

Wellington Management is an asset management firm with over **\$1.1 T AUM** (December 2022). Wellington published its 2022 Sustainability Report at the end of April 2023, outlining its engagement and proxy voting efforts.

Engagement Overview

Wellington held over 18,500 meetings with more than 4,500 public market issuers in 2022 on material ESG issues. Its **2022 Engagement Priorities** were: climate change; diversity, equity, and inclusion (DEI); director time commitments (overboarding); and board refreshment. A breakdown of its 2022 engagements along with the top three topics for each category is provided below:

Environmental Engagements Topics:

- Product Sustainability & Innovation
- Environmental Practices
- Climate Physical Risk

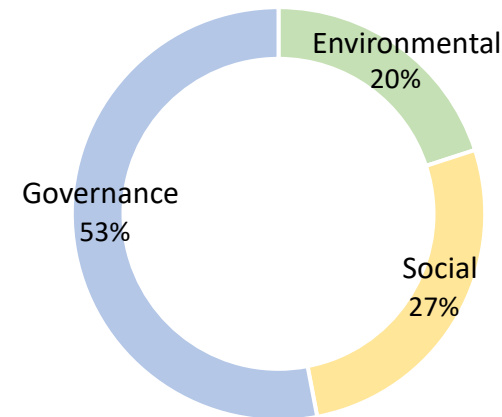
Social Engagement Topics:

- Culture, Talent, Labor Management, and Health & Safety
- Supply Chain Management / Modern Slavery
- Product Quality & Safety

Governance Engagement Topics:

- Capital / Resource Allocation
- Succession Planning
- Fundamental Credit Quality

Fig.1 2022 Engagements by Theme



(Pg 53, 2022 Sustainability Report)

Wellington's ESG-related engagement priorities for 2023 include: **Talent diversity, modern slavery in supply chains, building resiliency to physical climate risks, establishing targets to reduce greenhouse gas emissions, and mitigating climate transition risks.**

Voting Overview

- Wellington voted at **6,772** general meetings for companies in **67** markets in 2022.
- **43%** of all votes were for North American companies.
- In terms of sectors, **17.3%** of their votes were for information technology companies, followed by **13.7%** for companies in the industrial sector.
- It did not support management recommendations on at least one resolution at **43%** of meetings.
- It voted on more than 1,000 shareholder proposals, supporting more than **30%** of them.

Changes to Wellington's Proxy Voting Guidelines for 2023

Overboarding

- Wellington reserves the right to vote against directors when serving on five or more public company boards; and public company executives when serving on three or more public company boards, including their own.
- **Change:** Wellington will no longer count the roles of chair of compensation and audit committees as an additional board role for executive directors. For nonexecutive directors, it will continue to double count audit committee chair and will begin double counting board chair roles.

Climate Disclosures

- Beginning in 2024, Wellington will expand its voting approach for lack of Scope 1 and 2 emissions disclosure to directors of large-cap companies in emerging markets. It plans to engage with impacted companies in 2023 to better understand transition plans ahead of time.

Shareholder Right to Call a Special Meeting

- Wellington formalized its approach in its guidelines on this topic. It will generally support proposals lowering the ownership threshold for shareholders to call a special meeting where the current level exceeds 15% and the proposal calls for a 10%+ threshold.



Understand How ESG Weighs into Investor Considerations to Make Your Next Engagement More Successful.

[ESG Roadshows](#)

[Data-Driven ESG Strategy](#)

What ZMH Can Do for You

*Our Proprietary **ESG Engagement Dashboard™** allows you to leverage technology and data to optimize your shareholder interactions.*

ZMH Advisors LLC. is a technology-based shareholder and ESG advisory firm. We combine two decades of corporate governance and investor engagement experience with next-gen data analytics to deliver customized solutions for clients ranging from pre-IPO to S&P 500 companies. Our data-driven approach is powered by a proprietary **ESG Engagement Dashboard™**, which provides unique insights on investors with \$50T AUM.

Know what could be asked during an engagement

Stay up to date on investor's ESG priorities

Access to 1000+ case studies & detailed analysis

Understand how investors will vote on your ballot

Gain access to 7M NPX voting records & governance policies

Contact information & key players at each firm

CONTACT US TO SCHEDULE A DEMO

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