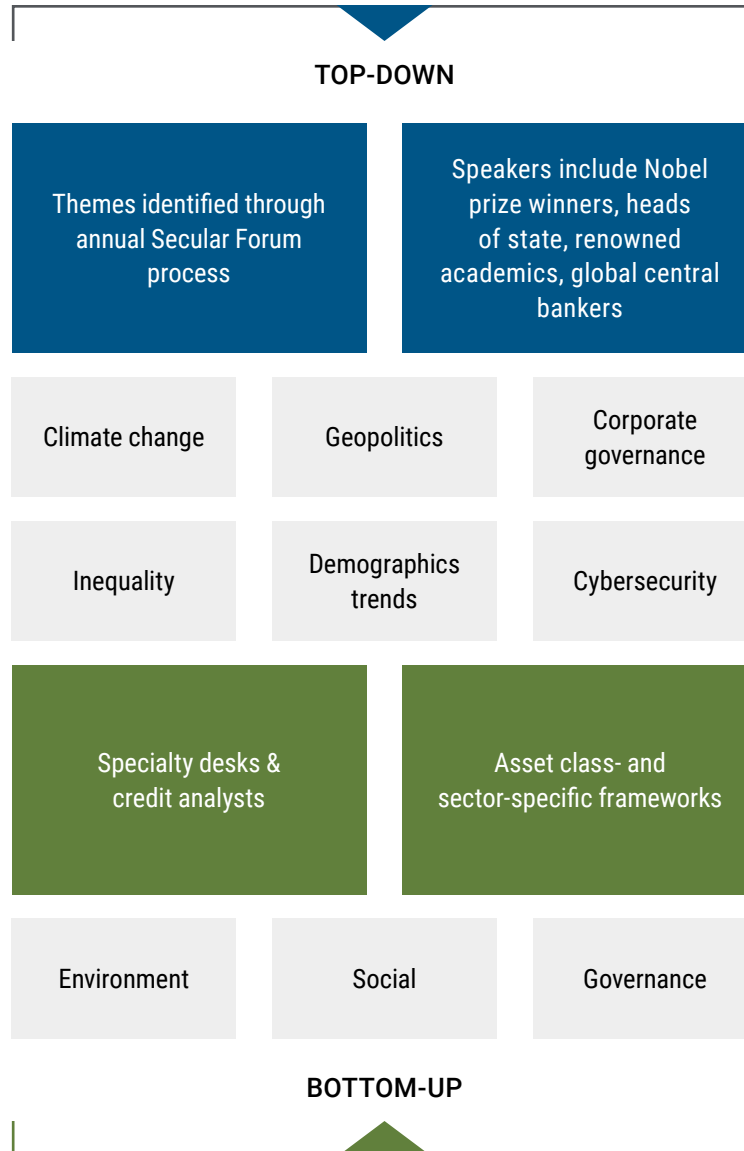




**Tina Adatia,**  
EVP and Product Strategist



By integrating ESG factors into the evaluation process, PIMCO develops a more holistic view of an investment in order to seek the best outcome for our clients.



that such 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 the analysis of ESG-related issues fits directly into that process. The firm's global research teams aim to evaluate ESG-related issues as part of their bottom-up analysis where appropriate or applicable.

As part of our responsible investing efforts, we incorporate material ESG factors into the investment research process where applicable to better assess issuer risks in seeking to enhance our clients' risk-adjusted return potential. Whether climate change, income inequality, shifting consumer preferences, regulatory risks, human capital management or unethical conduct, ESG factors are important considerations when evaluating long-term investment opportunities and should be part of a robust investment process. These factors are evaluated across markets and asset classes, where applicable. By integrating material ESG factors into the evaluation process, PIMCO is increasing the total amount of information assessed to generate a more holistic view of an investment, in efforts to deliver the best performance outcomes for our clients.

To facilitate the integration of ESG risk factors in our analysis and help 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 on available scoring methodologies, ESG systems, data and tools. ESG data and analysis, both internal and external, are available to all portfolio managers, traders and research analysts across the firm which allows portfolio managers to make trading decisions informed by the relevant ESG risks of a given issuer.



Below is an illustration of general ESG indicators and examples of sector specific metrics used by PIMCO’s analysts to analyze corporate issuer’s exposure to ESG risks and their practices to mitigate those risks.

Theme	Issue	Key Performance Indicators & Topics
Environment	Climate Change	<ul style="list-style-type: none"> <li>• Carbon and GHG emissions</li> <li>• Energy management, mix and reserves</li> <li>• Transition risks (Market, Policy, Technology)</li> <li>• Climate strategy for risk mitigation</li> </ul>
	Physical Risks and Resilience	<ul style="list-style-type: none"> <li>• Extreme weather impacts</li> <li>• Adaptation and mitigation</li> </ul>
	Water	<ul style="list-style-type: none"> <li>• Water security &amp; scarcity</li> <li>• Water use, recycling &amp; efficiency</li> </ul>
	Resource Efficiency and Natural Capital	<ul style="list-style-type: none"> <li>• Agriculture, forestry, land use</li> <li>• Soft commodities sourcing and production, including restoration costs</li> </ul>
	Waste	<ul style="list-style-type: none"> <li>• Materials efficiency</li> <li>• Waste recycling, hazardous waste management</li> <li>• Critical incidents, environmental remediation &amp; fines</li> </ul>
	Air Pollution	<ul style="list-style-type: none"> <li>• Air quality</li> </ul>
Social	Human Capital Management	<ul style="list-style-type: none"> <li>• Employee training, development, &amp; engagement</li> <li>• Attraction, retention &amp; pay equity</li> <li>• Diversity, equity &amp; inclusion</li> </ul>
	Human & Labor Rights and Health & Safety	<ul style="list-style-type: none"> <li>• Occupational health and safety incident rates</li> <li>• Organized labor policies and relationships</li> <li>• Supplier policies on worker rights, health, safety and compulsory labor</li> </ul>
	Community & Stakeholder Relationships	<ul style="list-style-type: none"> <li>• Community engagement &amp; relationship management</li> <li>• Conflict minerals sourcing</li> <li>• Involvement in controversial projects</li> </ul>





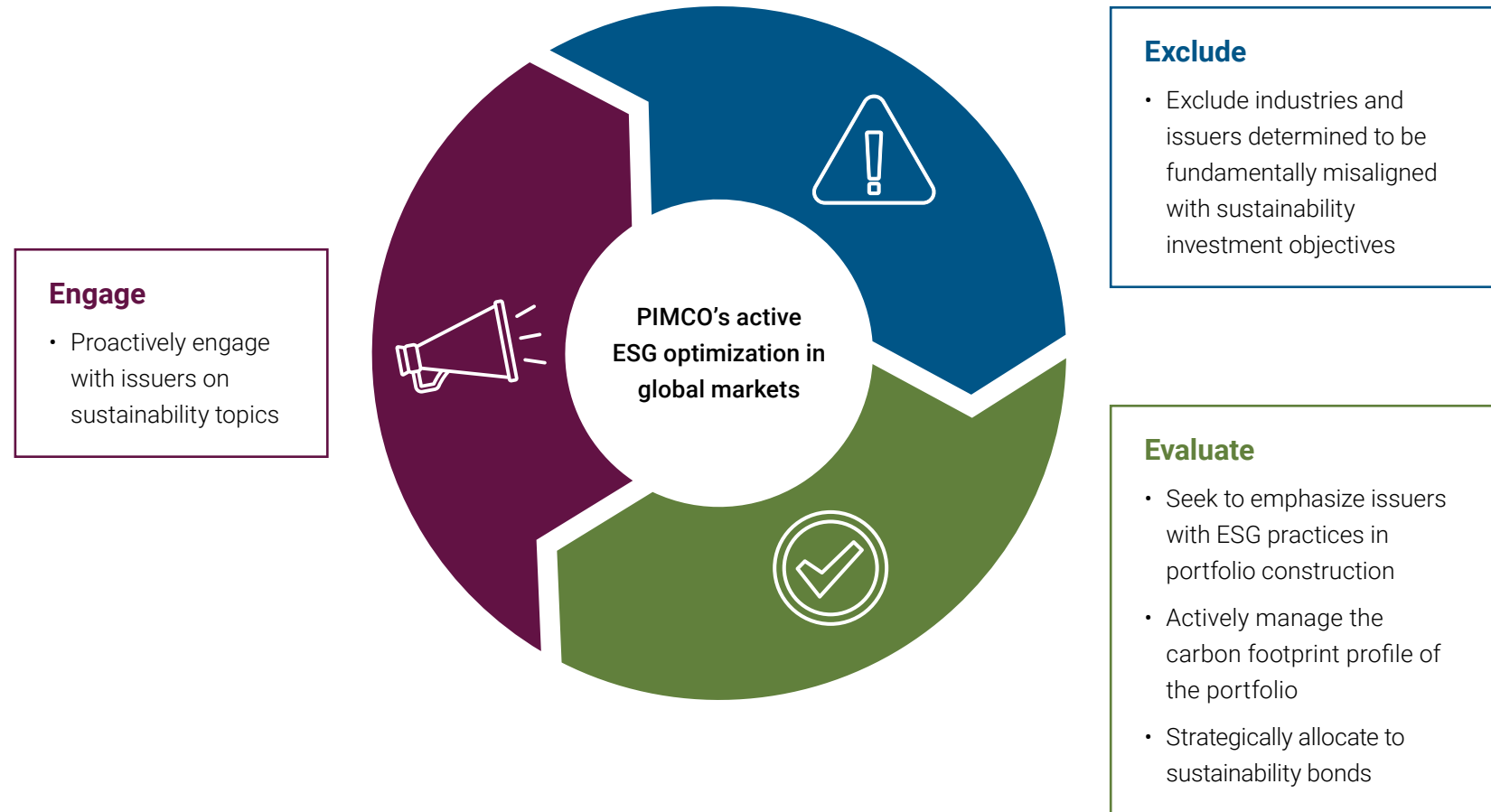
Theme		Issue	Key Performance Indicators & Topics
Social	Product Health, Quality, Safety & Innovation	Product Safety & Quality	<ul style="list-style-type: none"> <li>Product safety &amp; lifecycle management, recall track record</li> <li>Product liabilities, litigation, controversies and fines</li> <li>User data policies, data security</li> </ul>
		Product Innovation & Wellness	<ul style="list-style-type: none"> <li>Products &amp; services tied to secular sustainability trends</li> <li>Innovation and intellectual capital, dedicated R&amp;D</li> <li>Social/Inclusive business models ("triple bottom line")</li> </ul>
Governance	Corporate Governance	Board, Management & Ownership	<ul style="list-style-type: none"> <li>Qualifications, characteristics and oversight &amp; effectiveness, remuneration &amp; succession</li> <li>Shareholder profiles (majority, family, government, activist), voting rights &amp; proxy access</li> <li>Conflicts of interest and/or related party transactions</li> </ul>
		Business Ethics, Conduct & Culture	<ul style="list-style-type: none"> <li>Bribery &amp; corruption, litigation, anti-competitive practices &amp; tax Transparency</li> <li>Regulatory capture and political influence</li> <li>Code of ethics, corporate behavior &amp; conflicts of interest</li> <li>Treatment of customers and key stakeholders, "license to operate"</li> </ul>
		Delivery on Business & Balance Sheet Strategy	<ul style="list-style-type: none"> <li>Track record in achieving guidance and targets</li> <li>Controls over capital allocation, share buybacks and distributions</li> <li>Acquisitions, asset sales, divestitures or other transactions</li> </ul>
		Risk Management	<ul style="list-style-type: none"> <li>Climate/ critical incident /cyber enterprise risk management</li> <li>Susceptibility to headline risks</li> </ul>
	Risk Management & Transparency	Transparency & Reporting	<ul style="list-style-type: none"> <li>ESG data disclosure, accounting practices &amp; audit quality</li> <li>Internal controls and reporting (timeliness and accuracy)</li> <li>Communication with key stakeholders (customers, employees, clients, investors, etc.)</li> </ul>

While material environmental, social, and governance considerations are incorporated into PIMCO's broad investment processes, our dedicated ESG portfolios with ESG objectives further utilize three building blocks of PIMCO's ESG process – exclusions, evaluations, and engagement.

The following graphic illustrates these three building blocks.

### PIMCO'S ESG INVESTMENT PROCESS: "THE THREE Es"

PIMCO's ESG strategies deliver our time-tested investment process and expertise in global markets while promoting key sustainability objectives



SOURCE: PIMCO. **For illustrative purposes only. Sustainability Bonds** are use-of-proceeds bonds earmarked to finance new and existing projects or activities with positive environmental and social impacts.





**Lupin Rahman,**  
EVP and Global Head of  
Sovereign Credit



The objective of ESG engagement at PIMCO is to influence change, improve outcomes and reduce risks for our clients. Our approach seeks to be inclusive and active.

### ENGAGEMENT WITH ISSUERS AND COMPANIES

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 – corporate and sovereign – to drive meaningful change on sustainability dimensions. As mentioned above, engagement is an essential tool for delivering outcomes in ESG investing. Our approach seeks to be more inclusive and active, and we are conscious that change does not always come easily or smoothly. That is why, for us, an active hands-on engagement program is key to driving change.

The objective of engagement at PIMCO is to influence change, improve outcomes and reduce risks for our clients. We believe that bondholder engagement in the research phase is critical to understanding the risk and reward profile of the issuance and ultimately making buy/sell decisions.

Our analysts and portfolio managers spend a significant amount of time meeting with senior management at the companies we invest in on behalf of our clients. In addition

to discussing traditional financial matters, we also focus on strategic issues that often relate to ESG risks and responsible business management practices. When we engage with issuers on ESG topics, these engagement efforts include for example, asking detailed questions to find out how the risk management framework and business strategy address the operational risks and opportunities from climate change. Our engagement process is driven by three guiding principles:

- Think like a treasurer: We seek to identify issuers which can benefit from engagement, then develop a set of core engagement objectives tailored to each issuer.
- Engage like a partner: We believe that successful bondholder engagement is based on collaboration, productive dialogue and mutual agreement on objectives.
- Hold to account as a lender: Our engagement process measures progress against a pre-defined benchmark, which is customized by issuer. At the outset of the process, we determine appropriate remedies if underperformance is material and are willing to divest if necessary.



**Grover Burtney,**  
EVP and Head of ESG  
Portfolio Management



We seek to drive market innovation and encourage positive change via our active participation in a number of global initiatives—from helping develop ESG standards to engaging in sustainable investing policy discussions.

We aim to have a premier engagement program within fixed income. By investing in corporates and sovereigns willing to improve their ESG practices, we believe we can drive greater change than through exclusions alone. Our goal is not just to find the best opportunities in the market, but to create them for investors by engaging with issuers. Of course, PIMCO does not represent that our engagement was the sole factor influencing the positive changes made by these companies, but we do believe that our engagement and our sizable active holdings may contribute to the scope or timing of the commitments made by issuers as well as the disclosures that those issuers will report to investors.

- Driving positive results by improving ESG performance: We look to improve issuers' overall sustainability, engaging on areas such as supply chain management, climate strategy, and target setting.
- Expanding ESG bond universe: We seek to engage with issuers to encourage new ESG bonds—including green, social, sustainable and sustainability-linked instruments – utilizing our best practice guidance for sustainable bond issuance.
- Improving data quality and disclosure: We work closely with issuers to improve the ESG-related data and increase their ESG disclosures.

- In this fashion, engagement at PIMCO is designed to leverage the full scale of our global team of credit analysts and build upon our firm's decades of experience working collaboratively with issuers to encourage business practices which are favorable to our investment objectives.





#### **PIMCO ESG GLOBAL AND INDUSTRY LEADERSHIP**

As a leading global asset manager, PIMCO frequently receives requests to join different initiatives that support third-party sponsored ESG frameworks, across the public private spectrum. From partnerships with United Nations' investor coalitions to working with industry groups such as the International Capital Market Association, our ESG leadership team carefully considers these opportunities to ensure they align with our ESG philosophy and approach.

We seek to leverage our size and expertise and focus on powerful engagement platforms to drive positive change in capital markets. We seek to drive market innovation and encourage positive change via our active participation in a number of global initiatives—from helping to develop ESG standards and guidelines to engaging in sustainable investing policy discussion.



We believe that fostering sustainable economic developments 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
 <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 incorporating 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 Coalition, 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>

## Affiliation

## Overview



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

- 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.
- It participates in the ongoing standards development process and encourages companies to participate in the development process.



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.



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.



## Affiliation

## Overview



**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.



**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 other organizations committed to solving the world's nutrition, especially working with food and beverage companies to improve their business practices. ATNI collaborates with investors, academics, not-for-profits and foundations to develop and deliver such projects.

# SUSTAINABLE BUSINESS





# Sustainable Business

For firms across industries and geographies, developing and managing sustainable business models and practices has never been so challenging—or so important. Indeed, we live in an “era of expectations,” as it’s been appropriately termed.

Clients and customers rightly demand that companies hold themselves to the highest ethical and commercial standards. Employees seek affiliation and belonging with enterprises committed to generating value and values – or, to put another way, profit with principles. And, finally, communities expect business organizations to assume a larger set of social responsibilities, contributing to objectives such as the Sustainable Development Goals.

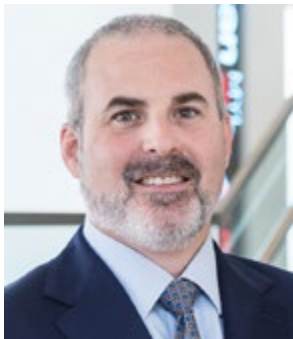
At PIMCO, we take these expectations seriously. Our commitment begins with a strict adherence to our core Code of Business Conduct, covering ethical and regulatory issues and requirements. This forms the bedrock of our sustainable business model.

We then go further—guided by our commitment to the UN Global Compact and its Ten Principles, encompassing human rights, working conditions, the environment and anti-corruption.

We recognize that managing a sustainable business is an evolutionary process—in constant need of reflection and revision. This is why we place such a high value on our regular discussions with clients, employees, and other stakeholders to understand how we can better respond and improve.

At the end of the day, we strive to lead—but also to learn.





**Peter Strelow,**  
Co-Chief Operating Officer



We recognize that managing a sustainable business is an evolutionary process—in need of ongoing reflection and revision. We strive to lead as well as learn.

### CODE OF BUSINESS CONDUCT

Our Code of Business Conduct establishes the firm's expectations for employees and sets the standards of professional conduct for performing 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 IMPACT

Environmental pressures on our planet have reached existential levels – from climate change to water stress to biodiversity loss. At the most basic level, private sector organizations are deeply dependent on natural resource inputs for their on-going operations. Meanwhile, the operations of virtually every business impacts environmental systems, measured – for example – by their carbon and environmental footprint.

Effective environmental management – in operations and facilities – is therefore a critical business success factor, with direct relevancy to resource-use efficiency and related costs. At the same time, companies understand their responsibilities to the environment go beyond the footprint of their operations.

Indeed, markets and economies are imperiled when environmental systems are pushed to the brink.

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

In 2021 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 to lower our carbon emissions and maximize resource-use efficiencies.

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 offices such as elimination of all single-use plastics and removal of individual trash bins. 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 in purchasing more green power. Energy-efficiency enhancements decreased energy usage in our headquarters building by more than 27% between 2015 and 2021.

In 2021 we continued to research and implement operational enhancements to decrease our carbon footprint. At headquarters we installed a Load Based Optimization System (LOBOS), 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.

#### **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. 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 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.

All employees are required to complete anti-corruption and anti-bribery training on an annual basis.

#### **VENDOR MANAGEMENT**

PIMCO operates a Vendor Management Program, which sets out the requirements for the appointment and ongoing oversight of its material service providers. PIMCO requests material service providers complete extensive due diligence questionnaires as part of onboarding and retention processes. Practices related to inclusion and diversity, labor, 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 with regard to these important areas.

A photograph of three business professionals walking through a modern office hallway. On the left, a woman in a dark dress and light blazer walks towards the right. In the center, another woman in a dark suit and light blazer walks towards the right. On the right, a man in a dark suit and light tie walks towards the left. The hallway has large glass windows on the left and a large abstract sculpture on the right. The entire image is overlaid with a blue tint.

**COMMITMENT TO TALENT**



# Commitment to Talent

For more than 50 years, PIMCO has leveraged the power of diverse perspectives in our investment process. This inclusive approach has enabled us to deliver a long-term return on trust for our clients, mitigate risk and create opportunities.

## **INCLUSION AND DIVERSITY**

We believe the best talent leads to the best thinking and therefore the best outcomes for our clients and our business. Our philosophy acknowledges a wide range of identity dimensions such as race, ethnicity, gender, sexual orientation, gender identity, disability, and military status but also focuses on dimensions and concepts such as culture, business segments, geographical diversity, unconscious bias, cognitive diversity, and inclusive leadership. Each of us has a unique and evolving set of perspectives, experiences, backgrounds, and styles to contribute.

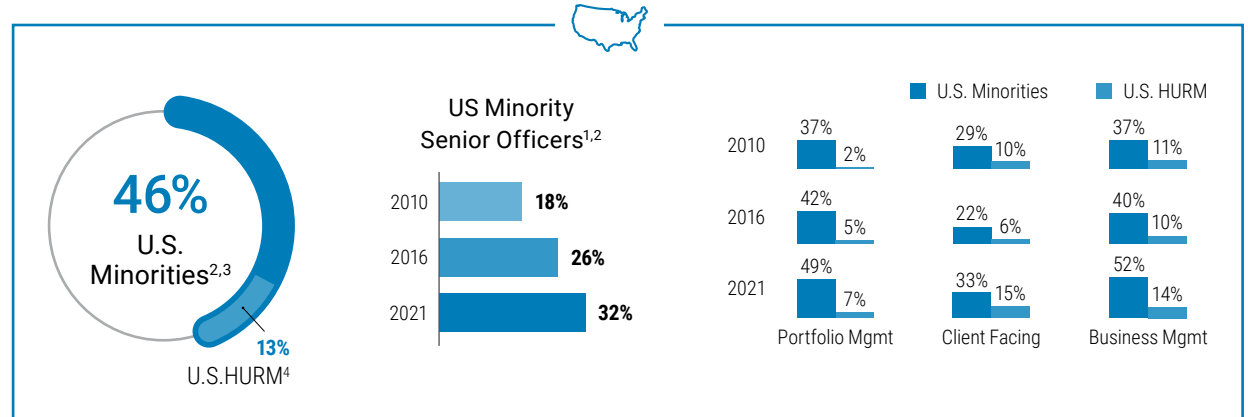
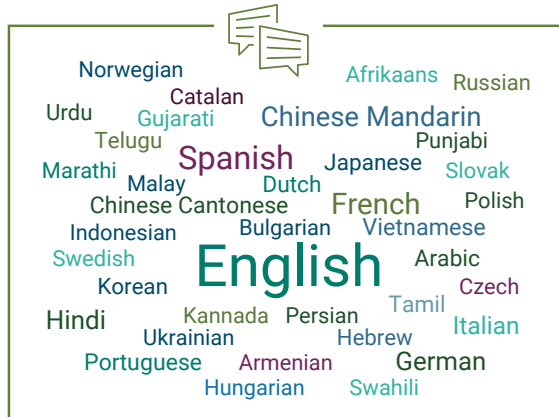
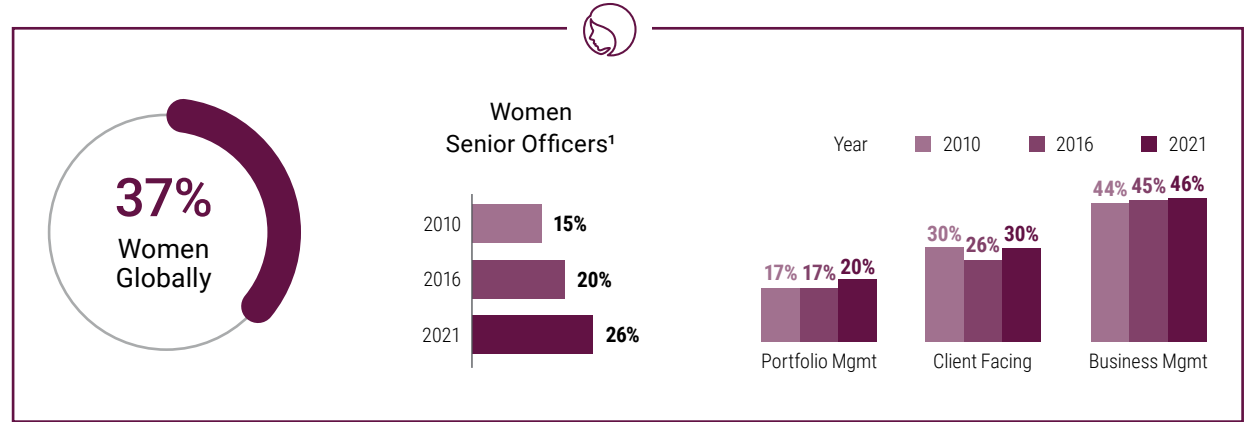
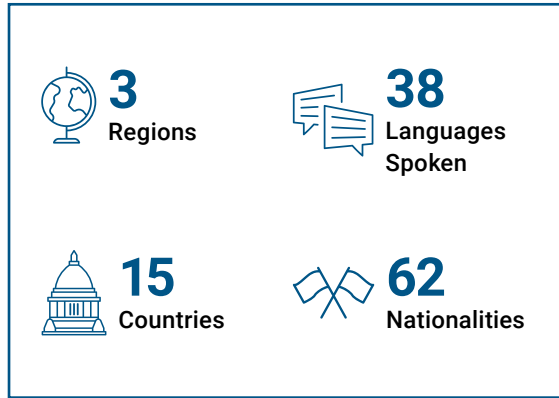


**Robin Shanahan,**  
Co-Chief Operating Officer



We are committed to embedding inclusion and diversity not only in what we do, but in who we are and how we work with each other. Therefore, our inclusion and diversity strategy and programs will continue to be part of our DNA as a Firm and operationalized across our global regions and businesses.

**WE PRIDE OURSELVES ON ATTRACTING, DEVELOPING, AND RETAINING TOP TALENT FROM A RANGE OF INDUSTRIES AND BACKGROUNDS.**



Source: PIMCO based on data as of December 31, 2021 gathered, consistent with EEOC guidelines. Excludes AAM and ARE employees. 2010 and 2016 data varies in scope of collection due to historical collection considerations.

1 Employees with officer titles of Senior Vice President and above. Data as of January 1 2011, 2017 and 2022 to reflect year end promotions.

2 U.S. Minorities (African American or Black, Hispanic or Latino, Native American or Alaska Native, Native Hawaiian or Other Pacific Islander, Asian, or Two or more races).

3 These numbers reflect our U.S. population only due to varying data collection considerations of this type of data in other regions.

4 U.S. Historically Underrepresented Minorities (African American or Black, Hispanic or Latino, Native American or Alaska Native, Native Hawaiian or Other Pacific Islander).



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



Inclusion and diversity is integral to the way we do business, serve our clients, and develop our people. We are proud of our long history of building a culture that embraces diverse points of view and remain committed to

continuing this journey and evolving our approach to meet the changing needs of our stakeholders.

We are committed to fostering an environment where all our people can be their authentic selves. Diversity, unconscious bias mitigation and inclusive leadership underpin PIMCO's CORE values of Collaboration, Openness, Responsibility and Excellence.

We hold ourselves accountable and aspire to be an innovative thought leader for inclusion and diversity best practices in our industry and beyond. Our recently formed Managing Director Inclusion and Diversity (I&D) Advisory Council actively participates in the strategic planning, design, and implementation of our I&D agenda. Leadership accountability is an important focus for us and highlights our commitment to inclusion and diversity across our global business and people processes.

## MD INCLUSION AND DIVERSITY ADVISORY COUNCIL



**Mangala Ananthanarayanan**  
Managing Director,  
Member, Head of  
Business Management  
for EMEA & APAC,  
PIMCO Women EMEA  
Executive Sponsor



**Daniel Hyman**  
Managing Director,  
Portfolio Manager



Being a member of the MD I&D Advisory Council represents a shared responsibility to govern our I&D aspirations with the same attention and rigor that we have for any other business imperative. I look forward to working with our colleagues to drive action and cultivate an inclusive culture at PIMCO and the broader business community.

**Daniel Hyman**



**Caleb Pitters**  
Managing Director, Head  
of U.S. Nonprofit and  
Private Family Capital,  
PIMCO Black and  
PIMCO Juntos Steering  
Committee Member



**Stephen Chang**  
Managing Director,  
Portfolio Manager, APAC  
PIMCO Multicultural  
Executive Sponsor



We seek diverse perspectives, from the top down and the bottom up. This shapes our culture in positive ways, creating an environment that attracts and retains top talent. Our people play an active role with nine employee-led groups that facilitate employee engagement and shape a truly open and collaborative work environment.

**PIMCO**  
— 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

**PIMCO**  
— Families —

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

**PIMCO**  
— Juntos —

Supports Latinx/Hispanic employees by fostering a sense of community and cultural awareness, and help recruit, retain and develop Latinx/Hispanic employees at all career stages.

**PIMCO**  
— Multicultural —

Celebrating, supporting, and promoting cultural diversity within PIMCO.

**PIMCO**  
— myWellbeing —

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

**PIMCO**  
— Pride —

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

**PIMCO**  
— Social —

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

**PIMCO**  
— Veterans —

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

**PIMCO**  
— Women —

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

**WE PARTNER TO ADVANCE PROGRESS WITHIN OUR ORGANIZATION AND ACROSS OUR INDUSTRY.**

Partnered for impact



Signatories & Accolades



# 2021 Accomplishments

## STRENGTHENING OUR BENCH OF CURRENT AND FUTURE INCLUSIVE LEADERS

We empower our people to own their career development and offer a robust menu of ongoing professional development programs, education reimbursement and internal mobility opportunities. This year, we continued to integrate inclusion and diversity into the design, process, content and participation of our training programs, from the selection of facilitators to the addition of inclusive content in core leadership training offerings.

- Executive Vice President Leadership programs: ~80 participants (34% women) spent more than 1,500 hours engaging in workshops, peer learning and applying skills on-the-job in structured programs focused on areas such as psychological safety, empowerment, and inclusive decision making. Our goal is to have all our Executive Vice Presidents complete these programs in the years ahead.
- ~ 30 leaders and employees participated in or developed Transgender Inclusion Training to support transitioning employees and inform inclusive behaviors.
- McKinsey Black Leadership programs: 49% of eligible PIMCO employees<sup>1</sup> have either completed or are currently enrolled in programs to support Black executives and leaders, focused on building leadership capabilities and cultivating networks of peers. Next year, we will be offering McKinsey's Asian and Hispanic and Latino Leadership programs to eligible employees.
- PIMCO supports cognitive and neurodiversity considerations in leadership and employee development by delivering key I&D learning content for managers and employees through a variety of diverse channels and medium. For instance, I&D content has been shared through in-person sessions, live and recorded briefings, and email series on Manager Tips.

<sup>1</sup> Source: PIMCO, the underlying data is based on self-reported identification ethnicity, as of January 1, 2022; Excludes AAM and ARE employees.

## SPOTLIGHT: PIMCO INTERNSHIPS

PIMCO internships are about more than work experience – they are an opportunity for us to share our work environment and culture with prospective talent. As part of scheduled activities during the summer, in 2021 we promoted an Employee Resource Groups week during which interns had the opportunity to engage with employees in events such as PIMCO Women: Taste Tripping Lab, PIMCO Black: Plants and Pebbles Party, PIMCO Multicultural: Virtual Voyagers or PIMCO Pride: Ta-Dye! (Tie-Dyeing Class).



Simply put, PIMCO invests in its people. PIMCO is a firm that challenges its employees as much as it pours back into them. Although I knew generally about the culture here from Fundamentals, Employee Resource Groups week really illustrated the strong ties and welcoming atmosphere we were led to expect.

**Testimony from 2021 Summer Interns**

### LARGEST AND MOST DIVERSE INTERN CLASS

**53%**

Women globally

In the US.

**26%**

Asian

**25%**

Black

**18%**

Hispanic/LatinX

## FOSTERING WELLBEING AND DRIVING A COMMUNITY OF SUPPORT

We seek to deeply engage our employees in our organization and shape a truly open and collaborative work environment, in line with our core values.

- Given the rise in violence against the Asian and Pacific Islander (API) community, we promoted an open forum conversation and small group discussions, providing welcoming spaces where our PIMCO colleagues of API descent and their allies shared their thoughts and emotions.
- In EMEA, we started a series of videos titled “Pathways to Leadership”. The videos feature discussions with senior PIMCO role models about overcoming challenges and aim to foster a culture of openness, while celebrating individual differences through our backgrounds and life stories.
- PIMCO hosted U.S. Wellness month in October 2021 for our U.S. employees, dedicating time, education and offerings to support employee wellness and self-care. In EMEA, PIMCO has established local run clubs, communities focused on promoting camaraderie and physical health through weekly runs and virtual competition challenges. In APAC, colleagues have been offered the opportunity to engage in mindfulness and meditation sessions.
- PIMCO is committed to offering a comprehensive portfolio of employee benefits designed to support the health and wellbeing of our employees and their families. During the pandemic, PIMCO launched Wellness Days, in addition to existing leave balances, and expanded the number of telecounseling sessions to 40 per employee annually in the U.S., to encourage employees to invest in their wellbeing.
- This year, we recognized Juneteenth as a PIMCO holiday and encouraged U.S. employees to take a day as a holiday to reflect on this important event in American history.

## SPOTLIGHT: PIMCO JUNTOS LAUNCH



**Barbara Clancy,**  
Executive Vice President,  
Head of Latin America  
and Member of  
PIMCO Juntos  
Steering Committee



We launched PIMCO Juntos this year because we saw a need to address a growing part of our employee population and an opportunity to provide a space for community, support, and

impact. Through the existence of PIMCO Juntos, I hope all Latinos at PIMCO feel empowered to bring their full selves to work, for the benefit of our clients and the organization. Deepening our understanding and respect for one another’s experiences helps to form deeper bonds that allow us to retain, attract and develop the best talent at PIMCO.

**PIMCO**  
— **Juntos** —



**Hispanic Heritage Month Spotlight: Sofia Rivas**

by [Sofia Rivas](#) on Sep 13, 2021



**Hispanic Heritage Month Spotlight: Maria Bendana**

by [Maria Bendana](#) on Sep 20, 2021



**Hispanic Heritage Month Spotlight: Dan Ortiz**

by [Dan Ortiz](#) on Sep 27, 2021





## 2021 HIGHLIGHTS

- Integrated I&D into organization-wide 2021 goals
- Every business at PIMCO globally sets business-specific I&D goals, aligned to business and people strategy
- Reinforced our teams with 12 dedicated inclusion and diversity resources across recruiting, talent development, marketing
- Required diverse slates of candidates globally for all positions
- Awarded \$120,000 in PIMCO Black Scholarships to six students
- Hosted interns from 10,000 Black Internships in the UK
- Formed Client Management Americas Inclusion and Diversity (I&D) Council, focused on creating and executing a best-in-class I&D client engagement strategy
- Formed PIMCO Juntos in the Americas to support Latinx/Hispanic employees
- Hosted first global allyship campaign in which employees around the world showed their support of LGBTQ+ inclusion
- PIMCO PRIDE and PIMCO Black welcomed an external speaker on the Importance of Intersectionality and Advocacy and the role we all can play to celebrate differences and prioritize inclusion in our lives.





EMPOWERING COMMUNITIES



# Empowering Communities

In 2021 we celebrated both our 20th year of the PIMCO Foundation and our 50th year as a firm. We focused on shared bonds with our colleagues, clients and communities.







**Cathy Stahl,**  
Managing Director, Global  
Head of Marketing



2021 was a special year for PIMCO and the PIMCO Foundation, celebrating 50th and 20th anniversaries respectively. Over the years PIMCO's holistic approach to community engagement has

allowed us to build enduring capacity for our community partners, while educating and empowering our employees and clients. In 2021 we focused on these shared bonds between colleagues, clients and communities.

We believe the intersection between social, business, and employee impact drives meaningful social change and bolsters our return on trust for clients. PIMCO employs a holistic approach to community engagement whereby we intentionally harness our funds, human capital and voice/ thought leadership in support of our partners and the people they serve. Since 2018, we have been publicly committed to Sustainable Development Goals (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 educating and empowering our employees and clients to be part of the solution. In 2021 the PIMCO Foundation donated \$8.2M to support food security, gender equality and critical community needs. Nearly 2,000 colleagues volunteered 9,960 hours with 122 charities around the globe.

Informative demographic data about our beneficiaries, combined with a national focus on equity in the United States, compelled us to evolve our domestic community investments to prioritize the intersectionality of racial equity and our current focus areas.

**we give.**

**~\$8,167,000**

invested to support our partners' adaptation to the enduring and evolving impacts that COVID-19 had 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 globe, it is most concentrated among the most economically vulnerable. To help global communities suffering from hunger and poverty gain better access to food, PIMCO Foundation reinvested in the [Global FoodBanking Network \(GFN\)](#) with a commitment of \$10 million over the next 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 partnership with GFN over the next 5 years include:

- Improving food access for an additional 3.28m 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 6-10 start-up food banks, as the founding funding partner, to grow food banking in underserved communities where it does not exist, 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 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, this past year we partnered with [Feeding America](#) to support 9 communities in southern, rural states predominately populated by historically underserved minorities who have had less access to food programs, a disparity further exacerbated by COVID-19. As a direct result of this investment almost 12,000 pounds of food were distributed.

2

ZERO  
HUNGER



Nearly **\$3 million** invested to improve food security by distributing **2.9 million** meals and recovering **614,000** lbs. of food

**\$10 million** committed to the Global FoodBanking Network to expand food banks' reach to the world's most food insecure



**Nate Brown,**  
Director, PIMCO Foundation &  
Purpose at PIMCO



Race is inextricably tied to one's opportunities and outcomes in life and when coupled with gender can present insurmountable challenges. In 2021, we evolved our approach to funding in both of our priority areas, zero

hunger and gender equality. We partnered with Feeding America to alleviate the pressures of food insecurity in the U.S., and initiated support of organizations working at the intersection of racial and gender equality.

### Gender Equality

In 2021, the PIMCO Foundation continued its partnership with Nomi Network, which creates gender equity by helping highly vulnerable women and survivors of human trafficking achieve financial independence. In December 2021, PIMCO's U.S. Foundation Board approved a grant of \$500,000 to support continued success of Nomi's Workforce Development (WFD) Program initiative across Bihar, Odisha,



and West Bengal in India. WFD is a two-year program consisting of training in the areas of life skills, technical skills, and job placement. The program includes a yearlong follow-up period to ensure job retention and prevent women from entering or falling back into human trafficking.

In 2021, PIMCO's work with [Nomi Network](#) resulted in the following benefits:

- 325 women improved their income
- 200 businesses were created
- 465 beneficiaries attained, retained or improved employment
- 2520 became advocates of Gender Equality

Following an expansion of our SDG 2 portfolio and in response to one of the most significant racial justice movements of our generation, PIMCO has intentionally targeted its social investments to address the intersection of race and gender equality. We launched partnerships 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.



we act.

Globally, **1,973** colleagues engaged in **231** events, donating **~9,960** hours to **122** charities including hands-on, skills based and pro bono volunteering efforts



Equipped **100+** employees with tools to include experiences in performance reviews in partnership with Talent Development

**81** global colleagues harnessed their professional expertise for more than **24** charities; providing **2,197** hours of pro bono service valued at **~\$500,000**



**Brian Lau,**  
Software Engineer



Impact Champions was a great professional leadership opportunity. As a transitioning developer to solutions architect, my goal was to use this opportunity to enhance and apply my technological and

interpersonal skills with a solutions architect mindset. I also learned how large a contribution technology is having on creating sustainable environmental solutions.

#### 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 2021, over 100 PIMCO volunteers worked on 30 pro bono projects with over 20 nonprofit organizations around the globe through programs such as the Pro Bono Corps and Impact Champions.

Impact Champions for International Development: Through a collaboration with the United States Agency for International Development (USAID), Pyxera Global designed and implemented the Impact Champions program, engaging

PIMCO and four other companies in the program. Over the course of 12 weeks, three PIMCO employees participated in cross-company teams applying their business, technology, and operational skills to support three partner organizations under the Power Africa program: Hello Solar, Pawame, and Simusolar. All three organizations work to bring affordable solar energy to business and households across Kenya, Tanzania, and Ethiopia. The teams' work ranged from developing a customer vetting process to building an IT architecture plan for improved internal operations. At the end of 12 weeks, each team presented their final deliverable to the partner organizations and shared their work to a broader audience of USAID stakeholders, partner organization employees, and colleagues.

In 2021, we launched the third year of the Pro Bono Corps program in APAC. Through this program colleagues donate their time and expertise to support capacity-building efforts of nonprofit organizations working towards SDG 2: Zero Hunger and SDG 5: Gender Equality. The program culminated in a Pro Bono Showcase, where colleagues throughout APAC and charity partners were invited to learn about the projects, proposed solutions, and the nonprofit organizations supported.

One project worked to evaluate revenue streams for APAC food banks that are a part of the Global FoodBanking Network's APAC Incubator initiative, aimed at expanding services to seven countries across the Asia-Pacific region. Following work on the project, Marcio Bogoricin, EVP, head of global wealth management in PIMCO's Hong Kong and Singapore offices joined the Global FoodBanking Network's Asia Incubator Stakeholder Council. The overarching goal of the Council is to promote and actively contribute to the growth of Incubator food banks in Asia. This includes providing specialist expertise to help food banks overcome specific challenges, and offering leadership development and strategic insights for growing organizations.

we advocate.

**\$375,000** to support the Pulitzer Center in publishing 30 in-depth gender equality articles, reports and educational pieces reaching **1 million** readers



**503** colleagues and clients participated in **1,438** educational hours to become advocates for social causes



Identified connections with clients through **50+** engagements aimed at collaborative impact around SDG2 & 5

#### PIMCO Advocates

We exercise thought leadership and leverage our voice on behalf of partner organizations. In 2021 we activated our advocacy efforts in four key ways to raise awareness around SDG 2 & 5 for International Women's Day, World Food Day and through our partnership with the [Pulitzer Center](#).

- **International Women's Day:** PIMCO hosted an interactive discussion with Diana Mao, Nomi Network president and co-founder; Lisa Moon, Global FoodBanking Network (GFN) president and CEO; and John Studzinski, PIMCO managing director, around the social impact of investing in women's leadership, the effect COVID-19 has had on gender inequity. The discussion focused on the intersection between gender and the growing hunger crisis.

- **World Food Day:** *Hunger in a Pandemic: How COVID-19 Exposed Inequality in Global Food Systems:* In honor of World Food Day, PIMCO hosted a webinar in partnership with the Global FoodBanking Network and Pyxera Global focused on the supply chain disruption caused by COVID-19, geopolitical issues, significant climate events and how these have exacerbated existing inequality in the world's food systems. Scott Mather, PIMCO CIO U.S. Core and Sustainable Investment, discussed how PIMCO's business, philanthropy, and employee engagement work to reduce hunger and food waste.



- **Pulitzer Center:** We are committed to advocating and educating the public through supporting the Pulitzer Center's ongoing journalism, awareness, and education work on gender equality. The center published 30, in-depth gender equality articles, reports and educational pieces, ranging from Emmy award-winning articles to K-12 curriculum, ultimately engaging 1 million readers.
- **World Series of Innovation:** For the second year, PIMCO sponsored a NFTE World Series of Innovation project in partnership with Feeding America, encouraging students to design a solution to address disparities (racial or other) in access to food, to help ensure that all people have enough nutritious food and other resources to live healthy, active lives. More than 300 submissions were received from students around the globe, all of which Feeding America can access and leverage to put into action. Not only will Feeding America receive the submissions, but they are a part of identifying the winning submission(s).

#### Social Investments Informed by Data

Recognizing the importance of data in assessing impact, we've partnered with True Impact since 2019 to support our partners with collecting reliable, comparable data to better understand the impact of PIMCO's social investments as well as 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, and grantees were trained on how to report in the system. In 2021 grantees reported on these KPIs and the outcomes of funded programs, enabling us to make data informed funding decisions. At the end of 2021, for the first time PIMCO was able to credibly review specific data on the outcomes of its social investments on a portfolio level. The following data details progress specifically around UN Sustainable Development Goals 2 and 5, such as:

96%

of beneficiaries of 2021 funding identify as economically disadvantaged

An investment in Feeding America resulted in

11,788 pounds

of food distribution

1.6+ MILLION

people gained food security as a result of PIMCO's funding



## AWARDS AND RECOGNITION



### Civic50

For the sixth 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. The survey is based on Points of Light's 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.



### Austin Gives

In 2021 PIMCO was an honoree for the Austin Chamber of Commerce's Austin Gives, Generous Business award for Employee Engagement in the Medium Business category. Austin Gives is a program that recognizes businesses for excellence in giving back. They highlight companies across the Austin region that donate 1% or more of their pre-tax earnings to the local community. This includes financial contributions, the donation of products/services and volunteer hours. This award highlighted the impact of PIMCO's Pro Bono program on building the capacity of nonprofit organizations in the Austin community.

The Civic50 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 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. This award was not paid for by PIMCO.

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](#)
- [Leadership](#)
- [Purpose at PIMCO](#)
- [Inclusion and Diversity](#)



**UN GLOBAL COMPACT: COMMUNICATION ON PROGRESS**



# 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 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) 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 Coalition for the SDGs Initiative," as well as being 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:

	Responsible 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> </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>• LOBOS HVAC system</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>		

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.

**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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