Adverse Sustainability Impacts Statement

Wellington Management Europe GmbH

SUMMARY

This policy statement is made on behalf of Wellington Management Europe GmbH ("WME") with regards to Article 4 of the Sustainable Finance Disclosure Regulation ("SFDR"). WME is a member of Wellington Management Group ("Wellington Management") and this policy statement applies to WME and applies in respect of all investment management and advice activity carried on by Wellington Management on its behalf. This statement is intended to describe WME's commitment to considering, mitigating and addressing the adverse impacts of its investments on sustainability factors and its policies with regards to investment due diligence of such adverse impacts.

As further detailed below, certain of WME's products are required to consider and mitigate, to the extent reasonably practicable, the adverse impacts of their investments on sustainability factors. In support of this, Wellington Management shall ensure that its portfolio managers and investment teams are provided with a wide range of data, research and analysis regarding the adverse impacts or potential adverse impacts of their investments on sustainability factors. This data, research and analysis is further described below. In addition, Wellington Management has adopted an engagement policy in accordance with the Shareholder Rights Directive II ("SRD II") and has supported various initiatives and codes aimed at improving adverse environmental and societal impacts as well as transparency from issuers. Details of this policy and the initiatives are also described below.

This statement applies as from 10 March 2021.

ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

WME invests in a number of different asset types across numerous sectors on behalf of its clients around the world. Due to the varying nature of our clients' investment goals and our investment strategies on behalf of clients, the adverse impacts on sustainability factors of our investment activity may take a variety of forms, the analysis and measurement of which is an evolving effort. For example, some investments for clients in the energy sector may result in the production of fossil fuels which will result in greater greenhouse gas emissions, leading to more frequent and severe climate change events. Investments in certain issuers which operate supply chains in various regions of the world may also directly or indirectly contribute to adverse consequences on the environment or on the local communities in which those supply chains operate.

The scope of adverse impacts may be wide and varied, and as a result, the data needed to comprehensively and accurately assess such consequences is fast-evolving. In addition, regulatory and industry standardization around the methodologies and tools needed for such an assessment is likely to materialize in the coming years. As this data and standardization improves, WME will work diligently to implement, maintain and improve upon our assessment of the adverse impacts of our investments on sustainability factors and engage in efforts to address and mitigate these impacts in a manner which exceeds the expectations of its clients and regulators.

DESCRIPTION OF POLICIES TO IDENTIFY AND PRIORITISE PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS

WME is committed to considering and addressing the adverse impacts of its investment decisions on sustainability factors as described in SFDR including with respect to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters ("Adverse Impacts"). This document describes the measures we are committed to taking as well as those we already are taking in order to assess and mitigate the Adverse Impacts of our investment decisions.

WME's products which hold sustainable investments (as defined under SFDR) will be required to assess, at the point of investment, the principle adverse impacts of their investments according to compliance with the United Nations Global

Compact (the "UNGC"). The UNGC lays out ten principles concerning the human rights, labour, environmental and anti-corruption practices:

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;

Principle 2: make sure that they are not complicit in human rights abuses.

LABOUR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

In order to assess this, Wellington Management will rely on data and information from third party providers to identify companies which have business practice which breaches any one of these principles. Wellington Management portfolio managers and investment teams perform an additional level of analysis on this screen in order to determine the nature and extent of any controversy identified and any additional information regarding the company's overall compliance with the UNGC.

In addition, certain, but not all, of WME's products which are classified as Article 8 or Article 9 products under SFDR may use various adverse indicators in the investment decision-making process, including:.

- Weighted Average Carbon Intensity – a measure of the Scope 1 and 2 carbon emissions of a company weighted by average portfolio weight (as calculated by Wellington Management)
- Consistency of sovereign issuers with the democracy and freedom principles outlined by Freedom House
- The risk of exposure of a company's business practices to modern slavery and child labor
- Internal fundamental and quantitative Environmental, Social, Governance ("ESG") scores used to measure best-in-class ESG practices by companies
- Fossil fuel production and other harmful sources of revenue generation or business activity
- Certain pre-defined thresholds for diversity on company boards

While specific products may use these indicators, WME does not require consideration of these indicators in all of its products. In addition, the extent and manner in which WME's products use these indicators vary from one product to the next according to the environmental or social characteristics promoted by the products, and they may be applied in different ways and with differing relative priority. Some products, for example, may use one or more of these metrics to identify companies or issuers for exclusion from the investment universe. Others may use them in order to achieve a specific outcome relative to an identified benchmark. In addition, these products may rely on third party sources to provide data necessary to analyse the above indicators. More information on the use of these indicators within our product range is included in the pre-contractual and website product-level disclosures applicable to each product.

In assessing Adverse Impacts as outlined above, Wellington Management assesses any investment made directly or indirectly in a single issuer which results in the allocation of capital to such an issuer. Derivative instruments, unless used to gain long exposure to an issuer such as single name Total Return Swaps or Credit Default Swaps, are not included for the purpose of this analysis. Short positions will not be assessed for Adverse Impacts.

WME will continue to assess its adverse impacts consideration framework in 2021 and make suggestions to portfolio managers and investment teams on how to better implement adverse impacts consideration and remediate or mitigate and identified adverse impacts.

DATA AVAILABILITY

In assessing Adverse Impacts WME is reliant on a combination of third party data sources, direct company engagement and other research. The availability and reliability of relevant data necessary to assess Adverse Impacts is ever evolving. While we seek to enhance transparency through corporate engagement, regulatory requirements and market expectations around the disclosure of verified, granular data with respect to Adverse Impacts can differ from one region to the next and among individual issuers. In addition, the nature of Adverse Impacts and the metrics used to assess them may often lead to inconsistent methodologies. For this reason, Wellington Management generally supports the continued expansion of regulatory and non-regulatory disclosure initiatives to better enable asset managers to integrate ESG factors more comprehensively, including with respect to Adverse Impacts analysis.

Where data is not available on an issuer at the time of purchase, or such data is deemed by the portfolio manager or investment team to be unreliable, the portfolio manager will make a reasonable conclusion based on available information as to the likely impacts of such investments. Wellington Management portfolio managers and investment teams are entitled to rely on any research they deem relevant in any assessment of adverse impacts, but are encouraged to use, where possible, disclosures made under applicable laws or the international reporting standards referenced below as well as information gleaned from direct engagement with companies.

DESCRIPTION OF ACTIONS TO ADDRESS PRINCIPAL ADVERSE IMPACTS

WME has a diverse set of global clients with differing objectives for whom it invests according to different strategies within equity, fixed income and multi-asset solutions. In addition, our clients invest in a number of different asset types, sectors, markets and regions. Wellington Management's investment teams leverage Wellington Management's global investment research platform while retaining a certain degree of autonomy over their own investment decisions and processes. Wellington Management believes this diversity of thought and approaches provides clients with a differentiated service model and value proposition.

Because of the varied nature of WME's client base and investment approaches, Adverse Impacts will vary from one strategy to the next, and any remediation or mitigation efforts will need to be taken in a manner that is consistent with the best interests of all of our clients.

WELLINGTON MANAGEMENT'S APPROACH TO SUSTAINABILITY

Efforts to address, remediate and mitigate adverse impacts, particularly with regards to direct corporate engagement and stewardship activities, are the shared responsibility of Wellington's Management's Sustainable Investment Research team (the "Sustainable Investment Team") and its investment teams individually. The Sustainable Investment Team is comprised of 22 members across sustainability research and strategy, ESG sector research, and climate research. The team brings a diverse set of backgrounds from fundamental research, investment and data science, IT, portfolio management, and strategic asset allocation.

Within the Sustainable Investment Team, Wellington Management's ESG and Sustainable Research Analysts (the "ESG Research Team") along with our global industry analysts and credit analysts help Wellington Management's portfolio managers and investment teams gather deeper intelligence on ESG topics and integrate these considerations into the investment process. The ESG Research Team, part of the central investment research function, researches and provides company and sector-specific ESG and sustainability analysis and engages directly with company management teams on ESG topics to influence company behavior toward best practices.

The ESG Research Team works closely with investment teams to incorporate its research into the investment process — regularly conducting in-depth portfolio reviews to evaluate sustainability and ESG-related strengths of particular holdings. In addition, investment teams are provided with a number of ESG and sustainability integration tools and research, both proprietary and from third parties.

Climate change will have profound effects on assets, economies, and the investment community. To address this complex issue, Wellington Management has adopted a holistic, research-led approach that incorporates climate science and capital market inputs. Engaging with portfolio companies on the impact of a changing climate to their business and strategy is a key input to the process, and climate risk is among Wellington Management's top engagement priorities for the past several years. As part of this process, Wellington Management speaks with companies to gauge their exposure to climate-related events, assess management's awareness of this topic, evaluate their risk-management approach, and encourage adoption of best practices. In addition, per Wellington Management's support for the TCFD recommendations, it has been engaging with portfolio companies to encourage their adoption.

As a complement to engagement, proxy voting can be a powerful tool for managing climate-related risks, providing leverage in company management discussions and also the opportunity to directly influence corporate policy. Wellington Management generally supports shareholder-sponsored proposals focused on improved assessment and disclosure of climate risks, particularly when we believe they may be material to a company's long-term performance and that management has not sufficiently addressed them.

With support from the ESG Research Team, Wellington Management portfolio managers and investment teams develop their own investment approach whereby sustainability considerations are integrated into their research and decision-making processes. Sustainability consideration can manifest itself within the investment thesis or portfolio weighting for a particular security, as well as within Wellington Management's broader proxy voting and company engagement efforts.

WME clients may also frequently require us to avoid investing in economic activities they deem harmful or implement screens to avoid investing in entities which violate certain principles. Under SFDR, many of our investments will also need to confirm that they do no significant harm, and WME additionally requires that all of our investment strategies consider relevant sustainability risks as part of their investment process.

Through the increased focus of ESG and sustainability considerations by its clients, and the expansion of ESG and sustainability integration throughout Wellington Management, WME is hopeful that it will continually help to reduce the overall Adverse Impacts of our investments over time. As SFDR is finalized and implemented, it is also hopeful that additional regulatory clarity will enable us to take a more comprehensive and focused approach to Adverse Impacts assessment overall.

For more information on sustainability risk analysis at Wellington Management, including a more detailed look at the ESG research, data and tools available to our investment teams please see our Sustainability Risk Consideration Policy found at www.wellington.com/SFDR . For more information on Wellington Management's broader sustainability and ESG integration, please see our annual Sustainability Report and ESG integration Philosophy found on www.wellington.com.

LOOKING AHEAD

Beginning in 2022, Wellington Management will undertake to review annually the results of a quantitative assessment of the adverse impacts of its investment decisions on sustainability factors and issue recommendations to WME. Wellington Management will also endeavor to use the best available and most reliable data to assess the impact of its decisions on the sustainability factors.

Any significant gaps in the current available data or research which leads to uncertainty or assumptions regarding the adverse impacts of its investment decisions on sustainability factors will also be identified with recommendations regarding any identified improvements. WME is committed to actively seeking out the most reliable and available data regarding the environmental and social impacts of the companies it invests in.

WME views its Adverse Impacts assessment and mitigation efforts as an evolving process which we hope to significantly build on in the coming years. As the reliability and availability of data improves, regulatory frameworks come into greater focus and the tools and methodologies used to assess Adverse Impacts become more advanced, WME is confident in its ability to better assess and reduce the negative affects our investments may have on sustainability factors. Wellington Management will also seek better corporate transparency through our direct engagement with investee companies and will continue to support initiatives we believe will lead to improved non-financial disclosures and more socially and environmentally responsible corporate behavior.

ENGAGEMENT POLICIES

Wellington Management's global Engagement Policy can be found on www.wellington.com.

The policy contains information about Wellington Management's approach to engagement and its commitment to active management and stewardship on behalf of clients. Wellington Management believes it is its fiduciary duty to conduct deep research and ensure ongoing dialogue with the companies in which it invests and believes engaging with companies and voting proxies on clients' behalf supports decisions that it believes will maximize the long-term value of securities held in client portfolios. Wellington Management's engagement activity, which may vary by asset type, is summarized in our annual engagement report to clients.

ENGAGEMENT

A substantial portion of Wellington Management company research is informed by direct, persistent contact with company management and boards of directors, both in its offices and through on-site company visits. Portfolio managers, industry analysts, and ESG analysts all take part in, and have a shared responsibility for Wellington Management's ongoing dialogue with investee companies, as well as suppliers, customers, and competitors. Portfolio managers and investment teams host more than 15,000 company meetings around the world each year. Maintaining this ongoing dialogue is central to how Wellington Management implements its stewardship responsibilities and informs the investment decisions it makes on behalf of its clients.

Through engagement with management teams and boards of directors, Wellington Management seeks to monitor investee companies, gain differentiated insights, develop productive ongoing dialogue, and impact company behavior. All of these engagement goals are in direct support of managing and attempting to mitigate potential adverse impacts. In addition to the objectives established for specific company engagements, the ESG Research Team sets stewardship objectives for the forthcoming year which are relevant across companies and sectors.

PROXY VOTING

Wellington Management votes proxies in a manner it considers to be the best interests of its clients as shareholders and in a manner that we believe maximizes the economic value of their holdings. Wellington Management's approach to voting is investment-led and serves as an influential component of our engagement and escalation strategy. Wellington Management prefers that clients delegate voting responsibility to their portfolio managers. The Investment Stewardship Committee, a cross-functional group of experienced professionals, establishes Wellington Management's Proxy Voting Guidelines.

The ESG Research Team examines proxy proposals on their merits and recommends voting against proposals that it believes would have a negative effect on shareholder rights or the current or future market value of the company's securities. The ESG Research Team provides recommendations to each portfolio manager who makes the final decision for their client portfolios, absent a material conflict of interest. Consistent with Wellington Management's community of boutiques model, portfolio managers occasionally arrive at different voting conclusions for their clients, resulting in a split decision for the same security. This robust set of voting procedures and the deliberation that occurs prior to a vote decision are aligned with its role as active owners and fiduciaries for its clients.

CONFLICTS OF INTEREST

Wellington Management has adopted and implemented policies and procedures that it believes are reasonably designed to manage conflicts if they arise in its stewardship activities. Annually, Wellington Management's Investment Stewardship Committee reviews and sets standards 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 in voting and engagement. In addition, the Investment Stewardship Committee encourages all personnel to contact the ESG Research Team about apparent conflicts of interest, even if the apparent conflict does not meet the published materiality criteria.

REFERENCES TO INTERNATIONAL STANDARDS

In 2017, Wellington Management signed the Statement of Support for the Task Force for Climate-Related Financial Disclosures and encourages adoption of the framework through engagement. Over time, as more companies issue higher quality disclosures, its research teams, portfolio managers and investment teams will be in a better position to assess the Adverse Impacts that their investments may have on sustainability factors. In addition, Wellington Management aims to publish an updated TCFD report in 2021.

OTHER INITIATIVES WELLINGTON SUPPORTS

Since 2012, Wellington Management has been a signatory to the PRI, a network of international investors working together to put the six Principles for Responsible Investment into practice. The Principles were devised by the investment community and reflect the view that environmental, social, and corporate governance issues can affect the performance of investment portfolios and should be given consideration by investors if they are to fulfill their fiduciary (or equivalent) duty. The 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. In 2018, Wendy Cromwell, Vice Chair and Director, Sustainable Investment for Wellington Management was elected to the board of UN PRI.

In 2018, Wellington Management became a supporter of the Transition Pathway Initiative (TPI) and in 2019, became a member of the Carbon Disclosure Project (CDP). These initiatives support additional transparency and/or engagement on climate-related corporate disclosures and assessments.

In April 2020, Wellington Management became a member of Climate Action 100+ a five-year initiative aimed at facilitating company engagement with regards to climate-related disclosures. This membership reinforces Wellington Management's belief that climate change is a systemic risk and is meant to be complementary to our rigorous climate research efforts and ongoing private dialogue with companies. The Wellington Management ESG research analysts covering these sectors represent Wellington Management in these engagements and collaborate internally with equity and fixed income investors to ensure that the range of internal views are shared with the other investor participants in the engagement.

In December 2020, Wellington Management became a founding member of the Net Zero Asset Managers Initiative. Through this initiative, we are committing to work in partnership with clients on their decarbonization goals and to set an interim target for the proportion of assets to be managed in line with the attainment of net-zero emissions by 2050. This commitment is grounded in our belief — forged by extensive research — that climate change poses material risks for companies, economies, and society, and therefore, our clients' investment portfolios. Wellington Management will report annually about our progress toward this commitment via our TCFD disclosures, including a climate action plan, which will be submitted to the Investor Agenda via its partner organizations for review.

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