

– PIMCO Private Corporate Lending Fund, SCSp –

Sustainability-related disclosures

| <b>Product Name (together, the “Fund”)</b>               | <b>LEI Number</b>    |
|--|----------------------|
| PIMCO Private Corporate Lending Fund, SCSp               | 254900T8PQ2RN4U5F008 |
| PIMCO Private Corporate Lending Fund Lux Feeder, SCSp    | 2549005EY23MRT3YS365 |
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| v1                     | October 2024 | Disclosures uploaded to PIMCO’s investor portal to comply with Article 10 of the SFDR and of the Delegated Act. |

**IMPORTANT NOTICE**

THIS DISCLOSURE IS PROVIDED PURSUANT TO EUROPEAN UNION REGULATORY REQUIREMENTS AND IS NOT INTENDED FOR USE BY INVESTORS OUTSIDE OF THE EUROPEAN UNION.

This disclosure is made in respect of the Fund pursuant to Article 10 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (“**SFDR**”) as supplemented by the Commission Delegated Regulation 2022/1288 of 6 April 2022 (the “**Delegated Act**”).

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OR AN INVITATION TO SUBSCRIBE TO INTERESTS OF THE FUND OR ANY OTHER ALTERNATIVE INVESTMENT VEHICLE FOR WHICH PACIFIC INVESTMENT MANAGEMENT COMPANY LLC, A DELAWARE LIMITED LIABILITY COMPANY (“**PIMCO**” OR THE “**INVESTMENT MANAGER**”) SERVES AS AIFM, THE PORTFOLIO MANAGER OR THE INVESTMENT MANAGER, AND THE INFORMATION PRESENTED IN THIS DOCUMENT SHOULD NOT BE RELIED UPON BECAUSE IT IS INCOMPLETE AND MAY BE SUBJECT TO CHANGE.

The term “**PIMCO**” as used in this disclosure refers to the group to which the Fund and the Investment Manager belong, together with each of their respective associates from time to time. References to “we”, “us” or “our” in this document are references to PIMCO and not, for the avoidance of doubt, to any PIMCO investment professional.

In case of inconsistencies between this document and the Memorandum of the Fund, the Memorandum of the Fund shall prevail. Defined terms not otherwise defined have the meaning given to them in the Memorandum.

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### **(a) Summary**

This financial product promotes environmental or social characteristics, and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments.

For each prospective sustainable investment made by the Fund, PIMCO will conduct an assessment of whether the investment complies with the principle of “do no significant harm” (“**DNSH Principle**”) for the purposes of SFDR.

The Investment Manager will apply PIMCO’s ESG policy, which integrates material ESG factors into its investment research and underwriting process in order ensure that prospective sustainable investments do not cause significant harm to any environmental or social sustainable investment objectives as part of the assessment of potential sustainability risks. In particular, the Fund will not treat as sustainable, any borrower that exceeds any of the following revenue exposure thresholds to certain sectors.

- a. Oil Sands <5%
- b. Oil Exploration and Production <5%
- c. Coal <5%
- d. Conventional Oil and Gas <10%
- e. Generation - Coal <5%
- f. Generation - Liquid Fuel <=10%
- g. Weapons: Companies deriving more than 0% revenue from certain controversial activities\*

\*Directly manufacturing and distributing cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, binding lasers, non-detectable fragments, nuclear weapons, and incendiary weapons.

The Investment Manager will seeks to analyse the potential of prospective sustainable investments to adversely impact sustainability factors on a reasonable efforts basis subject to, for example, data availability. Where principal adverse impacts are identified within the target company’s activities and operations, these factors are integrated into the investment analysis and ongoing monitoring.

As part of its broader approach to considering whether a prospective investment satisfies the DNSH principle, relevant elements of the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights will be included.

The Fund will promote environmental and/or social (“**E/S**”) characteristics by encouraging and assessing environmental, social and governance (“**ESG**”) reporting by the borrowing base through ESG oriented diligence efforts to seek to achieve increased transparency and sustainability-related data reporting and monitoring by borrowers. The Investment Manager considers that improved monitoring and reporting may indirectly contribute to improvements in the underlying ESG performance of investee companies.

Assets that produce unacceptably high negative environmental consequences, will be subject to an exclusion for Prohibited Investments, as further set out in the Memorandum.

The Fund's investment strategy will be to seek to achieve its Target Return by investing principally in privately originated senior loans to predominantly U.S. corporate borrowers. The Fund's investments may be newly created (and may be specifically designed for or by the Fund) or existing and may be acquired on a primary basis (including through the direct provision of capital) or on the secondary markets.

While the Fund primarily expects to invest in privately originated corporate senior loans, the Fund may take positions in other securities or financial assets that the Investment Manager believes may offer attractive trading or investment opportunities, such as preferred or common equities.

PIMCO seeks to ensure that good governance practices are followed by fostering transparency and accountability, including with respect to sustainability, for all of the Fund's assets. Attention is paid to the contractual relationships of the Fund, taking into consideration executive pay, bribery and corruption, political lobbying and donations, working conditions, tax strategy, and other relevant factors.

An investment will be counted towards “#1 Aligned with E/S Characteristics” where: the investee company complies with the Fund's exclusion list for Prohibited Investments; and (i) the investee company's loan agreement includes an ESG-related reporting requirement; or (ii) the investee company has responded to the diligence template based on the ESG Integrated Disclosure Project (IDP) to the Investment Manager.

Taking the above considerations into account, the Fund is committed to invest a minimum proportion of 60 % in investments falling within the “#1 Aligned with E/S characteristics” (to be measured once the Fund is fully invested, and allowing for ramp-up and ramp-down periods as applicable during the life of Fund).

Investee companies will be asked to provide data relating to selected ESG-related metrics based on the Integrated Disclosure Project ESG Questionnaire (or an equivalent industry led ESG reporting framework for private credit and syndicated loan markets) and the Fund will report to investors the percentage of companies responding to such survey.

The data collected may vary between investee companies, and the Investment Manager intends to use such data collection to encourage investee companies to improve their efforts at meeting the relevant underlying ESG-related metrics. The feasibility of this engagement and subsequent alignment with environmental and social characteristics will vary between investee companies, particularly for secondary market investees given the variety of circumstances such investees may be in and encouragement towards closer alignment with ESG characteristics will need to be on a case-by-case basis.

The Fund will rely on the data provided directly by borrowers through the Integrated Disclosure Project ESG Questionnaire (or an equivalent industry led ESG reporting framework for private credit and syndicated loan markets) and on publicly available information or other ESG-related disclosures made available to the Investment Manager through the sponsor or other counterparties, including third party vendors such as MSCI and RepRisk, where available, to assess whether the Fund's sustainability indicators are met and to provide investors with ongoing reporting. Where

appropriate, the Investment Manager will reach out directly to investee companies to confirm reliability of data provided or require further information.

The Investment Manager will apply a Fund-level screening based on the list of Prohibited Investments (as defined in the Memorandum) that precludes investment based on certain pre-determined exclusion criteria which the Investment Manager believes to have an unacceptably negative environmental and/or social impact.

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund.

*This summary was prepared in English and is being translated to other official languages of the European Union. In case of any inconsistencies or conflict between the different versions of the summary, the English language version shall prevail.*

**(b) No sustainable investment objective**

This financial product promotes environmental or social characteristics, and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments.

For each prospective sustainable investment made by the Fund, PIMCO will conduct an assessment of whether the investment complies with the DNSH Principle for the purposes of SFDR.

The Investment Manager will apply PIMCO's ESG policy, which integrates material ESG factors into its investment research and underwriting process in order ensure that prospective sustainable investments do not cause significant harm to any environmental or social sustainable investment objectives as part of the assessment of potential sustainability risks.

In particular, the Fund will not treat as sustainable, any borrower that exceeds any of the following revenue exposure thresholds to certain sectors.

- a. Oil Sands <5%
- b. Oil Exploration and Production <5%
- c. Coal <5%
- d. Conventional Oil and Gas <10%
- e. Generation - Coal <5%
- f. Generation - Liquid Fuel <=10%
- g. Weapons: Companies deriving more than 0% revenue from certain controversial activities\*

\*Directly manufacturing and distributing cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, binding lasers, non-detectable fragments, nuclear weapons, and incendiary weapons.

The Investment Manager will consider applicable principal adverse impacts (“**PAIs**”), should information be available; however limited data coverage is expected in the short-term.

The Investment Manager will seek to analyse the potential of prospective sustainable investments to adversely impact sustainability factors on a reasonable efforts basis subject to, for example, data availability. Where principal adverse impacts are identified within the target company's activities and operations, these factors are integrated into the investment analysis and ongoing monitoring.

Where the Investment Manager is unable to obtain reliable data with respect to a particular PAI indicator, the Investment Manager shall undertake a risk-based assessment to determine the potential for an investee company to create an adverse impact with respect to a particular PAI topic, having regard to the severity and likelihood of such impacts.

As part of its broader approach to considering whether a prospective investment satisfies the DNSH principle, and applying a risk-based approach having regard to the severity and likelihood of potential impacts, the Manager will consider whether there is evidence of failures by an investee company to comply with minimum human rights safeguards, and the Manager will monitor the alignment of the Fund's sustainable investments with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

#### **(c) Environmental or social characteristics of the financial product**

The Fund focuses on investment through privately originated loans to predominantly US corporate borrowers, including primary originations and secondary purchases, through a range of lending and financing products and services.

The Fund will promote E/S characteristics by encouraging and assessing ESG reporting by the borrowing base through ESG oriented diligence efforts to seek to achieve increased transparency and sustainability-related data reporting and monitoring by borrowers. The Investment Manager considers that improved monitoring and reporting may indirectly contribute to improvements in the underlying ESG performance of investee companies.

Assets that produce unacceptably high negative environmental consequences, will be subject to an exclusion for Prohibited Investments, as further set out in the Memorandum.

#### **(d) Investment strategy**

##### *Investment Strategy*

The Fund's investment strategy will be to seek to achieve its Target Return by investing principally in privately originated senior loans to predominantly U.S. corporate borrowers. The Fund's investments may be newly created (and may be specifically designed for or by the Fund) or existing and may be acquired on a primary basis (including through the direct provision of capital) or on the secondary markets.

While the Fund primarily expects to invest in privately originated corporate senior loans, the Fund may take positions in other securities or financial assets that the Investment Manager believes may offer attractive trading or investment opportunities, such as preferred or common equities.

In implementing the investment strategy of the Fund, the Investment Manager may utilize any investment, hedging, or financing techniques that the Investment Manager believes may help achieve the Fund's investment objective. The Investment Manager may also engage in activities to enhance or dispose of the Fund's investments through whatever manner or strategy it deems advisable, as further described in the "Investment Strategy" section in the Memorandum.

#### *Policy to assess good governance practices of the investee companies*

PIMCO seeks to ensure that good governance practices are followed, as it believes that there are certain corporate activities or behaviours that it does not wish to be associated with. This is done by fostering transparency and accountability, including with respect to sustainability, for all of the Fund's assets. Attention is paid to the contractual relationships of the Fund, taking into consideration executive pay, bribery and corruption, political lobbying and donations, working conditions, tax strategy, and other relevant factors.

Furthermore, the Investment Manager will assess the governance framework of investee companies, by seeking to collect data covering key indicators such as sound management structures, employee relations, remuneration of staff and tax compliance practices.

The relevant data will be collected through the distribution of a diligence template based on the ESG Integrated Disclosure Project (IDP) and will be assessed by the Investment Manager considering, for example, publicly available information, engagement with management and other relevant due diligence processes. The Investment Manager will assess the responses provided by the borrower (e.g. lack of governance policies, disclosure of fines and penalties, disclosure of significant existing controversies and litigations). The governance framework of potential investee companies will also be assessed as part of the pre-investment due diligence process through an ESG diligence template which will be included in the deal memorandum.

Where the Investment Manager considers that the borrower does not meet PIMCO's standards of good governance based on the assessment described above, and which do not suggest potential for improvement, may not be eligible for the Fund. However, prospective investee companies which do indicate potential for improvement will still be eligible if the Investment Manager reasonably believes that engagement could lead to improved governance practices within a reasonable timeframe.

#### **(e) Proportion of investments**

As the investment strategy will include a broad mandate to invest across loan originations, loan syndications, and secondary market credit opportunities, PIMCO is likely to have limited control to direct investment companies as to their ESG integration. PIMCO will also have different degrees of influence across these different investment opportunities.

As a result, the proportion of investments which will align with the Fund's promoted E/S characteristics is expected to develop over time.

An investment will be counted towards “#1 Aligned with E/S Characteristics” where: the investee company complies with the Fund’s exclusion list for Prohibited Investments; and (i) the investee company’s loan agreement includes an ESG-related reporting requirement; or (ii) the investee company has responded to the diligence template based on the ESG Integrated Disclosure Project (IDP) to the Investment Manager.

Taking the above considerations into account, the Fund is committed to invest a minimum proportion of 60 % in investments that can be considered to promote the E/S characteristics (“**E/S investments**”), and falling within the “#1 Aligned with E/S characteristics” (to be measured once the Fund is fully invested, and allowing for ramp-up and ramp-down periods as applicable during the life of Fund).

The Fund will seek to invest at least 10% in sustainable investments (the “**Sustainable Borrower Ratio**”), allowing for the Fund’s Investment Period as a ramp-up period, and a ramp-down period as the Fund’s investments mature and are repaid. In the case of follow-on investments or recycling of capital, as permitted in accordance with the Fund’s investment strategy, the Fund will maintain a Sustainable Borrower Ratio of at least 10%.

The sustainable investments made by the Fund are expected to contribute to both environmentally sustainable investments and socially sustainable investments; however, there is no fixed proportion as between sustainable investments contributing to environmental objectives or social objectives, and the Fund makes no minimum commitment in respect of either type of sustainable investment.

Investments including under #2 Other will include credit investments not meeting the criteria for inclusion in #1 Aligned above.

The Fund’s assets may from time to time also include cash and cash equivalent positions held for the purposes of liquidity management or in connection with subscriptions, redemptions or the making of investments. The Fund may also hold assets, including derivatives, for the purposes of hedging risk including currency and interest rate risks. Such assets are not expected to contribute to the Fund’s E/S characteristics. The Fund will not use derivatives to promote E/S characteristics but will only use derivatives for hedging currency risk. The use of derivatives will not feature as part of the investment strategy.

The Investment Manager will apply a Fund-level screening based on the list of Prohibited Investments that precludes investment based on certain pre-determined exclusion criteria which the Investment Manager believes to have an unacceptably negative environmental and/or social impact. The Prohibited Investments list is used to determine whether a loan would carry material ESG Risk and/or carries ESG Risk which could negatively impact the returns of the Fund in a material manner, and the Fund should not therefore engage in it.

#### **(f) Monitoring of environmental or social characteristics**

Investee companies will be asked to provide data relating to selected ESG-related metrics based on the Integrated Disclosure Project ESG Questionnaire (or an equivalent industry led ESG reporting framework for private credit and syndicated loan markets) and the Fund will report to investors the percentage of companies responding to such survey.

For loan agreements originated by the Investment Manager, and for syndicated and secondary market transactions on a reasonable efforts basis, post-investment, the Investment Manager will engage with investee companies' management with the intention to encourage ESG data collection and reporting by the borrower, based on the Integrated Disclosure Project ESG Questionnaire.

The data collected may vary between investee companies, and the Investment Manager intends to use such data collection to encourage investee companies to improve their efforts at meeting the relevant underlying ESG-related metrics. The feasibility of this engagement and subsequent alignment with environmental and social characteristics will vary between investee companies, particularly for secondary market investees given the variety of circumstances such investees may be in and encouragement towards closer alignment with ESG characteristics will need to be on a case-by-case basis.

### **(g) Methodologies**

The following sustainability indicator will be employed to measure the attainment of the E/S characteristics discussed above.

- % of investments reporting selected ESG-related metrics.

This information will be based on the annual ESG-related data collection prepared by the Fund based on the Integrated Disclosure Project ESG Questionnaire (or an equivalent industry led ESG reporting framework for private credit and syndicated loan markets).

### **(h) Data sources and processing**

The Fund will rely on the data provided directly by borrowers through the Integrated Disclosure Project ESG Questionnaire (or an equivalent industry led ESG reporting framework for private credit and syndicated loan markets) and on publicly available information or other ESG-related disclosures made available to the Investment Manager through the sponsor or other counterparties, including third party vendors such as MSCI and RepRisk, where available, to assess whether the Fund's sustainability indicators are met and to provide investors with ongoing reporting.

The data will be assessed in-house by the Investment Manager considering, for example, publicly available information, engagement with management and other relevant internal due diligence processes.

The Investment Manager will not estimate data when actual data for a particular metric is not provided by certain borrowers.

### **(i) Limitations to methodologies and data**

Borrowers may not be subject to ESG disclosure requirements or have in place internal ESG reporting mechanisms. Where possible, the Investment Manager will engage with investee companies' management to provide guidance and support with the intention of encouraging borrowers to strengthen their reporting mechanisms. However, as an investor in credit positions, PIMCO will have limited control to direct investee companies on their ESG reporting mechanisms,



and any encouragement towards close alignment with ESG characteristics will need to be on a case-by-case basis.

The Investment Manager will rely on the information provided to it from investee companies and other sources enumerated above which, in most cases, may not be externally verified. Where appropriate, the Investment Manager will reach out directly to investee companies to confirm reliability of data provided or require further information.

#### **(j) Due diligence**

The Investment Manager will apply a Fund-level screening based on the list of Prohibited Investments (as defined in the Memorandum) that precludes investment based on certain pre-determined exclusion criteria which the Investment Manager believes to have an unacceptably negative environmental and/or social impact. The Prohibited Investments list is used to determine whether a loan would carry material ESG Risk and/or carries ESG Risk which could negatively impact the returns of the Fund in a material manner, and the Fund should not therefore engage in it.

The Fund will also avoid investments in “High Carbon Emitters” (defined as companies having a high carbon intensity for Scopes 1 and 2 GHG emissions as reasonably determined by the Investment Manager), that do not have credible decarbonization goals or which have not adopted a Paris-aligned pathway (to be determined by the Investment Manager).

#### **(k) Engagement policies**

As part of the data collection and monitoring processes, for loan agreements originated by the Investment Manager, and for syndicated and secondary market transactions on a reasonable efforts basis, post-investment, the Investment Manager will engage with investee companies’ management with the intention to encourage ESG data collection and reporting by the borrower, based on the Integrated Disclosure Project ESG Questionnaire.

The Investment Manager will seek to engage collaboratively with borrowers, where appropriate, to encourage further ESG monitoring and reporting. The level of such engagement and the particular environmental and social characteristics upon which such investee companies may be encouraged to improve will vary between investments, noting that credit products will be tailored between investee companies.

#### **(l) Designated reference benchmark**

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund.