

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
Wellington Durable Companies Fund

Legal entity identifier:
549300MTQFV76KPFJ821

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
<input type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: __% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: __%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

What environmental and/or social characteristics are promoted by this financial product?

The Fund invests a portion of its assets in securities that meet one or more of the following environmental or social characteristics.

1. Issuers with disclosed carbon data that enable the Fund to achieve long term net zero carbon intensity by 2050 by aiming to reduce its weighted average carbon intensity ("WACI"), as compared to the 2019 WACI of the MSCI All Country World Index (the "Index").
2. Companies are screened to enable the Fund to exclude investments in companies involved in the production and sales of fossil fuels, or the mining of metals.
3. Companies are screened for United Nations Global Compact Principles to enable the Fund aims to exclude investment in companies that are involved in known controversies regarding child labour or forced labour by excluding investments in companies which are assessed to have failed United Nations Global Compact Principles 4 and 5.

Whilst the Index is used for WACI comparison purposes, a reference benchmark has not been designated for the purpose of attaining the environmental and/or social characteristics promoted by the Fund.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The percentage difference of the Fund's WACI and the Index's 2019 WACI.

The number of securities of any company involved in the production and sales of fossil fuels, or the mining of metals, as defined by standard industry classifications for Energy, and Metals and Mining.

The number of companies held identified which have been assessed to be in violation of United Nations Global Compact principles 4 (businesses should uphold the elimination of all forms of forced and compulsory labour) or 5 (businesses should uphold the effective abolition of child labour).

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable. The Fund does not currently commit to invest in any Sustainable Investments within the meaning of the SFDR.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable. The Fund does not currently commit to invest in any Sustainable Investments within the meaning of the SFDR.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable. The Fund does not currently commit to invest in any Sustainable Investments within the meaning of the SFDR.

- How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable. The Fund does not currently commit to invest in any Sustainable Investments within the meaning of the SFDR.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes

☐ No

By virtue of the Fund’s existing investment guidelines, the Fund takes certain, but not all, of the Principal Adverse Impacts listed in Annex I Table I of the Level II SFDR Regulatory Technical Standards (“PAIs”) into consideration either directly or indirectly on all or a portion of the Fund:

1. The Fund does not invest in companies which produce controversial weapons in accordance with the Exclusion Policy - PAI: Exposure to controversial weapons.
2. The Fund will aim to reduce its weighted average carbon intensity (“WACI”) to net zero by 2050, or sooner, in accordance with the Paris Agreement. - PAIs: Carbon Footprint; GHG Emissions, GHG Intensity of Investee Companies.
3. The Fund does not invest in companies principally involved in the extraction of thermal coal, the production of thermal coal energy and the extraction of oil sands in accordance with the Exclusion Policy. In addition the Fund will exclude companies engaged in the production and sales of fossil fuels. - PAIs: Exposure to companies active in the fossil fuel sector; Share of non-renewable energy consumption and production.

While these restrictions consider certain of the PAIs, such consideration does not necessarily eliminate the Fund’s exposure to such PAIs altogether. In addition, the extent to which these restrictions impact the investment process may be limited where such investments are outside of the scope of the investment objective of the Fund. The Fund further commits to report on these Principal Adverse Impacts periodically with such report to be included in the annual report of the Fund. For more information please see www.wellingtonfunds.com/sfdr.



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment strategy used to attain the environmental and/or social characteristics promoted by the Fund is described below.

The Investment Manager monitors the Fund's WACI compared to the 2019 WACI of the Index and adjusts it over time in order to target net zero emissions by 2050 in alignment with the Paris Agreement.

The Fund excludes investments in companies involved in the production and sales of fossil fuels, or the mining of metals.

The Investment Manager excludes companies which have been assessed to be in violation of United Nations Global Compact principles 4 (businesses should uphold the elimination of all forms of forced and compulsory labour) or 5 (businesses should uphold the effective abolition of child labour) due to known controversies regarding child labour or forced labour.

The Fund applies the Exclusion Policy which sets out issuers which are excluded where they have been identified using a combination of third party and/or internal analysis as having a predefined level of involvement in the following areas:

1. Production of controversial weapons, including cluster munitions, landmines, biological/ chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments;
2. Production of nuclear weapons;
3. Production, distribution, retail or supply of tobacco related products;
4. Thermal coal extraction or thermal coal-based power generation; and
5. Production and generation of oil sands (also known as tar sands).

Further details about how exclusions are researched and implemented by Wellington Management, including the full detail of the thresholds for involvement, may be found in the section of the Prospectus titled "Exclusions".

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The Fund will have a WACI that is no less than 50% below the Index's 2019 WACI by 2030 and aim to achieve net zero by 2050. As an interim milestone, the Investment Manager is committed to limit the Fund's contribution to climate change by targeting a carbon footprint as measured by WACI that is at least 25% less than the Index's 2019 WACI baseline as referenced by the Index as it transitions towards its 2030 and 2050 carbon footprint reduction goals as specified above.

The Fund excludes securities of any company involved in the production and sales of fossil fuels, or the mining of metals, as defined by standard industry classifications for Energy, and Metals and Mining.

The Fund excludes companies held identified using third party data which have been assessed to be in violation of United Nations Global Compact principles 4 (businesses should uphold the elimination of all forms of forced and compulsory labour) or 5 (businesses should uphold the effective abolition of child labour).

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Not applicable. The Fund does not currently commit to reduce the scope of investments by a minimum rate.

What is the policy to assess good governance practices of the investee companies?

Good governance practices of investee companies are assessed by the Investment Manager with regards to a variety of factors including, where materially relevant, management structures and decision-making, accountability to shareholders, compensation structures, corporate culture, compliance with applicable law and the absence of negative events which are likely to have a material adverse impact on the financial returns of the company. In assessing good governance, the Investment Manager considers its proprietary G ratings where available in accordance with its Good Governance Assessment Policy. These ratings rely on a combination of internal and/or external data inputs.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

During normal market conditions, a minimum of 80% of the Fund's net assets will be aligned to the E/S characteristics of the Fund.

On occasion, due to possible settlement mismatch related to investor flows or market holidays during times when large subscriptions are received, the portion of the Fund which is not aligned with the environmental or social characteristic may affect the Fund's ability to meet the commitment as described above under normal market conditions. The Investment Manager does not consider these short-term fluctuations to materially impact the Fund's ability to attain its environmental or social characteristics.

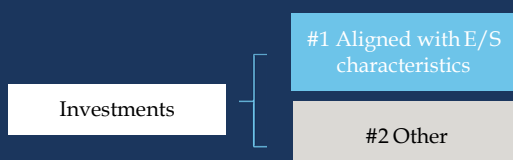
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable. Derivatives are not used by the Fund for the purpose of attaining the environmental and/ or social characteristics promoted by the Fund.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not currently commit to invest in any Sustainable Investments within the meaning of the SFDR, accordingly the minimum share of EU Taxonomy-aligned investments is 0%.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes

☐ In fossil gas

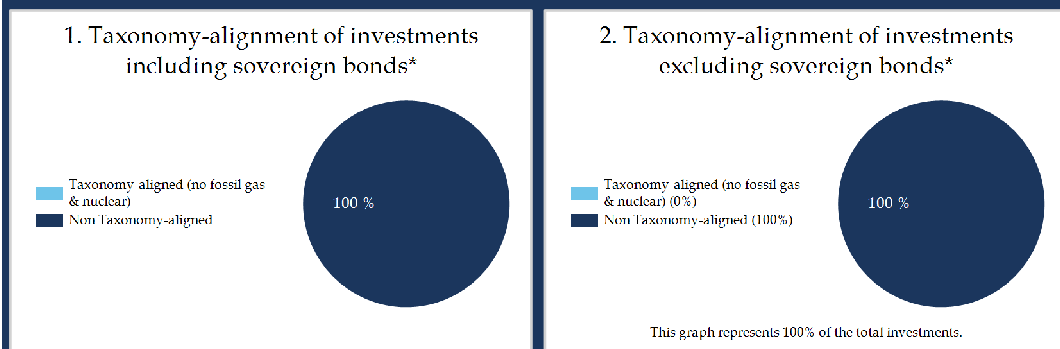
☐ In nuclear energy

☒ No

Wellington Durable Companies Fund

¹Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in dark blue the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

What is the minimum share of investments in transitional and enabling activities?

The Fund does not currently commit to invest in any Sustainable Investments within the meaning of the SFDR, accordingly the minimum share of investments in transitional and enabling activities is 0%.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund does not commit to make any Sustainable Investments within the meaning of the SFDR.



What is the minimum share of socially sustainable investments?

Not applicable. The Fund does not commit to make any Sustainable Investments within the meaning of the SFDR.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The investments under ‘#2 Other’ may include cash and cash equivalents for liquidity purposes, derivatives for hedging and/or investment purposes or investments in securities which may create exposure to multiple underlying issuers such as collective investment schemes or index positions. It may also include any securities where data to measure the environmental and/or social characteristics is not available, is not used to meet the environmental or social characteristics, or does not meet the environmental or social characteristics promoted by the Fund. Except with regards to the Exclusions Policy, these do not have any minimum environmental or social safeguards.

However, some minimum safeguards may still be considered to apply to the extent such holdings are aligned with one or more but not all of the Fund’s environmental or social characteristics.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable. Whilst the Index is used for WACI comparison purposes, a reference benchmark has not been designated for the purpose of attaining the environmental and/or social characteristics promoted by the Fund.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable.

How does the designated index differ from a relevant broad market index?

Not applicable.

Where can the methodology used for the calculation of the designated index be found?

Not applicable.



Where can I find more product specific information online?

More product specific information can be found on the website:

[https://docs.wellington.com/list/public/documents?query=TEMPLATE_TYP=SustainabilityRelatedDisclosure%26in\(fundId,F000025\)%26languageCd=EN&recentMatch=true&download=true](https://docs.wellington.com/list/public/documents?query=TEMPLATE_TYP=SustainabilityRelatedDisclosure%26in(fundId,F000025)%26languageCd=EN&recentMatch=true&download=true)