

Sustainability-related disclosures for Private Suite - Wellington Equity Global Research

This document provides you with a summary of sustainability-related information available on our website about this financial product. It is prepared in relation to Article 10 of the Sustainable Finance Disclosure Regulation (EU) 2019/2088. The information disclosed is required by law to help you understand the sustainability characteristics and/or objectives and risks of this financial product.

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<p>Summary</p>	<p>This Sub-fund promotes environmental or social characteristics. The Investment Manager identifies the sustainable investments according to SFDR on the basis of UN SDGs as described in more detail below in the section "Methodologies". No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund. The indicators used to measure the attainment of each of the environmental or social characteristic promoted by the Sub-fund are:</p> <ul style="list-style-type: none"> • the binding restrictions in the investments in securities that are on the exclusion list as result of the application of the exclusion policy. The Investment Manager excludes investment in sectors which deems to be harmful from an SRI/ESG perspective or which do not follow good governance practices. The Sub-fund complies with an exclusions policy which refers to: i) the production, maintenance, sales and storage of weapons of mass destruction (WMD); and ii) the extractive activities, production and distribution of electricity connected with thermal coal, the energy source among fuels which represents the highest contributor in terms of carbon dioxide emissions; therefore, issuers deriving at least 25% of their revenues from these activities are excluded. The exclusion is extended to those issuers in breach of the Principles of the UN Global Compact which include principles relating to human rights, labour conditions, environmental issues and anti-corruption practices; • the ESG rating of the portfolio. <p>To undertake the ESG rating analysis, sustainable characteristics of the underlying investments are defined by reference to a combination of data generated internally by the Investment Manager's proprietary models and data provided by external ESG research providers. The assessment of the good governance practices is a central pillar of the investment process adopted by the Investment Manager and it consists on the assurance that the governance of each investee company is based on rules of conduct aligned to international best practices and inspired by the consideration of all stakeholder's interests also by means of a remuneration policy. The good governance assessment takes into account sound management structures, employee relations, remuneration of staff and tax compliance.</p> <p>In order to guarantee compliance with the strategies adopted to promote environmental and social characteristics, the Investment Manager relies on external info-providers. The Investment Manager's approach includes the adoption of strategies in line with the Principles for Responsible Investing. These strategies can be integrated into different steps of the investment process and they are based on exclusion criteria (for Issuers operating in non-socially responsible sectors or exposed to ESG risk) and in the integration of ESG factors into the analysis, selection and composition of managed portfolios with flexible approaches with regards to asset class typology and product investment strategy. In accordance with the binding element of the investment strategy adopted for promoting the environmental and social characteristics, the minimum proportion of the investments that meet the ESG criteria (in terms of ESG rating coverage) should be at least 50% of the portfolio (box #1 Aligned with E/S characteristics).</p> <p>The remaining proportion (50% corresponding to the box #2 Other) of the investments (not included in the investments for promoting environmental or social characteristics) should be limited to:</p> <ul style="list-style-type: none"> • cash and cash equivalent instruments which may be held as ancillary liquidity or for risk balancing purposes; • derivatives which may be held for risk balancing purposes and efficient portfolio management but not for promoting environmental and social characteristic; • securities for which relevant data is not available.
<p>No sustainable investment objective</p>	<p>This Sub-fund promotes environmental or social characteristics, but does not have as its objective sustainable investments.</p>
<p>Environmental or social characteristics of the financial product</p>	<p>The main environmental and social characteristics promoted by the Sub-fund through the Investment Manager's ESG methodology are the following:</p> <ul style="list-style-type: none"> • Environmental: climate change prevention (in terms for example of reduction of carbon emission, carbon footprint, climate change vulnerability), pollution & waste prevention (with reference to toxic emissions & waste, packaging material & waste, electronic waste), environmental opportunities (in clean tech, in renewable energy); • Social: human capital (labor management, health & safety, human capital development, supply chain labor standards), product liability (product safety & quality, chemical safety, consumer financial protection, privacy & data security, responsible investment, health & demographic risk), social opportunities (access to communications, access to finance, access to health care, opportunities in nutrition & health), stakeholder opposition (controversial sourcing, community relations). <p>No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.</p>
<p>Investment strategy</p>	<p>The Investment Manager's approach includes the adoption of strategies in line with the Principles for Responsible Investing. These strategies can be integrated into different steps of the investment process and they are based on exclusion criteria (for Issuers operating in non-socially responsible sectors or exposed to ESG risk) and in the integration of ESG factors into the analysis, selection and composition of managed portfolios with flexible approaches with regards to asset class typology and product investment strategy. In accordance with the binding element of the investment strategy adopted for promoting the environmental and social characteristics, the minimum proportion of the investments that meet the ESG criteria (in terms of ESG rating coverage) should be at least 50% of the portfolio (box #1 Aligned with E/S characteristics).</p> <p>The remaining proportion (50% corresponding to the box #2 Other) of the investments (not included in the investments for promoting environmental or social characteristics) should be limited to:</p>

	<ul style="list-style-type: none"> • cash and cash equivalent instruments which may be held as ancillary liquidity or for risk balancing purposes; • derivatives which may be held for risk balancing purposes and efficient portfolio management but not for promoting environmental and social characteristic; • securities for which relevant data is not available. <p>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.</p>
Proportion of investments	<p>In accordance with the binding element of the investment strategy adopted for promoting the environmental and social characteristics, the minimum proportion of the investments that meet the ESG criteria (in terms of ESG rating coverage) should be at least 50% of the portfolio (box #1 Aligned with E/S characteristics). The remaining proportion (50% corresponding to the box #2 Other) of the investments (not included in the investments for promoting environmental or social characteristics) should be limited to:</p> <ul style="list-style-type: none"> • cash and cash equivalent instruments which may be held as ancillary liquidity or for risk balancing purposes; • derivatives which may be held for risk balancing purposes and efficient portfolio management but not for promoting environmental and social characteristic; • securities for which relevant data is not available.
Monitoring of environmental or social characteristics	<p>The Investment Manager monitors on an ongoing basis the ESG scoring of the portfolio. The ongoing control of the other negative screening criteria, such as the restrictions to the investment in issuers characterised by:</p> <ul style="list-style-type: none"> • an ESG rating equal to “CCC”, classified according to the proprietary rating methodology of the external provider MSCI, which contemplates a range of values going from “AAA”, for the best rated issuers, to “CCC” for the riskiest issuers. • a severe and serious dispute equal to “Red”, classified according to the proprietary methodology of the external provider MSCI, that indicates an ongoing very severe ESG controversy (a controversy having a social and/or environmental impact) involving a company directly through its actions, products or operations (e.g., loss of life, destruction of eco-system, economic shakedown affecting multiple jurisdictions). is guaranteed by the ex-ante limitations to the management activity of the fund managers.
Methodologies	<p>The sub-fund will exclude or limit in the portfolio certain securities to promote the environmental and social characteristics, which are identified through a third-party provider, MSCI ESG Business Involvement Screening Research (MSCI ESG). The methodologies used to measure the exclusions are as follows:</p> <ul style="list-style-type: none"> • MSCI’s Thermal Coal — Maximum Percentage of Revenue factor identifies the maximum percentage of revenue (either reported or estimated) that a company derives from the mining of thermal coal —including lignite, bituminous, anthracite and steam coal — and its sale to external parties. (It does not account for revenue from metallurgical coal; coal mined for internal power generation, such as in the case of vertically integrated power producers; intra-company sales of mined thermal coal; and revenue from coal trading.) • The sub-fund excludes companies with over 5% of such revenue from the investible universe. • MSCI’s Generation Thermal Coal — Maximum Percentage of Revenue factor identifies the maximum percentage of revenue (either reported or estimated) that a company derives from thermal-coal-based power generation. The sub-fund excludes companies with over 20% of such revenue from the investible universe.
Data sources and processing	<p>DATA SOURCES</p> <p>Exclusions are identified through a third-party provider, such as MSCI ESG Business Involvement Screening Research (MSCI ESG), providing in-depth environmental, social and governance (ESG) research, ratings and analysis of ESG-related business practices to companies worldwide. This research allows investors to identify all publicly traded companies globally which are involved in activities such as the production of controversial products.</p> <p>DATA QUALITY AND PROCESSING</p> <p>The Investment Manager has systematic data quality checks and validation rules in place for data sourced to measure the environmental and /or social characteristics. Data provided by third-party providers is collected and used to screen securities on a pre-trade basis through Wellington Management’s guideline monitoring system. During this process, the data is run through a collection of systematic data quality checks. These rules check for consistency, completeness, timeliness, accuracy, and conformity. Processes and governance are in place to deal with any detected data quality issues and to continuously improve our checks and prevention approaches.</p> <p>PROPORTION OF DATA THAT IS ESTIMATED</p> <p>The Investment Manager may be reliant on either third-party data or a combination of third-party data and Wellington Management’s internal research and analysis to apply exclusions screening. Where business ties of a company with a prohibited activity or product are measured by MSCI using revenue and this revenue is missing and/or if it deems a corporate action may impact the current revenue percentage, MSCI may estimate the revenue associated with prohibited activities or products in line with its methodology.</p>
Limitations to methodologies and data	<p>Exclusions are only applied to direct investments made by the sub-fund, and where the third-party provider has conducted research and identified companies as being involved in the excluded activity, or where a company has been categorized as part of a specific industry sector.</p> <p>Data is currently unavailable for non-corporate issuers and is not applied for indirect exposures, such as when the sub-fund invests in index derivatives, or investments in baskets of securities such as ETFs or mutual funds. As a result, the sub-fund may experience indirect exposures that are inconsistent with these exclusions.</p>

	<p>Where data availability may be limited in certain excluded activities, there may be additional involvement in these excluded activities where the third-party provider does not have coverage. The sub-fund may invest in securities for which there is a lack of available data. However, such investments will typically not be deemed as those that contribute to the environmental and/or social characteristics promoted by the sub-fund, so their inclusion will not affect the sub-fund's overall attainment of the environmental and/ or social characteristics promoted.</p>
Due diligence	<p>The Investment Manager has implemented a policy on due diligence on investments.</p> <p>The Due Diligence Policy sets out the basis upon which the Investment Manager is carrying out due diligence on investments in the best interests of its clients. Regular oversight is carried out to ensure that the due diligence processes and procedures are effectively implemented.</p> <p>The Investment Manager has established several sources of external data on investee companies/issuers that along with proprietary research, enable the Investment Manager to make an informed decision prior to making an investment on behalf of the sub-fund, that includes considering sustainability risks and principal adverse impacts of an investment decision on sustainability factors.</p> <p>The Investment Manager has also established several pre-trade and post trade investment controls, , to ensure that the sub-fund only invests in assets that are aligned with the investment objective and policy of the sub-fund.</p>
Engagement policies	<p>With the aim of preventing, containing and managing the main adverse impacts of investment decisions on sustainability factors, the Management Company conducts engagement actions - both individual and collective with other investors - and exercises its voting rights on the issuers in its portfolio, in order to create awareness and orient the issuers' behaviors towards specific sustainability issues, according to the times and methods formalized in its "Engagement Policy" and in the "Strategy for the exercise of the attendance and voting rights attached to the financial instruments held by the UCITS under management".</p> <p>In this case, the Company informs the issuer about the identified criticalities, directing its decisions towards their immediate reduction. If these actions are not addressed in an effective and timely manner by the issuer, the Company evaluates to initiate specific reduction or disposal initiatives, even of a progressive nature, of the investment in these issuers.</p> <p>The initiatives carried out and the decisions taken regarding these activities are reported and formalized in order to guarantee a thorough traceability of the decision-making processes and outcomes</p>
Designated reference benchmark	<p>No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund .</p>