

Wellington Management Hong Kong

Response to the Principles of Responsible Ownership

..... **Principle 1**

Investors should establish and report to their stakeholders their policies for discharging their ownership responsibilities.

For decades, Wellington Management (collective reference to subsidiaries of Wellington Management Group LLP, including Wellington Management Hong Kong Limited) has been actively engaging with companies we invest in on issues that can impact “corporate value”, across environmental, social, and governance issues. We view our consideration, understanding, and engagement on topics related to the long-term investment horizon as consistent with and supportive of the stewardship responsibilities described in the Principles of Responsible Ownership, otherwise referred to as “the Principles” in this document.

This document provides commentary on how we discharge our stewardship responsibilities and is available on the Wellington Management web site. Our application of the Principles of Responsible Ownership, Japan Stewardship Code, and the UK Stewardship Code is a global effort and applies broadly across asset classes when applicable and as appropriate. Questions about this statement or our overall approach can be directed to our business relationship team.

For additional information on our ownership responsibilities, please visit our [Stewardship & ESG Integration page](#) on our website for our engagement policy and proxy voting policy.

..... **Principle 2**

Investors should monitor and engage with their investee companies.

Our clients’ assets are managed by experienced professionals who focus on specific investment approaches, each with a well-articulated investment philosophy and process. Monitoring companies is an integral element of our investment processes. The majority of our company research is the result of direct contact with company management, both in our offices and on site, including contacts with company suppliers, customers, and competitors.

We do not have a chief investment officer. Instead, our firm is organized as a community of teams, each functioning as an entrepreneurial unit within an established organization that provides it with global research, investment and business resources and stability. The importance of governance matters, including but not limited to the effectiveness of portfolio company boards and committee structures, to the relevant investment style will differ. Therefore, we do not impose a single mechanism for how our investment professionals approach these issues. As experienced professionals, they are in the best position to determine what is most important given the investment style and particulars of the company and industry in question.

To help our portfolio managers and investment teams better assess risks and opportunities in client portfolios, we have integrated the analysis of environmental, social, and corporate governance (ESG) factors into our investment and risk-management processes firmwide. A centralized, in-house hub known as the ESG Research Team provides our investors with tailored ESG resources and information to support ESG considerations, incorporating research, company engagement, and in-depth portfolio reviews. Each of our portfolio managers and investment teams develops their own philosophy and process for their investment approach. ESG research at Wellington is centralized and available to all investment teams and each investment team incorporates this research in a way that is consistent with their investment philosophy and process.

Since each of our portfolio managers develops a personalized philosophy and process for their investment approach, the degree to which ESG research shapes investment decisions and client portfolios, if at all, can vary broadly from team to team. Nearly all portfolio teams utilize ESG inputs, but the “weight” or prominence of this input differs based in large part on the ESG topic, the security type, and the team’s investment discipline and philosophy and process. ESG considerations can manifest within the investment thesis or portfolio weighting for a particular security, as well as within proxy voting and company engagement efforts. For many teams, ESG research is an input or investment lens to help assess the value of investments. In some cases, teams have developed personalized investment philosophies and processes that feature ESG considerations as the primary lens for evaluating investment opportunities.

We maintain relationships with over 400 research providers, allowing our investors access to multiple data sets across thousands of securities. Our firm also collaborates with a number of ESG related investor networks such as the United Nations–supported Principles for Responsible Investment (PRI), an international network of investors and investment managers working toward putting together responsible investment practices in place globally.

.....
Principle 3

Investors should consider and establish clear policies on when they will escalate their engagement activities.

Engaging with company managements plays a critical role in helping to identify, understand, and appropriately consider investment risks and opportunities. Our firm’s engagement with company management teams depends on the materiality of the issue, the responsiveness exhibited by the company to past communications and our assessment of whether such engagement is in the best interests of our clients. Our engagement activities can include meeting with company boards, speaking to non-executive directors, carrying out proxy voting or participating in stakeholder dialogues. In the event that a company is not responsive to our initial engagement efforts, we will consider: additional meetings with management, meeting with the Chair and other board members, public forums, divestment, and potentially voting against members of the board in order to escalate our concerns.

.....
Principle 4

Investors should have clear policies on voting guidance.

We take the responsibility of proxy voting seriously. We have policies and procedures designed to ensure that we collect and analyze all relevant information for each meeting, apply our proxy voting guidelines accurately, and execute the votes in a timely manner. Ultimately, each vote must reflect

the specific situations at stake, and these can vary broadly. Therefore, portfolio managers and analysts have discretion to vote proxies in the best interest of each client portfolio they manage. Our Global Proxy Voting Guidelines are available on our public website.

While Wellington Management does not rely on any external parties for recommendations or vote determinations, we do subscribe to the research products supplied by various proxy advisors and research providers, including ISS and Glass Lewis. We use an electronic voting platform provided by one of our proxy advisors to facilitate electronic receipt and execution of ballots.

Wellington Management may be unable to vote proxies when the underlying securities have been lent out pursuant to a client's securities lending program. In general, Wellington Management does not know when securities have been lent out and are therefore unavailable to be voted. Efforts to recall loaned securities are not always effective, but, in rare circumstances, Wellington Management may recommend that a client attempt to have its custodian recall the security to permit voting of related proxies.

.....
Principle 5

Investors should be willing to act collectively with other investors where appropriate.

We cultivate relationships with other asset management firms and broader industry organizations to share insights on corporate governance trends and local market considerations. This may include collaborating with other investors when such action would be in our clients' best interests and is permissible under applicable laws and regulations. We are a member of the Investor Forum, a collective engagement body representing investors in UK listed companies. Wellington Management is also a member of Climate Action 100+. This membership reinforces our belief that climate change is a systemic risk and is meant to be complementary to our rigorous climate research efforts. ESG analysts, in consultation with portfolio managers with significant holdings, are adding their voice to several ongoing engagements with US companies in the Energy, Utilities, and Materials sectors.

.....
Principle 6

Investors should report to their stakeholders on how they have discharged their ownership responsibilities.

We keep records of our proxy voting activity and provide regular reports, upon request, to clients for whom we have the authority to vote, as part of a systematic portfolio reporting process. We also provide clients with a quarterly update on recent developments in the corporate governance arena and representative examples of our engagement activities. We disclose proxy votes publicly on our website each quarter.

Wellington Management has an Investment Stewardship Committee, established by action of the firm's Executive Committee, which is responsible for the review and approval of the firm's written Global Proxy Policy and Procedures and the Global Proxy Voting Guidelines. The Investment Stewardship Committee meets regularly and comprises a global network of senior professionals from across several business functions within the firm, including investors. The firm's Legal and Compliance Group monitors regulatory requirements with respect to proxy voting on a global basis and works with the Investment Stewardship Committee to develop policies that implement those requirements. Day-to-day administration of the proxy voting process at Wellington Management is the responsibility of the Sustainable Investment Team.

.....
Principle 7

When investing on behalf of clients, investors should have policies on managing conflicts of interests.

Wellington Management does not engage in retail brokerage, lending, securities underwriting, or proprietary trading and is not affiliated with any firms that engage in these businesses. In addition, the firm's business model, ownership structure, and culture seek to align the interests of clients with those of the firm. Our broadly diversified client base and functional lines of responsibility help to minimize the number of potential conflicts of interest in relation to stewardship though they cannot prevent such conflicts entirely. Together, these structural elements may help the firm avoid some of the typical conflicts of interest in the investment management business that may arise in connection with stewardship responsibilities, though they cannot prevent such conflicts entirely.

As a fiduciary, we seek to place the interests of our clients first and to avoid conflicts of interest, including those that arise from voting or engagement issues. Our policies and procedures for managing conflicts of interest in relation to corporate governance issues are contained in the Global Proxy Policy and Procedures. While this rule is not publicly disclosed, the internal rule defines criteria for identifying conflicts of interest in proxy voting. In addition, on an annual basis, our Investment Stewardship Committee sets standards for identifying material conflicts with respect to proxy voting and corporate engagement.

WELLINGTON MANAGEMENT COMPANY LLP [Boston](#) | [Chicago](#) | [Radnor, PA](#) | [San Francisco](#)

WELLINGTON MANAGEMENT AUSTRALIA PTY LTD [Sydney](#)

WELLINGTON MANAGEMENT CANADA LLC [Serviced from Boston and Chicago](#)

WELLINGTON MANAGEMENT HONG KONG LTD [HongKong](#)

WELLINGTON MANAGEMENT INTERNATIONAL LTD [London](#) | [Frankfurt](#)

WELLINGTON MANAGEMENT JAPAN PTE LTD [Tokyo](#)

WELLINGTON MANAGEMENT SINGAPORE PTE LTD [Singapore](#)

WELLINGTON MANAGEMENT SWITZERLAND GmbH [Zurich](#)

WELLINGTON MANAGEMENT LUXEMBOURG S.À.R.L [Luxembourg](#)

www.wellington.com/en-hk/individual

.....

This material and its contents may not be reproduced or distributed, in whole or in part, without the express written consent of Wellington Management. This document is intended for informational purposes only. Nothing in this document should be interpreted as advice, nor is it a recommendation to buy or sell shares. Any views expressed are those of the author at the time of writing and are subject to change without notice. Other teams may hold different views and make different investment decisions. While any third-party data used is considered reliable, its accuracy is not guaranteed. Forward-looking statements should not be considered as guarantees or predictions of future events. Wellington assumes no duty to update any information in this material in the event that such information changes. Issued by Wellington Management Hong Kong Limited. Investment involves risk. Past performance is not indicative of future performance. This document has not been reviewed by the Securities and Futures Commission of Hong Kong.