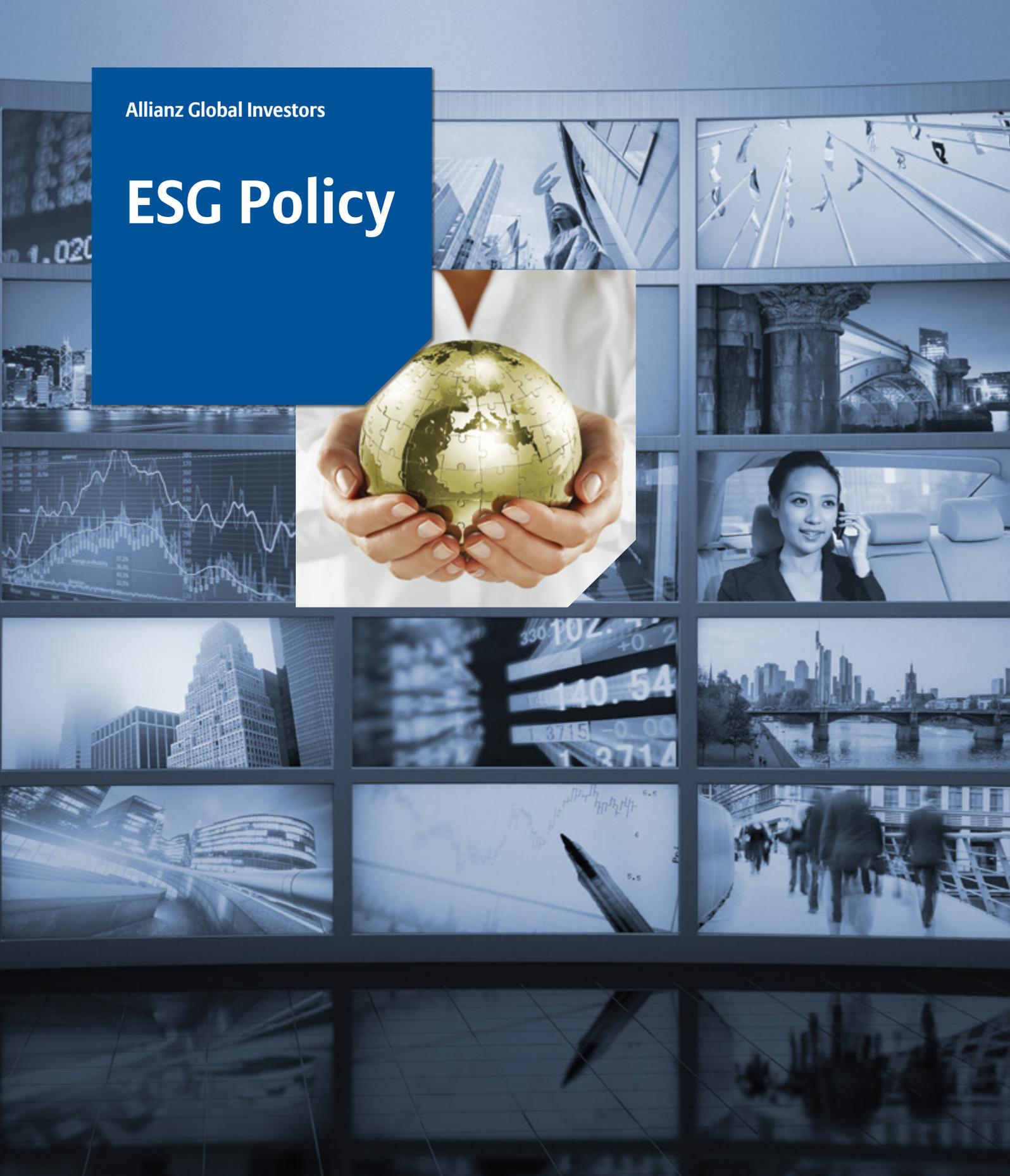


Allianz Global Investors

ESG Policy



Allianz 
Global Investors

Understand. Act.

ESG Policy

Allianz Global Investors is one of the world's leading active asset managers, providing a diverse range of active investment strategies and solutions for individual, institutional, and corporate clients around the globe. Acting upon our fiduciary role as a responsible asset manager we are committed to preserving our clients' assets and to delivering strong long-term investment performance to help them achieve their investment objectives.

At AllianzGI, we engage in an on-going, forward-thinking dialogue with every client. Alongside an active approach to investment and active engagement with our clients, we are active

stewards of the assets we own. In the course of our fiduciary duties we aim to incorporate environmental, social and governance (ESG) criteria across the entire investment value chain. Given the diversity of investors' objectives and requirements we provide tailored investment approaches, adaptable to different levels of ESG integration, enhancing our clients' investment decisions whilst helping create more stable and sustainable financial markets, with broader benefits for society as a whole.

AllianzGI has been a signatory to the United Nations Principles of Responsible Investment (UNPRI) since 2007.

A. Our ESG Belief and Strategy

Allianz Global Investors believes that being a truly responsible asset manager requires a far-reaching approach which extends beyond traditional investment analysis. In an ever-changing environment, with the volume of information available globally growing so fast, our unique approach to understanding and utilising this information sets us apart from the rest. As a result, at Allianz Global Investors we follow a two-step approach in order to gain advantages: **Understand. Act.**

Understand. – Allianz Global Investors believes that traditional investment analysis is no longer sufficient to capture all the factors, risks and developments that can impact the future performance of our investments. We recognise that environmental, social and governance factors have potential impact on investment portfolios across asset classes, sectors, companies and regions, as well as on a multitude of our clients' and stakeholders' interests. We therefore integrate material ESG factors into our fundamental investment analysis, which contributes to the assessment of investment risks, early identification of long-term investment opportunities, and is targeted to better investment decisions and outcomes, thus adding value to our clients' portfolios.

Act. – Allianz Global Investors is convinced that only an active investment approach delivers the full benefits of ESG integration to our clients. Our combination of integrated ESG analysis with a robust stewardship approach has the objective of improving the risk profile of our investments, steering companies towards greater and more sustainable long-term profitability, encouraging the adoption of better practice business models and business behaviour by investee companies. In line with our clients' interests we continuously improve the process of integrating our all-encompassing ESG approach into our investments, communicate on our progress in this regard and thus contribute to the development of best practices within the investment community.

B) ESG Integration Approach

In order to make a meaningful impact and be consistent with our fiduciary responsibility, we are committed to, and actively engaged in, applying ESG integration throughout our entire investment activities.

The cornerstone of our active investment approach is that our dedicated ESG research team works hand in hand with our mainstream analysts and portfolio managers. Dialogue between the ESG research team and our fundamental investment specialists facilitates a wider understanding of specific ESG risks and opportunities on an asset classes, sectors and at a thematic level. The foundation to safeguard the substantial integration of our ESG research in our fundamental investment analysis and decision-making is the ESG risk information provided by the ESG Research team. It is made available globally to all Allianz Global Investors portfolio managers and the complete research staff through our research platform Chatter.

Our ESG research team delivers the following outputs:

1. Intrinsic ESG Research

- a. ESG tail risk analysis: research of ESG factors with material impact potential on the investment risk of specific companies. There is the opportunity for all investment professionals to review, upgrade or downgrade corporate specific ESG risk assessments.
- b. Sector analysts and portfolio managers are at the core of the process. Insights are generated from questions and debate and systematically documented on Chatter.

2. Best-in-Class ESG Ratings Model and Analysis

- a. >4000 proprietary ESG ratings for fixed income and equity issuers – available in Chatter.
- b. In-depth analysis beyond model-driven ESG ratings.
- c. ESG analysts can upgrade or downgrade ESG ratings based on their research findings.

3. Thematic Research

- a. Develop and maintain ESG sector frameworks.
- b. Monitor and highlight emerging ESG risks and developments at a sector, market or global theme level.
- c. Identify long-term trends within or across sectors that provide ESG opportunities or may present ESG risks.

C) ESG Stewardship and Engagement

Where stewardship activities are considered material, our portfolio managers and ESG analysts work collaboratively to participate in corporate or multi-stakeholder initiatives, and actively make use of our ownership rights through targeted engagement on ESG issues. We aim for a holistic integrated engagement approach in line with our mainstreaming approach rather than being governed by ESG engagement 'milestones'. We have upgraded our active stewardship concept in aiming for 100% proxy voting and consider corporate engagement key. In seeking this approach for company dialogues we enhance the identification of ESG opportunities and risks inherent in the respective businesses of the companies we invest in. Through directly communicating the material impact of ESG issues to a company's leadership we strive for better practice business models, affecting the value of our investment and as consequence protect the interests of our clients.

For more details please refer to the Allianz Global Investors Stewardship Statement.

D) Scope of Applied Practices

Originating from Allianz Global Investors's core business purpose – generating long-term returns for clients – we mainstream the integration of material ESG factors into investment analysis and decision-making across all asset classes we offer – including Equities, Fixed Income, Multi-Asset and Alternatives.

Our ESG mainstreaming process is facilitated by education and training of investment professionals on the job. We continuously monitor and share better practice within and outside of Allianz Global Investors.

We recognize that while there is a common focus on ESG tail risk and active stewardship, from an investment perspective, ESG integration concepts have to be adjusted to asset class type and investment strategies. For example, fundamental and systematic investment strategies take different approaches.

In this context we also perform regular research on the financial evidence of different types of ESG integration investment concepts and materiality of ESG factors.

E) ESG Product Capabilities

We offer different types of products to meet different investor needs and objectives:

- 1) ESG Integration
- 2) Thematic ESG Opportunities
- 3) Sustainable & Responsible Investing (SRI)
- 4) Norm/ Value Based
- 5) Impact driven

All products aim to deliver a competitive performance and benefit from our ESG mainstreaming with focus on ESG risk and active stewardship. For clients aiming to achieve a positive environmental and social effect or a pre-defined impact as part of their investment strategy, Allianz Global Investors offers dedicated Sustainable & Responsible Investing (SRI) and Impact strategies. For clients aiming to reflect a norms or value based view in assets we are able to provide such concepts, for example through exclusion lists.

F) Exclusion Policy

As Allianz Global Investors we aim to avoid reputational risks for our clients. We have a Global Position Statement on controversial weapons that aims to provide clients with clarity and transparency on Allianz Global Investors' approach to investment in firms that manufacture cluster munitions and anti-personnel mines.

For more details please refer to the Allianz Global Investors Global Position Statement on Investment in manufacturers of cluster munitions and anti-personnel mines.

G) Climate Risk Statement

Allianz Global Investors believes that material ESG factors such as climate risk may impact the future performance of assets. We have a dedicated investment positioning document that summarizes Allianz Global Investors' view related to climate change risk. We consider climate risk an important long-term risk factor to be considered as part of investment decision making.

For more details please refer to the AllianzGI Climate Risk Investment Positioning.

H) ESG Commitment of Allianz SE

Allianz Global Investors' shareholder, Allianz SE follows a strong sustainability and ESG conviction across its business activities.

For more details please refer to the Allianz SE Sustainability report which can be accessed on Sustainability@Allianz.

**Contact for matters relating to
the Allianz Global Investors ESG
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