

## About the portfolio manager

|  |   |
|--|---|
| Assets under management                  | USD 2'020 bn, USD 625 bn according to ESG principles (including third party and Allianz assets)                                     |
| Number of inv. profess.                  | >890  |
| Number of inv. profess. dedicated to ESG | No separate business unit; integrated across all functions of the firm  |
| Participation in shareholder meetings    | No, but engagement via ESG platform   |
| ESG rating                               | A+ (UN PRI)   |
| ESG consultant                           | PIMCO's internal resources  |
| External data sources (selection)        | <ul style="list-style-type: none"> <li>• CDP</li> <li>• SBTi</li> <li>• Human Impact and Profit</li> <li>• Freedom House</li> </ul> |
|  | <ul style="list-style-type: none"> <li>• Bloomberg</li> <li>• MSCI</li> <li>• RepRisk</li> </ul>                                    |

## Memberships

|                    |   |
|--------------------|---|
| Signatory to UNPRI | Yes   |
| UNPRI rating       | A+  |
| Others (selection) | <ul style="list-style-type: none"> <li>• UN Global Compact</li> <li>• SDG Finance Lab</li> <li>• Climate Action 100+</li> <li>• Sustainability Accounting Standards Board</li> <li>- Inv. Advisory Group</li> </ul> |
|                    | <ul style="list-style-type: none"> <li>• PRI Bondholder Engagement Working Group and Sovereign Working Group</li> <li>• CDP</li> <li>• PRI SDG Advisory Committee</li> <li>• UN Global Compact</li> </ul>           |

## Voting activity

|                           |  |
|---------------------------|--|
| Exercise of voting rights | No (as a fixed income manager, the occasion to vote proxies is very rare), but via PIMCO's ESG platform, the engagement process is designed to encourage issuers to improve their sustainability practices |
| ESG consultant            | None for Fixed Income  |
| Voting report             | Yes, for individual separate account mandates  |

## Decision making process for exclusion decisions

PIMCO does not have firm-level exclusions. We can incorporate client-determined commitments related to ESG integration in separate accounts. ESG factors are incorporated into PIMCO's broad investment research process. For example to meet certain client driven requirements, PIMCO relies on clients' lists of prohibited issuers and on research that identifies additional investments that might not be suitable. Issuers of inappropriate securities are coded into our in-house compliance system, and portfolio managers, account managers, and our compliance teams closely monitor accounts to ensure compliance with applicable requirements. In the case of ESG portfolios, PIMCO uses a proprietary compliance system, ACE (Automated Compliance Environment) which identifies major restricted industries or sectors which are fundamentally misaligned with sustainable investing principles (collectively, the "Core Exclusions List"). Clients can provide their list of exclusions for PIMCO to incorporate into portfolio construction. A dedicated Exclusions Advisory Group, which consists of investment professionals from across the firm, is responsible for developing a list of issuers and industries (collectively, the "Dynamic Exclusions List") which may be excluded from the portfolio due to business practices which are currently (but not necessarily fundamentally) misaligned with ESG principles or which have failed to effectively respond to PIMCO's engagement efforts. In determining issuers for the Dynamic Exclusions List, the ESG Advisory Group references globally accepted norms such as the UN Global Compact Principles, the UN Guiding Principles on Business and Human Rights, and the International Labour Organization Conventions.

## Consultant for investment guidelines and exclusion criteria

PIMCO's ESG Advisory Group references globally accepted norms such as the UN Global Compact Principles, the UN Guiding Principles on Business and Human Rights, and the International Labor Organization Conventions in determining issuers for the Dynamic Exclusions List.

## Decision making process for exercising voting rights

PIMCO maintains a written voting policy and evaluates all proxies in accordance with this policy unless we do not have client authorization to do so. It should be noted that it is unusual for the firm to engage in proxy voting for fixed income strategies. Where PIMCO does engage in proxy voting, our policy seeks to ensure that voting and consent rights are exercised in clients' best interests and take into consideration any potential conflicts of interest that may arise. Each proxy is voted, and each consent is given, on a case-by-case basis, taking into account relevant facts and circumstances. For equity securities, PIMCO has retained an Industry Service Provider ("ISP") to provide recommendations as to how to vote proxies and to cast votes as PIMCO's agent on behalf of clients in accordance with its recommendations, unless otherwise instructed by PIMCO. With respect to the voting of proxies relating to fixed income securities, PIMCO's fixed income credit research group is responsible for researching and issuing recommendations as to how to vote the proxies. The Portfolio Management function is responsible for monitoring and providing direction on voting and consent events where PIMCO has been granted discretionary authority to vote by Clients. PIMCO's Global Proxy Voting Policy Summary is available online at the following website:

<https://www.pimco.com/en-us/general/legal-pages/proxy-voting-policies-and-procedures>

## Engagement

|            |                                 |
|------------|---------------------------------|
| Engagement | Yes                             |
| Consultant | PIMCO's Dedicated ESG Resources |

## ESG consultant for engagement activities / engagement

PIMCO's global credit analysts and portfolio managers also address material ESG issues such as conduct and culture, product safety and carbon emissions. We have found this regular dialogue across multiple touchpoints to be a highly effective method of communicating and engaging on ESG issues.

PIMCO's ESG credit research team leads our engagement efforts, in coordination with the broader over 65 member credit research team. Our ESG credit analyst team regularly engages with issuers on material ESG topics including climate change and related sustainability targets, human capital management, SDG-alignment and best practices in Green/Social and Sustainability bond issuance while our broader credit analyst team engages with the issuers they cover on ESG topics that have the potential to impact fundamental credit performance in the near term. Our goal is to integrate engagement activities holistically into the ongoing discussions led by our credit research and portfolio management teams, broadening the scope of questions beyond credit-specific considerations to include ESG concerns. 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 favourable to our investment objectives.

## IST portfolio

### Portfolio overview

|                                  |  |
|----------------------------------|--|
| ESG rating                       | No                                       |
| Application of an exclusion list | Yes, the SVVK exclusion list is applied. |

### Incorporation of ESG factors into the investment process

At the firm level, PIMCO incorporates material ESG factors into the investment research process to better assess issuer risks as part of our ESG integration process. At PIMCO, we define ESG Integration as the systematic integration of material ESG factors into investment research to enhance our client's risk-adjusted returns. We believe incorporating these non-financial factors should be part of a robust investment process. We recognize that ESG factors are increasingly material inputs into our understanding of global economies, markets, industries and business models. Whether climate change, income inequality, shifting consumer preferences, regulatory risks, talent management or unethical conduct, ESG factors are important considerations when evaluating long-term investment opportunities. These factors are relevant for all asset classes, spanning public and private markets. Our approach to ESG integration encompasses all assets managed by PIMCO, inclusive of both ESG-dedicated and non-ESG mandates.

Integrating material ESG factors into the evaluation process does not mean that ESG information is the sole consideration for an investment decision; instead, PIMCO's portfolio managers and analyst teams evaluate a variety of financial and non-financial factors, which can include ESG considerations, to make investment decisions. 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.

### Identification of companies excluded

The list is implemented as an automatic rule, i.e. the issuers on the SVVK exclusion list automatically flag as not eligible for the portfolio.