



LEA 02	Disclosures Monetary	Reason for interaction	Principle PRI 1,2,3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input checked="" type="checkbox"/> To engage internal ESG issues</p> <p><input checked="" type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input checked="" type="checkbox"/> To engage internal ESG issues</p> <p><input checked="" type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	
Collaborative engagements	<p><input type="checkbox"/> To support investment decisionmaking in &amp; company's interests</p> <p><input type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	<p><input type="checkbox"/> To support investment decisionmaking in &amp; company's interests</p> <p><input type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	
Service provider engagements	<p><input type="checkbox"/> To support investment decisionmaking in &amp; company's interests</p> <p><input type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	<p><input type="checkbox"/> To support investment decisionmaking in &amp; company's interests</p> <p><input type="checkbox"/> To influence corporate transition for identifying the need to re-evaluate our</p> <p><input type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	

# RI TRANSPARENCY REPORT

## 2013/14

Allianz Global Investors

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2013-14 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
⚠	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

## PRI disclaimer

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	-	n/a	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Public							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
LEI 02	Description of ESG incorporation	✓	Public	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Public	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 09	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 10	Description of ESG integration	✓	Public	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 14	ESG issues in index construction	🔒	n/a	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	-	n/a	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 14	Examples of ESG engagements	-	n/a		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Public		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Private		✓					
LEA 20	Securities lending programme	✓	Public		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 24	Shareholder resolutions	✓	Public		✓					
LEA 25	Examples of (proxy) voting activities	✓	Public		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
FI 02	Breakdown of investments by credit quality	✓	Private							✓
FI 03	Description of ESG incorporation	✓	Public	✓						
FI 04	Percentage of each incorporation strategy	🔒	n/a	✓						
FI 05	Type of ESG information used in investment decision	🔒	n/a	✓						
FI 06	Types of screening applied	🔒	n/a	✓						
FI 07	Processes to ensure screening is based on robust analysis	🔒	n/a	✓						
FI 08	Processes to ensure fund criteria are not breached	🔒	n/a	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
FI 10	Description of ESG integration	🔒	n/a	✓						
FI 11	Review of ESG issues while researching companies/sectors	🔒	n/a	✓						
FI 12	Processes to ensure integration is based on robust analysis	🔒	n/a	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	✓	Public	✓						
FI 14	ESG issues in index construction	🔒	n/a	✓						
FI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	-	n/a	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	
FI 19	Engagement with corporate issuers	🔒	n/a		✓					
FI 20	Engagement with government issuers	✓	Public		✓					

# Allianz Global Investors

## Reported Information

## Public version

## Organisational Overview

## PRI disclaimer

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## Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1 Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Other, specify

Execution and advisory only services

OO 02

Mandatory

Peering

General

OO 02.1 Select the location of your organisation's headquarters.

Germany

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

2803

OO 03

Mandatory

Descriptive

General



**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

**OO 04** **Mandatory** **Gateway/Peering** **General**

**OO 04.1** Indicate the year end date for your reporting year.

31/12/2013

**OO 04.2** Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		461	115	857	355
Currency	USD				
Assets in USD		461	115	857	355

**OO 04.3** Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

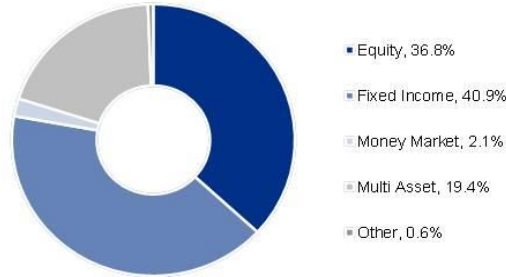
**OO 06** **Mandatory** **Descriptive** **General**

**OO 06.1** To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as broad ranges
- Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)



**AuM Breakdown by Asset Class**



Assets by Type	AuM Segregated	AuM Mutual	Total AuM	Ratio
Equity	36,749	90,240	126,988	36.85%
Fixed Income	94,234	46,994	141,228	40.98%
Money Market	3,323	3,961	7,284	2.11%
Multi Asset	30,629	36,433	67,061	19.46%
Other	1,013	1,066	2,079	0.60%
<b>Total</b>	<b>165,947</b>	<b>178,693</b>	<b>344,641</b>	<b>100.00%</b>

Source: AllianzGI, as at 31 December 2013, EUR

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To upload the image click the Save button below

**OO 08** Mandatory to Report Voluntary to Disclose Peering General

**OO 08.1** Indicate the breakdown of your organisation's AUM by market.

Market breakdown	% of AUM
Developed Markets	<input type="radio"/> 0%
	<input type="radio"/> <10%
	<input type="radio"/> 10-50%
	<input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0%
	<input checked="" type="radio"/> <10%
	<input type="radio"/> 10-50%
	<input type="radio"/> >50 %

OO 09	Voluntary	Descriptive	General
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OO 09.1	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.
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At Allianz Global Investors, we follow a two-word philosophy: Understand. Act. It describes how we look at the world and how we behave. We aim to stand out as the investment partner our clients trust by listening closely to understand their challenges, then acting decisively to provide them with solutions that meet their needs.

**Diversified active investment manager with a strong parent**

Strength and stability are vital in uncertain times. We are an active investment manager with EUR 345 billion in assets under management (AuM) for institutional and retail clients around the world, and EUR 37.3 bn in assets under advisement (AuA). Our business is diversified across equity, fixed-income and multi-asset strategies and diversified by region. This solid foundation, together with the support of the world's largest insurer, helps us toward our goal of developing and maintaining long-term relationships with our clients.

**Global investment and research capabilities**

To create sustainable outperformance, in-depth market knowledge is essential. We have a global research platform that both informs our investment decisions and helps our clients understand the markets. Built around global centres of investment expertise, we can leverage the best talent in a given location while fostering independent thinking across asset classes. We have 518 investment professionals - including portfolio managers averaging more than a decade of experience with our firm - but we don't try to be all things to all people. We focus on distinct areas where we believe we can excel, helping us align our strengths with our clients' goals.

**Consultative local delivery**

The key to providing excellent service is in understanding each client's unique circumstances and acting in their best interests. With our consultative approach and 394 relationship managers, our goal is to offer solutions that truly address our clients' needs. Our investment teams are located near the markets in which they invest, because we believe that local knowledge is key to creating a sustainable advantage. With 23 locations in 18 countries, we are well-positioned to deliver key local insights to our clients wherever they are.

**A culture of risk management**

Risk is both a challenge and an opportunity, which is why risk management is embedded in the way we manage and monitor investments. In fact, our parent company has been doing this successfully for more than 120 years; it is deeply ingrained in what we do. We have more than 60 dedicated specialists who average over 10 years of experience in risk management, and we build on our expertise in partnership with leading universities, supranational organizations and industry associations. This allows us to create portfolios that are risk-optimized, and to offer solutions and perspectives across the risk-return spectrum that aim to bring our clients closer to their goals while managing volatility.

Data as at December 2013.

**Gateway asset class implementation indicators**

OO 10	Mandatory	Gateway	General
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**OO 10.1** Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- We incorporate ESG issues into investment decisions on our internally managed assets
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- None of the above

<b>OO 11</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
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**OO 11.1** Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Fixed income – government
- Fixed Income – other
- Property
- Infrastructure
- Hedge funds
- Cash
- None of the above

<b>OO 12</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
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**OO 12.1** The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.

**Core modules**

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

**RI implementation directly or via service providers**

<b>Direct - Listed Equity incorporation</b>
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- Listed Equity incorporation

<b>Direct - Listed Equity active ownership</b>
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- Engagements
- (Proxy) voting

<b>Direct - Fixed Income</b>
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- Fixed Income - Government

**Closing module**

Closing module

**Note:** Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

# Allianz Global Investors

## Reported Information

## Public version

## Overarching Approach

## PRI disclaimer

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## Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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**OA 01.1** Indicate if you have a responsible investment policy.

- Yes  
 No

**OA 01.2** Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes  
 No

**OA 01.3** Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

At AllianzGI we recognise the importance of social, environmental and governance factors and their potential link to value creation; yet, often the value of a well through-out and executed environmental, social and governance (ESG) strategy goes unappreciated by the markets.

We believe that defining and judging potential investments in just financial terms is no longer the only approach by which to measure and understand investment risks and opportunities. We believe that by taking action, and raising our understanding beyond financial metrics by viewing investments through an additional ESG lens, our clients will be rewarded with enhanced investment decisions whilst contributing towards creating a more stable, sustainable market and society.

Our ESG Policy outlines our approach to integrating ESG issues across the entire investment value chain. Further to this we have Global Corporate Governance Guidelines that lay out the corporate governance guidelines and proxy voting policy for AllianzGI with respect to the execution of voting rights.

OA 02	Mandatory	Core Assessed	PRI 6
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**OA 02.1** Indicate if your responsible investment policy is publicly available.

- Yes

**OA 02.2** Provide a URL to your responsible investment policy.

URL

<http://allianzgi.com/en/Investment-Themes/Documents/14-1179AllianzGlobalInvestorsESGPolicyBJ1302.pdf>

No

**OA 02.3** Indicate if your other policies or guidance documents related to responsible investment are publicly available.

Yes

Yes, all

Yes, some

**OA 02.4** List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Global Corporate Governance Guidelines	<a href="https://www.allianzglobalinvestors.de/MDBWS/doc/AllianzGI-Global-Corporate-Governance-Guidelines.pdf?14e001b9c353645bb8639b07984828b648345c22webweb">https://www.allianzglobalinvestors.de/MDBWS/doc/AllianzGI-Global-Corporate-Governance-Guidelines.pdf?14e001b9c353645bb8639b07984828b648345c22webweb</a>

No

**OA 03** Mandatory Core Assessed PRI 1,2

**OA 03.1** Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input type="checkbox"/> Specific guidelines on environmental issues <input type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

**OA 04** Mandatory Core Assessed General



**OA 04.1** Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

**OA 04.2** Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

We have regional practices to manage conflicts of interest in the investment process. For example in Europe the European Compliance team maintain a Conflicts of Interest Register which identifies all potential conflicts of interest that can occur anywhere in our business. The Register includes those conflicts which have been identified in our investment process as well as the steps that have been taken to eliminate, mitigate or manage these risks. Compliance also maintains a number of policies which are designed to manage these risks, including the Personal Account (PA) Dealing Policy, Gifts & Entertainment Policy and a specific Conflicts of Interest policy. The register is regularly updated whenever a potential new conflict is identified and the compliance team also conduct regular testing and investigations around conflicts as part of their risk-based Compliance Monitoring Program. Finally, we conduct conflicts training throughout the business and have an annual process where all staff (including investment professionals) confirm their continuing compliance with all polices, including our Code of Ethics.

No

## Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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**OA 05.1** Indicate if your organisation sets objectives for its responsible investment activities.

Yes

**OA 05.2** Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year
- Less than once per year

**OA 05.3** Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
- Biannually
- Annually
- Every two years or less
- It is not reviewed

No

## Governance and human resources

OA 07	Voluntary	Descriptive	General
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**OA 07.1** Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

Allianz Global Investors' Global ESG team is responsible for ESG company research and governance, including engagement and proxy voting, and for developing our firm's thought leadership on ESG issues. The team consists of 13 employees based in London, Paris, Frankfurt, San Francisco and Hong Kong. The team's services are utilized across our global investment platform, not just for our SRI portfolios.

The Global ESG team sits outside any one particular investment team and is responsible for driving Allianz Global Investors to be a leader in integrating ESG across the investment value chain by 1) participating in multi-stakeholder initiatives to improve market governance (upstream); 2) integrating ESG factors in its investment decisions; and 3) encouraging improved governance and ESG performance of investee companies (downstream).

Additionally, the joint heads of Global ESG team; Bozena Jankowska and David Diamond, are also members of the Global Research Council. The Global Research Council is composed of the regional heads of research across the Allianz Global Investors' entire research platform and is responsible for providing governance to the research platform. ESG representation on the Global Research Council ensures that ESG issues are incorporated into decision making at the highest level from a research perspective.

I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OA 08	Mandatory	Gateway/Core Assessed	General
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**OA 08.1** Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

### Roles present in your organisation

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify  
Global Head of Research

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
- Other role, specify
- Other role, specify

<b>OA 08.2</b>	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]
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	Number
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13

## Promoting responsible investment

<b>OA 10</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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<b>OA 10.1</b>	Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.
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Yes

<b>OA 10.2</b>	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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**Select all that apply**

- Asian Corporate Governance Association

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

AllianzGI attended the annual corporate governance conference, company meetings and semi-annual updates organized by ACGA; one-on-one meetings with ACGA research people for corporate governance discussions, and attended EGM of ACGA to vote on new board members.

- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

At the biannual EITI Global Conference in Sydney the new incoming Board for the EITI was elected. In that capacity David Diamond, Global Co-Head of ESG was elected as full board member representing the international investor constituency, around 90 supporting investors world-wide, including AllianzGI. He had already served as the Board alternate representing investors for the last four years.

David Diamond presented at the Sydney Conference, organised EITI investor conference calls throughout the year and also took part in a board delegation visit to the Democratic Republic of Congo, which met with senior government representatives and EITI stakeholders (civil society and mining companies) to promote and assess EITI implementation in that country.

He has presented EITI to the investor community and has written several articles in mainstream and specialist media, presenting the investor perspective on EITI. Over the past year the number of investors supporting EITI has continued to rise reaching close to 90.

- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Over 2013 AllianzGI were active members within the Fixed Income Investor Working Group, Sustainable Stock Exchange Initiative Investor Working Group and the Sustainable Palm Oil Investor Working Group.

We were also sponsor of the PRI/French SIF Annual European ESG Research Prize.

Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

Forum pour l'Investissement Responsable, UK Sustainable Investment and Finance Association, Forum per la Finanza Sostenibile, German, Austrian and Swiss Sustainable Investment Forum

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We are Board Members on the French and Italian SIFs as well as Chair of the UKSIF Analyst Committee Chair and have representation on the UKSIF Leadership Committee.

- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

Chaire Finance Durable et Investissement Responsable

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Founding Sponsor for research chair dedicated to sustainable investment

- Other collaborative organisation/initiative, specify

University of Cambridge Programme for Sustainability Leadership

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic  
 Moderate  
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

The Investment Leaders Group (ILG) is a three-year project to help shift the investment chain towards responsible, long-term value creation, such that economic, social and environmental sustainability are delivered as an outcome of the investment process. We are active members of the Investment Leaders Group.

- Other collaborative organisation/initiative, specify

Sustainable Accounting Standards Board

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic  
 Moderate  
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Advisory Council Member as well as being involved with a number of Industry Working Groups

- Other collaborative organisation/initiative, specify

US SIF Sustainable Investment Research Analyst Network

**Your organisation's role in the initiative during the reporting year (see definitions)**

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Steering Committee Member

No

<b>OA 11</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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**OA 11.1** Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

**OA 11.2** Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

No

<b>OA 12</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 4,5,6</b>
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**OA 12.1** Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.

Yes

- Yes, individually
- Yes, in collaboration with others



**OA 12.2** Select the methods you have used.

- Endorsed written submissions to governments, regulators or standard-setters developed by others
- Drafted your own written submissions to governments, regulators or standard-setters
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

**OA 12.3** Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

Yes, publicly available

provide URL

<http://www.uss.co.uk/Documents/Audit-Grouppositionpaper5Mar2013.pdf>

No

No

**OA 12.4** Additional information.

Over the course of 2013, AllianzGI were heavily involved in the investor letters seeking to weigh in on public policy developments, notably the pending regulatory requirements for payments transparency of extractive companies listed in both the US and Canada. These developments were following on the existing launch of the EU Transparency Directive in June 2013. AllianzGI helped promote investor backing for investor letters to NRCan and to the SEC regarding Dodd-Frank Section 1504.

**ESG issues in asset allocation**

<b>OA 14</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**OA 14.1** Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

Yes

**OA 14.3** Please specify which thematic area(s) you invest in and provide a brief description.

Area

Clean technology

Asset class invested
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- Listed equity
- Fixed income - government
- Fixed income - other
- Cash

Brief description of investment
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AllianzGI have a number of equity strategies that are investing in companies involved with clean technology such as Allianz Global EcoTrends, AllianzGI Global Water Fund and Allianz EURECO Equity.

- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Other area, specify

No

OA 14.4	Additional information.
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AllianzGI also manage a fund called Allianz PEE Actions ISR Solidaire. The fund allocates 5-10% of the AuM of the fund in unlisted entities that have been French government certified as community organisations promoting social housing, local employment, microfinance or environmental programmes. The remaining AuM is invested in the European Equity SRI strategy.

Asset class implementation not reported in other modules			
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OA 15	Voluntary	Descriptive	General
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OA 15.1	Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.
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Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - other	<p>AllianzGI's current asset classification system is such that 'Fixed Income - corporate' is not individually separated out as often corporate fixed income is found in funds/mandates alongside sovereign bonds and other fixed income instruments.</p> <p>Our official asset classification assigns all of our corporate fixed income assets into the 'Fixed Income - other' bracket and we were not able to give a clean breakdown of our 'Fixed Income-corporate' assets.</p> <p>However, we do have in place the ability to incorporate ESG into our corporate fixed income assets and do so for certain SRI mandates.</p> <p>All of our European registered mutual funds, both our fixed income and equity assets, as well as all Allianz-owned assets, employ screens based on companies involved with the production or sale of cluster munitions and anti-personnel mines considered illegal as per the Ottawa Convention and the Oslo Convention.</p> <p>Further to this, please review the Listed Equity section as the same ESG research and ratings is incorporated into our SRI fixed income mandates.</p>
Cash	AllianzGI have SRI Money Market products that look to incorporate the ESG research and ratings into their selection process, following a best-in-class approach.

## Innovation

OA 18	Voluntary	Descriptive	General
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OA 18.1	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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Allianz Global Investors believes that implementing ESG research into investment models is not enough, as it can miss vital stages of the investment value chain where ESG can have further impact, either upstream before investment decisions are made, or downstream once issuers have been selected for portfolios. To that end AllianzGI also promotes ESG issues through public policy and collective investor initiatives, and through active proxy voting and individual company and issuer engagements. This combined effort and attention to ESG issues along the whole value chain is more effective and long-lasting.

Further to this, our ESG research is truly proprietary. A dedicated team of 9 analysts and 3 proxy voting specialists help provide in-depth equity and fixed income ESG analysis, thematic and sector ESG research and ESG ratings. The Global ESG team do not simply take ESG ratings off the shelf from external third party providers. Instead, they have created their own proprietary model that identifies and weights material ESG factors in each sector. The model maps raw ESG company/country data (obtained from specialised external data providers) onto matrices to form our sector-specific 'best-in-class' ratings. These give our investment platform our own proprietary view of companies' ESG profiles.

## Assurance of responses

OA 19	Voluntary	Additional Assessed	General
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**OA 19.1**

Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.

Yes

**OA 19.2**

Indicate who has reviewed, validated and/or assured your reported information.

- Reviewed by Board, CEO, CIO or Investment Committee
- Validated by internal audit or compliance function
- Assured by an external independent provider, specify name

**OA 19.3**

Describe the steps you have taken to review, validate and/or assure the content of your reported information.

Allianz Global Investors' internal audit function is performed by the Internal Audit department of Allianz Asset Management AG, the holding company of Allianz Global Investors. The department is based in Europe, the US and Asia Pacific and has 25 employees.\*

\*As at September 2013

No

# Allianz Global Investors

## Reported Information

### Public version

#### Direct - Listed Equity Incorporation

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Overview

LEI 02

Voluntary

Descriptive

PRI 1

As part of its fiduciary duty, Allianz Global Investors seeks to be a leader in integrating ESG across the investment value chain by:

- 1) participating in multi-stakeholder initiatives to improve market governance (upstream);
- 2) integrating ESG factors in its investment decisions; and
- 3) encouraging improved governance and ESG performance of investee companies (downstream).

A dedicated 13-strong Global ESG team is responsible for ESG research, governance, notably engagement and proxy voting, and ESG advisory services. The team's services are utilized across our global investment platform, not just for our SRI portfolios.

This holistic approach to integrating ESG across the investment value chain by being responsible active owners helps incorporate ESG issues in listed equity.

Below is an introduction to our ESG research capabilities:

The Global ESG team covers three main areas of research: in-depth qualitative equity and fixed income analysis, in-depth thematic and sector research proprietary and ESG ratings on a global universe of companies and issuers.

- In-depth equity and fixed income ESG analysis

The Global ESG team focuses on identifying unique ESG insights that may otherwise have been overlooked by the market or our external ESG research and data providers. This research reinforces our proprietary ESG ratings, engagement and proxy voting activities with issuers. Similar in nature to fundamental analysis, the ESG analysts rely on a multitude of different sources to complete their issuer-specific ESG research. ESG analysts will utilize research from both in-house sources and the sell-side in order to build a clear understanding of a company's operations and the investment base case. Company websites can be useful to check if the company has a clear Corporate Social Responsibility (CSR) policy, and whether they report on material ESG issues, either in the CSR report or the Annual Report. ESG analysts take part in company meetings and attend SRI investor days organized by companies, as well as SRI company conferences, to help with their research.

The Global ESG team works closely with Allianz Global Investors' in-house fundamental analysts and portfolio managers and also utilizes the strength of our Grassroots research where relevant.

To further their analysis, ESG analysts are able to access the company profiles and reports created by the ESG data service providers. ESG analysts also have access to Allianz Global Investors' Proxy Voting agent, ISS, and are able to check for governance-related issues. To assist in the monitoring of company, sector and project-specific negative news flow/events (including their frequency and nature), the Global ESG team employs the services of a Swiss-based company, RepRisk. To be able to have a clear understanding of the company and whether it is 'best in class', the ESG analysts will not only research the company in question, but consider it in the context of its peer group. Having conducted this thorough research, the ESG analyst is then able to clearly quantify what material ESG risks and opportunities are affecting the company.

- Thematic and sector ESG research

With the ESG Team being organised along sector responsibilities, each ESG analyst has an in-depth knowledge on the material ESG trends and issues impacting that sector and the stocks within it. The team produces thematic and sector-specific analysis that seek to provide Allianz Global Investors'

global investment platform with timely insights into the ESG topics that are affecting investments now, or will do so in the future. This analysis is forward-looking, helping Allianz Global Investors keep abreast of leading ESG trends and developments that may shape our investment horizon in the future. Further to this, the Global ESG team produces a regular magazine, ESG Matters, which leverages off existing thematic and stock specific research to highlight the ESG issues relevant to the investment platform.

- ESG ratings

The Global ESG team is responsible for producing proprietary in-house ESG ratings on the global universe of companies, as well as ESG ratings for sovereigns, covered bonds, agencies and supranationals. These ESG ratings are built upon the team's own proprietary model that identifies and weights material ESG factors in each sector. The model maps raw ESG company/country data (obtained from specialised external data providers) onto matrices to form our sector-specific 'best-in-class' ratings. These ratings are available to the investment platform via our communication tool, Chatter. This allows portfolio managers to consider ESG views within their investment process.

Further to this, AllianzGI's SRI strategies are mandated to hold a majority of holdings in ESG 'best-in-class' stocks and are restricted in holding the worst rated stocks - this ensures that AllianzGI's ESG ratings and research are incorporated into the investment processes of these SRI strategies.

## ESG incorporation in actively managed listed equities

### Implementation processes

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
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LEI 03.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.
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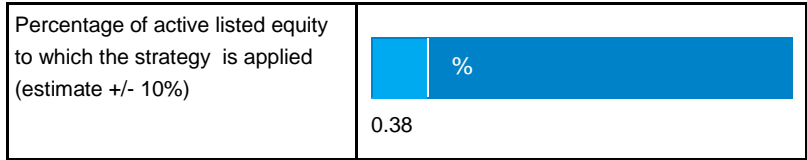
**ESG incorporation strategy (select all that apply)**

Screening alone (i.e. not combined with any other strategies)

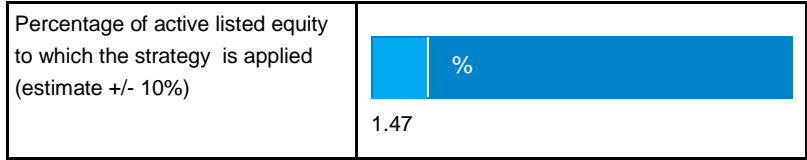
Percentage of active listed equity to which the strategy is applied (estimate +/- 10%)	<p>32</p>
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Thematic alone (i.e. not combined with any other strategies)

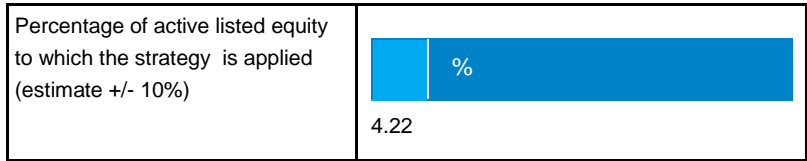




Integration alone (i.e. not combined with any other strategies)

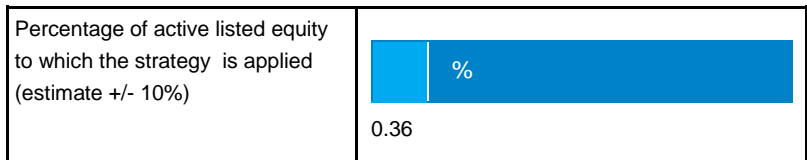


Screening + Integration strategies



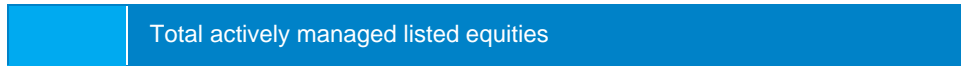
Thematic + integration strategies

Screening + thematic strategies



All three strategies combined

No incorporation strategies applied



100%

**LEI 03.2**

Describe your primary reasons for choosing a particular ESG incorporation strategy.

All of AllianzGI's mutual funds registered in Europe along with Allianz's first party assets use screens in accordance with the Ottawa Convention (Anti-personnel mines) and Oslo Convention (Cluster Munitions). Also, we are able to implement further negative screens as per client requests within segregated accounts to match their specific demands.

We have created thematic funds to meet the demands of clients and in the desire to provide competitive financial returns for our clients.

Our SRI strategies integrate ESG into the investment process through utilising our proprietary ESG ratings, where they are mandated to hold a majority of best-in-class stocks and are restricted from holding the worst ESG rated stocks. The proprietary ratings and additional company specific ESG research provided by the Global ESG team helps the portfolio managers have a more holistic view of their investments by considering the additional ESG risks and opportunities and thereby giving them improved risk/return profile.

LEI 04	Voluntary	Additional Assessed	PRI 1
<b>LEI 04.1</b>	Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.		

**Type of ESG information**

- Raw ESG company data

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Company-related analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Sector-related analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Country-related analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Screened stock list

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Issue-specific analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Other, specify

#### LEI 04.2

Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.

As part of its fiduciary duty, Allianz Global Investors seeks to be a leader in integrating ESG across the investment value chain. A dedicated 13-strong Global ESG team is responsible for ESG research, governance, notably engagement and proxy voting, and ESG advisory services. The team's services are utilized across our global investment platform, not just for our SRI portfolios.

The Global ESG team covers three main areas of research: in-depth qualitative equity and fixed income analysis, in-depth thematic and sector research proprietary and ESG ratings on a global universe of companies and issuers.

#### In-depth equity and fixed income ESG analysis

The Global ESG team focuses on identifying unique ESG insights that may otherwise have been overlooked by the market or our external ESG research and data providers. This research reinforces our proprietary ESG ratings, engagement and proxy voting activities with issuers. Similar in nature to fundamental analysis, the ESG analysts rely on a multitude of different sources to complete their issuer-specific ESG research. ESG analysts will utilize research from both in-house sources and the sell-side in order to build a clear understanding of a company's operations and the investment base case. Company websites can be useful to check if the company has a clear Corporate Social Responsibility (CSR) policy, and whether they report on material ESG issues, either in the CSR report or the Annual Report. ESG analysts take part in company meetings and attend SRI investor days organized by companies, as well as SRI company conferences, to help with their research.

The Global ESG team works closely with Allianz Global Investors' in-house fundamental analysts and portfolio managers and also utilizes the strength of our Grassroots research where relevant.

To further their analysis, ESG analysts are able to access the company profiles and reports created by the ESG data service providers. ESG analysts also have access to Allianz Global Investors' Proxy Voting agent, ISS, and are able to check for governance-related issues. To assist in the monitoring of company, sector and project-specific negative news flow/events (including their frequency and nature), the Global ESG team employs the services of a Swiss-based company, RepRisk. To be able to have a clear understanding of the company and whether it is 'best in class', the ESG analysts will not only research the company in question, but consider it in the context of its peer group. Having conducted this thorough research, the ESG analyst is then able to clearly quantify what material ESG risks and opportunities are affecting the company.

#### Thematic and sector ESG research

With the ESG Team being organised along sector responsibilities, each ESG analyst has an in-depth knowledge on the material ESG trends and issues impacting that sector and the stocks within it. The team produces thematic and sector-specific analysis that seek to provide Allianz Global Investors' global investment platform with timely insights into the ESG topics that are affecting investments now, or will do so in the future. This analysis is forward-looking, helping Allianz Global Investors keep abreast of leading ESG trends and developments that may shape our investment horizon in the future. Further to this, the Global ESG team produces a regular magazine, ESG Matters, which leverages off existing thematic and stock specific research to highlight the ESG issues relevant to the investment platform. Again for this research they are able to access the full range of ESG research and information explained above.

#### ESG ratings

The Global ESG team is responsible for producing proprietary in-house ESG ratings on the global universe of companies, as well as ESG ratings for sovereigns, covered bonds, agencies and supranationals. These ESG ratings are built upon the team's own proprietary model that identifies and weights material ESG factors in each sector. The model maps raw ESG company/country data (obtained from specialised external data providers) onto matrices to form our sector-specific 'best-in-class' ratings. These ratings are available to the investment platform via our communication tool, Chatter. This allows portfolio managers to consider ESG views within their investment process.

<b>LEI 04.3</b>	Indicate if you incentivise brokers to provide ESG research.
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Yes

<b>LEI 04.4</b>	Describe how you incentivise brokers.
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Allianz Global Investors was a founder member of, and played a significant role in establishing, the Enhanced Analytics Initiative (EAI), which ran for four years between November 2004 and December 2008. The aim of the EAI was to stimulate sell-side analysts to produce research which incorporates environmental, social and governance issues in such a way as to enable fund managers to integrate them into their investment decisions. This very successful project helped stimulate an exponential growth in this research. As part of our commitment to the EAI, we agreed to allocate 5% of our broker commissions to differentiated ESG research. We continue to do this today.

The EAI has now formed a global partnership with the UN Principles for Responsible Investment (UN PRI) to provide access to, and a market for, such research on a wider scale.

No

<b>LEI 05</b>	Voluntary	Additional Assessed	PRI 1
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<b>LEI 05.1</b>	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
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Engagement

- We have a systematic process to ensure the information is made available.
- We occasionally make this information available.
- We do not make this information available.

(Proxy) voting

- We have a systematic process to ensure the information is made available.
- We occasionally make this information available.
- We do not make this information available.

**LEI 05.2** | Additional information. [Optional]

Engagement activities are recorded and shared with the investment platform on Chatter, AllianzGI's proprietary data and communication database.

**(A) Implementation: Screening**

<b>LEI 06</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**LEI 06.1** | Indicate and describe the type of screening you apply to your internally managed active listed equities.

**Type of screening**

Negative/exclusionary screening

**Screened by**

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

**Description**

We employ the services of ESG data service providers to provide the negative screens. We can tailor screens according to clients' wishes. Further to this some of our SRI funds run a Human Rights screen created by AllianzGI's Global ESG team.

- Positive/best-in-class screening
- Norms-based screening

<b>LEI 06.2</b>	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
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AllianzGI employ screens within all mutual funds registered in Europe, as well as Allianz-owned assets, based on companies involved with the production or sale of cluster munitions and anti-personnel mines considered illegal as per the Ottawa Convention (Anti-personnel mines) and Oslo Convention (Cluster Munitions). The negative lists are updated on an ad-hoc basis in order to capture any changes in the information gained from these data providers.

In terms of the negative screen criteria for segregated mandates, the criteria is set in consultation with the client and reviewed according to the client's wishes.

<b>LEI 07</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>LEI 07.1</b>	Indicate which processes your organisation uses to ensure that screening is based on robust analysis.
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- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

<b>LEI 08</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>LEI 08.1</b>	Indicate which processes your organisation uses to ensure that fund criteria are not breached
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- Checks are performed to ensure that stocks meet the funds' screening criteria. These checks are:
  - Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.
  - Audits of fund holdings are undertaken regularly by internal audit function
  - Other, specify
  - None of the above

<b>LEI 08.2</b>	If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.
-----------------	--

Our regional offices have processes in place to handle with breaches. For example, as mentioned above, in Europe Fund screening criteria are hard-coded in pre-trade systems to prevent any investments in prohibited financial instruments. Automated post-trade controls will identify pre-existing holdings in a portfolio constituting a breach under a new fund screening criteria. Portfolio managers would be required to resolve the breach by selling the financial instrument as soon as reasonably possible under the relevant market conditions, taking into consideration the best interest of the client.

## (B) Implementation: Thematic

<b>LEI 09</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>LEI 09.1</b>	Indicate the type of sustainability thematic funds or mandates that your organisation manages.
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- Environmentally themed funds
- Socially themed funds
- Combination of themes

## (C) Implementation: Integration of ESG issues

<b>LEI 10</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 1</b>
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A dedicated 13-strong Global ESG team is responsible for ESG research, governance, notably engagement and proxy voting, and ESG advisory services at AllianzGI. The team's services are utilized across our global investment platform, not just for our SRI portfolios.

This holistic approach to integrating ESG across the investment value chain by being responsible active owners helps incorporate ESG issues in listed equity.

Below is an introduction to our ESG research capabilities:

The Global ESG team covers three main areas of research: in-depth qualitative equity and fixed income analysis, in-depth thematic and sector research proprietary and ESG ratings on a global universe of companies and issuers.

### **In-depth equity and fixed income ESG analysis**

The Global ESG team focuses on identifying unique ESG insights that may otherwise have been overlooked by the market or our external ESG research and data providers. This research reinforces our proprietary ESG ratings, engagement and proxy voting activities with issuers. Similar in nature to fundamental analysis, the ESG analysts rely on a multitude of different sources to complete their issuer-specific ESG research. ESG analysts will utilize research from both in-house sources and the sell-side in order to build a clear understanding of a company's operations and the investment base case. Company websites can be useful to check if the company has a clear Corporate Social Responsibility (CSR) policy, and whether they report on material ESG issues, either in the CSR report or the Annual Report. ESG analysts take part in company meetings and attend SRI investor days organized by companies, as well as SRI company conferences, to help with their research.

The Global ESG team works closely with Allianz Global Investors' in-house fundamental analysts and portfolio managers and also utilizes the strength of our Grassroots research where relevant.

To further their analysis, ESG analysts are able to access the company profiles and reports created by the ESG data service providers. ESG analysts also have access to Allianz Global Investors' Proxy Voting agent, ISS, and are able to check for governance-related issues. To assist in the monitoring of company, sector and project-specific negative news flow/events (including their frequency and nature), the Global ESG team employs the services of a Swiss-based company, RepRisk. To be able to have a clear understanding of the company and whether it is 'best in class', the ESG analysts will not only research the company in question, but consider it in the context of its peer group. Having conducted this thorough research, the ESG analyst is then able to clearly quantify what material ESG risks and opportunities are affecting the company.

### **Thematic and sector ESG research**

With the ESG Team being organised along sector responsibilities, each ESG analyst has an in-depth knowledge on the material ESG trends and issues impacting that sector and the stocks within it. The team produces thematic and sector-specific analysis that seek to provide Allianz Global Investors' global investment platform with timely insights into the ESG topics that are affecting investments now, or will do so in the future. This analysis is forward-looking, helping Allianz Global Investors keep abreast of leading ESG trends and developments that may shape our investment horizon in the future. Further to this, the Global ESG team produces a regular magazine, ESG Matters, which leverages off existing thematic and stock specific research to highlight the ESG issues relevant to the

investment platform.

**ESG ratings**

The Global ESG team is responsible for producing proprietary in-house ESG ratings on the global universe of companies, as well as ESG ratings for sovereigns, covered bonds, agencies and supranationals. These ESG ratings are built upon the team's own proprietary model that identifies and weights material ESG factors in each sector. The model maps raw ESG company/country data (obtained from specialised external data providers) onto matrices to form our sector-specific 'best-in-class' ratings. These ratings are available to the investment platform via our communication tool, Chatter. This allows portfolio managers to consider ESG views within their investment process.

Although the ESG research above is made available to all portfolio managers via Chatter, for the PRI report we have only classified our SRI mandates as AUM that integrates ESG into the investment decision. AllianzGI's SRI strategies are mandated to hold a majority of holdings in ESG 'best-in-class' stocks and are restricted in holding the worst rated stocks - this ensures that AllianzGI's ESG ratings and research are integrated into the investment making processes of these SRI strategies.

LEI 11	Mandatory	Core Assessed	PRI 1
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<b>LEI 11.1</b>	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
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ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

LEI 12	Voluntary	Descriptive	PRI 1
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<b>LEI 12.1</b>	Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis.
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- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Company information and/or ratings on ESG are updated regularly
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

<b>LEI 12.2</b>	Describe how ESG information is held and used by your portfolio managers.
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- ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

<b>LEI 13</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>LEI 13.1</b>	Indicate into which aspects of investment analysis you integrate ESG information.
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- (Macro) economic analysis
- Industry analysis
  - Systematically
  - Occasionally
- Analysis of company strategy and quality of management
  - Systematically
  - Occasionally
- Idea generation
  - Systematically
  - Occasionally
- Portfolio construction
  - Systematically
  - Occasionally
- Fair value/fundamental analysis
- Other, specify

**Outputs and outcomes**

<b>LEI 17</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>LEI 17.1</b>	Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.
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ESG issue 1

ESG issue and explanation
<p><b>Retailing: Thematic report on social supply chain risks with a focus on Bangladesh</b></p> <p>We assessed the social supply chain risks and preparation details of 18 retailers and apparel brands globally, following the collapse of a garment manufacturing facility in Bangladesh. This was a terrible disaster that has had lasting impact on the country, and also the retail and apparel sector. The Bangladesh ACCORD on Fire and Building Safety should hopefully have a far-reaching impact in the area.</p> <p>Supply chain incidents imply reputational, operational and regulatory risks for retailers. OEMs applying strict Health and Safety and labor standards could benefit as local and international efforts to improve sourcing practices are picking up. We believe the accident could act as a catalyst for overall improvement in supply chain practices in the region. Mid to long term, this could result in new business opportunities for testing, inspection and certification companies</p>
ESG incorporation strategy applied
<p><input type="checkbox"/> Screening</p> <p><input type="checkbox"/> Thematic</p> <p><input checked="" type="checkbox"/> Integration</p> <p><input type="checkbox"/> Combination of ESG incorporation strategies</p>
Impact on investment decision or performance
<p>Helped AllianzGI review the quality of supply chain management within holdings of our portfolios</p>

ESG issue 2

ESG issue and explanation
<p><b>Banks: Libor scandal</b></p> <p>Following the Libor scandal in which several banks (Barclays (BARC LN) , RBS (RBS LN) , UBS (UBSN VX) ) have been fined for manipulating the Libor rate, the UK Treasury announced that starting from 2014, the rate will be run by NYSE Euronext and not by the BBA (through Thomson Reuters) anymore. The Global ESG team sector analyst reviewed the sector following the scandal. The pending question was if the rate will continue to be calculated based on estimates from 16 banks only or if the panel will be extended so that manipulation risks would be reduced.</p> <p>This change would probably prevent banks for trying to manipulate the Libor since it is now run by an independent third party. We still continue to pay attention to the future development on this rate especially on the way it is calculated. For matters of comparison, the Euribor rate is calculated on an average of submissions by 44 banks compared to the 16 composing the Libor panel.</p>
ESG incorporation strategy applied
<p><input type="checkbox"/> Screening</p> <p><input type="checkbox"/> Thematic</p> <p><input checked="" type="checkbox"/> Integration</p> <p><input type="checkbox"/> Combination of ESG incorporation strategies</p>

ESG issue 3

ESG issue and explanation
<p><b>Consumer Staples: Food</b></p> <p>Food companies faced difficulties in the second half of 2013 in China. After an investigation for price-fixing on baby milk, six major global food companies (Mead Johnson, Biostime, Danone, Abbot, Friesland, Fonterra) were condemned to pay significant fines (for a total amount of more than €100m) for anti-competitive practices and forced to reduce the price of their products. In addition to the 6 fined companies, 3 (including Nestlé and Meiji Holdings Co.) were found guilty but were spared fines because they "cooperated with the investigation, provided important evidence and carried out active self-rectification" according to the Chinese agency responsible.</p> <p>Following these events, new scandals regarding global companies' business behavior blew up. Note this took place a few months after China's vast hunt to stamp out corruption in the pharmaceutical sector. In food also, it seems that players will need to adapt to the new Chinese business environment, which is negative on a short term but should be beneficial in a mid to long term by providing a healthier market environment.</p>
ESG incorporation strategy applied
<input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies
Impact on investment decision or performance
<p>The Global ESG team reviewed the main players in the food sector and potential impacts on the sector of the changing regulation environment. This information was fed back to the investment platform for them to integrate into their investment decision making processes.</p>

- ESG issue 4
- ESG issue 5

## Communication

LEI 18	Mandatory	Core Assessed	PRI 2,6
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LEI 18.1	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.
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We disclose it publicly

Provide URL
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<http://www.allianzgi.fr/isr/>

**LEI 18.2**

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

**LEI 18.3**

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation  
 Detailed explanation of ESG incorporation strategy used

**LEI 18.4**

Indicate how frequently you typically report this information.

- Quarterly or more frequently  
 Between quarterly and annually  
 Less frequently than annually  
 Other, specify

No

- We disclose it to clients and/or beneficiaries only  
 We do not proactively disclose it to the public and/or clients/beneficiaries

**LEI 18.5**

Additional information. [Optional]

We are currently revising our English internet site and in the future will include a dedicated ESG section.

# Allianz Global Investors

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.



## Engagement

## Overview

LEA 01	Voluntary	Descriptive	PRI 2
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At Allianz Global Investors, it is our belief that ESG engagement should support our core business purpose of generating long-term return for clients. As such, our engagement maintains a focused link to investment, by seeking to reduce ESG material risks for investee companies.

The Global ESG team is responsible for implementing Allianz Global Investors' policy on engagement, both upstream (participating in multi-stakeholder initiatives to improve market governance) and downstream (encouraging improved governance and ESG performance). By leveraging the full weight of Allianz Global Investors' assets under management and reputation, the team is able to exert its influence over those with whom we are engaging.

Allianz Global Investors' engagement has three main approaches:

- Public policy
- Collective engagement
- Company engagement

#### **Public policy**

Allianz Global Investors believes that selectively engaging with public policy makers on regulatory issues, which can affect all listed companies, is crucial and potentially plays an influential role in long-term investment success. It is also important from a reputational perspective, as it lends credibility vis-à-vis stakeholders. For Allianz Global Investors this includes, notably, our clients. Allianz Global Investors also believes that contributing to investor and multi-stakeholder initiatives which seek more sustainable government policies, capital markets and corporate practices is increasingly necessary. By being active participants in this area, we hope to bring about more sustainable government policies and more sustainable, transparent markets, e.g. financial markets, oil and gas markets, etc., as well as bringing about better and more sustainable corporate practice.

In terms of public policy engagement, Allianz Global Investors recently signed on to an investor position paper entitled: "Audit - a long-term investor position paper on proposed EU reforms". The paper is a collective investor response to the EU's own proposed, EC Directive and Regulation on audit. Moreover, one of our Global Heads of ESG has taken a leading role representing the investor community on the international board of the Extractive Industries Transparency Initiative (EITI). The latter seeks to improve the governance of resource rich countries through the transparency of government receipts and payments of oil, gas and mining companies (alternate board representative from 2009-13, full board member from 2013-current).

#### **Collective engagement**

Allianz Global Investors is involved in the UN Principles for Responsible Investment Working Group on Sustainable Palm Oil and an investor working group on Canadian Oil Sands. Another example is the co-filing of shareholder resolutions. Recently, Allianz Global Investors decided to co-file a resolution at the upcoming annual meeting of an international bank calling for the formal separation of roles between CEO and Chair.

#### **Company engagement**

In relation to companies, we define engagement as more than just company dialogue for information. Through engagement we seek to actively incite companies to improve ESG performance to underpin their long-term business prospects. Our engagement involves

two-way interaction with a company through presenting a viewpoint, seeking change and monitoring and documenting results.

We are currently reviewing a new global company engagement positioning that will centre on four key themes:

- Climate change
- Corporate governance
- ESG disclosure
- ESG issues in supply chains

The advantage of these themes is that they are structural, and even systemic in the case of climate change, and thus apply to most sectors. Building on thematic and sector ESG research, our Global ESG team is well-placed to identify those companies most at risk across each of the sectors they cover. We will be formally establishing and implementing this company engagement strategy during 2014.

Our approach to measuring the success and progress of our engagement will build upon the engagement practices we have been undertaking on behalf of large institutional clients over the past few years. Each engagement will be clearly measured against the following four milestones:

- Milestone 1: raising concerns with a company
- Milestone 2: acknowledgement of the issue by the company
- Milestone 3: company developing a credible strategy or realistic but appropriate targets
- Milestone 4: strategy implementation or reaching targets.

LEA 02	Mandatory	Gateway	PRI 1,2,3
LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.		

Type of engagement	Reason for interaction
<b>Individual/Internal staff engagements</b>	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
<b>Collaborative engagements</b>	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
<b>Service provider engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

## Process

### Process for engagements run internally

<b>LEA 03</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 03.1</b>	Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.
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☉ Yes

LEA  
03.2

Describe how you identify and prioritise engagements.

Regarding our approach to bilateral company engagement and voting at their annual general meetings, here our objective is to actively seek improved governance and ESG performance in order to underpin long-term business prospects. Our engagement approach maintains a focused link to investment, by seeking to reduce ESG material risks for investee companies and issuers. Accordingly, the results and outcomes of these engagements are in turn fed back into ESG research for a virtuous circle of good stewardship.

Aside from the numerous company management meetings that the Global ESG and the fundamental analysts have where ESG issues could be and are raised with management, in line with our formal engagement policy, our company engagement centres on four key themes:

- Climate change
- Corporate governance
- ESG disclosure
- ESG issues in supply chains

The advantage of these themes is that they are structural, and even systemic in the case of climate change, and thus apply to most sectors. Building on thematic and sector ESG research, our Global ESG team is well-placed to identify those companies most at risk across each of the sectors they cover.

No

LEA 04

Mandatory

Core Assessed

PRI 2

LEA  
04.1

Indicate if you define specific objectives for your engagement activities.

- Yes
- Yes, for all engagement activities
  - Yes, for the majority of engagement activities
  - Yes, for a minority of engagement activities
- No

LEA  
04.2

Indicate if you monitor the actions that companies take following your engagements.

- Yes
- Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases

<b>LEA 04.3</b>	Describe how you monitor and evaluate the progress of your engagement activities.
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Our approach to measuring the success and progress of our engagement is clearly measured against the following four milestones:

- Milestone 1: raising concerns with a company
- Milestone 2: acknowledgement of the issue by the company
- Milestone 3: company developing a credible strategy or realistic but appropriate targets
- Milestone 4: strategy implementation or reaching targets.

No

**Process for engagements conducted via collaborations**

<b>LEA 05</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 05.1</b>	Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.
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Yes

<b>LEA 05.2</b>	Describe how you identify and prioritise collaborative engagements.
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In relation to our public policy and collective engagement, before agreeing to take part in any form of engagement, our participation is approved by a senior investment management committee. They review each initiative on a case by case basis to ensure that the engagement is aligned with AllianzGI's strategic positioning. Importantly, each initiative has to be clear in its purpose and objectives.

No

<b>LEA 06</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 06.1</b>	Indicate if the collaborative engagements in which you are involved have defined objectives.
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- Yes
  - Yes, for all collaborative engagement activities
  - Yes, for the majority of collaborative engagement activities
  - Yes, for a minority of collaborative engagement activities
- No

**LEA 06.2** Indicate if you monitor the actions companies take following your collaborative engagements.

- Yes
  - Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases

**LEA 06.3** Describe how you monitor and evaluate the progress of your collaborative engagement activities.

Each collaborative engagement will vary depending on the size of the collaboration effort and who is leading the engagement. AllianzGI will only be involved if there are clear, measurable objectives. Before joining the initiative we would make sure that the governance of the initiative and terms of reference are clearly laid out. This would include regular review meetings to be minuted, proper terms of engagement etc. In this way, we ensure that progress of our collaborative engagement activities are clearly monitored and evaluated.

- No

**General processes for all three groups of engagers**

**LEA 09** Voluntary Additional Assessed PRI 1,2

**LEA 09.1** Indicate if the insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions.

Type of engagement	Insights shared
<b>Individual/Internal staff engagements</b>	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No
<b>Collaborative engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

**LEA 10** Mandatory Gateway/Core Assessed PRI 2

**LEA 10.1** Indicate if you track the number of companies you engage with.

Type of engagement	Tracking engagements
<b>Individual / Internal staff engagements</b>	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
<b>Collaborative engagements</b>	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

## Outputs and outcomes

LEA 11

Mandatory to Report Voluntary to Disclose

Core Assessed

PRI 2

LEA 11.1

Indicate the number of companies with which your organisation engaged during the reporting year.

	Number of companies engaged (avoid double counting, see explanatory notes)
Individual / Internal staff engagements	27
Collaborative engagements	11

LEA 11.2

Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]

Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	<input type="radio"/> > 50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None
Collaborative engagements	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None



**LEA 11.3** Indicate what percentage of your collaborative engagements you were a leading organisation during the reporting year. [Optional]

Type of engagement	% Leading role
Collaborative engagements	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

**LEA 13** Voluntary Descriptive **PRI 2**

**LEA 13.1** Indicate whether you have a reliable estimate of the number of cases during the reporting year where a company has changed its practices, or made a commitment to do so, following your organisation's and/or your service provider's engagement activities.

Yes

**LEA 13.2** Indicate the number of companies that changed or committed to change in the reporting year following your organisation's and/or your service provider's engagement activities.

	Number of company changes or commitments to change
Individual / Internal staff engagements	5
Collaborative engagements	

No

## Communication

**LEA 15** Mandatory Core Assessed **PRI 2,6**

**LEA 15.1** Indicate whether your organisation proactively discloses information on its engagements.

- We disclose it publicly
- We disclose it to clients and/or beneficiaries only

**LEA 15.3** Indicate what engagement information your organisation proactively discloses to clients/beneficiaries.

## Engagement information disclosed

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

LEA  
15.4

## Indicate how frequently you typically report engagements information

- Disclosed continuously (prior and post engagements)
- Disclosed quarterly
- Disclosed annually
- Disclosed every two years or less
- Other, specify  
**Semi-annually**
- We do not proactively disclose it to the public and/or clients/beneficiaries.

## (Proxy) voting and shareholder resolutions

### Overview

LEA 16

Voluntary

Descriptive

PRI 2

<b>LEA 16.1</b>	Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).
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Allianz Global Investors considers proxy voting to be a key part of the fiduciary responsibility that we have to our clients. Where we have voting authority for our clients' proxies, it is our policy to vote in a manner consistent with the best interests of our clients.

The Global Investment Management Group (GIMG), a subcommittee of the Allianz Global Executive Committee, has developed Global Proxy Voting Guidelines and Principles and reviews these periodically. The Global Proxy Voting Guidelines and Principles cover a variety of corporate governance issues, including board of director and board committee independence, executive compensation, and anti-takeover provisions. In addition, as signatories to the UN PRI (Principles for Responsible Investment), our proxy voting guidelines also ensure that sustainability-related issues are embedded in our approach. We support proposals that encourage increased transparency on forward-looking and strategy-related sustainability issues deemed material to the financial performance of a company.

Based on the Global Proxy Voting Guidelines and Principles, and recognizing regional variations across markets relating to regulatory and legal frameworks, best practice, actual market practice and disclosure regimes, each Allianz Global Investors' entity has developed its own formal guidelines for voting. Decisions on how to vote on specific proxy voting issues are the responsibility of Allianz Global Investors' local proxy voting committees. To prevent conflicts of interest, none of the votes submitted by Allianz Global Investors are biased by the opinion or voting wishes of other Allianz Global Investors' clients.

In evaluating issues, Allianz Global Investors' Proxy Voting Committees may consider information from many sources. These include the respective portfolio management team, the analyst responsible for monitoring the stock of the company, the management of the company presenting the proposal, and shareholder groups.

We also draw on a third party proxy voting service which assists with our proxy voting execution procedures, based on the proxy voting policy of each Allianz Global Investors entity. The third-party proxy voting service is responsible for administering our local corporate governance guidelines, making customized voting recommendations to our local proxy voting officers and preparing the execution. In addition, the third-party proxy provider can customize its voting recommendations based on the specific proxy voting policies of our clients.

## Process

<b>LEA 17</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>PRI 2</b>
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<b>LEA 17.1</b>	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.
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Approach
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- We use our own research or voting team and make our own voting decisions without the use of service providers.
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

Based primarily on

- the service provider voting policy signed off by us
- our own voting policy
- our clients requests or policy
- other, explain

We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.

We hire service provider(s) which make voting decisions on our behalf.

LEA 20	Voluntary	Additional Assessed	PRI 2
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LEA 20.1	Indicate if your organisation has a securities lending programme.
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- Yes
- No

LEA 20.3	Additional information. [Optional]
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AllianzGI do not have a securities lending programme. However, some of our clients use custodians who do. In these instances any securities lending is completely at the discretion of the client and their custodian.

LEA 21	Mandatory	Core Assessed	PRI 2
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LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
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- Yes, in most cases
- Sometimes, in the following cases:
  - votes in selected markets
  - votes on certain issues (all markets)
  - votes for significant shareholdings (all markets)
  - other, explain

We, at times, we meet with company management pre or post AGMs and in these meeting we may discuss our intended or actioned votes.

- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2
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**LEA 22.1** For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

We do track or collect this information

Votes cast (to the nearest 1%)

%

66

Specify the basis on which this percentage is calculated

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

We do not track or collect this information

LEA 24	Voluntary	Descriptive	PRI 2
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**LEA 24.1** Indicate if your organisation directly or via a service provider filed or co-filed any shareholder resolutions during the reporting year.

Yes

**LEA 24.2** Indicate the number of ESG shareholder resolutions you filed or co-filed.

Total number

1

**LEA 24.3** Indicate what percentage of these ESG shareholder resolutions.

Went to vote	% 0
Were withdrawn due to changes at company and/or negotiations with the company	% 0
Were withdrawn for other reasons	% 100

	Total
--	-------

100%

<b>LEA 24.5</b>	Describe the ESG shareholder resolutions that you filed or co-filed and the outcomes achieved.
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We looked to file a shareholder resolution at a leading global financial institution calling for a split between the combined roles of Chairman and CEO. However the initiative failed to gather the 0.5% shareholding requirement and, therefore, the resolution was not submitted for approval at the meeting.

No

<b>LEA 25</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
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<b>LEA 25.1</b>	Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.
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Add Example 1

Topic or ESG issue	Anti-takeover related
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	The adoption of advanced warning-type defense measures are harmful to both corporate value and shareholder interests
Scope and Process	At a global level, AllianzGI cast votes on anti-takeover related issues for 425 AGMs. 25 resolutions were voted against (Adopt, Renew or Amend Shareholder Rights Plan (Poison Pill), Authorize Share Issuance/Tender Offer/Share Exchange ...)
Outcomes	

Add Example 2

Topic or ESG issue	Non-salary compensation
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	To ensure that executive remuneration is aligned with shareholder interests.
Scope and Process	At a global level, AllianzGI cast votes on remuneration issues for 1443 AGMs. 348 resolutions were voted against (Approve Remuneration Report, Approve Stock Option Plan Grants ...)
Outcomes	

Add Example 3

Topic or ESG issue	Election and remuneration of Directors
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	To ensure that the board have a requisite balance of competence, experience, and knowledge of the company and of the industry the company is active in; to encourage also a diversified representation in terms of education, age, nationality, gender, etc. and independence
Scope and Process	At a global level, AllianzGI cast votes on Directors related issues for 1995 AGMs. 924 resolutions were voted against (election of overboarded or non-independent directors...)
Outcomes	

Add Example 4

Topic or ESG issue	Capital Structure and Corporate Finance Issues
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	To ensure that any capital increases aim to increase shareholder value in the long term with appropriate levels of dilution, as well as the protection of minority and existing shareholders
Scope and Process	At a global level, AllianzGI cast votes on capitalization issues for 1156 AGMs. 327 resolutions were voted against ( Issuance of Equity without Pre-emptive Rights, Reissuance of Repurchased Shares...)
Outcomes	

Add Example 5

Topic or ESG issue	Reorganization and mergers
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	To ensure that any merger or restructuring transaction offer fair value and the shareholders presumably cannot realise greater value through other means, but also the equal treatment of all shareholders and make sure that the corporate governance profile is not significantly worsened.
Scope and Process	At a global level, AllianzGI cast votes on capitalization issues for 323 AGMs. 48 resolutions were voted against (Approve Transaction with a Related Party, Waive Requirement for Mandatory Offer to All Shareholders...)
Outcomes	

- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

## Communication

LEA 26

Mandatory

Core Assessed

PRI 2,6



**LEA 26.1** Indicate if your organisation proactively discloses information on your voting activities.

We disclose it publicly

provide URL

<http://www.allianzglobalinvestors.de/web/main?page=/cms-out/ueber-uns/zahlen-und-fakten/corporate-governance.html>

provide URL

<http://us.allianzgi.com/Pages/AllianzGlobalInvestorsProxyPoliciesVotingRecords.aspx>

**LEA 26.2** Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

No

**LEA 26.3** Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Reporting to the public	Reporting to clients/beneficiaries
<p>Indicate how much of your voting record you disclose</p> <p><input checked="" type="radio"/> All voting decisions</p> <p><input type="radio"/> Some voting decisions</p> <p><input type="radio"/> Only abstentions and opposing vote decisions</p> <p><input type="radio"/> Summary of votes only</p>	<p>Indicate how much of your voting record you disclose</p> <p><input checked="" type="radio"/> All voting decisions</p> <p><input type="radio"/> Some voting decisions</p> <p><input type="radio"/> Only abstentions and opposing vote decisions</p> <p><input type="radio"/> Summary of votes only</p>
<p>Indicate what level of explanation you provide</p> <p><input type="radio"/> Explain all voting decisions</p> <p><input type="radio"/> Explain some voting decisions</p> <p><input type="radio"/> Only explain abstentions and votes against management</p> <p><input checked="" type="radio"/> No explanations provided</p>	<p>Indicate what level of explanation you provide</p> <p><input type="radio"/> Explain all voting decisions</p> <p><input type="radio"/> Explain some voting decisions</p> <p><input checked="" type="radio"/> Only explain abstentions and votes against management</p> <p><input type="radio"/> No explanations provided</p>

**LEA 26.4** Indicate how frequently you typically report voting information.

Reporting to the public	Reporting to clients/beneficiaries
<input type="radio"/> Continuously (primarily before meetings)	<input type="radio"/> Continuously (primarily before meetings)
<input type="radio"/> Continuously (soon after votes are cast)	<input type="radio"/> Continuously (soon after votes are cast)
<input type="radio"/> Quarterly or more frequently	<input type="radio"/> Quarterly or more frequently
<input checked="" type="radio"/> Between quarterly and annually	<input checked="" type="radio"/> Between quarterly and annually
<input type="radio"/> Less frequently than annually	<input type="radio"/> Less frequently than annually
<input type="radio"/> Other, specify	<input type="radio"/> Other, specify

- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

<b>LEA 26.6</b>	Additional information. [Optional]
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A link to our UK Regional Office's voting activity can be found below:

<http://www.allianzglobalinvestors.co.uk/en/products/InstitutionalInvestors/Corporate-Governance/Pages/UK-Voting.aspx>

A link to our French Regional Office's voting activity can be found below:

[http://www.allianzgi.fr/fileadmin/contribution/pdf/ISR/Rapport\\_AMF\\_exercice\\_des\\_droits\\_de\\_vote\\_\\_2013\\_fev14.pdf](http://www.allianzgi.fr/fileadmin/contribution/pdf/ISR/Rapport_AMF_exercice_des_droits_de_vote__2013_fev14.pdf)

# Allianz Global Investors

## Reported Information

### Public version

#### Direct - Fixed Income

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## ESG incorporation in actively managed fixed income

FI 03	Voluntary	Descriptive	PRI 1
Fixed Income - Government			

### Sovereign Bonds

An external data provider supplies the Global ESG team with quantitative data on three key areas:

- (i) Environment: greenhouse gases emissions, land use, water use, biodiversity protection, ratification of main environmental treaties and conventions
- (ii) Social: health, education, housing, social inequalities, ratification of International Labor Organization conventions
- (iii) Government oversight: rule of law, government effectiveness, regulatory quality, control of and perception of corruption

All these indicators come from internationally-recognized sources such as the World Bank and OECD. To form the sovereign bond ESG rating, further qualitative analysis is carried out on a set of 15 factors that have been identified through a collaborative process with portfolio managers. These factors are considered material enough to potentially have an impact on the ability of a government to generate future revenues (such as family policies, education, gender equality, research and development) or on its ability to face its future obligations (pensions systems, healthcare systems). Alongside these factors, others have been selected based on their ability to improve the country's social cohesion (respect for human rights and civil liberties, housing, environmental policies, integration of minorities, fight against corruption, justice).

## Fixed income - Government

FI 13	Mandatory	Core Assessed	PRI 1
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**FI 13.1** Indicate if you incorporate ESG issues in investment analysis and decision making for your government fixed income investments.

- Yes

**FI 13.2** Indicate for what percentage of your government fixed income investments you incorporate ESG issues in investment analysis and decision making.

- <10%
- 10-50%
- 51-90%
- >90%

**FI 13.3**

Indicate if in active strategies, E, S and G issues are reviewed while researching government issuers.

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

**FI 13.4**

Describe your approach to incorporating ESG issues in government fixed income investments. [Optional]

**Sovereign Bonds**

Our ESG external data providers supply the Global ESG team with quantitative data on three key areas:

- (i) Environment: greenhouse gases emissions, land use, water use, biodiversity protection, ratification of main environmental treaties and conventions
- (ii) Social: health, education, housing, social inequalities, ratification of International Labor Organization conventions
- (iii) Government oversight: rule of law, government effectiveness, regulatory quality, control of and perception of corruption

All these indicators come from internationally-recognized sources such as the World Bank and OECD. To form the sovereign bond ESG rating, further qualitative analysis is carried out on a set of 15 factors that have been identified through a collaborative process with portfolio managers. These factors are considered material enough to potentially have an impact on the ability of a government to generate future revenues (such as family policies, education, gender equality, research and development) or on its ability to face its future obligations (pensions systems, healthcare systems). Alongside these factors, others have been selected based on their ability to improve the country's social cohesion (respect for human rights and civil liberties, housing, environmental policies, integration of minorities, fight against corruption, justice).

No

## Outputs and outcomes

FI 15	Voluntary	Descriptive	PRI 1
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### Fixed Income - Government

- Narrow down or prioritise the investment universe
- Buy / sell / weight decisions
- Other, specify

## Communication

FI 18	Mandatory	Core Assessed	PRI 2,6
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**FI 18.1**

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.

- We disclose it publicly

Provide URL

<http://www.allianzgi.fr/isr/>

**FI 18.2**

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

**FI 18.3**

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

**FI 18.4**

Indicate how frequently you typically report this information.

- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify

No

- We disclose it to clients/beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries

<b>FI 18.5</b>	Additional information. [Optional]
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We are currently revising our English internet site and in the future the site will include a dedicated ESG section.

## Engagement in fixed income investments

### Fixed Income - Government

<b>FI 20</b>	Voluntary	Descriptive	PRI 2
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<b>FI 20.1</b>	Indicate if you engage with government issuers such as government departments (national or local), agencies and other entities in order to influence their approach to ESG issues that may affect creditworthiness.
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Yes

<b>FI 20.2</b>	Please describe your organisation's approach to engagement in government fixed income.
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AllianzGI's involvement with the EITI (please see the Overarching Approach for more information on our involvement with the EITI) involves direct engagement with government departments and the initiative clearly influences their approach to governance issues within the extractive industries that affect their overall creditworthiness. For example, Fitch Ratings pointed to the State Oil Fund of Azerbaijan Republic's work with the EITI when it upgraded the country's rating in 2010.

No

Investing involves risk. The value of an investment and the income from it could fall as well as rise and investors might not get back the full amount invested. The views and opinions expressed herein, which are subject to change without notice, are those of the issuer companies at the time of publication. The data used is derived from various sources, and assumed to be correct and reliable, but it has not been independently verified; its accuracy or completeness is not guaranteed and no liability is assumed for any direct or consequential losses arising from its use, unless caused by gross negligence or wilful misconduct. The conditions of any underlying offer or contract that may have been, or will be, made or concluded, shall prevail. This is a marketing communication issued by Allianz Global Investors Europe GmbH, [www.allianzgi.com](http://www.allianzgi.com), an investment company with limited liability, incorporated in Germany, with its registered office at Bockenheimer Landstrasse 42-44, 60323 Frankfurt/M, registered with the local court Frankfurt/M under HRB 9340, authorised by Bundesanstalt für Finanzdienstleistungsaufsicht ([www.bafin.de](http://www.bafin.de)). Allianz Global Investors Europe GmbH has established a branch in the United Kingdom, Allianz Global Investors Europe GmbH, UK branch, [www.allianzglobalinvestors.co.uk](http://www.allianzglobalinvestors.co.uk), which is subject to limited regulation by the Financial Conduct Authority ([www.fca.org.uk](http://www.fca.org.uk)). Details about the extent of our regulation by the Financial Conduct Authority are available from us on request.