

LEA 02	Disclosures	Monetary	Principles
<p>By providing investors the ability to view and compare the ESG data for all of the companies in their portfolios, investors can make more informed decisions about their investments. This is particularly important for investors who are looking to align their investments with their values and beliefs.</p> <p>Investors can use this data to identify companies that are leaders in their industry and to avoid companies that are laggards. This can help investors to reduce their risk and to improve their returns.</p>	<p>LEA 02</p>	<p>Reason for interaction</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's material ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transparency on ability to meet the needs of stakeholders</li> <li><input checked="" type="checkbox"/> To engage internal ESG advisors</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in internal staff</li> </ul>	<p>Principles: PRI 1, 2, 3</p>
<p>Type of engagement</p> <p>Individual/ internal staff engagements</p>		<p><input type="checkbox"/> To support investment decision-making in &amp; company's material ESG issues <li><input type="checkbox"/> To enhance corporate transparency on ability to meet the needs of stakeholders</li> <li><input type="checkbox"/> To engage internal ESG advisors</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in collaborative engagements</li> </p>	
<p>Collaborative engagements</p>		<p><input type="checkbox"/> To support investment decision-making in &amp; company's material ESG issues <li><input type="checkbox"/> To enhance corporate transparency on ability to meet the needs of stakeholders</li> <li><input type="checkbox"/> To engage internal ESG advisors</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in collaborative engagements</li> </p>	
<p>Service provider engagements</p>		<p><input type="checkbox"/> To support investment decision-making in &amp; company's material ESG issues <li><input type="checkbox"/> To enhance corporate transparency on ability to meet the needs of stakeholders</li> <li><input type="checkbox"/> To engage internal ESG advisors</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in collaborative engagements</li> </p>	

# RI TRANSPARENCY REPORT

## 2018

Wells Capital Management

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2018 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		✓	-							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Private							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown by passive, active strategies	✓	Private							✓
OO FI 02	Option to report on <10% assets	🔒	n/a							✓
OO FI 03	Breakdown by market and credit quality	✓	Private							✓
OO SAM 01	Breakdown by passive, quantitative, fundamental and other active strategies	🔒	n/a							✓
OO PE 01	Breakdown of investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership	🔒	n/a							✓
OO PR 01	Breakdown of investments	🔒	n/a							✓
OO PR 02	Breakdown of assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of investments	🔒	n/a							✓
OO INF 02	Breakdown of assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public							✓
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	-	n/a							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Private							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	✓	Public							✓
SG End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Private	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 04	Types of screening applied	✓	Public	✓						
LEI 05	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 06	Processes to ensure fund criteria are not breached	✓	Private	✓						
LEI 07	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Private	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 11	ESG issues in index construction	🔒	n/a	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	-	n/a	✓						
LEI 13	Measurement of financial and ESG outcomes of ESG incorporation	✓	Private	✓						
LEI 14	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	🔒	n/a		✓					
LEA 06	Objectives for engagement activities	🔒	n/a		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagement methods	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 14	Examples of ESG engagements	✓	Private		✓					
LEA 15	Voting policy & approach	✓	Public	✓	✓	✓				
LEA 16	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 17	Percentage of voting recommendations reviewed	✓	Public		✓					
LEA 18	Confirmation of votes	-	n/a		✓					
LEA 19	Securities lending programme	✓	Private		✓					
LEA 20	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 21	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 22	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 23	Shareholder resolutions	-	n/a		✓					
LEA 24	Examples of (proxy) voting activities	-	n/a		✓					
LEA End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Private	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Negative screening - overview and rationale	✓	Public	✓						
FI 06	Examples of ESG factors in screening process	✓	Private	✓						
FI 07	Screening - ensuring criteria are met	✓	Public	✓						
FI 08	Thematic investing - overview	🔒	n/a	✓						
FI 09	Thematic investing - themed bond processes	🔒	n/a	✓						
FI 10	Thematic investing - assessing impact	🔒	n/a	✓						
FI 11	Integration overview	✓	Public	✓						
FI 12	Integration - ESG information in investment processes	✓	Public	✓						
FI 13	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 14	ESG incorporation in passive funds	🔒	n/a	✓						
FI 15	Engagement overview and coverage	✓	Private		✓					
FI 16	Engagement method	✓	Private	✓	✓					
FI 17	Engagement policy disclosure	✓	Private	✓	✓					
FI 18	Financial/ESG performance	✓	Private							✓
FI 19	Examples - ESG incorporation or engagement	✓	Private	✓	✓					
FI End	Module confirmation page	✓	-							

Assurance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01.1	Assurance, verification, or review	✓	Public							✓
CM1 01.2 & 01.8	Assurance of this year's PRI data	✓	Public							
CM1 01.3 & 01.9	Assurance of last year's PRI data	✓	Public							✓
CM1 01.4, 10-12	Other confidence building measures	✓	Public							✓
CM1 01.5	External assurance	🔒	n/a							✓
CM1 01.6	Assurance or internal audit	🔒	n/a							✓
CM1 01.7	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

# Wells Capital Management

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.



## Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Fund management

% of assets under management (AUM) in ranges

<10%

10-50%

>50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Further options for investment managers (may be selected in addition to the above)

Execution and advisory services

Hedge funds

Fund of hedge funds

OO 01.3

Additional information. [Optional]

Wells Capital Management (WellsCap) is a leading global investment management firm focused on institutional clients. Our independent and specialized teams provide a broad range of investment solutions across multiple asset classes and investment styles within three main categories: equity, fixed income, multi-asset class solutions. Our business model offers our clients independent and specialized investment teams that have the centralized resources of a leading investment management firm with scale and expertise including independent investment risk management oversight, compliance, operations, technology, client service and distribution. We benefit from both the resources and backing and support of a strong parent company, Wells Fargo & Company. Consequently, we are able to offer our clients an extensive product lineup featuring well over 100 different equity and fixed income solutions managed by investment professionals. We continually strive to maintain well-staffed and dedicated investment management teams with global capabilities to ensure that WellsCap is strategically equipped to provide the right portfolio management and client service solutions to our valued clients.

At WellsCap we understand that ESG issues are important considerations among many that should be incorporated by our investment teams within their evaluation and decision-making processes. We believe that ESG issues can have an impact on investment performance and have financial consequences; likewise, we believe that a better understanding of ESG risk factors can help protect against downside risk and contribute to long term risk-adjusted returns. As such, WellsCap integrates material ESG considerations into our fundamental research, which is foundational to all of our actively managed investment strategies.

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

United States

**OO 02.2** Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

**OO 02.3** Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

898

**OO 03** **Mandatory** **Public** **Descriptive** **General**

**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes

**OO 03.2** List your subsidiaries that are separate PRI signatories and indicate if you would like to report their RI activities in your organisation's consolidated report.

Name of PRI signatory subsidiary (Up to six subsidiaries may be reported)	RI implementation reported here on a consolidated basis
Analytic Investors	<input checked="" type="radio"/> Yes <input type="radio"/> No
	<input type="radio"/> Yes <input type="radio"/> No
	<input type="radio"/> Yes <input type="radio"/> No
	<input type="radio"/> Yes <input type="radio"/> No
	<input type="radio"/> Yes <input type="radio"/> No
	<input type="radio"/> Yes <input type="radio"/> No

- No

**OO 04** **Mandatory** **Public** **Gateway/Peering** **General**

**OO 04.1** Indicate the year end date for your reporting year.

31/12/2017

**OO 04.2** Indicate your total AUM at the end of your reporting year, Exclude subsidiaries you have chosen not to report on and any advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		389	418	369	882
Currency	USD				
Assets in USD		389	418	369	882

**OO 06** **Mandatory** **Public** **Descriptive** **General**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**OO 06.1** Select how you would like to disclose your asset class mix.

- as percentage breakdown
- as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	0
Fixed income	10-50%	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	10-50%	0

Other (1), specify	<10%	0
Other (2), specify	0	0

	'Other (1)' specified
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Balanced Assets & Alternatives

<b>OO 06.2</b>	Publish asset class mix as per attached image [Optional].
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## Asset class implementation gateway indicators

<b>OO 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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<b>OO 10.1</b>	Select the active ownership activities your organisation implemented in the reporting year.
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	Listed equity – engagement
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- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

	Listed equity – voting
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- We cast our (proxy) votes directly or via dedicated voting providers
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

	Fixed income SSA – engagement
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- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

	Fixed income Corporate (financial) – engagement
--	---

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

	Fixed income Corporate (non-financial) – engagement
--	---

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

### Fixed income Corporate (securitised) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

As we further the development of our Stewardship Platform in 2018, we will explore the possibilities of including engagement activities across all asset classes.

OO 11

Mandatory

Public

Gateway

General

OO 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

#### Listed equity

- We address ESG incorporation.
- We do not do ESG incorporation.

#### Fixed income - SSA

- We address ESG incorporation.
- We do not do ESG incorporation.

#### Fixed income - corporate (financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

#### Fixed income - corporate (non-financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

#### Fixed income - securitised

- We address ESG incorporation.
- We do not do ESG incorporation.

#### Cash

- We address ESG incorporation.
- We do not do ESG incorporation.

Other (1)

- We address ESG incorporation.
- We do not do ESG incorporation.

'Other (1)' [as defined in OO 05]

Balanced assets & alternatives

OO 12	Mandatory	Public	Gateway	General
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**OO 12.1** Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

RI implementation via external managers

Closing module

- Closing module

# Wells Capital Management

## Reported Information

### Public version

### Strategy and Governance

## PRI disclaimer

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## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change and related issues
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)



**SG 01.4**

Describe your organisation's investment principles and overall investment strategy, and how they consider ESG factors and real economy impact.

Wells Capital Management (WellsCap) brings together a strategic balance of investment capabilities to serve the investment needs of our clients worldwide. WellsCap understands ESG issues are important considerations among many that should be incorporated by our investment teams within their evaluation and decision-making processes. We believe that ESG issues can have an impact on financial performance and that a better understanding of ESG factors can help protect against downside risk and contribute to long term risk-adjusted returns. As such, WellsCap integrates material ESG considerations into our research, which is foundational to all of our actively managed investment strategies.

We believe understanding the potential impact arising from ESG issues is an essential step to better understanding investment outcomes in a rapidly changing world. Changing consumer preferences, increasing costs from externalities (such as resource use or climate change), and the emerging regulations addressing these issues are increasingly changing behavior of the markets we operate in. By considering ESG as an important element of investment performance, we are able to consider a broad range of relevant risk factors and generate returns as the market increasingly reacts, while aligning our investment outlook and strategies to the new norms of a changing world.

**SG 01.5**

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

WellsCap is committed to the following principles that underlie our investment beliefs regarding ESG:

1. Strategic client relationships: Through a client-centric approach, we initiate conversations with our clients to better understand their needs and then seek to achieve alignment with their ESG objectives through the development of appropriate investment strategies.
2. Independent investment teams: We believe that an organization of independent and specialized investment teams is the optimal structure to achieve consistent outperformance and risk-adjusted returns. Our portfolio management and research teams integrate ESG considerations into their analyses and decision-making processes where they believe these issues may affect the success of an investment.
3. Independent risk management: As active managers, we believe that companies that perform poorly on ESG demonstrate higher downside risk that is unrewarded in achieving long-term risk adjusted returns. To empower our investment teams, we incorporate ESG research and analysis into our independent risk management functions, providing proprietary tools and services that help investment managers better understand the ESG risk profiles of investments.
4. Active ownership: As signatories to the Principles for Responsible Investment and the Japan Stewardship Code, we take our role as active owners seriously. The relationship we have with our investments doesn't end once we invest; to ensure the sustainable growth of our investments, we vote our proxies and engage in dialogue on ESG issues, encouraging best practices across our portfolios - and helping us deliver superior long-term risk adjusted returns.

Ultimately, considering ESG in our investment strategies contributes to our number one priority: generating positive investment outcomes for our clients.

### **How WellsCap approaches ESG**

*We believe ESG investing is investing in a better future.*

Our primary focus is on generating positive outcomes for our clients. For us, strong ESG practices can be seen as good business practices; we believe that by integrating ESG approaches with clients' unique values we can improve investment outcomes for a better future, together.

In terms of different ESG investment approaches, we identify investor motivations and align our approach to address them. Underpinning our ESG investment approaches are two foundational commitments: Stewardship and ESG Risk Management.

- Stewardship refers to our commitment to impel investee companies through activities such as engagement and proxy voting in making positive changes on ESG issues to promote long-term value creation.

- ESG Risk Management is part of our firm-wide risk platform, Portfolio Risk Management and Analytics (PRMA) overseen by the Office of the CIO. This dedicated team and function provides proprietary tools to identify the most significant risks relate to ESG issues across all strategies and at the firm aggregate level.

No

SG 02	Mandatory	Public	Core Assessed	PRI 6
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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- Policy setting out your overall approach

	URL/Attachment
--	----------------

- URL

	URL
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<https://www.wellscap.com/about-us/sustainable-investing.jsp>

- Attachment (will be made public)
- Asset class-specific RI guidelines
- (Proxy) voting policy
- We do not publicly disclose our investment policy documents

SG 02.2	Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.
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- Your organisation's definition of ESG and/or responsible investment and it's relation to investments

	URL/Attachment
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- URL

	URL
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<https://www.wellscap.com/about-us/sustainable-investing.jsp>

- Attachment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches

URL/Attachment

URL

URL

<https://www.wellscap.com/about-us/sustainable-investing.jsp>

Attachment

Active ownership approaches

URL/Attachment

URL

URL

<https://www.wellscap.com/about-us/sustainable-investing.jsp>

Attachment

Reporting

URL/Attachment

URL

URL

<https://www.wellscap.com/about-us/sustainable-investing.jsp>

Attachment

Climate-related issues

We do not publicly disclose any investment policy components

**SG 02.3** Indicate if your organisation's investment principles, and overall investment strategy is publicly available

Yes

URL

<https://www.wellscap.com/about-us/overview.jsp>

No

<b>SG 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>General</b>
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**SG 03.1**

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

 Yes**SG 03.2**

Describe your policy on managing potential conflicts of interest in the investment process.

WellsCap has developed policies and procedures designed to manage and mitigate the risks of potential or perceived conflicts of interests that may arise. As a registered investment adviser, WellsCap has fiduciary responsibilities to act in the best interests of its clients. Such duties include: reasonable and independent basis for its investment advice, seeking best execution for clients' securities transactions, ensuring that the investment advice is suitable to the client's objectives and refraining from engaging in personal securities transactions inconsistent with client interests. To minimize any potential conflicts, WellsCap manages its advisory services, fee structure, and investment selection process in accordance with pre-established client investment guidelines, the client advisory contract, and all applicable policies and procedures pursuant to Rule 206(4)-7 of the Advisers Act. WellsCap has a fiduciary responsibility to manage all client accounts in a fair and equitable manner. It seeks to provide best execution of all securities transactions and aggregate and allocate securities to client accounts in a fair and timely manner. In addition, WellsCap has adopted policies limiting the circumstances under which cross-trades may be affected between the portfolio and another client account. Further, WellsCap discloses all identified potential conflicts of interest within its ADV Part 2A.

 No

## Objectives and strategies

**SG 05****Mandatory****Public****Gateway/Core Assessed****General****SG 05.1**

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

**SG 05.2**

Additional information. [Optional]

ESG investing has been identified by senior leadership as one of our firm's key strategic initiatives, and WellsCap has seen much advancement in its ESG integration strategy over the last four years. During this time the firm created a PRI working group as well as dedicated ESG team to build out our holistic ESG capabilities.

The PRI working group - with representatives from Marketing, Compliance, Operations, Portfolio Risk Management and Analytics, and the Office of the CIO - meets quarterly to offer cross-team oversight and direction to the firm's overall ESG initiatives. The dedicated ESG team works towards established objectives which are reviewed on an annual basis.

## Governance and human resources

SG 07.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
---------	---

	Roles present in your organisation
--	------------------------------------

- Board members or trustees
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
  - Head of ESG**
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- ESG portfolio manager
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
- Investor relations
- Other role, specify (1)

	Other description (1)
--	-----------------------

- Portfolio Risk Management and Analytics**
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (2)

SG 07.3	Indicate the number of dedicated responsible investment staff your organisation has.
---------	--

	Number
--	--------

8

<b>SG 07.4</b>	Additional information. [Optional]
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ESG investing has been identified by WellsCap senior leadership as one of our firm's key strategic initiatives. In 2017, significant progress was made with the formation of a dedicated WellsCap ESG team to build out our holistic ESG capabilities. Fredrik Axsater joined our firm from SSGA where he also led the ESG and DC team for many years. Jessica Mann was hired to focus on building out our ESG business, having spent 14 years with WellsCap as the head of institutional marketing. The team has a dedicated research and product development team led by Nelli Oster, PhD. and comprised of quantitative analysts from Blackrock and Wellington. There are also three investment strategists supporting our ESG efforts with backgrounds from the PRI, BlackRock, and State Street.

The WellsCap ESG team is working with other ESG partners across the Wells Fargo enterprise to deliver a holistic, solutions-oriented approach for institutional plan sponsors and intermediaries across a wide range of asset classes and ESG approaches. This holistic approach is focused on delivering on stakeholder management and communication, stewardship, advising on investment policy and mandate guidelines, generating proprietary ESG research and new product development, and thought leadership.

## Promoting responsible investment

<b>SG 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 09.1</b>	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
----------------	---

**Select all that apply**

Principles for Responsible Investment

	Your organisation's role in the initiative during the reporting period (see definitions)
--	--

- Basic
- Moderate
- Advanced
- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AFIC – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- EVCA – Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify  
**Sustainability Accounting Standards Board (SASB)**

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

At the Sustainability Accounting Standards Board (SASB), an organization dedicated to supporting the disclosure of material sustainability information across sectors in a decision-useful way, we are represented on both the Standards Board (accountable for the due process, outcomes, and ratification of the SASB standards themselves) and the Investor Advisory Group (comprising of leading asset owners and asset managers who are committed to improving the quality and comparability of sustainability-related disclosure to investors). Furthermore, we have contributed the expertise of our investment professionals across the development of the standards themselves.

- Other collaborative organisation/initiative, specify

The Equator Principles and UN Guiding Principles on Business and Human Rights

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

WellsCap's parent, Wells Fargo & Company is member of both organizations.

- Other collaborative organisation/initiative, specify

Japan's Stewardship Code

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

- Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
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**SG 10.1** Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes



**SG 10.2**

Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

## Description

WellsCap has provided formal ESG training to the investment teams over the last couple of years, including training on high-level ESG concepts and WellsCap ESG initiatives, as well as training on the available WellsCap ESG reports and tools. Additionally, investment teams have received training regarding our ESG data provider's review process and scoring methodology to better understand the vended research. On an annual basis, all investment teams are expected to have a minimum of two formal ESG-related exercises or training, which can include 1-on-1 training sessions, meetings with senior management, webinars, and cross-organizational round tables and seminars.

As an extension of ESG integration across our entire firm, we offer clients ESG risk and analytic reporting on their portfolio on an ad-hoc basis as requested. This transparency is an important focal point for discussions that we have with clients regarding their ESG values and sensitivities. It can evolve into a more detailed discussion to evolve their guidelines into more specific ESG objectives, to make ESG more "intentional". For example, based on clients' needs, we have provided portfolio level ESG analytics on relevant metrics to provide a better understanding of ESG performance, sector exposures, and carbon footprint.

## Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

- Provided financial support for academic or industry research on responsible investment

## Description

Funded research "Environmental, Social and Governance Investment Landscape: Market research and empirical findings chart the way ahead for ESG investing" from University of California, San Diego (UCSD)

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Provided input and/or collaborated with academia on RI related work
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment

#### Description

Our approach to ESG places a large amount of value on understanding best practices and contributing our expertise to developing evolving standards around ESG. We are developing close partnerships with leading industry associations, disclosures and standards bodies, and non-profit organizations to help lead and drive the latest approaches to the integration of ESG in financial strategies and processes, including by attending and speaking at relevant industry events and conferences.

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI

#### Description

We are a signatory to the Principles for Responsible Investment (PRI), where we have committed to implementing the six Principles around the integration of ESG. Beyond the commitment to integrating ESG and publicly reporting on our progress, we are actively contributing to the work of the PRI as a whole to help investment professionals across the industry increase their sophistication to ESG, including client education and encouraging others to join the initiative where relevant to do so.

### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
  - Wrote and published articles on responsible investment in the media
  - A member of PRI advisory committees/ working groups, specify
  - On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
  - Other, specify
- No

### Outsourcing to fiduciary managers and investment consultants

SG 12

Mandatory

Public

Core Assessed

PRI 4

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 12.1

Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants
- No, we do not use investment consultants.

### ESG issues in asset allocation

SG 13

Mandatory

Public

Descriptive

PRI 1

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 13.1**

Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.

- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- We execute scenario analysis which includes factors representing the investment impacts of future social trends
- We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- We consider scenario analysis that includes factors representing the investment impacts of future climate-related risks and opportunities
- We execute other scenario analysis, specify
- We do not execute such scenario analysis and/or modelling

**Asset class implementation not reported in other modules**

<b>SG 16</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
--------------	------------------	---------------	--------------------	----------------

<b>Asset Class</b>	<b>Describe what processes are in place and the outputs or outcomes achieved</b>
Other (1) [as defined in Organisational Overview module]	Balanced assets are included into our ESG risk framework and analysis.

**Communication**

<b>SG 19</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 6</b>
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**SG 19.1**

Indicate whether your organisation proactively discloses asset class specific information. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

	Fixed income
--	--------------

	Do you disclose?
--	------------------

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

	The information disclosed to clients/beneficiaries is the same
--	--

- Yes
- No

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p><b>Disclosure to public and URL</b></p> <p><input checked="" type="radio"/> Broad approach to RI incorporation</p> <p><input type="radio"/> Detailed explanation of RI incorporation strategy used</p>	<p><b>Disclosure to clients/beneficiaries</b></p> <p><input type="radio"/> Broad approach to RI incorporation</p> <p><input checked="" type="radio"/> Detailed explanation of RI incorporation strategy used</p>
<p><b>Frequency</b></p> <p><input type="checkbox"/> Quarterly</p> <p><input type="checkbox"/> Biannually</p> <p><input checked="" type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input type="checkbox"/> Ad hoc/when requested</p>	<p><b>Frequency</b></p> <p><input type="checkbox"/> Quarterly</p> <p><input type="checkbox"/> Biannually</p> <p><input type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input checked="" type="checkbox"/> Ad hoc/when requested</p>
<p><b>URL</b></p> <p><a href="https://www.wellscap.com/about-us/sustainable-investing.jsp">https://www.wellscap.com/about-us/sustainable-investing.jsp</a></p>	

**Listed equity - Engagement**

**Do you disclose?**

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

**The information disclosed to clients/beneficiaries is the same**

- Yes
- No

<b>Disclosure to public and URL</b>	
Disclosure to public and URL	<input checked="" type="checkbox"/> Details on the overall engagement strategy <input type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input type="checkbox"/> Number of engagements undertaken <input type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input type="checkbox"/> Examples of engagement cases <input type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information
Frequency	<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested
URL	<a href="https://www.wellscap.com/about-us/sustainable-investing.jsp">https://www.wellscap.com/about-us/sustainable-investing.jsp</a>
URL	<a href="https://www.wellscap.com/about-us/sustainable-investing.jsp">https://www.wellscap.com/about-us/sustainable-investing.jsp</a>

**Listed equity – (Proxy) Voting**

**Do you disclose?**

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

<b>Disclosure to clients/beneficiaries</b>	
	<p><b>Disclosure to clients/beneficiaries</b></p> <p><input checked="" type="radio"/> Explain all voting decisions</p> <p><input type="radio"/> Explain some voting decisions</p> <p><input type="radio"/> Only explain abstentions and votes against management</p> <p><input type="radio"/> No explanations provided</p>
	<p><b>Frequency</b></p> <p><input type="checkbox"/> Quarterly</p> <p><input type="checkbox"/> Biannually</p> <p><input type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input checked="" type="checkbox"/> Ad hoc/when requested</p>

**Listed equity - Incorporation**

**Do you disclose?**

- We do not proactively disclose it to the public and/or clients/beneficiaries
- We disclose to clients/beneficiaries only.
- We disclose it publicly

**The information disclosed to clients/beneficiaries is the same**

- Yes
- No

<p><b>Disclosure to public and URL</b></p>	
<p><b>Disclosure to public and URL</b></p> <p><input checked="" type="radio"/> Broad approach to ESG incorporation</p> <p><input type="radio"/> Detailed explanation of ESG incorporation strategy used</p>	<p><b>Disclosure to clients/beneficiaries</b></p> <p><input type="radio"/> Broad approach to ESG incorporation</p> <p><input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used</p>
<p><b>Frequency</b></p> <p><input type="checkbox"/> Quarterly or more frequently</p> <p><input type="checkbox"/> Biannually</p> <p><input checked="" type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input type="checkbox"/> Ad-hoc/when requested</p>	<p><b>Frequency</b></p> <p><input type="checkbox"/> Quarterly or more frequently</p> <p><input type="checkbox"/> Biannually</p> <p><input type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input checked="" type="checkbox"/> Ad-hoc/when requested</p>
<p><b>URL</b></p> <p><a href="https://www.wellscap.com/about-us/sustainable-investing.jsp">https://www.wellscap.com/about-us/sustainable-investing.jsp</a></p>	



# Wells Capital Management

## Reported Information

### Public version

### Direct - Listed Equity Incorporation

## PRI disclaimer

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## ESG incorporation in actively managed listed equities

### Implementation processes

LEI 01	Mandatory	Public	Core Assessed	PRI 1
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>LEI 01.1</b>	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)
-----------------	--

#### ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening and integration strategies

Percentage of active listed equity to which the strategy is applied	
	100

- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined
- We do not apply incorporation strategies

	Total actively managed listed equities
--	--

100%

<b>LEI 01.2</b>	Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.
-----------------	---

WellsCap integrates ESG research into our investment process as philosophically, we believe it contributes to our ability to manage risk more holistically and generate sustainable, long-term returns for our clients. WellsCap views ESG criteria as an important set of factors among many that should be evaluated and incorporated by our investment teams to inform investment decisions. We believe that ESG issues can have an impact on investment performance and have financial consequences; likewise, we believe that a better understanding of ESG risk factors can help protect against downside risk and contribute to long term risk-adjusted returns.

We are able to incorporate client ESG screening requests provided that they do not substantially impact the ability to effectively deliver expected investment outcomes to the client. As such, each independent investment team carefully review clients' guidelines to ensure that they can invest within their style, given the clients' restrictions.

## (A) Implementation: Screening

LEI 04	Mandatory	Public	Descriptive	PRI 1
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### LEI 04.1

Indicate and describe the type of screening you apply to your internally managed active listed equities.

#### Type of screening

- Negative/exclusionary screening

#### Screened by

- Product  
 Activity  
 Sector  
 Country/geographic region  
 Environmental and social practices and performance  
 Corporate governance

#### Description

Negative screening is incorporated by client request and is designed to align with specific client needs.

- Positive/best-in-class screening  
 Norms-based screening

### LEI 04.2

Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

We are able to incorporate most client screening requests, provided that they do not substantially impact the independent investment team's ability to effectively deliver its strategy to the client. We carefully review clients' guidelines to ensure that we can invest within the investment style, given the clients' restrictions.

LEI 05	Mandatory	Public	Core Assessed	PRI 1
--------	-----------	--------	---------------	-------

**LEI 05.1** Indicate which processes your organisation uses to ensure screening is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Review and evaluation of external research providers
- Other, specify
- None of the above

**LEI 05.2** Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.

- <10%
- 10-50%
- 51-90%
- >90%

**LEI 05.3** Indicate how frequently third party ESG ratings are updated for screening purposes.

- Quarterly or more frequently
- Bi-annually
- Annually
- Less frequently than annually




**LEI 05.5** Additional information. [Optional]

Our compliance team utilizes MSCI Business Involvement Screening Research for ESG screening activities. This data is reviewed by the vendor to incorporate corporate actions on a monthly basis (to account for activities such as acquisitions, consolidations, mergers, name changes, public offerings, spinoffs, and splits).

**(C) Implementation: Integration of ESG issues**

<b>LEI 08</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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**LEI 08.1** Indicate which ESG factors you systematically research as part of your investment analysis and the proportion of actively managed listed equity portfolios that is impacted by this analysis.

ESG issues	Proportion impacted by analysis
Environmental	 <ul style="list-style-type: none"> <li><input type="radio"/> &lt;10%</li> <li><input type="radio"/> 10-50%</li> <li><input type="radio"/> 51-90%</li> <li><input checked="" type="radio"/> &gt;90%</li> </ul>
Social	 <ul style="list-style-type: none"> <li><input type="radio"/> &lt;10%</li> <li><input type="radio"/> 10-50%</li> <li><input type="radio"/> 51-90%</li> <li><input checked="" type="radio"/> &gt;90%</li> </ul>
Corporate Governance	 <ul style="list-style-type: none"> <li><input type="radio"/> &lt;10%</li> <li><input type="radio"/> 10-50%</li> <li><input type="radio"/> 51-90%</li> <li><input checked="" type="radio"/> &gt;90%</li> </ul>

**LEI 08.2** Additional information. [Optional]

WellsCap integrates ESG research into our investment process as philosophically, we believe it contributes to our ability to manage risk more holistically and generate sustainable, long-term returns for our clients.

WellsCap views ESG criteria as an important set of factors among many that should be evaluated and incorporated by our investment teams to inform investment decision making. We believe that ESG issues can have an impact on investment performance and have financial consequences; likewise, we believe that a better understanding of ESG risk factors can help protect against downside risk and contribute to long term risk-adjusted returns. As such, WellsCap integrates material ESG considerations across our universe of investment strategies and as part of our independent investment team's overall approach to investing.

# Wells Capital Management

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

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## Engagement

### Overview

LEA 01	Mandatory	Public	Core Assessed	PRI 2
--------	-----------	--------	---------------	-------

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 01.1	Indicate whether your organisation has a formal engagement policy.
----------	--

- Yes
- No

LEA 01.6	Additional information [optional]
----------	-----------------------------------

Engagement with company management is a critical part of our investment teams research work and is incorporated as a part the teams fundamentally based research. Engagement takes different forms covering one-on-one meetings, group meetings together with other investors, attendance at conference presentations and on conference calls. WellsCap investment teams typically meet and engage with more than 500 companies per year.

WellsCap is structured with independent and specialized investment teams; given our structure, currently engagement activities are the responsibility of our independent investment teams and not centralized. However, a key goal in 2018 for the dedicated ESG team is to establish a robust firm-level Stewardship Platform to deliver maximum impact on the companies we interact with. This will establish a comprehensive, forward looking engagement program that contains those companies with significant and material ESG risks and where we believe our engagement, including collaborative engagement, is most likely to produce change.

LEA 02	Mandatory	Public	Gateway	PRI 1,2,3
--------	-----------	--------	---------	-----------

LEA 02.1	Indicate the method of engagement, giving reasons for the interaction.
----------	--

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via collaborative engagements <div style="background-color: #0070C0; color: white; padding: 5px; margin-top: 10px;">Please specify why your organisation does not engage via collaborative engagements.</div> <p>A key goal in 2018 for the dedicated ESG team is to establish a robust firm-level Stewardship Platform to deliver maximum impact on the companies we interact with. This will establish a comprehensive, forward looking engagement program that contains those companies with significant and material ESG risks and where we believe our engagement, including collaborative engagement, is most likely to produce change.</p>
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers <div style="background-color: #0070C0; color: white; padding: 5px; margin-top: 10px;">Please specify why your organisation does not engage via service providers.</div> <p>A key goal in 2018 for the dedicated ESG team is to establish a robust firm-level Stewardship Platform to deliver maximum impact on the companies we interact with. This will establish a comprehensive, forward looking engagement program that contains those companies with significant and material ESG risks and where we believe our engagement, including collaborative engagement, is most likely to produce change.</p>

**Process**

**Process for engagements run internally**

LEA 03	Mandatory	Public	Core Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**



**LEA 03.1**

Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

- Yes
- No

**LEA 04**

**Mandatory**

**Public**

**Core Assessed**

**PRI 2**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 04.1**

Indicate if you define specific objectives for your engagement activities.

- Yes
  - Yes, for all engagement activities
  - Yes, for the majority of engagement activities
  - Yes, for a minority of engagement activities
- We do not define specific objectives for engagement activities carried out by internal staff.

**LEA 04.2**

Indicate if you monitor the actions that companies take during and following your engagements activities carried out by internal staff.

- Yes
  - Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out by internal staff.

**LEA 04.3**

Indicate if you do any of the following to monitor and evaluate the progress of your engagement activities carried out by internal staff.

- Define timelines for your objectives
- Tracking and/or monitoring progress against defined objectives
- Tracking and or monitoring progress of actions taken when original objectives are not met
- Revisit and, if necessary, revise objectives on continuous basis
- Other, please specify

other description

WellsCap is structured with independent and specialized investment teams; given our structure, engagement activities are the responsibility of our independent investment teams and not centralized.

- We do not monitor and evaluate progress of engagement activities carried out by internal staff

### General processes for all three groups of engagers

**LEA 09**

**Voluntary**

**Public**

**Additional Assessed**

**PRI 1,2**

**LEA 09.1** Indicate if insights gained from your engagements are shared with your internal or external investment managers.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No

**LEA 10** **Mandatory** **Public** **Gateway** **PRI 2**

**LEA 10.1** Indicate if you track the number of your engagement activities.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track

**(Proxy) voting and shareholder resolutions**

**Overview**

**LEA 15** **Mandatory** **Public** **Core Assessed** **PRI 1,2,3**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 15.1** Indicate whether your organisation has a formal voting policy.

Yes

**LEA 15.2** Indicate what your voting policy covers:

- Conflicts of interest
- Share blocking
- Securities lending process
- Prioritisation of voting activities
- Decision making processes
- Environmental factors
- Social factors
- Governance factors
- Filing/co-filing resolutions
- Extraordinary meetings
- Regional voting practices
- Transparency of proxy voting activities
- Company dialogue pre/post vote
- Other, describe

other description

Record retention/proxy oversight process

- None of the above

**LEA 15.4** Provide a brief overview of your organization’s approach to (proxy) voting.

WellsCap has integrated ESG factors into the proxy processes. WellsCap subscribes to the ISS Standard Guidelines, the ISS Sustainability Guidelines and the ISS Taft Hartley Guidelines. The ISS Sustainability Guidelines are proxy voting guidelines that, on matters of social and environmental importance, seek to reflect a broad consensus of the socially responsible investing community. In addition, ISS's Sustainability Policy seeks to promote support for recognized global governing bodies encouraging sustainable business practices advocating for stewardship of environment, fair labor practices, non-discrimination, and the protection of human rights.

WellsCap has developed a structure that is designed to ensure that proxy voting is conducted in an appropriate manner, consistent with the clients' best interest and within the framework of the firm's Proxy Voting Policy and Procedures. Unless the client specifically reserves the right to vote their own proxies, WellsCap will vote proxies with a goal of maximizing shareholder value as a long-term investor and consistent with the governing laws and investment policies of each portfolio.

- No

**Process**

**LEA 16**

**Mandatory**

**Public**

**Descriptive**

**PRI 2**

**LEA 16.1**

Indicate how you typically make your (proxy) voting decisions.

**Approach**

- We use our own research or voting team and make voting decisions without the use of service providers.
- We hire service provider(s) that make voting recommendations or provide research that we use to inform our voting decisions.
- We hire service provider(s) that make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.

**Based on**

- the service provider voting policy signed off by us
- our own voting policy
- our clients' requests or policy
- other, explain
- We hire service provider(s) that make voting decisions on our behalf.

**LEA 16.2** Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made (if applicable).

On a weekly basis, WellsCap's Proxy Voting administrator presents to portfolio managers a list of proxy ballots requiring upcoming votes. In addition to the ballot, the portfolio managers are provided ISS' voting recommendations. If a portfolio manager has a voting preference it will be honored. If there is no portfolio manager voting preference and a conflict exists between ISS' Standard and Sustainability recommendations, the conflict will be brought to the PRMA team for further review. If the issue is determined to be material, it is brought to a Proxy Voting committee discussion and a final vote.

Unlike PM-driven vote changes (which can have a split vote across strategies), we allow split voting on ESG issues only when a client has established custom proxy guidelines.

LEA 17	Mandatory	Public	Additional Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 17.1** Of the voting recommendations that your service provider made in the reporting year, indicate the percentage reviewed by your organisation, giving reasons.

**Percentage of voting recommendations your organisation reviewed**

- >40%,
- 20-40%,
- 5-20%,
- <5%

Reasons for review

- Specific ESG issues
- Votes for significant holdings
- Votes against management and/or abstentions
- Conflicts of interest
- Corporate actions such as M&A, disposal, etc.
- Votes for companies with which we have an active engagement
- Client requests
- Ad-hoc oversight of Service Provider
- Shareholder resolutions
- Share blocked securities
- Other, explain

other description

Lobbying payments, Political contributions, Election of directors, Executive compensation

LEA 17.2 Additional information [Optional]

On a weekly basis, a report is sent to all independent investment teams alerting them of upcoming proxy votes. Ultimately all votes are available for investment teams to review. Additionally, teams with FactSet access have the opportunity to pull ISS research and recommendations independently - however these activities are currently not centrally tracked or quantified.

LEA 20	Mandatory	Public	Core Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 20.1 Indicate whether you or the service providers acting on your behalf raise any concerns with companies ahead of voting

- Yes, in most cases
- Sometimes, in the following cases:
  - Votes for selected markets
  - Votes relating to certain ESG issues
  - Votes for significant shareholdings
  - Votes for companies we are engaging with
  - On request by clients
  - Other

These cases are situational and typically involve where we disagree with management or believe there are facts missing.

- Neither we nor our service provider raise concerns with companies ahead of voting

<b>LEA 20.2</b>	Indicate whether you and/or the service provider(s) acting on your behalf, communicate the rationale to companies, when , you abstain or vote against management recommendations.
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- Yes, in most cases
- Sometimes, in the following cases.
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers do not abstain or vote against management recommendations

**Outputs and outcomes**

<b>LEA 21</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 21.1</b>	For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
-----------------	--

- We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

98

	Specify the basis on which this percentage is calculated
--	--

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

<b>LEA 21.2</b>	Explain your reason(s) for not voting certain holdings
-----------------	--




- Shares were blocked
- Notice, ballots or materials not received in time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost
- Conflicts of interest
- Holdings deemed too small
- Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- On request by clients
- Other
- We do not track or collect this information

<b>LEA 22</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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**LEA 22.1** Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.

Yes, we track this information

**LEA 22.2** Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	 <p>91.9</p>
Against (opposing) management recommendations	 <p>7.9</p>
Abstentions	 <p>0.2</p>

100%

**LEA 22.3** Describe the actions you take in relation to voting against management recommendations.

A weekly report is sent to investment teams highlighting vote recommendations that have a vote against management. Further research and discussions expressing concern on votes against management are documented for audit purposes.

No, we do not track this information

# Wells Capital Management

## Reported Information

### Public version

### Direct - Fixed Income

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

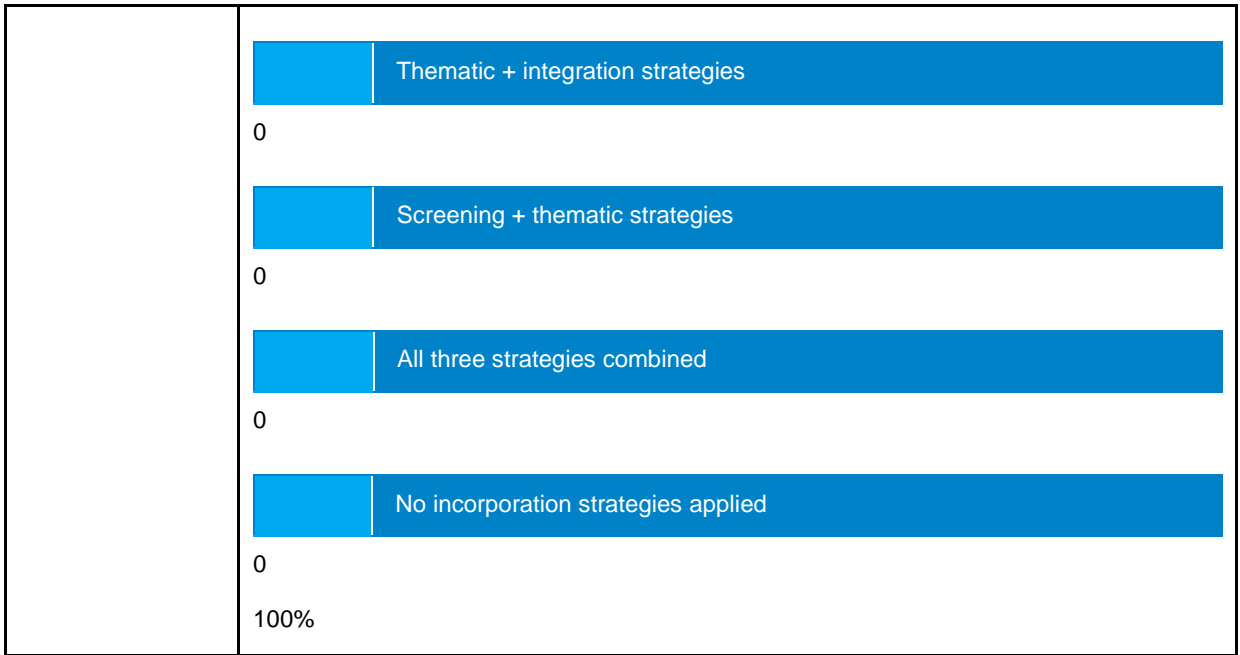


## ESG incorporation in actively managed fixed income

### Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
FI 01.1	Indicate 1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and 2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

SSA	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>0</td> </tr> <tr> <td>Screening + integration strategies</td> <td>100</td> </tr> <tr> <td>Thematic + integration strategies</td> <td>0</td> </tr> <tr> <td>Screening + thematic strategies</td> <td>0</td> </tr> <tr> <td>All three strategies combined</td> <td>0</td> </tr> <tr> <td>No incorporation strategies applied</td> <td>0</td> </tr> <tr> <td><b>Total (any strategy)</b></td> <td><b>100%</b></td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	0	Thematic alone	0	Integration alone	0	Screening + integration strategies	100	Thematic + integration strategies	0	Screening + thematic strategies	0	All three strategies combined	0	No incorporation strategies applied	0	<b>Total (any strategy)</b>	<b>100%</b>
Strategy	Percentage																				
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Strategy	Percentage																				
Screening alone	0																				
Thematic alone	0																				
Integration alone	0																				
Screening + integration strategies	100																				



Corporate (non-financial)	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	100
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
		100%

**FI 01.2** Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

WellsCap integrates ESG research into our investment process as philosophically, we believe it contributes to our ability to manage risk more holistically and generate sustainable, long-term returns for our clients. We believe understanding the potential impact arising from ESG issues is an essential step to better understanding investment outcomes in a rapidly changing world.

While WellsCap does not proactively exclude industries or companies as part of the ESG research process, the independent investment teams may be able to incorporate client restrictions, as long as they do not substantially hinder the client from benefitting from the full knowledge and experience of the investment team. Restrictions are subject to approval by each investment team.

<b>FI 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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**FI 03.1** Indicate how you ensure that your ESG research process is robust:

- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits of ESG research are undertaken in a systematic way
- ESG analysis is benchmarked for quality against other providers
- Other, specify

specify description

Our team continuously surveys and evaluates the availability and quality of ESG data sources and research providers.

- None of the above

**FI 03.2** Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is a standard item on all individual issuer summaries, ‘tear sheets’, ‘dashboards’ or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

**(A) Implementation: Screening**

<b>FI 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>PRI 1</b>
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**FI 04.1** Indicate the type of screening you conduct.

Select all that apply

	<b>SSA</b>	<b>Corporate (financial)</b>	<b>Corporate (non-financial)</b>	
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Positive/best-in-class screening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Norms-based screening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

<b>FI 04.2</b>	Describe your approach to screening for internally managed active fixed income
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We are able to incorporate most client screening requests, provided that they do not substantially impact the team's ability to effectively deliver its strategy to the client. We carefully review clients' guidelines to ensure that we can invest within the investment style, given the clients' restrictions.

<b>FI 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>FI 05.1</b>	Indicate why you conduct negative screening.
----------------	--

**SSA**

	SSA
--	-----

- For legal reasons
- For non-legal reasons

**Corporate (financial)**

	Corporate (fin)
--	-----------------

- For legal reasons
- For non-legal reasons

**Corporate (non-financial)**

	Corporate (non-fin)
--	---------------------

- For legal reasons
- For non-legal reasons

<b>FI 05.2</b>	Describe your approach to ESG-based negative screening of issuers from your investable universe.
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Negative screening is incorporated by client request and is designed to align with specific client needs. We are able to incorporate most client screening requests, provided that they do not substantially impact the team's ability to effectively deliver its strategy to the client. They carefully review clients' guidelines to ensure that they can invest within their style, given the clients' restrictions.

<b>FI 07</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>FI 07.1</b>	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.
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Type of screening	Checks
Negative/exclusionary screening?	<input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

<b>FI 07.2</b>	Additional information. [Optional]
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WellsCap Compliance utilizes front-end compliance systems Bloomberg Asset Investment Manager (AIM) to monitor trading activities to prevent violations to client guidelines. Front-end portfolio monitoring systems allow WellsCap to perform compliance checks throughout the trade process: (i) at order entry, (ii) allocation, and (iii) trade completion (including changes caused by market conditions) and provides the ability to generate exception and notification reports.

**(C) Implementation: Integration**

<b>FI 11</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>FI 11.1</b>	Describe your approach to integrating ESG into traditional financial analysis.
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WellsCap integrates ESG research into our investment process as philosophically, we believe it contributes to our ability to manage risk more holistically and generate sustainable, long-term returns for our clients. In fixed income, ESG information is sourced from both third party ESG research providers as well as by primary proprietary research. We believe vended research compliments the fundamental research conducted by our independent investment teams, serving both as a source of additional research and as a check and balance to their own research. Integration of ESG within traditional financial analysis takes place through two firm-wide platforms:

- Taxable Fixed Income ESG Centralized Research System: the proprietary GRID system stores and shares research notes gathered by the taxable fixed income centralized research team. Research analysts gather ESG data through a combination of MSCI ESG Research, Bloomberg ESG Research, company financial statements, and company engagement.
- Municipal Fixed Income ESG Centralized Research System: the municipal global credit research team relies exclusively on primary ESG research and engagement. Information is stored in a shared location with municipal investment teams.

Additionally, an ESG Alerts System is in place to provide ESG-related news items that may have a large impact on specific issuers or industries, and is disseminated to investment teams by the Portfolio Risk Management and Analytics (PRMA) team via email.

<b>FI 11.2</b>	Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.
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### SSA

Within the municipal fixed income market our research process evaluates ESG issues with a particular focus on governance, which may include cash and cash flow management as well as borrowing and leverage. Our investment process evaluates liabilities to look at bonded debt exclusively but also to factor in non-bond liabilities such as pensions. Varying discount rates can be integrated. As an example, when evaluating state GOs this complete liability profile can be vital in establishing relative value across various issuers to recognize if the leverage is appropriately being compensated in current bond yields. Due to the limited coverage of this asset class by third party research providers, ESG issues are considered as part of the fundamental research process, through proprietary sector-specific ESG materiality frameworks.

### Corporate (financial)

Within corporate (financial) fixed income, third-party vended ESG research and primary research is distributed to investment teams through the Taxable Fixed Income ESG Centralized Research System: the proprietary GRID system stores and shares research notes gathered by the taxable fixed income centralized research team. Research analysts gather ESG data through a combination of MSCI ESG Research, Bloomberg ESG Research, company financial statements, and company engagement.

### Corporate (non-financial)

Within corporate (non-financial) fixed income, third-party vended ESG research and primary research is distributed to investment teams through the Taxable Fixed Income ESG Centralized Research System: the proprietary GRID system stores and shares research notes gathered by the taxable fixed income centralized research team. Research analysts gather ESG data through a combination of MSCI ESG Research, Bloomberg ESG Research, company financial statements, and company engagement.

FI 12	Mandatory	Public	Core Assessed	PRI 1
FI 12.1	Indicate how ESG information is typically used as part of your investment process.			

Select all that apply



	SSA	Corporate (financial)	Corporate (non-financial)	
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is integrated into security weighting decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is integrated into portfolio construction decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is a standard part of internal credit ratings or assessment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis for issuers is a standard agenda item at investment committee meetings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is regularly featured in internal research notes or similar	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is a standard feature of ongoing portfolio monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis features in all internal issuer summaries or similar documents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FI 13	Mandatory	Public	Additional Assessed	PRI 1
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FI 13.1	Indicate the extent to which ESG issues are reviewed in your integration process.
---------	---

	Environment	Social	Governance
SSA	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (financial)	<input checked="" type="radio"/> Environmental <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	<input checked="" type="radio"/> Environmental <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

**FI 13.2** Please provide more detail on how you review E, S and G factors in your integration process.

**SSA**

Within the municipal fixed income market our research process evaluates ESG issues with a particular focus on governance, which may include cash and cash flow management as well as borrowing and leverage. Our investment process evaluates liabilities to look at bonded debt exclusively but also to factor in non-bond liabilities such as pensions. Varying discount rates can be integrated. As an example, when evaluating state GOs this complete liability profile can be vital in establishing relative value across various issuers to recognize if the leverage is appropriately being compensated in current bond yields. Due to the limited coverage of this asset class by third party research providers, ESG issues are considered as part of the fundamental research process, through proprietary sector-specific ESG materiality frameworks.

**Corporate (financial)**

Within corporate (financial) fixed income, third-party vended ESG research and primary research is distributed to investment teams through the Taxable Fixed Income ESG Centralized Research System: the proprietary GRID system stores and shares research notes gathered by the taxable fixed income centralized research team. Research analysts gather ESG data through a combination of MSCI ESG Research, Bloomberg ESG Research, company financial statements, and company engagement.

**Corporate (non-financial)**

Within corporate (non-financial) fixed income, third-party vended ESG research and primary research is distributed to investment teams through the Taxable Fixed Income ESG Centralized Research System: the proprietary GRID system stores and shares research notes gathered by the taxable fixed income centralized research team. Research analysts gather ESG data through a combination of MSCI ESG Research, Bloomberg ESG Research, company financial statements, and company engagement.

# Wells Capital Management

## Reported Information

### Public version

### Assurance

## PRI disclaimer

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## Assurance

CM1 01.1	Mandatory	Public	Core Assessed	General
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:
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- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the implementation of RI processes (that have been reported to the PRI this year)
- Internal audit conducted by internal auditors of the implementation of RI processes and/or RI data that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
  - Whole PRI Transparency Report has been internally verified
  - Selected data has been internally verified
- Other, specify
- None of the above

CM1 01.2 & 01.8	Mandatory	Public	Descriptive	
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CM1 01.2	Do you plan to conduct third party assurance of this year's PRI Transparency report?
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- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

CM1 01.3 & 01.9	Mandatory	Public	Descriptive	General
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CM1 01.3	We undertook third party assurance on last year's PRI Transparency Report
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- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report, or we did not have such a report last year.

CM1 01.4, 10-12	Mandatory	Public	Descriptive	General
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**CM1 01.4**

We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
- None of the above

**CM1 01.7**

**Mandatory**

**Public**

**Descriptive**

**General**

**CM1 01.7**

Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

**Who has conducted the verification**

- CEO or other Chief-Level staff
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)