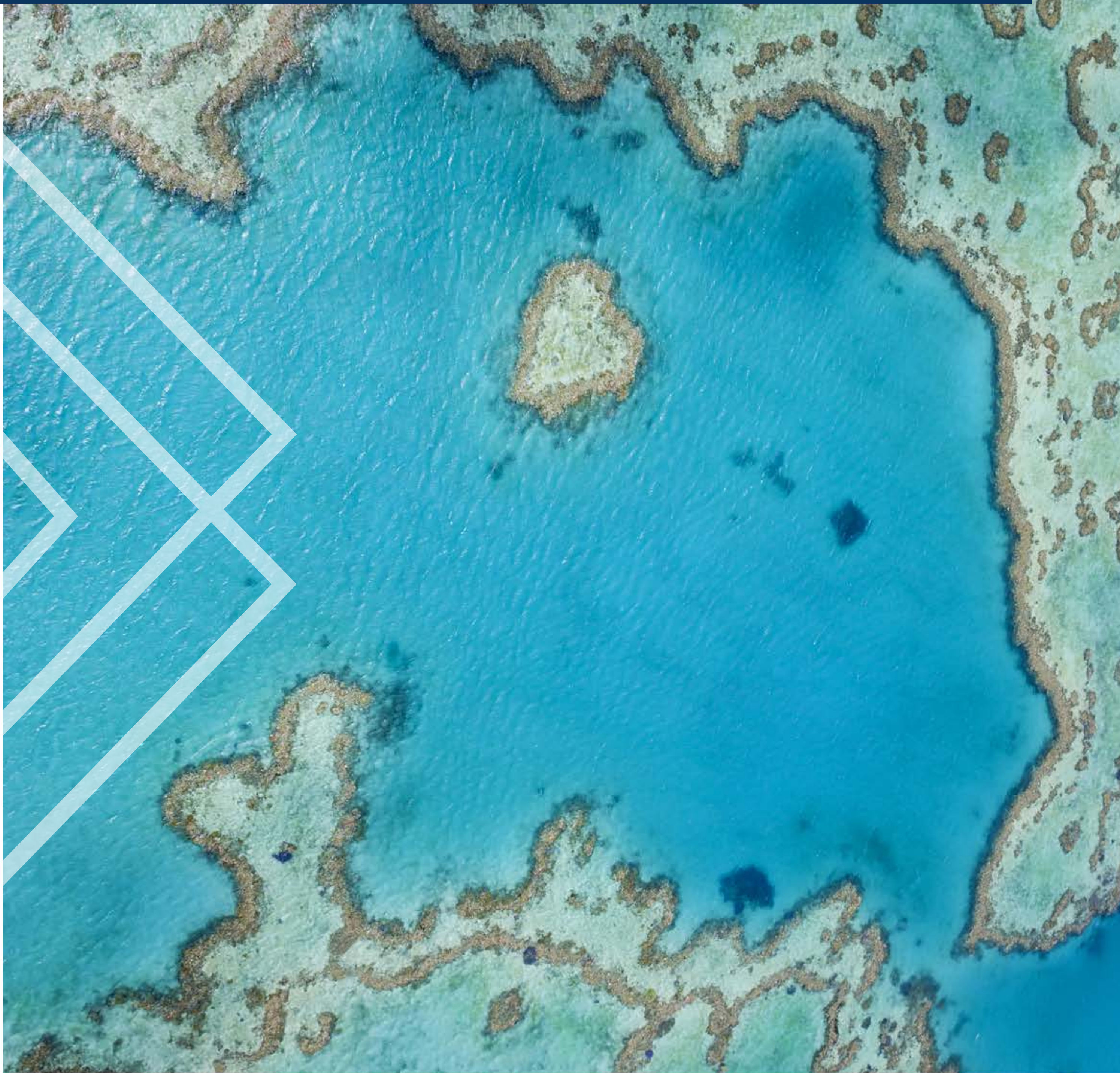
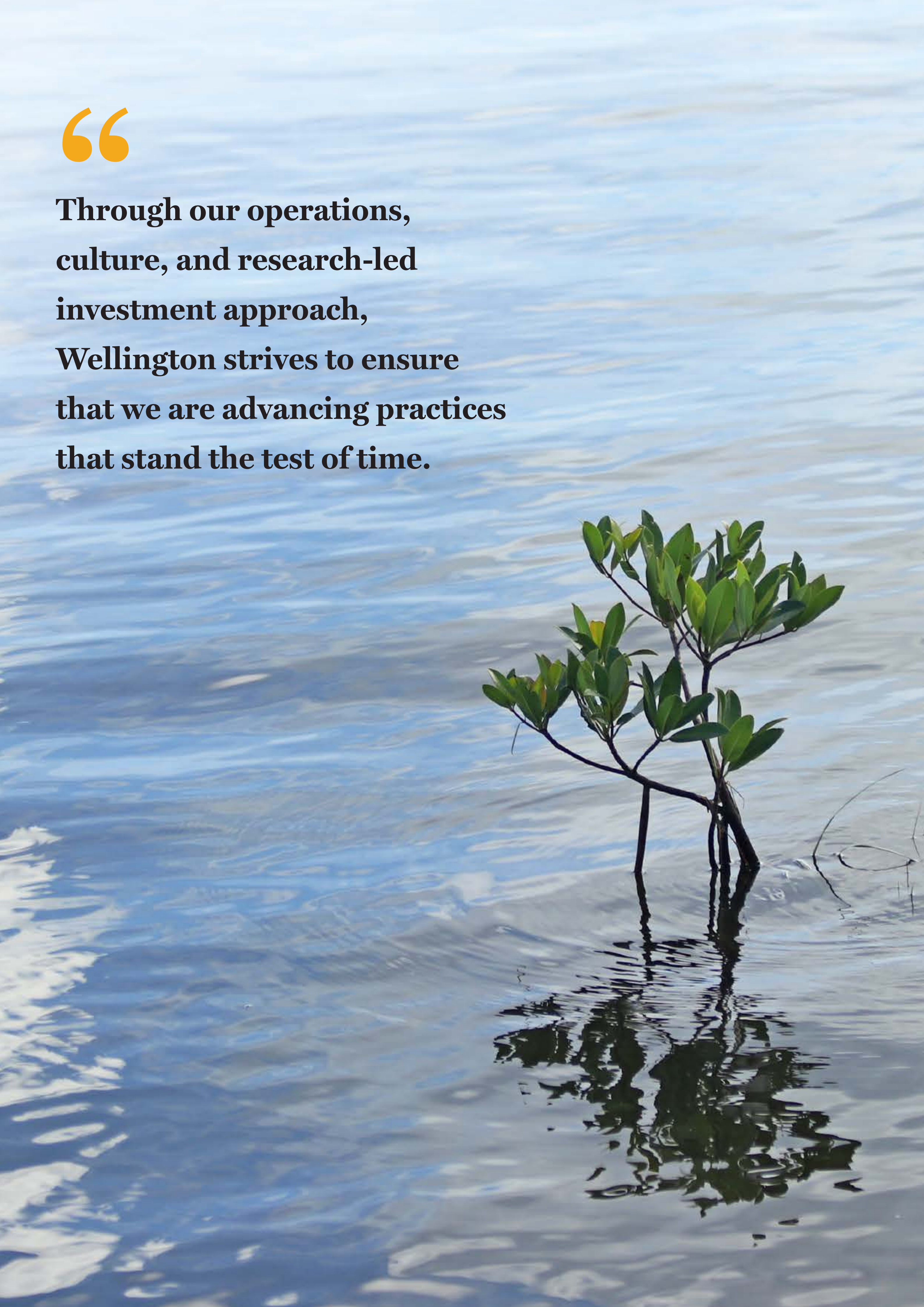
WELLINGTON
MANAGEMENT®



Sustainability Report

JUNE 2020



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Through our operations, culture, and research-led investment approach, Wellington strives to ensure that we are advancing practices that stand the test of time.

Message from leadership

One of the key legacies of the founding partners of Wellington is the notion of sustainability and stewardship — the idea that we are all just “passing through” and it is incumbent on the current generation to leave the place in better shape for future generations. While this notion focuses on our firm, we believe the concept applies broadly. In this, our first Sustainability Report, we share our approach to sustainable investment as well as our firm’s own sustainable practices. The word sustain derives from the French "soutenir," meaning to “hold up” or “endure.” Through our operations, culture, and research-led investment approach, Wellington strives to ensure that we are advancing practices that stand the test of time.

As the world struggles to overcome the devastating coronavirus pandemic and address long-standing racial inequities, a commitment to sustainability has never been more important. We have long aimed to support the core concepts of sustainable investing and stewardship within our investment practices and to embrace our responsibility to our clients, the environment, the community, and our people through our internal initiatives.

As we look ahead to recovering from this health crisis and taking meaningful action to tackle racial injustice, we have a number of goals. First, we aim to hold ourselves accountable for greater diversity and inclusion and environmental awareness in our own operations. Second, we remain focused on establishing transparency, engaging with issuers to encourage best practices, and cultivating partnerships to expand our knowledge and efficacy on issues that have the potential to affect companies, economies, and society. Finally, we will continue to complement our traditional financial analyses with efforts to enhance stewardship, engagement, and sustainability, as it is clear to us that these things are, increasingly, potential drivers of value and returns.

We are committed to continuous improvement in sustainable investing and our internal sustainable practices. We appreciate the opportunity to share our commitment and evolution with you.

Brendan J Swords

Brendan Swords, CFA,
Chief Executive Officer

Wendy M Cromwell

Wendy Cromwell, CFA,
Vice Chair and Director, Sustainable Investment

Wellington by the numbers

BUSINESS

US$1.1 trillion of client assets under management

More than 2,200 clients

Clients in over 60 countries

PEOPLE AND PORTFOLIOS

826 investment professionals with 18 years of experience, on average

177 active partners

34 professionals dedicated to sustainable investment

15-member Investment Stewardship Committee (ISC) with representation across functions and regions

2019 ENGAGEMENT

Proxies voted for more than 5,000 companies in 65 markets annually

Over 16,000 meetings with CEOs, board members, or company executives in 2019[1]

Collaboration with more than 15 industry initiatives

[1]Represents meetings, rather than companies engaged with.
All figures as of 31 December, 2019. For the Wellington Management group of companies.

Four decades of forward thinking

Long-term investing is part of Wellington's heritage. For the past four decades, our professionals have collaborated every five to seven years on a firmwide, interdisciplinary research initiative called Future Themes, exploring provocative investment ideas to address emerging global trends and challenges. This tradition, which continues today, informs our sustainable investing research.

1970s – present

Began Future Themes research

1995

Launched a Shari'ah-compliant global equity strategy, collaborating with Harvard University and the Islamic Development Bank

2006

Became subadvisor for Domini equity approach[2]

2007

Launched Climate Strategy[1]

2011

Formalized ESG Research Team

2012

Signed the UN Principles for Responsible Investment (PRI)

2015

Launched Global Impact

Launched Emerging Market Development[3]

2016

Joined the Global Impact Investment Network (GIIN)

2017

Launched Global Impact Bond

Launched Low Carbon Emerging Markets Systematic Equity

Signed Statement of Support for TCFD[4]

2018

Wendy Cromwell elected to PRI board

Began Woodwell Climate Research Center collaboration

2019

Launched Global Stewards

Launched Broader Perspectives

Began managing Vanguard Global ESG Select Stock

Chris Goolgasian named to CFTC[5] Climate-Related Market Risk Subcommittee

[1] Formerly Global Environmental Opportunities.
[2] Wellington Management and Domini are independent and unaffiliated entities, each of which offer their own investment products and services.
[3] Formerly Emerging Market Themes.
[4] Task Force on Climate-related Financial Disclosures
[5] Commodity Futures Trading Commission.

Approach to sustainable investing: Partner, invest, engage

We believe achieving our clients' investment goals means further integrating our sustainable research and engagement practices across our investment platform. Our holistic approach triangulates insights on potential investments from equity, credit, and research perspectives.

- Partner with industry leaders, the scientific community, and academia
- Invest across a range of sustainable approaches with the intention to outperform our benchmarks and deliver competitive returns for our clients
- Engage with companies to understand their strategy, financial and nonfinancial performance and risk, capital structures, social and environmental impact, and corporate governance

With these efforts, we intend to advance sustainable investing and expand the sustainability ecosystem.

KEY PARTNERSHIPS

We cultivate thought partnerships with sustainability-focused organizations within and outside our industry, in pursuit of better investment outcomes. We work with experts, from climate scientists to academicians, on a range of topics with the intention of deepening sustainability insights.

CLOSE AFFILIATIONS

PRI Principles for Responsible Investment

We have been signatories to the United Nations-supported Principles for Responsible Investment (PRI) since 2012. This network of international investors works to put the six Principles into practice. In December 2018, Director of Sustainable Investment Wendy Cromwell was elected to be one of two asset manager representatives on the 10-person board. She also serves as chair of the PRI's Finance, Audit, and Risk Committee and as a member of the HR and Remuneration Committee.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

We aim to assess, monitor, and manage the potential effects of climate change on our investment processes and portfolios, as well as on our business operations. In December 2017, we signed the Statement of Support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. The TCFD framework aligns with our belief that climate change is a strategic business issue that can impact long-term financial performance.

GIIN® MEMBER

We have been members of GIIN since 2016, and a member of our Sustainable Investment Team is on the GIIN's Listed Equities Working Group. This nonprofit organization is an industry leader whose work supports impact investors, helps grow and improve their impact practices, and expands the impact universe through collaboration and strategic partnerships.

ALL AFFILIATIONS*

Responsible investment
- UN PRI
- PRI Statement on ESG in credit ratings

Stewardship codes
- UK Stewardship Code
- Japan Stewardship Code
- Hong Kong Principles of Responsible Ownership
- Investor Stewardship Group's Framework for US Stewardship and Governance

Corporate governance
- International Corporate Governance Network (ICGN)
- Asian Corporate Governance Association (ACGA)

Impact & ESG data
- GIIN
- Global Real Estate Sustainability Benchmark (GRESB)

Climate change
- TCFD
- Transition Pathway Initiative (TPI)
- CDP (formerly the Carbon Disclosure Project)
- Ceres Investor Network on Climate Risk and Sustainability

*Joined CA1000+ and Investor Forum in Q1 2020.

SUSTAINABLE DEVELOPMENT GOALS

Wellington supports the UN Sustainable Development Goals (SDGs), a blueprint for raising global economic growth, lowering inequality, and protecting the environment for future generations. In our impact investing approaches, we have 11 impact themes based on years of research and extensive consultation with internal and external advisors. When the UN SDGs were published in late 2015, we were pleased to see how well our themes aligned. For each company and issuer in our impact portfolios, we tag the goal or goals it aligns with, as well as any of the 169 underlying targets outlined by the UN. Our inclusion criteria and standards result in strategies that naturally support many of the SDGs. All companies in our impact portfolios aim to offer solutions to these major challenges and help improve social and environmental conditions.

UN SDGS AND WELLINGTON'S IMPACT INVESTING ALIGNMENT

Wellington Management supports the UN SDG's. Wellington determines the UN SDGs that it believes each company or issuer is aligned with. Other investment firms may take a different view. | Sources: Wellington Management, www.un.org

ACADEMIA

Our work with academia is done in support of SDG 17, Partnerships for the Goals. We have collaborated with leading institutions to share knowledge, expertise, and resources to advance sustainable development. Our researchers have been invited to speak or teach workshops on topics such as impact investing and physical climate risk at a number of US academic institutions including The Fletcher School, Tufts' graduate school of international affairs; Northeastern University; and Harvard Business School.

Woodwell Climate Research Center

COLLABORATION WITH WOODWELL CLIMATE RESEARCH CENTER

Climate change is a key area of focus for us. We began engaging with some portfolio companies to encourage adoption of the TCFD reporting framework in 2017, and since September 2018, we have been collaborating with Woodwell Climate Research Center (WCRC), the world's leading independent climate research institute. Working with the climate scientists at WCRC, we study the physical effects of climate change on capital markets and asset prices, integrating those findings into our investment practices through geospatial mapping.

The scope of our initiative includes the study of seven climate variables: heat, drought, wildfires, floods, hurricanes, water availability, and air quality. Each of the variables — and combinations thereof — pose different degrees of risk to various regions and asset types. For example, in many places, more days of extreme heat, longer droughts, or repeated flooding could lead to mass migration. As people abandon intolerable places for more livable ones, asset values will likely fall in the former and rise in the latter.

The goals of our work with WCRC are to:

- Bridge the gap between climate science and capital markets
- Understand which companies and regions factor in climate change
- Improve our ability to quantify liabilities and appropriately price securities
- Better assess material business costs and consequences
- Raise awareness of physical climate risks to promote resilience and adaptation

MAPPING THE EFFECTS

Integrated spatial finance is what we call the visual plotting of capital-market variables over climate variables on a series of global maps. This work facilitates our ability to integrate fundamental investment insights into climate science. It also enables us to better analyze and question those insights, and to draw practical, action-oriented conclusions. A high-level summary of our process follows:

- Determine most relevant metric for each climate variable
- Create map(s) to highlight change(s) in climate metric by geographic area
- Overlay map(s) with portfolio holdings and relevant holdings characteristics
- Analyze securities with similar characteristics and pricing but different climate outcomes

RESULTS

Insights from our maps enable our investors to compare relative valuations and have more constructive dialogue with executive teams. We encourage investors to focus on location as a key input into their process. Sectors with significant dependence on fixed locations, such as real estate, mortgages, municipal bonds, insurance, utilities, infrastructure, and agriculture may be the most negatively affected. Sectors with more movable assets may be better off. For entities with long-term investment horizons, climate change presents a significant strategic challenge. We work closely with WCRC and organizations like these in distinct, expanded strategic relationships aimed at incorporating greater degrees of climate science into their investment processes.

P-ROCC FRAMEWORK

Another important output of our climate work is our Physical Risks of Climate Change (P-ROCC) framework. In conducting our research, we noted a lack of detailed company disclosures on the physical effects of climate change. In 2019, working alongside California Public Employees' Retirement System (CalPERS), we published P-ROCC, a guide with which we intend to help company management teams integrate climate science-based scenarios into their strategic planning and disclosures. The connection between our climate research and company engagement is direct, helping us raise awareness with management regarding the science and their organizations' vulnerabilities. We believe our proactive work may provide the impetus for them to invest in their own resilience efforts, as we'll have the evidence they may need to justify those investments.

WHY IT MATTERS

We believe capital market participants must manage a variety of risks, including those related to climate change. For society, transparency about climate issues and the repricing of assets can help improve planning for local and federal governments on issues like infrastructure and migration. We hope our work will inspire others to rethink asset class and geographic exposures to better account for physical climate risks. We also hope to drive discussions that incentivize longer-term performance measurement to better align climate time horizons with investor time horizons. In our view, these shifts in thinking should be required of fiduciaries. They may also help provide better transparency, lead to more gradual asset repricing, and advance and inform public discourse.

SUSTAINABLE INVESTMENT APPROACHES

We believe investments that foster a sustainable future may be poised to benefit from it. Our sustainable approaches include impact investing; thematic investing; and environmental, social, and governance (ESG) integration and engagement.

The advantages of sustainable investing and impact companies are based Wellington Management's analysis. There is no guarantee that these investments can or will be profitable, and your capital is at risk. **Please refer to the Risks section at the end of this report for more information on relevant investment risks.**

Impact: Investing in solutions

Global Impact

Global Impact Bond

Sustainable themes: Niche strategies

Advancement of Women*

Climate Strategy

Climate Adaptation*

Emerging Market Development

Low-carbon systematic equity platform

ESG forefront: ESG drives investment philosophy

Broader Perspectives*

European Stewards*

Global Stewards

US Stewards*

US Sustainable Companies*

ESG integration: Incorporated into the investment decision-making process

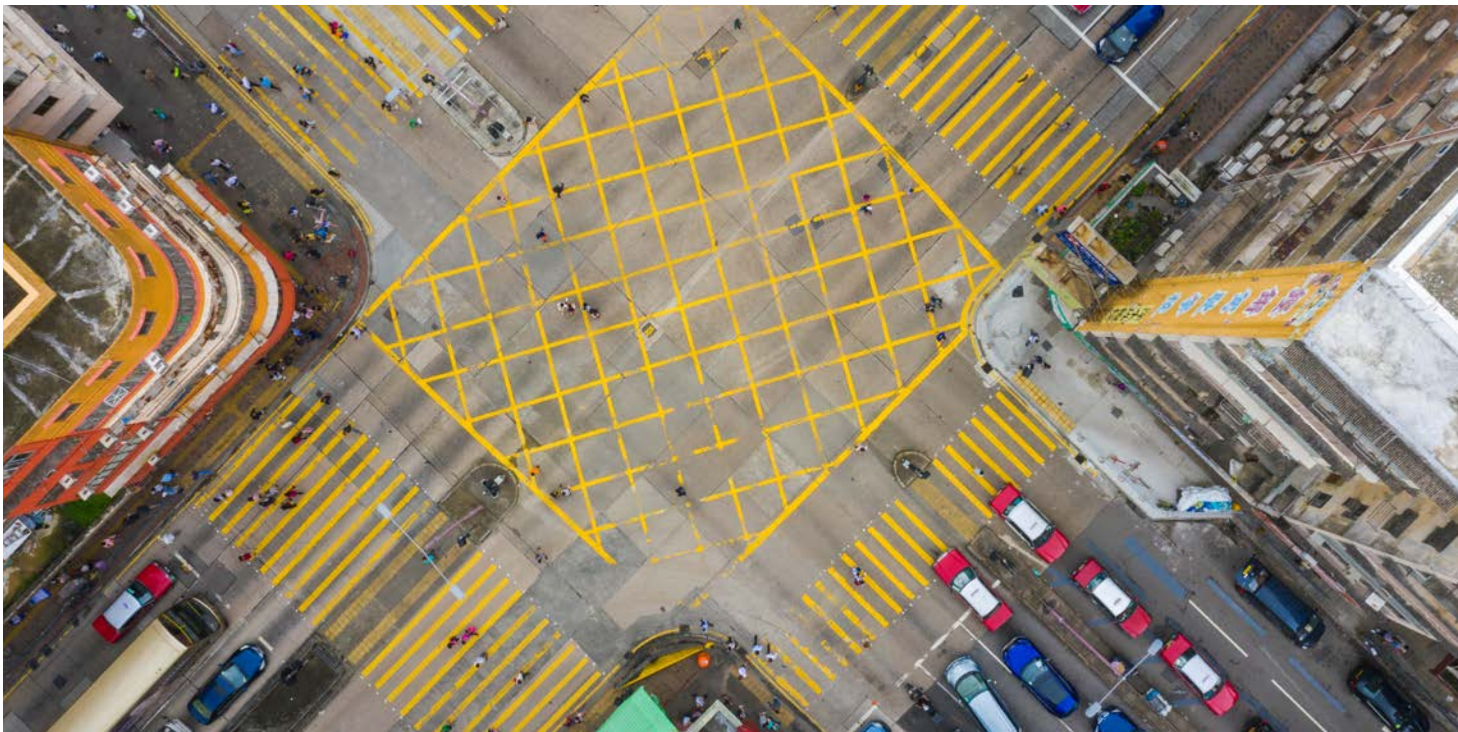
Fixed income suite

Global equity product suite

Global industry research suite

*Future strategies as of 30 June 2020. Refers to approaches that are not currently managed in live accounts for external investors. Approaches are either operated in hypothetical model portfolios, or internally seeded incubation funds. A GIPS®-compliant performance presentation is not available where an approach is not managed in an actual account. Availability of approaches may vary by location. Further information is available upon request.

The extent to which sustainable themes and ESG factors may be considered during the investment decision-making process is set out in the investment policy for each approach. Consideration of these factors may not necessarily result in the exclusion of an issuer or security from the investment universe and may not be a formal objective of all approaches. This is not an exhaustive list of all approaches offered by Wellington, which may include approaches that are not considered sustainable, impact, or ESG.



IMPACT INVESTING

In our impact strategies, we aim to achieve positive, measurable social and environmental outcomes alongside competitive financial returns. We do this by investing in companies whose core products and services represent solutions to major global problems not addressed by other, nonmarket means. From providing affordable housing to generating renewable energy to ensuring internet access, companies we invest in have improved the lives of millions of underserved people around the world. Global Impact invests in the equities of public companies that we believe help solve the world's biggest social and environmental problems. Global Impact Bond seeks to invest in fixed income issuers whose proceeds help address these same challenges.

THEMATIC INVESTING

Secular trends often represent underappreciated investment themes. We offer several thematic investing approaches that support sustainability. Climate change will almost certainly lead to asset repricing, for example, creating some unexpected investment opportunities and risks. Our Climate Strategy approach seeks to invest in companies focused on climate risk mitigation or adaptation, andour low-carbon systematic equity platform includes quantitative strategies aimed at investing in companies contributing to a lower-carbon future. Developing countries with policies geared toward long-term economic prosperity may be good investments over time. Emerging Market Development invests in companies that we believe contribute to or benefit from a range of secular development trends.

OUR IMPACT THEMES

Three categories. 11 themes. A world of opportunities.

LIFE ESSENTIALS

- AFFORDABLE HOUSING
- CLEAN WATER & SANITATION
- HEALTH
- SUSTAINABLE AGRICULTURE & NUTRITION

HUMAN EMPOWERMENT

- DIGITAL DIVIDE
- EDUCATION & JOB TRAINING
- FINANCIAL INCLUSION
- SAFETY & SECURITY

ENVIRONMENT

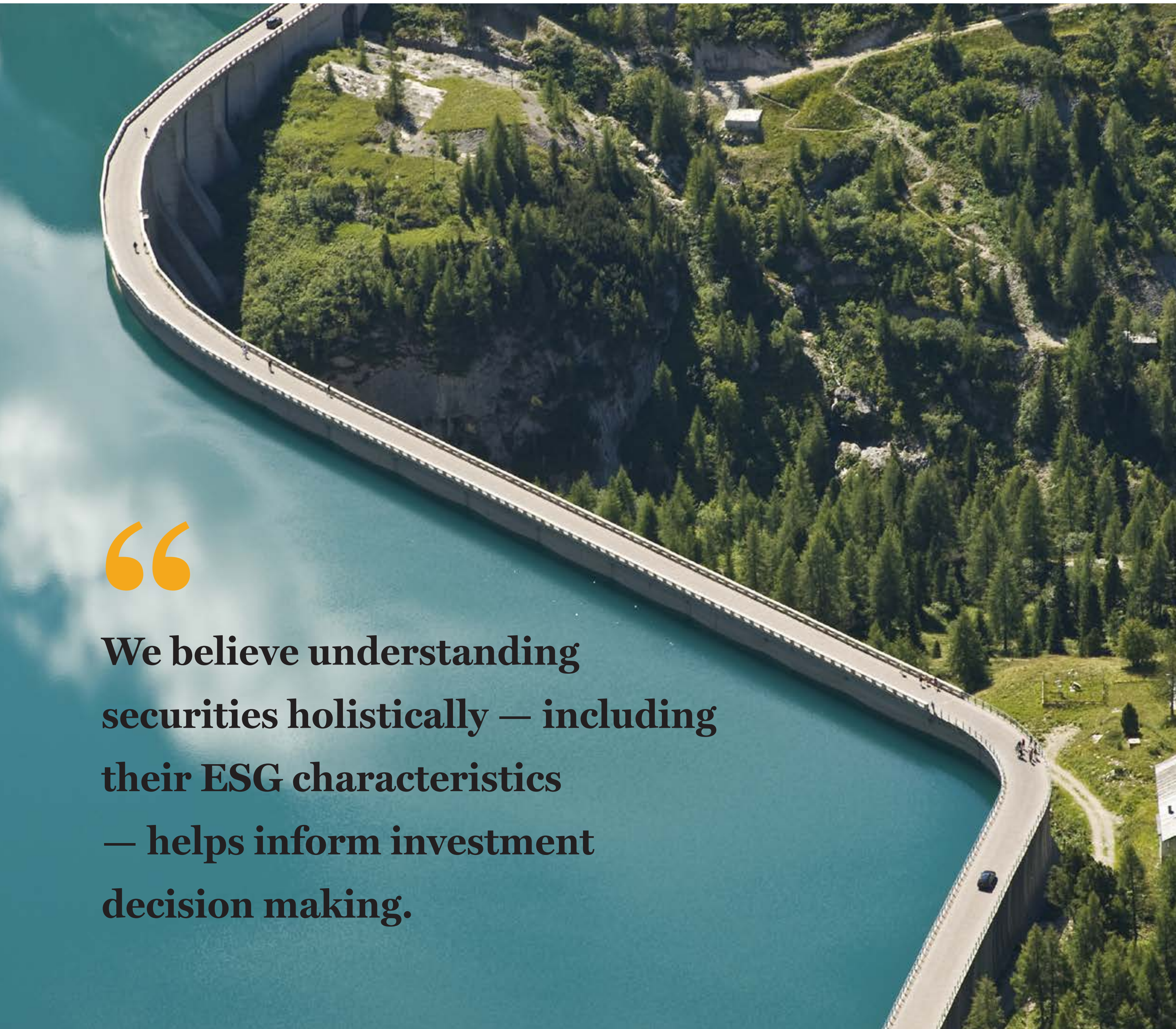
- ALTERNATIVE ENERGY
- RESOURCE EFFICIENCY
- RESOURCE STEWARDSHIP

ESG INTEGRATION AND ENGAGEMENT

We believe understanding securities holistically — including their ESG characteristics — helps inform investment decision making. We view ESG analysis and integration as return enhancing and risk mitigating. To help our portfolio managers and investment teams better assess risks and opportunities in client portfolios, we integrate the analysis of ESG factors into our investment and risk-management processes. We do this by producing ESG research and ratings, conducting ESG portfolio reviews, and engaging with company executives and board members on ESG issues for the benefit of our clients. ESG analysts specialize by sector and collaborate with our sector-focused equity and credit analysts to consider material ESG risks and opportunities, as well as the relative performance of potential investments against a relevant peer set.

Our goal is for each portfolio manager and investment team to be able articulate in a genuine, credible way how they integrate ESG considerations into their investment philosophy and process. This integration should be intrinsic to the process rather than externally imposed and can manifest through an investment thesis or the portfolio weighting for a particular security, as well as within proxy voting and company engagement efforts.

Two investment approaches for which ESG integration is central to the investment philosophy and process are Broader Perspectives, which invests in a combination of what we see as ESG leaders and businesses showing improvements in ESG, and Global Stewards, which invests in global companies that we believe can sustain high return on capital and that display exemplary corporate stewardship.



"We believe understanding securities holistically — including their ESG characteristics — helps inform investment decision making.

Engagement

Understanding and engaging on fundamental and ESG issues that are material to each industry and company broaden our investment perspective. We advocate on our clients' behalf and promote leadership on ESG best practices. Sustainable investing does not end with an investment decision. Through engagement, we believe we can better assess ESG risks and opportunities and influence corporate behavior in ways that promote best practices and unlock long-term value.

POLICY

Core approach: Empowered investment teams and rigorous proprietary research

Our belief in active management and our deep sector expertise across equity, credit, and ESG research are the cornerstones of our investment platform. We believe that through informed, active ownership, we can influence corporate behavior by encouraging what we consider to be best practices. As active managers, we are owners by choice. It is our fiduciary duty to conduct deep research and ensure ongoing dialogue with the companies in which we invest. Our career analysts bring extensive knowledge of their industries to the conversation. As thought leaders, they develop long-term relationships with the companies they cover. We believe this fundamental research model positions us well for long-term, constructive communication because of the feedback we can provide.

Cooperation and communication with companies and stakeholders

A substantial portion of our company research is informed by direct, persistent contact with company management and boards of directors. This is done virtually, in our offices, and through on-site company visits. Our investors hosted more than 16,000 company meetings around the world in 2019. Maintaining this ongoing dialogue is central to how we implement our stewardship responsibilities and informs the investment choices we make on behalf of our clients. Please see our Engagement Policy for details.

Prioritization of stewardship activities is a bottom-up process requiring numerous inputs, including firm ownership and materiality of industry- and company-specific risks. Working with management and boards of directors, we seek to monitor investee companies, gain differentiated insights, develop productive ongoing dialogue, and impact company behavior. In addition to the objectives established for specific company discussions, our ESG Research Team and Investment Stewardship Committee (ISC) set stewardship objectives that are relevant across companies and sectors for the coming year.

WELLINGTON'S ENGAGEMENT EDGE

Our size and company access

- More than 16,000 company meetings globally in 2019[1]
- "Constructivists" influencing positive outcomes for clients

Active management

Companies care about our opinion because we are, potentially, marginal buyers and sellers of their securities

Multi-disciplinary industry analysts across equity, credit, and ESG research

- Global
- Triangulation of the value of a security
- Deep understanding of the investment mosaic through expertise in each dimension

[1]Represents meetings rather than companies engaged with.

STEWARDSHIP OVERSIGHT AND RESPONSIBILITY

We strengthen our investment process by embedding stewardship across our investment platform. Portfolio managers, industry analysts, and ESG analysts all take part in, and have a shared responsibility for, our ongoing dialogue with and research on investee companies, as well as suppliers, customers, and competitors.

Our more than 50 global industry analysts (GIAs) and 35 credit analysts communicate with companies within their coverage and provide feedback through engagement. In our community-of-boutiques model, our 45 investment teams also dedicate time and effort to stewardship activities with the companies and issuers they own on behalf of clients. Our ESG Research Team also leads communication focused on ESG issues, in conjunction with our internal equity and bondholders. Our 15-member ISC is comprised of colleagues across multiple functions. This committee oversees and monitors stewardship activities, including direct engagement, letter writing, and proxy voting. The ISC approves enhancements to existing stewardship policies and procedures and assesses alignment of our approach with emerging stewardship regulation. Senior-level and experienced professionals from portfolio management, investment research, relationship management, and legal and compliance globally sit on the ISC.

IMPLEMENTATION

Engaging with company management and board members is essential to our fundamental research process. Whereas company filings and reported ESG data reflect the past, engagements help us understand and assess a company's direction. We include equity, credit, and ESG research teams, as well as investors who own or are interested in owning the security. We believe that including multiple perspectives in these meetings enriches our dialogue with companies and can lead to differentiated insights.

Board engagement

In addition to communicating with company executives, we believe direct engagement with corporate boards can enhance discussions about long-term material ESG issues, complement our ongoing conversations with management teams, and help us assess a board's effectiveness — which is challenging to do using company disclosures alone. We seek to understand how a board collaborates with management and delineates responsibilities. We look for indications that directors foster healthy debate, develop constructive relationships with management, and challenge them where appropriate. Where we see opportunities for improvement, we provide feedback and explain how the suggestions can benefit our clients, their ultimate stock or bondholders. We expect to have more conversations with late-stage private companies to help them bolster ESG practices, potentially avoiding costly missteps during the initial public offering (IPO) process.

We aim to take a multidisciplinary approach, including perspectives from equity and fixed income investment professionals for a richer dialogue. In 2019, board engagements comprised about a third of our ESG-focused discussions, and we expect that ratio to increase in 2020. With more directors becoming accustomed to these interactions, we expect this work to remain central to our investment stewardship and ESG research process.

Climate change and the P-ROCC framework

Our P-ROCC framework seeks to improve how companies disclose their physical vulnerabilities, which can help asset owners and investment managers better evaluate companies' ability to adapt to or mitigate such risks before investing. We consider this to be a consultation document that can help companies think through their physical climate risk exposure, including recommendations on how to analyze the impacts of key climate variables on the physical attributes of the company's business. Wellington investors and CalPERS' sustainable investment team have been sharing the document with companies, who we have found to be receptive to enhanced guidance.

Adherence to industry best practices

Our approach to ESG considerations is global, applied broadly across asset classes when appropriate. Our process is consistent with the aims of many best practice codes, including the PRI, the UK Stewardship Code, the Hong Kong Principles of Responsible Ownership, the Japan Stewardship Code, and the Investor Stewardship Group's Framework for US Stewardship and Governance.

Wellington has been a signatory to the PRI since 2012. The Principles were devised by the investment community in recognition that ESG issues can affect investment portfolio performance and should be considered by investors in order to fulfill their fiduciary (or equivalent) duty. These Principles provide a voluntary framework by which all investors can incorporate ESG issues into their decision-making and ownership practices to better align their objectives with those of society at large.

Proxy voting

We intend to vote proxies in the best interests of our clients that have affirmatively delegated proxy-voting authority — unless it is in the best interest of one or more clients to refrain from a given vote. We aim to identify and resolve all material, proxy-related conflicts of interest in ways that are in our clients' best interest.

APPROACH

Our investment-led approach to voting is an influential component of our engagement and escalation strategy. The ESG Research Team, in collaboration with our GIAs, examines proxy proposals on their merits and recommends voting for proposals that they believe would have a positive effect on shareholder rights or the current or future market value of the company's securities. The team provides recommendations to each portfolio manager, who makes the final conclusion for their client portfolios, absent a material conflict of interest. Consistent with our community-of-boutiques model, portfolio managers occasionally arrive at different voting conclusions for their clients, resulting in a split decision for the same security. Our pre-vote deliberation and process align with our role as active owners and fiduciaries for our clients.

Governance and oversight

Our Investment Research Group monitors regulatory requirements with respect to proxy voting and works with the firm's Legal and Compliance Group and the ISC to develop practices that implement those requirements. Day-to-day administration of the proxy voting process is the responsibility of Investment Research. The ISC is responsible for oversight of the implementation of the global proxy policy and procedures, review and approval of the guidelines, and providing advice and guidance on specific proxy votes for individual issuers.

Managing conflicts of interest

We have adopted and implemented policies and procedures reasonably designed to manage conflicts that may arise in our stewardship activities. The ISC reviews and sets standards annually for identifying material conflicts with respect to proxy voting and corporate engagement — including whether a company is a significant client, lender, or vendor of the firm — and publishes those to investors for consideration. The ISC encourages all personnel to contact the ESG Research Team about apparent conflicts of interest, even if the conflict does not meet the published materiality criteria.

Pursuant to our Global Proxy Policy and Procedures, potential conflicts may be resolved by votes in accordance with our published Global Proxy Voting Guidelines (the Guidelines). Alternatively, where the published voting guideline is case specific, where no published guideline exists, or where the proposed voting position is contrary to a published guideline, we appoint three disinterested ombudsmen from the ISC. Their role is to review the recommendations of the ESG Research Team, oversee any discussion or debate with respect to the proposed votes, and ensure that votes were executed solely in the best interest of our clients. In 2019, we identified 11 public companies where a material conflict arose regarding a company that is a significant client, lender, or vendor of the firm, and we applied the ombudsman process in each case. Upon review of the recommendations and discussion among portfolio managers, the vote decision was adjusted in one instance.

Use of proxy advisors

Wellington uses the services of a third-party voting agent to manage the administrative aspects of proxy voting. The voting agent processes proxies for client accounts, casts votes based on the Guidelines, and maintains records of proxies voted. The ISC establishes a custom voting policy to help us achieve our clients' investment objectives, defining locally contextualized practices that we believe promote long-term shareholder value. Mapping company practices to the Guidelines policy enables us to identify cases where we need to conduct more in-depth analysis, seek more clarification, and share our feedback directly, rather than rely on the vote alone.

GUIDELINES

We base our Global Proxy Voting Guidelines on our fiduciary obligation to act in the best interest of our clients as shareholders. We examine and vote each proposal so that the long-term effect of the vote may ultimately increase shareholder value for our clients.

Our experience in voting proposals is that similar proposals often have different consequences for different companies. And while we crafted the Guidelines to apply globally, variations in local practice and law make universal application impractical. We evaluate each proposal on its merits, considering its effects on the specific company in question and in relation to its industry. Wellington reserves the right in all cases to vote contrary to the Guidelines where we believe doing so represents the best interest of our clients.

Engagement and voting activity

The following examples were chosen to demonstrate multiple forms of stewardship, broad involvement from investors across asset classes and regions, and a range of engagement outcomes. Examples were selected from the firm's list of most significant outcomes as a result of engagement and voting activity during 2019. The examples were chosen based on their ability to best demonstrate our engagement and voting policies in action in accordance with our European disclosure requirements. (See About this report at the end of this document.) We define "significant" outcomes as those where our voting authority or engagement activity influenced the outcome of a vote or the behavior of a company in the interests of its shareholders, and those that are not procedural in nature.

COMPANY EXAMPLES

ARAMARK

Primary topic: Labor practices and talent management

The company received negative press when some employees failed to receive their 2018 annual bonuses. In our assessment of social risks, we pay attention to how companies treat a key stakeholder: their workforce. We look for a focus on key employee concerns, such as safe working conditions and competitive compensation. We believe companies that invest in and cultivate human capital are well positioned to realize a competitive advantage and deliver better business outcomes.

Method: Engagement with management and board

The ESG analyst, GIA, and portfolio managers requested a call with the chair of the compensation committee and human resources to discuss changes to the employee bonus plan and corporate culture. We see direct communication as an effective way to enhance discussions about long-term, material issues over which the board has oversight. Board-level conversations complement our discussions and provide a lens to assess a board's effectiveness and competence, which is challenging to do using company disclosures alone. Additionally, letters to boards remain a potent tool to reiterate and reinforce our feedback.

Detail: We sought to understand management's process and how 2018 bonus decisions fit into their overall talent management strategy. We learned that the company changed its basis for awarding annual bonuses from individual to division performance without advance communication. This change deprived some employees of their bonuses, despite having achieved individual performance targets. The board acknowledged that it will take time to rebuild trust with employees but did not believe that it has negatively influenced staff turnover or morale. We believe that this was a missed opportunity for executives to generate goodwill with employees by foregoing their own bonuses in solidarity. The ESG analyst, GIA, and portfolio managers wrote a letter to the board and had several subsequent conversations to encourage a change in perspective from management and the board and to advocate for independent board leadership.

Outcome: Company changed practice, one or more portfolio managers changed position size

The cancellation of employee bonuses caused some equity portfolio managers to question the short-term nature of the company's behavior. With this as a contributing factor, the GIA downgraded the company and several investors reduced or eliminated positions. Months later, the board opted to replace the CEO. Along with additional management and board turnover, this improved accountability and provided fresh perspectives. The GIA, along with several portfolio managers, have regained conviction and repurchased the stock.

Status and reflection: Completed

We appreciate the company's receptivity to our feedback and are encouraged by the actions taken, including the appointment of the new CEO. We will monitor this transition to ensure that the workforce is valued as one of the company's best assets.

BRISTOL MYERS SQUIBB

Primary topic: Mergers and acquisitions

The company announced plans to buy a competitor in a cash-and-stock transaction, resulting in the largest pharmaceutical industry merger ever. We approach votes to approve mergers and acquisitions on a case-by-case basis, considering the specific circumstances of each proposal to determine an outcome that we believe is in our clients' best interest. In conducting their assessment, equity, credit, and ESG analysts collaborate to analyze fundamental and governance implications to advise portfolio managers in their vote decisions.

Method: Engagement with management and board, letter writing, voting

The ESG analyst, GIA, and equity portfolio managers have had a long-standing dialogue with management and the board. After conducting due diligence and meeting with several board directors, we reiterated our lack of support for the deal. Upon review by ISC members and holders, we sent a private letter to the board to formalize our feedback. After careful consideration, we also decided to issue a press release to share our view with other shareholders prior to the vote.

Detail: While we agree that companies should be active in business development that diversifies and differentiates their scientific platforms and broadens revenue bases, we did not believe that this transaction was an attractive path to accomplishing such a goal. With all of our stewardship tools, we sought to discourage the board and management from pursuing the merger because of our concerns about the strategic rationale.

The conclusion not to support the merger was based upon three convictions. First, we believed the transaction posed undue risks to shareholders and offered shares to the target company's shareholders at a price well below implied asset value. Second, we felt execution success could be more difficult to achieve than depicted by management. Finally, we thought alternate paths to creating value for shareholders could be more attractive.

Outcome: No outcome, increased understanding/ information, voting

Although we expressly voted against it, the merger passed with approximately 75% support from shareholders.

Status and reflection: Ongoing

We have maintained our constructive dialogue with the board and continue to monitor the progress of the integration. This was the first time we have issued a press release noting our disagreement with a proposed transaction. We evaluate all potential tools and expertise at our disposal; in this instance, we decided to take a more public stance because of our sizable ownership, strong conviction, and lack of results from prior interactions. This experience did not change our overall investment model or company engagement approach.

CONOCOPHILLIPS

Primary topic: Climate change

Reporting on climate readiness will help stakeholders understand companies' willingness and ability to adapt to or mitigate climate-related risks. However, so far, most disclosures make scant mention of the physical risks posed to their business by a changing climate. We focus our stewardship activities in this area. We do this by leveraging findings from our collaborative initiative with WCRC to establish disclosure guidance to help companies improve their physical risk disclosures.

Method: Engagement with management and board

We have ongoing communication with this company about its management of climate risks and opportunities. Based on the depth of understanding demonstrated in prior discussions with management and board members, the ESG analyst identified this company as the best candidate in her coverage to share our differentiated expertise on physical climate risks. The ESG analyst and our director of climate research sought to provide additional guidance, answer questions, and encourage continued leadership in integrating physical risks and resilience into their enterprise risk management strategy.

Detail: We shared and discussed our P-ROCC framework as a means to further enhance the company's climate disclosure. We were pleased that the company is approaching physical climate risk the same way it has long approached transition risk: considering scenarios and establishing signposts to get ahead of risks that are becoming more probable. While it is too early to assess adoption of the framework in disclosures, we have found companies to be receptive to enhanced guidance about physical risks.

Outcome: Company committed to change

The company is taking a risk-based approach, tackling regions where it sees more acute climate risk potential. The company is also prioritizing areas of future spending and growth over assets in harvest mode. It intends to disclose its physical risk assessment and management in financial filings.

Status and reflection: Ongoing

The discussion reinforced the ESG analyst's positive view of the company's climate risk strategy. We plan to follow up when the company has made more progress internally toward incorporating our guidance to strengthen resilience and improve the market's understanding of its climate strategy.

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CONSORT MEDICAL

Primary topic: Executive remuneration

We may support remuneration plans where we have seen improvement, recognizing a willingness to work with shareholders and implement recommendations that enhance the plan. We expect remuneration committees to respond to shareholder requests and voting outcomes and disclose how they consider these external perspectives.

Method: Engagement with board, voting

An equity portfolio manager with a significant holding and the ESG analyst discussed the proposed changes to the remuneration policy with the chair of the remuneration committee as part of the company's consultation prior to publishing the forward-looking policy for the annual general meeting.

Detail: During the five years of the CEO's tenure, total pay more than doubled and ultimately surpassed that of the company's peer group. The board sought to lower earnings-per-share (EPS) growth targets that determine the payout of the long-term incentive plan for executives. We expressed our concern that the board was not sufficiently holding management accountable and that the targets did not reflect developments of the underlying business, including the performance of a business acquired a few years earlier.

Outcome: Company changed practice, voting

Following shareholder consultation, the board raised EPS targets for its long-term incentive plan. While we still believe the targets should have been more rigorous, we were encouraged to see improvement from what was initially proposed. We voted in support of the advisory remuneration policy proposal, which passed with 85% support from shareholders.

Status and reflection: Completed

This instance, discussed at length during one of our Morning Meetings, reinforced broad agreement among investors that incentive remuneration provides insight into the behavior of management and expectations set by the board.

DOMINION ENERGY

Primary topic: Independent board leadership

We asked the board of this company to consider improving independence and oversight by separating the roles of CEO and chair. We typically support shareholder proposals asking companies to separate their CEO and chair roles because we believe that an independent chair is better able to oversee executives and set an agenda, and separating the roles eliminates the inevitable conflict of interest when a CEO is responsible for self-oversight.

Method: Engagement with management, voting

We met with members of management before the annual general meeting to better understand the board's unique committee structure and division of responsibilities among directors and executives.

Detail: The ESG analyst worried that a combined CEO/chair prevented a balance of influence from the other directors. Several directors were long tenured, which raised questions about whether their objectivity could be compromised by their long-standing relationship with the CEO/chair. The ESG analyst was also concerned about the board's committee structure, which combined all key committee functions into a single committee.

Outcome: No outcome, one or more portfolio managers changed position size, voting

We supported a shareholder proposal to separate the role of CEO/chair, which received 40% support from shareholders. A fixed income portfolio manager considered the ESG analyst's negative view, noting that the security he held did not trade with a discount to account for this risk, and decided to reduce his holding.

Status and reflection: Ongoing

While the proposal received considerable support from shareholders, the company has not committed to any changes in leadership structure. A new shareholder proposal to separate CEO and chair will be on the 2020 ballot.

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FIRSTRAND LIMITED

Primary topic: Climate change

We believe that climate change poses a material risk across sectors and geographies, so understanding how companies assess and manage climate risk is key to making informed investment selections for our clients. We generally support shareholder proposals asking for improved disclosure on climate risk management, and we expect to support those that request alignment of business strategies with the Paris Agreement or similar language.

Method: Engagement with management, voting

After consulting with the GIA, the ESG analyst spoke with investor relations representatives of the company about two climate-focused shareholder proposals on the ballot at their upcoming annual general meeting.

Detail: The first proposal, to establish a comprehensive fossil-fuel lending policy, was supported by management as a complement to its existing policies. The second proposal, to publish a report on the company's exposure to climate-related risks, received solid support. We sought to express our support for enhanced disclosure on climate change risks and opportunities, in line with the TCFD and our P-ROCC framework.

We encouraged the company to be transparent about its work in progress and suggested sector-specific case studies showing how analytics and risk management can integrate climate. Management established an internal working group and joined industry groups to improve scenario analysis. Given that physical climate risks like drought and water scarcity afflict some of the company's key markets, we reiterated the importance of assessing these risks. We shared our P-ROCC framework, which the internal working group is considering.

Outcome: Company committed to change, increased understanding/information, voting

We supported both proposals, in line with our voting guidelines. The first proposal passed with unanimous support, and the second proposal received approximately 33% support from shareholders.

Status and reflection: Ongoing

We are impressed with the company's commitment to improving transparency. Supporting a shareholder proposal is a signal of its progress. We like that functional representatives have included climate as a regular part of risk management and strategic planning. We will monitor progress and provide feedback on the company's evolving disclosure.

JOHNSON & JOHNSON

Primary topic: Executive compensation

We evaluated a shareholder proposal for an annual report on the use of the company's clawback policy, including whether or not it chose to recoup incentive compensation from senior executives during the prior fiscal year. We believe clawback policies are only effective when enforced and used as a tool by the board.

Method: Engagement with management, voting

The ESG analyst and equity portfolio managers reached out to the company ahead of the vote to reiterate our support for transparency and gather details about management's opposition to the proposal.

Detail: We expressed our view that this was not an onerous ask, as the report should not have been costly or time-consuming to prepare. We believe shareholders could benefit from increased disclosure on the board's approach to keeping management accountable, given controversies that could pose significant financial or reputational harm to the company.

Outcome: Company committed to change

We supported the shareholder proposal, which received approximately 47% support from shareholders. We have since communicated with the board, including the lead director and chair of the compensation committee, and management on this and other issues.

Status and reflection: Ongoing

The board gathered substantial shareholder feedback throughout the process — even though the proposal did not technically receive majority support — and committed to provide disclosure if the board determines to recoup executive compensation.

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MITSUBISHI UFJ FINANCIAL GROUP (MUFG)

Primary topic: Capital allocation

The company disappointed the market early in 2019 by discontinuing its share buyback program, which had been in place for several years. Capital allocation is an important theme in Japan, as poor capital stewardship has resulted in a lack of shareholder value creation over time at some Japanese companies.

Method: Engagement with management and board

The GIA discusses the company's share repurchases and related capital allocation decisions at each meeting he attends. The GIA and ESG analyst also collaborated to analyze how the company's compensation plan incentivizes prudent capital allocation moves and provided feedback about the pay structure.

Detail: The GIA and equity portfolio managers raised capital allocation concerns with the board chair, who has been receptive to our feedback. The chairman noted that he had previously brought our feedback to the board, which had followed our advice, bringing about the recent recommencement of a share buyback.

Outcome: Company changed practice

Status and reflection: Ongoing

The company reiterated its goal of increasing its payout ratio and maintaining flexibility to conduct buybacks. We are pleased to see this outcome and the board's receptivity to shareholders on a range of issues. We provide feedback regarding additional actions the company could take around balance sheet optimization and capital allocation.

NEXPOINT RESIDENTIAL TRUST

Primary topic: Board composition

Engaging with board members is an important part of our investment process because it helps us understand how the board collaborates with management and delineates responsibilities. We look for indications that directors foster healthy debate in the boardroom, develop constructive relationships with management, and challenge them when appropriate. Because board responsibilities include overseeing execution, evaluating and compensating top management, and coordinating CEO succession, an independent chair is our preferred structure.

Method: Engagement with management and board

The ESG analyst and GIA followed up on a prior conversation with one of the independent directors.

Detail: The prior discussion suggested that the directors had not been sufficiently briefed in advance on a major event or recent personnel changes in a timely manner by the CEO/chair. The analysts sought to encourage numerous governance improvements related to the size of the board, diversity on the board, and separation of CEO/chair role.

Outcome: Company committed to change

The board took positive first steps based on our input. It committed to increase the size of the governance committee, include governance as an agenda item at every board meeting, and ensure that the CEO is available to investors. The board committed to increase the board size from five to seven members, but salary cost is a concern. The board is currently all men, so it will look to select a woman for at least one of those two new director roles.

Status and reflection: Ongoing

Other changes that we will encourage as the company grows include internalizing management and separating the roles of chair and CEO. The objection to separating these roles was also based on salary cost and current simplicity of the business. We suggested that this division of responsibilities would become more important as the company grows and would demonstrate a commitment to adopting governance best practices.

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REGENERON PHARMACEUTICALS

Primary topic: Executive compensation and board composition

The company had been scrutinized for the quantum of its executive and director compensation. We believe in a pay-for-performance philosophy, and we encourage plan structures that align management compensation with shareholder experience, incentivizing long-term performance. We consider the quantum of pay on a case-by-case basis, comparing the company's figures to peers of similar size, industry, and market. We also support board declassification and annual director elections.

Method: Engagement with management and board

We provided feedback on these issues, including with the chair of the compensation committee, pursuant to prior meetings. While we think this company is doing the right things with regard to culture, compliance, and long-term sustainability, we have engaged on other governance practices as well, including its entrenched, classified board; legacy dual-class-share structure; and succession planning.

Detail: While some boards pay primarily in cash, here, director pay was primarily option based, meaning realized pay did not match headline numbers. While the board acknowledged that this created reputational noise, directors were more motivated by the company's strategy and value proposition. Regarding executive compensation, we learned more about how the board uses discretion to overlay the quality and impact of the drug pipeline when determining awards. Board refreshment is ongoing. Recent additions have added significant value in our view, and the board plans to bring on two additional directors with data science and global regulatory experience.

Outcome: Company changed practice, increased understanding/information

The company announced a reduction in director pay of more than 50% and the transition of some options to restricted stock units in the equity-based portion of pay. While we generally favor a clearly defined pay structure as opposed to substantial discretion, this case underscored the value of taking a case-by-case approach to evaluating compensation plans.

Status and reflection: Ongoing

We are pleased that the board seems genuinely open to declassifying, recognizing that its desire to maintain a classified board to facilitate long-term thinking no longer outweighs shareholder opposition and scrutiny.

PING AN INSURANCE COMPANY OF CHINA

Primary topic: ESG disclosure and capital allocation

We believe disclosures illustrate a company's processes to help manage material ESG risks and opportunities. In our view, the best disclosures explain how initiatives contribute to long-term strategic and business outcomes.

Method: Engagement with management

The ESG analyst and GIA led a call with the company to provide feedback on its ESG-related disclosure.

Detail: Our discussion and feedback focused on three main areas: talent management, technology and cybersecurity, and ESG integration. Regarding talent, we suggested that the company provide more information about training programs, employee satisfaction, and board oversight of talent management. Regarding technology, the company has consistently allocated profits from its financial business to invest in technology that leads to better sales, fewer claims, and lower costs. We asked whether the company could share more information about reporting structure and cybersecurity spending. Finally, we encouraged management to demonstrate the importance of ESG integration into its investment process.

Outcome: Company changed practice

In early 2020, the company updated its sustainability report. We found it addressed many of our points and feedback. The company discussed its talent and development strategy, including its customized career development and education and employee stock ownership schemes. Consistent with prior disclosure, the report explained how the company combines finance and technology to develop inclusive finance and telehealth solutions. It has consistently allocated profits from its financial business to invest in technology that leads to better sales, fewer claims, and lower costs. Later in the year, the company demonstrated leadership in responsible investing practices by becoming the first Chinese asset owner signatory to the UN PRI.

Status and reflection: Ongoing

We are encouraged by the company's ambition to be a leader on ESG through its disclosure and progressive practices. We remain positive about the company's long-term outlook and differentiated approach to technology. We will continue to engage to better understand the company's approach to cybersecurity.

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STANDARD CHARTERED

Primary topic: Executive remuneration and country of domicile

Standards for remuneration structure vary by market, so we expect companies to evolve their practices to meet best practices in their home market to the extent possible. In the UK, aligning executives' pension contribution rate with that of employees has been a trend over the last several years, as it is a recommendation of the updated UK Corporate Governance Code.

Method: Engagement with board, voting

The ESG analyst, GIA, and other portfolio managers met with the chair of the remuneration committee at its London headquarters to discuss the remuneration policy, which had attracted scrutiny, among other ESG issues. In the following months, an equity portfolio manager hosted a call with the CEO to discuss how the company's country of domicile aligns with the regions in which it does business.

Detail: We expressed our view that the remuneration committee should make the necessary adjustments to the pension contribution rate for incumbent executives, as it had already done for new executives. We were reassured that the change would not pose any talent retention risk. We also discussed the challenges with selecting the company's peer group to measure relative total shareholder return in the long-term plan, given the bank's focus on its business in Asia. The company is domiciled and regulated in the UK but generates the majority of its revenue from business in Asia; just 5% comes from the UK. This distinguishes the company from other banks in the UK, and, in our view, makes local regulations less applicable, when compared with UK peers. We encouraged the company to explore a change of domicile to reflect its geographic footprint.

Outcome: Company changed practice, voting

In the ensuing months, the board announced a reduction in the pension contribution for incumbent executives to 10% of total salary, in line with all employees. We supported the 2020 remuneration proposal, which received 97% support from shareholders.

Status and reflection: Ongoing

We are pleased that the company embraced shareholder feedback regarding pension benefits for executives. We will monitor for improvements to the overall pay structure and the board's willingness to hold management accountable. The question of domicile and headquarters is a complex one, with far-reaching implications on the company's approach to regulation, talent, board composition, and shareholder dialogue, among others. This issue is not unique to this company. We intend to spend more time exploring innovative solutions to help organizations arrive at outcomes in the best interests of shareholders, who are often our clients.

THE 3M COMPANY

Primary topic: Product liability

Along with several of its peers, the company is facing legal claims regarding the possible environmental and health effects of various perfluorinated compounds (PFAS). Ongoing litigation around product recalls or safety-related issues can be an overhang for a company's securities, as investors worry about the magnitude of potential fines and reputational damage.

Method: Engagement with management and board

Joined by a group of equity and credit investment professionals, our ESG analyst led a meeting with the CEO/chair. We sought to better understand board oversight of strategic choices, including the company's approach to outstanding environmental litigation.

Detail: The company has phased out the chemical, improved testing and detection technology, and embraced the US Environmental Protection Agency's remediation plan more quickly than some peers. Given that litigation is ongoing, uncertainty remains about the range of potential outcomes. The board's audit committee is tasked with oversight of these proceedings. The CEO appreciates that prolonged litigation could affect the company's reputation and ability to attract talent. For this reason, the company is keen to balance the timeline to resolution with the total cost of settlement.

Outcome: One or more portfolio managers changed position sizes, increased understanding/information

Our GIA and credit analyst came away from this meeting with an incrementally negative view of the PFAS situation, and some portfolio managers reduced or eliminated positions. We expect the company to be transparent about the potential risks of this situation and to prepare the balance sheet for a potential negative legal outcome.

Status and reflection: Ongoing

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The audit committee's expanded role to include this litigation oversight raises questions, given the significant responsibilities already under its purview. We would prefer to see oversight assigned to a dedicated subcommittee, something we have seen done in similar situations at other companies.

WALGREENS BOOTS ALLIANCE

Primary topic: Board composition and social risk disclosure

The US opioid epidemic has put the potential for social externalities — the negative effects that companies can have on society through their products, cultures, or policies — into sharp focus. In our conversations with companies facing these risks, we encourage disclosure of risk management strategies that acknowledge their societal impacts. When a company faces litigation or negative press, we inquire about lessons learned and request evidence of substantive changes that aim to prevent recurrence and mitigate downside risk. We may also support proposals requesting enhanced disclosure on actions taken.

Method: Engagement with management, voting

We raised governance concerns with company representatives, informing them of our voting decisions on two upcoming shareholder proposals on the ballot at their upcoming annual general meeting.

Detail: The first proposal asked the company to appoint an independent board director as chairman during the next leadership transition. The ESG analyst concluded that questions around current leadership structure and unclear succession planning warranted support for the first proposal. The second proposal requested a report on governance changes (including oversight and risk management) since 2012 in response to the opioid epidemic. We did not find the request for a written report onerous and believe that shareholders would benefit from comprehensive disclosure on this issue. We were disappointed that the company was unable to reach a compromise with the proponent ahead of the vote. The company resisted the proposal in part because of outstanding litigation on the issue but acknowledged that the proposal would garner significant shareholder support.

Outcome: Voting

We supported the proposal to appoint an independent board director, in line with our voting guidelines, and the proposal received approximately 38% support from shareholders. We also supported the proposal to report on opioid-related governance changes, which ultimately passed with approximately 60% support from shareholders.

Status and reflection: Ongoing

The company was responsive to the second proposal, publishing a board report on the oversight of risk related to opioids during 2019. The report demonstrated the board's commitment and the company's efforts to address the opioid epidemic. The shareholder proposal for independent board leadership was also on the 2020 ballot, which we supported.

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2019 COMPANY ENGAGEMENTS

During 2019, we held over 16,000 meetings with companies, thousands of which included our equity, credit, and ESG analysts, as well as portfolio managers. We are enhancing our technology to enable us to more easily report engagements and outcomes across our investment platform. For the purposes of this report, we detail all company communications led by our ESG Research Team. In 2019, those engagements encompassed 407 companies across 29 countries.

With the aim of ongoing communications, we often meet with companies multiple times throughout the year.

In 2020, we continue to expand our engagement tracking tool, and we look forward to providing greater levels of detail in future sustainability reports, including outcomes and progress toward outcomes.

Company	E	S	G
A			
3M Co	✱	✱	✱
8X8 Inc		✱	✱
Abbott Laboratories			✱
AbbVie Inc			✱
Acadia Realty Trust			✱
Accenture PLC		✱	✱
adidas AG	✱	✱	
Advanced Micro Dvcs			✱
AES Corp			✱
Affimed NV			✱
AGCO Corp			✱
Aimmune Therapeutics			✱
Air France-KLM			✱
AirBoss of America C			✱
Airbus SE		✱	✱
Alamo Group Inc			✱
Alexander & Baldwin	✱	✱	
Alexandria			✱
Alkermes PLC		✱	✱
Allergan PLC			✱
Alphabet Inc			✱
Amazon.com Inc	✱	✱	✱
American Elec Power	✱		
American Express Co			✱
American Intl Group			✱
American Outdoor		✱	✱
American Tower Corp			✱
AMN Healthcare Svcs		✱	✱
Amneal Pharm			✱
Analog Devices Inc		✱	✱
Anglo American PLC			✱
Anthem Inc		✱	✱
Apache Corp			✱

Company	E	S	G
Aramark		✱	✱
ASGN Inc		✱	✱
Assurant Inc		✱	✱
AstraZeneca PLC		✱	✱
AT&T INC		✱	✱
Atlas Copco AB		✱	✱
Auto Data Processing		✱	✱
Avangrid Inc			✱
Avolon Hldgs Funding	✱		✱
AXA Equitable Hldgs			✱
B			
Ball Corp			✱
Bank of Cyprus Hldgs		✱	✱
Barloworld Ltd			✱
BASF SE	✱	✱	✱
Baxter International		✱	✱
BHP Group Ltd		✱	✱
BHP Group PLC			✱
BlackRock Inc	✱	✱	✱
Bluebird Bio Inc			✱
Boeing Co		✱	✱
Boston Beer Co Inc			✱
Boston Properties		✱	✱
BP PLC	✱	✱	✱
Bristol-Myers Squibb		✱	✱
British-Amer Tobacco		✱	✱
Brixmor Ppty Group		✱	
Broadcom Inc			✱
BWX Technologies Inc	✱	✱	✱
C			
Cadence BanCorp			✱
Cairn Homes PLC			✱
Callon Petroleum Co			✱
Canadian Natural Res	✱		

Company	E	S	G
Cardinal Health Inc		✱	✱
Carlsberg AS		✱	✱
Caterpillar Inc		✱	✱
Celanese Corp	✱	✱	✱
Centennial Resource	✱	✱	✱
Cerner Corp		✱	✱
Cerved Group SpA		✱	✱
CF Industries Hldgs	✱		✱
Chart Industries Inc			✱
Chevron Corp	✱	✱	✱
Childrens-s Place In			✱
Chipotle Mexican Gri		✱	✱
Chubb Ltd	✱		✱
Cie de Saint-Gobain	✱	✱	✱
Ciena Corp	✱		✱
Cimarex Energy Co			✱
Cinemark Holdings In			✱
Citigroup Inc	✱	✱	✱
CNOOC Ltd	✱	✱	✱
Coats Group PLC	✱	✱	
Coca-Cola Co	✱	✱	
Colgate-Palmolive Co		✱	✱
Comcast Corp		✱	✱
Compass Group PLC	✱	✱	✱
Concho Resources Inc			✱
ConocoPhillips	✱	✱	✱
Consort Medical			✱
CRH PLC	✱	✱	✱
D			
Daifuku Co Ltd			✱
Danone SA	✱	✱	✱
Deere & Co	✱	✱	✱
Deutsche Bank AG		✱	✱
Deutsche Lufthansa	✱	✱	✱

Company	E	S	G
Deutsche Post AG		✱	
Diageo PLC			✱
Diamondback Energy I	✱	✱	✱
Dominion Energy Inc			✱
Douglas Emmett Inc			✱
DTE Energy Co	✱	✱	
Duke Energy Corp	✱	✱	✱
E			
Ecolab Inc		✱	✱
Ecopetrol SA	✱	✱	
EDF SA		✱	
Edison Intl	✱		✱
Edwards Lifesciences		✱	✱
Electrocomponents			✱
Electronic Arts			✱
Eli Lilly & Co		✱	
EnCana Corp	✱	✱	✱
Endava PLC			✱
Engie SA	✱		
Eni SpA	✱		✱
Enzo Biochem			✱
EOG Resources Inc		✱	
EQT Corp		✱	✱
Equifax Inc	✱	✱	
Equinix Inc		✱	✱
Equity Commonwealth			✱
Escorts Ltd	✱	✱	✱
EssilorLuxottica SA			✱
Etsy Inc			✱
Eversource Energy		✱	✱
Exelon Corporation	✱		✱
Exxon Mobil Corp	✱	✱	✱
F			
Fastenal Co		✱	
First Republic Bank		✱	✱
Firstrand Ltd	✱		✱
FivePrime Therapeuti			✱
Flex Ltd			✱
FMC Corp			✱
Freeport-McMoRan Inc	✱	✱	✱
Frontera Energy Corp	✱		✱
G			
Game and Leis Prop			✱
GEM Co Ltd		✱	
Genpact Ltd			✱
Gentherm Inc		✱	✱

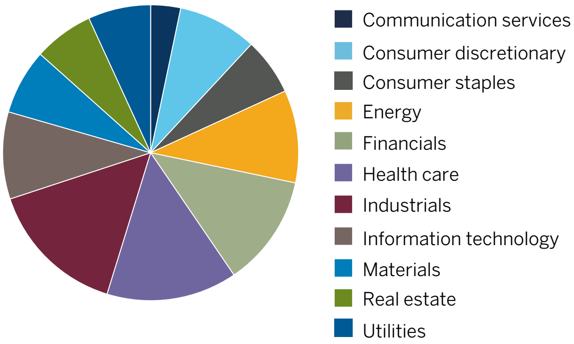
Company	E	S	G
Global Payments Inc			✱
GoDaddy Inc		✱	✱
Goldman Sachs Gp Inc		✱	✱
Goodman Group		✱	✱
Greenbrier Cos Inc.			✱
GrubHub Inc			✱
H			
Haemonetics Corp		✱	✱
Halliburton Co	✱		✱
Hartford Finl Svcs	✱	✱	✱
Hennes & Mauritz AB	✱	✱	
Hershey Co / The	✱	✱	✱
Hexcel Corp	✱	✱	✱
Hibernia REIT plc	✱	✱	✱
Hill-Rom Hldgs Inc		✱	✱
Hologic Inc			✱
Home Depot Inc/The		✱	✱
Honda Motor Co Ltd	✱	✱	✱
Honeywell Intl Inc		✱	✱
HP Inc	✱	✱	✱
HubSpot Inc			✱
Humana Inc		✱	✱
I			
Iberdrola SA		✱	✱
Iberiabank Corp			✱
IBM Corp			✱
Impala Platinum Hldg			✱
Incyte Corp		✱	✱
Industria de Diseno	✱	✱	
ING Groep NV		✱	✱
Inpex Corp	✱		✱
Insteel Inds Inc	✱	✱	✱
Israel Electric Corp	✱	✱	
Itron Inc		✱	✱
ITT Inc			✱
J			
James River Group Ho			✱
JetBlue Airways Corp			✱
JGC Corp		✱	✱
Johnson & Johnson		✱	✱
Johnson Controls Int	✱		✱
JPMorgan Chase & Co	✱		
K			
Kennedy-Wilson Hldgs			✱
Kering SA	✱	✱	✱
Koninklijke Philips		✱	✱

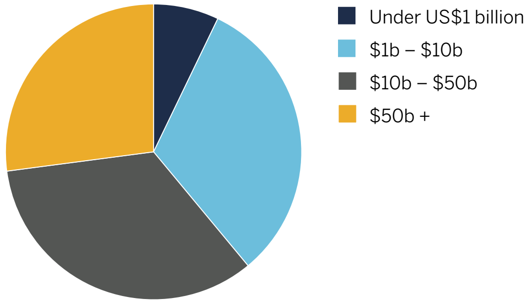
Company	E	S	G
Kraft Heinz Co/The		✱	✱
Kroger Company		✱	✱
L			
L&T Finance Holdings		✱	✱
Lattice Semicondctr		✱	✱
La-Z-Boy Inc	✱	✱	✱
LEG Immobilien AG	✱		✱
Lockheed Martin Corp		✱	✱
Longfor Grp Hldgs			✱
Lowe's Companies		✱	✱
Lyft Inc		✱	
M			
Marathon Oil Corp			✱
MBIA Inc			✱
McDonald's Corp		✱	✱
McKesson Corporation		✱	✱
Medtronic PLC		✱	✱
Merck & Co		✱	✱
MetLife Inc		✱	✱
Metro Bank PLC			✱
MGM China Hldgs Ltd			✱
Mgm Resorts Intl	✱		✱
Middleby Corp			✱
Millicom Intl Cell			✱
Molina Healthcare In			✱
Moncler SpA	✱	✱	
Mondelez Intl Inc		✱	✱
Monro Inc		✱	✱
Moog Inc			✱
Mueller Industries			✱
MUFG		✱	✱
Mylan NV		✱	✱
N			
Nampak Ltd	✱	✱	✱
National Instruments		✱	✱
Natus Medical Inc		✱	✱
Nestle SA	✱	✱	✱
New York Times Co		✱	✱
Nexity SA	✱		✱
Nexon Co Ltd			✱
NexPoint Residential			✱
NextEra Energy Inc	✱	✱	
Nintendo Corp		✱	✱
Nippon Yusen KK			✱
Noble Energy Inc	✱		✱
Nomura Holding Inc		✱	✱

Company	E	S	G
Norfolk Southern			*
Northern Trust Corp			*
Northrop Grumman Crp		*	*
Norwegian Cruise Lin			*
Novartis AG		*	*
NRG Energy Inc	*		*
NuVasive Inc		*	*
nVent Electric PLC			*
O			
Occidental Petroleum	*		*
OGE Energy Corp	*		*
Oklahoma Gas & Elect	*		*
Old Mutual Ltd		*	
P			
PACCAR Inc			*
PayPal Holdings Inc		*	*
PDC Energy, Inc			*
Penumbra Inc		*	*
Pernod Ricard SA			*
Petrobras	*		*
Pfizer Inc		*	*
PG&E Corp		*	*
Ping An Insurance Gr	*	*	*
Pioneer Nat Resource			*
Portola Pharmaceutic		*	*
PPG Industries Inc	*	*	*
Primo Water Corp			*
Primoris Services Co			*
Principal Finl Grp		*	*
Prothena Corp PLC			*
Prudential PLC		*	*
PTC Inc			*
Public Storage			*
Q			
Qantas Airways Ltd		*	
R			
Raytheon Co			*
Reckitt Benckiser Gr		*	*
Redwood Trust Inc		*	*
Regeneron Pharm Inc		*	*
Reinsurance Grp Amer	*	*	*
Repsol SA	*	*	*
Republic Svcs Inc	*	*	
Resolute Mining Ltd			*
Rexford Indus Realty	*	*	*
Royal Dutch Shell PL	*	*	*
RWE AG		*	*
S			
Safran SA		*	*
Samsung Electronics		*	*
Sanderson Farms Inc	*	*	*
Schlumberger Ltd	*	*	*
Schneider Electric	*	*	*
Schweitzer-Mauduit			*
SCREEN Holdings Co L		*	*
Seattle Genetics Inc			*
Sempra Energy		*	*
Service Corp Intl		*	*
ServiceNow Inc			*
Seven & I Holdings C		*	*
Signature Bank NY		*	*
Silgan Holdings Inc		*	
Simon Ppty Grp Inc			*
SMC Corp			*
Smith & Nephew PLC		*	*
Smurfit Kappa Gr PLC			*
Societe Generale SA	*	*	*
Sony			*
Southern Co	*	*	*
Spire Inc	*		
SS&C Technologies			*
Standard Chartered	*	*	*
Sun Communities Inc		*	*
Suncor Energy Inc	*		
Swiss Re AG	*	*	*
Sysco Corp		*	*
T			
Takeda Pharmaceut		*	*
Targa Resources Corp			*
Telefonica SA		*	*
Temenos AG			*
Teva Pharma Industr		*	
Tokyo Electric Power	*	*	*
Total SA		*	*
Tower Semiconductor	*	*	*
TriNet Group Inc		*	*
U			
Uber Technologies In		*	*
UBS Group AG		*	*
Unilever PLC	*		*
United Parcel Servic	*		*
UnitedHealth Group		*	*
Unum Group			*
UroGen Pharma Ltd			*
V			
Vale	*	*	
Valero Energy Corp	*		*
Varian Medical Systm			*
VeriSign Inc			*
Vertex Pharm		*	*
Vinci SA		*	*
Virtus Invt Prtnrs			*
Visa Inc		*	*
Votorantim Cimentos	*		*
Vulcan Materials	*	*	*
W			
Walgreens Boots Alli		*	*
Walmart Inc	*	*	*
Wells Fargo & Co		*	*
Western Digital Corp		*	*
WEX Inc			*
Wienerberger AG			*
Wizz Air Hldgs Plc	*	*	*
Wolters Kluwer			*
WPP PLC			*
WPX Energy Inc			*
X			
Xenia Hotels & Resor		*	
Y			
Yamaha Motor			*
Yamaha Motor Co Ltd			*
Z			
Zimmer Biomet Hldgs		*	*

E = environmental, S = social, and G = governance discussions. The companies shown comprise a complete list of all engagement meetings in which Wellington Management's ESG Research Team participated in 2019. These companies are not representative of all of the securities purchased, sold, or recommended for clients. It should not be assumed that an investment in the companies listed has or will be profitable. Actual holdings will vary for each client and there is no guarantee that a particular client's account will hold any or all of the companies shown. This material is not intended to constitute investment advice or an offer to sell, or the solicitation of an offer to purchase shares or other securities.

ESG ENGAGEMENT ACTIVITY BY SECTOR AND MARKET CAPITALIZATION





Figures may not sum to 100 due to rounding. | Source for both charts: Wellington Management

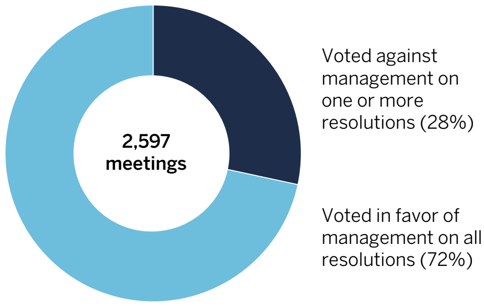
PROXY VOTING ACTIVITY

In 2019, we voted proxies for more than 5,000 companies in 65 markets, executing our voting intentions on our clients' behalf for over 27,000 resolutions we deem significant.

The following charts summarize our vote decisions specific to significant resolutions. We define "significant" resolutions as those where our voting authority could potentially influence the outcome and those that are not procedural in nature. Aggregate voting authority may not be equal to firmwide ownership in cases where our clients have elected to retain voting discretion for their shares. As with our engagements, we have been enhancing technology that will enable us to report rationale for all significant resolutions without regard to voting authority. In 2019, we reported rationales for management proposals for which we voted against management and all shareholder proposals at companies of which we were material owners at the time of the vote.

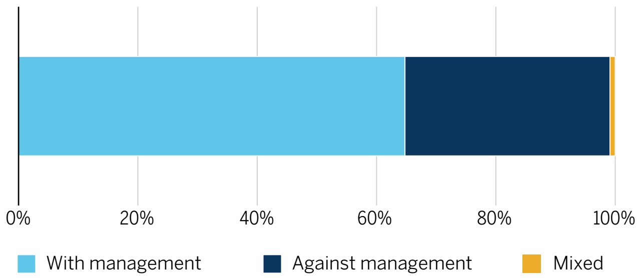
The figures shown here are the summary of the past year's significant proxy voting activity. Please see our 2019 Significant Global Proxy Voting Disclosure for full details.

2019 Significant votes



In 2019, we voted on 457 shareholder proposals we deemed significant across 207 meetings.

Shareholder proposals



Since the 2019 voting season, we have evolved our approach to shareholder proposals to consider the spirit of the proposal where appropriate, as a signal of our support for a material issue.

WellSustain: Our corporate sustainability initiatives

Wellington's internal corporate sustainability initiatives aim to incorporate socially and environmentally sustainable behavior into our business practices. Our approach centers on three pillars: Environment, Community, and Culture. We have highlighted some of our efforts and accomplishments below.

ENVIRONMENT

We are committed to addressing the environmental impact of our operations and raising awareness of sustainable practices among our employees. Our aim across our global offices is to measure, report, and reduce our operational impact. This goal aligns with our culture and our commitment to our clients, who expect us to be good environmental stewards. We believe environmental stewardship is also in the best long-term interests of the firm, and our employees are increasingly motivated to make their working environments "greener."

The firm's environmental impacts stem mainly from:

- electricity required to power our offices
- travel needed to operate as a global investment firm
- waste generated through our work

A number of environmentally conscious practices complement day-to-day business and support employees and communities, including:

- energy conservation
- green-building standards
- technology
- business travel and carbon offset
- recycling and composing
- paper conservation
- infrastructure reliability

Energy consumption

Clean power sources such as solar, hydroelectric, geothermal, wind, and biomass provide a significant portion of the power supplied to our Boston-area offices, which represent more than 75% of our total global office footprint. We actively monitor our energy usage and explore opportunities to use more renewable power sources. We also implement enhancements like lighting controls, occupancy sensors, and motion-activated building systems to help reduce energy consumption. From 2016 to 2019, we covered 100% of our electricity consumption for our data centers with renewable energy credits. We continue to explore a variety of renewable energy options for our global electricity consumption.

Recycling and composting

We participate in donation and recycling programs that reduce the environmental impact of the firm's technology. We donate technology equipment in good operating condition and recycle unusable devices. And as we upgrade our business technology, we purchase environmentally friendly alternatives that use less energy and have a smaller carbon footprint. In conjunction with our landlords, we offer employees the opportunity to recycle personal electronic waste several times throughout the year.

We also work with our landlords to implement recycling programs for consumable products and business supplies. We have ongoing recycling programs for paper, bottles, cans, and plastics in all of our buildings. We have programs to recycle toner cartridges and home-use batteries at the firm's expense. As part of our Corporate Sustainability Initiative in the EMEA region, our London office has adopted a "single-stream" waste policy to help ensure that all general waste is recycled.

Most of our offices have introduced composting and waste stations. This, coupled with reusable or compostable pantry/kitchen supplies, helps to drive toward our goal of zero waste.

Paper conservation

Electronic delivery of reports and deployment of duplex printers and copiers reduce the firm's paper consumption, despite business growth. As we promote the use of technology and mobile devices for information flow, we are exploring and planning to implement measures to reduce paper consumption. We use an on-demand print management system that reduces paper and toner waste through a limited number of high-capacity, multifunction devices.

In addition, we have been reducing or eliminating hard-copy materials for internal and client/prospect meetings whenever possible. More than 80% of our conference rooms globally have audiovisual equipment.

Green-building standards

We lease approximately one million square feet of office space in buildings around the world. Environmental rating is one of the criteria the firm uses to select new space. We consider the following measures when designing and building interior space:

- Open-plan designs, which use less space and energy per occupant
- Nontoxic paint and adhesives
- Carpet tiles and other materials that contain recycled content
- The use and reuse of portable furniture elements (we donate lightly used furniture to local nonprofits)
- Energy-efficient heating, ventilation, and air conditioning (HVAC) and lighting systems, including motion sensors
- Water-saving plumbing fixtures and gray-water collection

Wellington seeks to lease space from established landlords with demonstrable commitments to minimizing greenhouse gas (GHG) emissions through sustainable construction and building operations practices. We look for spaces with Leadership in Energy and Environmental Design (LEED) certification or similar designations around the world, as well as dedicated support for renewable energy. As a tenant, we routinely build out our spaces with the goal of achieving a LEED Gold rating. In the US and the UK, where we have power purchase agreements, we include renewable energy credits as part of our commitment to offset our fossil-fuel consumption.

The following Wellington offices have environmental certifications from government-sponsored rating systems:

- **Boston:** US/LEED
  - 280 Congress Street: Building - Platinum
  - 100 Federal Street: Building - Silver
- **Hong Kong:** HK/BEAM - Platinum
- **London:** UK/BREEAM - Very good
- **Sydney:** Australia/NABERS - 4.5 stars

Technology

We replace aging technology infrastructure with newer, energy-efficient alternatives. In 2019, we continued shifting to the cloud, allowing demand to scale dynamically, while reducing overall energy requirements and increasing performance.

Infrastructure reliability

We acknowledge the potential for business disruption caused by extreme weather events. Our offices in Boston, London, San Francisco, Singapore, and Tokyo are particularly susceptible to various climate- and weather-related risks, including power-supply disruptions and flooding.

To mitigate the risk of disruptions at our main Boston facility, Wellington partnered with our landlord, Boston Properties, to study the likelihood of flooding and develop a flood management program for the property. As a result of the study, we purchased an AquaFence®, an interlocking panel "fence" that creates a portable four-foot (1.2-meter) buffer around the building's perimeter. AquaFence® is designed to protect vulnerable electrical infrastructure and contingency fuel supplies in the building's underground parking structure.

In Tokyo, a city susceptible to earthquakes, we relocated our office to the lower levels of a new property featuring earthquake-resistant structural design. This building is adjacent to a park, so staff can evacuate quickly to a safe, open space.

In Boston, we protect our trading floors with uninterruptible power supply (UPS) devices, static transfer switches, and generators. Generators also back up other investment functions. Our business-continuity alternate site, located more than 30 miles (48 kilometers) inland in Marlborough, Massachusetts, is supported by UPS and generator backup as well. All of our offices have UPS power to support critical equipment, and most have generators to ensure continuous operations in the event of prolonged power outages.

Business travel and carbon offset

An assessment of our carbon footprint confirmed that we generate most of our GHG emissions through travel. We strive to approach business travel efficiently, arranging as few trips as possible and coordinating them geographically. We also publish emissions data on our travel itineraries, so employees can understand the environmental impact of each trip. In addition, we encourage the use of virtual meetings and train transportation. Our offices are centrally located in cities to allow for easy public transportation.

For the last several years, we have partnered with a charity organization that invests in environmentally friendly projects to offset a portion of our carbon emissions footprint. Through this partnership, we were able to offset 100% of carbon emissions equivalent from our corporate airline travel in 2019.

Since 2016, we have been publishing an interactive online travel dashboard to senior managers and business managers globally. This weekly refresh of travel data provides transparency about who is planning to attend conferences and external meetings. This information encourages teams to limit the number of meeting attendees and, therefore, travel.

COMMUNITY

Wellington Foundations

The Wellington Management Foundation was founded in the US in 1992 as the Wellington Management Company Charitable Fund. Since its inception, the Foundation has reflected our firm's culture and values, relying on employees who volunteer their time and talent via on the Foundation's advisory board, nonprofit relationship teams, and our grant recommendation committee. Through the combined generosity of the firm and these individuals, the Foundation is able to direct 100% of donations to organizations that meet its mission to promote and support education.

The Wellington Management UK Foundation was established in 2016 to continue in this tradition, making grants to organizations in the UK and Europe. In 2019, the US Foundation and UK Foundation collectively provided more than US$6 million in grants and donations across more than 100 organizations globally. Each of these organizations fulfills a vital role in its community, improving education and educational opportunities for youth from marginalized populations.

Community involvement and volunteerism

As the Foundation has expanded its reach and employee participation, dedicated relationship teams work with grantees and other charities to offer "support beyond dollars." As the primary point of contact for the organizations, these teams help coordinate volunteer opportunities and programming. Each relationship reflects the organizations' specific needs and goals. Examples of volunteer activities include:

- Participating in college-essay "boot camps," resume writing workshops, and mock interviews
- Judging debating tournaments, business plan pitches, and civic presentations
- Serving as mentors, tutors, and career advisors for underprivileged children and young adults
- Organizing talks and career events for veterans
- Cooking and serving food for the homeless
- Hosting on-site career days and forging connections to campus recruiters
- Partnering with local ecological parks

Our Employee Volunteer Program encourages each employee to spend two business days a year volunteering at nonprofit organizations. Last year, over 60% of employees used at least one volunteering day. Our Annual Appeal provides employees with a convenient, meaningful way to provide financial support to global and regional nonprofit and nongovernmental organizations of their choosing.

In 2019, approximately 65% of our employees participated in the Annual Appeal and raised nearly US$1.8 million. The firm's Matching Gift Program matches employee donations to registered nonprofit organizations.

CULTURE

We believe that Wellington's sound, enduring ownership structure and business model distinguish us in our industry today. We adhere to the mantra, "client, firm, self," and the result is a firmwide mandate to maintain a singular focus on our clients every day. This commitment is reflected in our governance, talent development, diversity and inclusion efforts, and several initiatives aimed at continual improvement.

Partnership model

Among our founding partners' legacies is a dedication to sustainability and stewardship, that it is incumbent on current generations to leave the world in better shape for future generations. Stewardship requires a long-term fiduciary approach to running the business and considering all stakeholders.

Our commitment to the perpetuation of the partnership is resolute. Every one of the current 177 partners is a full-time participant in the activities of the firm, sharing in both the risks and rewards of the enterprise. We believe this creates a level of prudence and due diligence that differentiates us. The breadth of ownership and structure of the partnership ensure successful generational transition. Each business group and portfolio management team undergoes continuous succession planning. The private partnership also frees the firm from answering to the needs of outside interests and from pressure for short-term results.

We view the partnership model through the ESG lens as well. In 2018, we separated the roles of CEO and chair, further supporting independence, respectful debate, and oversight at the senior level of the firm.

Firm governance and operational risk

Our infrastructure for formal and informal oversight is well developed. Every employee reports to a manager and each function is overseen by a line business manager who has chief responsibility for functional oversight. The Executive Committee oversees the business and approves all firmwide policy matters. Several committees provide functional risk-management oversight and report to the Executive Committee. These include the Error Resolution

Council, Operating Committee, Ethics Committee, Trading Policy Group, ISC, and Risk Management Committee. Investment review groups oversee portfolio managers.

We integrate compliance and controls within the business functions. Functional responsibility for each business unit lies with the firm's business managers. This effort provides a centralized resource for the firm to ensure that we develop and maintain strong controls in our operations. The Legal and Compliance and Operational Risk Management groups work closely with the line business managers to analyze issues and develop best practice approaches.This coordination is critical to our process and essential to integrating controls.

Procedures to monitor and ensure compliance with specific regulatory requirements, such as Code of Ethics oversight, are the responsibility of the Legal and Compliance Group. We publish our policies and procedures to all staff on our intranet. In addition, we have an Internal Audit function that tests our operational control environment to provide assurance over the design and effectiveness of key operational controls to the Executive Committee, the Risk Management Committee, affiliate boards/risk committees, and senior management.

Understanding that cyber threats are pervasive, we have dedicated information security and cyber defense functions that work across the business lines and IT to protect the firm. These teams consider risk scenarios in their planning and work with industry partners to incorporate external and systemic threats into our planning process.

Talent development

As a talent-based business, we strongly believe in talent development. We facilitate coaching, on-the-job teaching, participation in internal meetings and industry seminars, as well as external formal technical and professional training. Senior professionals at the firm work to ensure that more junior professionals receive growth opportunities, feedback, and guidance. We aim to ensure that every individual is able to leverage their strengths and seize opportunities to learn and grow. We post newly open positions internally on our intranet, and we encourage employees to apply for any position for which they believe they qualify.

Diversity and inclusion (D&I)

We see a diverse workforce and inclusive culture as vital to our success. As a global asset management firm, we define diversity and inclusivity broadly, focusing on dimensions with the greatest opportunity for improvement, which we can then leverage to deliver better investment results and solutions for our clients.

Having a globally diverse and inclusive firm helps us attract, develop, and retain talent. It also strengthens our ability to adapt to changing local and global markets. It creates opportunities for collaboration and creative solutions, and it helps connect us with current and prospective clients.

We have created a five-year global diversity and inclusion strategy and action plan. Our approach is driven by firm leaders, implemented by managers, supported by employees, and guided by our director of global diversity and inclusion. We have set specific goals linked to talent, culture, and community, customized for each functional area and local office to ensure global consistency with local relevance.

To track our progress, we conduct an annual review of quantitative diversity dashboard metrics, periodic reviews of qualitative talent engagement survey feedback, and an assessment of individual contributions as part of the performance appraisal process. We continuously review and update our talent strategies, processes, policies, and programs.

Talent initiatives:

- Diversity internships
- Early-in-Career programs
- Exploration with Historically Black Colleges and Universities (HBCUs)
- Use of specialized search firms to identify underrepresented mid-career talent
- Diversity lens in talent-management processes
- Global talent succession planning

Culture initiatives:

- Skills-building sessions on unconscious bias and cross-cultural, generational, and other differences
- Ongoing surveys and focus groups to solicit employee feedback on D&I
- Upstanders, a group of sponsors and mentors
- 13 business networks (employee resource groups)
- D&I working group and advocates.

Community initiatives:

We invest in our communities through philanthropic efforts, procurement practices, and external collaborations, including:

- 100 Women in Finance — A global association of more than 10,000 professional women making a difference in both industry and community through educational programming, professional leverage initiatives, and philanthropy

- Girls Who Invest — A nonprofit dedicated to increasing the number of women in portfolio management and executive leadership in the asset management industry
- INROADS — A nonprofit that helps develop and place talented underserved youth in business and industry and prepare them for corporate and community leadership
- The CFA Institute's Driving Change Diversity and Inclusion in Investment Management — CFA Institute's effort to change the investment management industry's failing grades on D&I
- The Diversity Project (UK) — A group of investment industry leaders committed to accelerating progress toward inclusivity

Core D&I initiatives: Business networks

Our 13 business networks with regional chapters around the globe are:

- **Access Asia**
- **Asians in Motion**
- **Conexiones**
- **disAbilities Awareness Network**
- **Four Seas**
- **Inclusion and Cultural Awareness Network**
- **Pride+**
- **Shades**
- **Tokyo Diversity Working Group**
- **Wellington Parents Group**
- **Wellington Veterans**
- **Wellington Young Professionals**
- **Women's Business Alliance**

Employee engagement

In 2019, we completed our second firmwide engagement survey. Given the exceptional response rate — 95% (versus a 75% industry average) — the data and feedback were rich and instructive. The firm conducting the survey concluded, in part: "Engagement levels continue to be strong at Wellington. Employees take pride in Wellington's reputation, and putting clients first is a clear cultural value. Engagement is strong across the different levels of officership and title, men and women, and across the three regions."

Key areas of focus from the survey were growth and development. Respondents requested enhanced formal learning opportunities and greater emphasis on coaching and developmental feedback to help employees expand their responsibilities and impact. Another theme that we continue to work on is transparency. Employees said they want better understanding of internal decision-making processes and activities surrounding the firm's strategic initiatives. To address this request, we have created information-sharing programs, including more internal "town halls," video blogs, and emails from firm leaders detailing our strategies.

Our CEO, Brendan Swords, summed up key takeaways: "You have confirmed that the character and the values of Wellington remain the bedrock of the firm. We know who we are, what we stand for, what our culture aspires to be, and that it needs to keep evolving. We have a high level of mutual respect and trust, a strong commitment to the fiduciary mission and the client-centric focus, an incredible sense of teamwork and collaboration, and unparalleled professionalism and integrity. We have a "do the right thing" mindset and we care about one another and about the greater good. All these things are truly enduring. They are very powerful, and we should not take them for granted in an industry where reputation and culture are often so fragile and fleeting."

Client engagement

To understand how we can better serve our clients, we periodically participate in surveys conducted by research firms such as Greenwich Associates and Chatham Partners. These surveys provide detailed analysis based on feedback from the investment community and data on topics like client satisfaction. We also continuously seek feedback directly from our clients and incorporate it wherever appropriate. We believe the ultimate measure of satisfaction is the tenure of many of our clients' relationships.

The latest client survey that we participated in was a "Client Experience Assessment" that we commissioned with Greenwich Associates in November 2018. This survey involved 261 submissions from clients worldwide, and Greenwich provided us with Net Promoter Scores (NPS) for each client segment, indicating degrees of client satisfaction. Across industries, NPS scores greater than 0 are typically considered good; scores above 50 are considered excellent. When asked "how likely would you recommend Wellington to a peer?" our insurance clients, for example, registered an NPS of 76 which was deemed "outstanding" by Greenwich.

OUR PATH FORWARD ON DIVERSITY: SOLIDARITY, INSIGHT, AND ACTION

The Wellington community is grounded in the universal and inviolate principle that all people are created equal, and that discrimination in any form is unacceptable. This truth guides our firm's mission to be diverse, inclusive, equitable, and humanistic. And while we have built a strong foundation of firm and community initiatives, we are too far from our goals and more is required.

We stand together with our African and Black heritage colleagues, clients, and communities, and with all our diverse employees. We will be expanding and accelerating our efforts and increasing our investments where they can have the most impact. The firm's leaders are working closely with the Diversity and Inclusion Committee and representatives from our Shades business network to identify actions to supplement and deepen our outreach in several areas.

Leadership and accountability. Our leaders will take a much more hands-on approach to improving diversity and inclusion at the firm. This will include a focus on hiring, developing, and promoting Black and other underrepresented talent into investment, management, and leadership roles. We will also work with the Diversity and Inclusion Committee to develop an accountability framework that will include strategic goal setting, diversity-focused talent reviews, direct employee feedback on manager effectiveness and inclusion, tracking of key metrics, and an annual progress update for the firm. The firm's leaders are also committed to increasing direct engagement with our Black and other underrepresented colleagues, and with the leadership of our business networks.

Becoming better educated. We will expand diversity and inclusion training for our managers and leaders. We will launch programs that foster open conversations and better education about the realities our Black colleagues face and ways we can contribute to an inclusive environment for all.

Developing our Black and diverse talent. We will invest in more skills-based training for early career Black and diverse professionals, starting with the launch of our Groundbreakers program this July. We will expand our mentorship/ally program for Black and diverse professionals and implement new forms of apprenticeship through committee and project work.

Making a bigger difference in our communities. The Wellington Management Foundation supports programs and organizations that improve educational opportunities for youth from traditionally underserved and economically challenged communities. We believe the Foundation is making a difference in our communities, but there is more we can do.

- We will identify opportunities to become more actively and visibly involved with community organizations and community leaders in Boston and other communities we operate in.
- We will commit more funding for community efforts, and we will collaborate with Shades to determine how best to put the money to work for the Black community. We will start now with donations to the NAACP and UNCF, and we will work with Shades leadership to add other organizations over time.

While we are deeply disturbed by recent events, we are also optimistic that the Wellington community has the values and determination to make tangible progress. As Nelson Mandela said, "I am fundamentally an optimist...Part of being optimistic is keeping one's head pointed towards the sun, one's feet moving forward." Together, we will draw on the wisdom of our employees, our peers in the industry, our clients, and the community organizations with whom we work to make Wellington a more effective ally and force for positive change.

Closing thoughts and contact information

Wellington is committed to sustainable investing and improving our internal sustainability practices. As a large asset manager and a fiduciary to our clients, we aim to promote sustainable investing as a critical market segment — one that we believe increasingly drives investment value and returns. As part of the global community, ensuring that our staff and offices worldwide enhance and advocate for sustainable practices bolsters our strength, durability, and competitive advantage. Thank you for the opportunity to share our ongoing efforts in these areas.

For additional information, please contact your relationship manager or visit us online:

WELLINGTON.COM

WELLINGTONFUNDS.COM

LINKEDIN

Sustainable investing is qualitative and subjective by nature, and there is no guarantee that the criteria utilized, or judgment exercised, by Wellington will reflect the beliefs or values of any one particular investor. Sustainable investing norms differ by region. There is no assurance that any sustainable investing strategy and techniques employed will be successful. **Please refer to the risk information and important disclosures at the end of this report.**

Important disclosures

INVESTMENT RISKS

All investments involve risks. Given the long time frames for most impact projects and many companies' reliance on disruptive technologies, investments may be subject to volatility and are therefore more suited to longer investment horizons. The following are some general risks associated with various approaches discussed in this report. This is not an all-inclusive list. Each specific investment approach and product will have its own specific risks and risks will vary.

Capital risk — The value of your investment may become worth more or less than at the time of the original investment.

Concentration risk — Concentration of investments in a relatively small number of securities, sectors or industries, or geographical regions may significantly affect performance.

Equity and fixed income securities market risks — financial markets are subject to many factors, including economic conditions, government regulations, market sentiment, local and international political events, and environmental and technological issues. In addition, the market value of fixed income securities will fluctuate in response to changes in interest rates, currency values, and the creditworthiness of the issuer.

Foreign and emerging markets risk — Investments in foreign markets may present risks not typically associated with domestic markets. These risks may include changes in currency exchange rates; less-liquid markets and less available information; less government supervision of exchanges, brokers, and issuers; increased social, economic, and political uncertainty; and greater price volatility. These risks may be greater in emerging markets, which may also entail different risks from developed markets.

Smaller capitalization stock risks — The share prices of small- and mid-cap companies may exhibit greater volatility than the share prices of larger capitalization companies. In addition, shares of small- and mid-cap companies are often less liquid than larger capitalization companies.

Manager risk — Investment performance depends on the portfolio management team and the team's investment strategies. If the investment strategies do not perform as expected, if opportunities to implement those strategies do not arise, or if the team does not implement its investment strategies successfully, an investment portfolio may underperform or suffer significant losses.

ABOUT THIS REPORT

The Shareholder Rights Directive II (SRD II) is a European Union (EU) directive, which aims to strengthen the position of shareholders and ensure that decisions are made for the long-term stability of a company. At a high level, the purpose of the directive is to promote long-term shareholder engagement through increased transparency and encourage long-term investment decision making by both asset owners and asset managers. This report is designed to be an overview of our progress toward sustainability goals and investment practices and should not be taken as advice or a recommendation. Certain data provided is that of a third party. While data is believed to be reliable, no assurance is being provided as to its accuracy or completeness. Data provided is as of 31 December 2019 | Company examples are for illustrative purposes only, are not representative of all investments made on behalf of our clients, and should not be interpreted as a recommendation or advice. Company information is sourced from multiple sources including the following: annual and quarterly reports; industry research pieces; company websites; press releases; case studies; and company engagements.

Individual portfolio management teams may hold different views and may make different investment decisions for different clients. Views may change over time. Each client account is individually managed; the extent to which ESG research and sustainable investing are considered in the investment process will vary depending on the investment policy established for the approach or fund. Investors should always obtain and read an up-to-date investment services description or prospectus before deciding whether to appoint an investment manager or to invest in a fund.

United Nations Sustainable Development Goals (SDGs): United Nations SDGs and targets are sourced from UN.org. Wellington determines, based on its own research of each company, the United Nations SDGs and targets that, in our view, each portfolio company is most aligned with. Other investment firms may take different views. Wellington Management supports the United Nations Sustainable Development Goals. This information should not be construed as a recommendation or endorsement by the United Nations for any investment example shown or Wellington Management. Examples are also not indicative of their future performance. Additional information is available upon request.