

2025 TCFD Report

Contents

3	Introduction
9	Governance
13	Strategy
23	Risk management
31	Metrics and targets
36	Appendix I: State Street Investment Management UK domiciled legal entity TCFD disclosures
38	Appendix II: State Street Unit Trust Management Limited sustainability disclosure entity addendum
44	Endnotes

Introduction

State Street Investment Management (“we,” “our,” “us,” or “the firm”) is the asset management business of State Street Corporation (“State Street” or “Parent”). We are the world’s fourth-largest asset manager, responsible for over \$5.66 trillion in assets under management (“AUM”).¹ We are a globally scaled index and systematic investment manager with strengths in index investing (institutional and ETFs), cash, and select active and multi-asset capabilities. Our active and index capabilities cover the risk/reward spectrum.

We offer climate investing products and reporting capabilities for clients with climate-related objectives. We seek to address clients’ demands for climate-related investing opportunities by offering a wide range of strategies to help them meet their investment needs and objectives. We continue to provide choices to clients and support our clients with sustainability-related investment objectives.

Further, our Asset Stewardship program helps us understand how companies are addressing the important risks and opportunities that they deem material. This may include sustainability-related risks and opportunities where a company has identified such risks and opportunities as material to its business. We believe that managing climate-related risks and opportunities that a company has deemed material is a key element in maximizing long-term risk-adjusted returns for our clients.

As a result, we have a longstanding focus on enhancing investor-useful disclosure related to this topic where deemed material by a company. We have engaged with companies on climate-related topics since 2011.

This is our fifth report on the Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations, in which we disclose how we manage climate-related risks and opportunities, both in our capacity as an asset manager (i.e., risks to our clients’ investments) and as a business (i.e., emissions related to business operations and the potential business strategy implications of climate risk). While this TCFD report should be considered separate and distinct from State Street’s TCFD report, which was published as part of its Sustainability Report earlier this year, we leverage our Parent’s existing best practices and processes and, in some cases, people and committees, to help us manage certain aspects of climate risks in our business. We have some overlap with State Street in nearly all areas of this report, but it is important to note the following:

- The Risk Committee of the State Street Board of Directors (the “Board”) has a remit to oversee the risks present in State Street’s business, including climate risk.
- Our Risk Management team is part of State Street’s Enterprise Risk Management organization, and we draw on enterprise risk processes and frameworks to aim for consistency in our approach.
- Our business continuity and disaster recovery strategies are developed and implemented in alignment with State Street.
- Our internal metrics related to our carbon footprint are included at the corporate level because we are co-located with State Street. We do not separately track Scope 1, 2, and certain categories of Scope 3 emissions at this time.

While we work closely with other parts of State Street across many activities, the asset management business faces distinct risks and opportunities that are outlined in this standalone TCFD report. In 2025, key highlights of our focus on managing climate-related risks and opportunities for clients and our business included:

As a manager of client assets

- Seeking to address clients' demands for climate-related investing opportunities by offering a wide range of strategies to help them meet their investment needs and objectives.
- Where a company has identified climate risk as material to its business, engaging on climate-related disclosures, including holding more than 290 portfolio company engagements on climate-related matters to learn about companies' approaches to disclosure and board oversight.²
- Launching the Sustainability Stewardship Service, which is designed with client feedback and intended for investors who prioritize sustainability and seek specific sustainability outcomes. This client-driven service provides a dedicated framework for company engagement and specialized proxy voting focused on specific sustainability priorities. In connection with this service, we held meetings with certain opt-in clients to help identify clients' sustainability priorities.
- Expanding our Proxy Voting Choice program by adding policy options and providing more clients the ability to direct how shares held in the eligible funds and segregated accounts they own are voted. The program offers eligible investors a range of voting policies, including a sustainability-focused policy, that can be applied to the voting of shares owned by the eligible funds and segregated accounts in which they are invested; as of 31 December 2025, the program is available in respect of 81% of the eligible index equity assets we manage.³
- Enhancing our fund-level reporting for certain strategies, including reporting on key climate metrics, thus providing transparency to investors around sustainability characteristics of those funds.

As a business

- Developing and launching new climate investment strategies and enhancing existing climate investment strategies to meet client preferences.
- Publishing a range of research pieces on sustainability- and climate-related topics to share our perspectives with clients interested in those topics.
- Conducting our annual State Street Investment Management Climate Risk Workshop with the purpose of identifying key climate risk drivers that could impact the firm's financial performance, operations, and franchise value.

Although the TCFD provides helpful guidance, methodologies for measuring climate-related risks and opportunities are still in a nascent stage; therefore, our climate-related management approach will continue to evolve as best practices emerge and as data becomes more readily available and reliable. We will continue to work with relevant stakeholders to enhance our disclosures over time, in line with our core principles of transparency and rigor.

Report summary

The table in Figure 1 briefly summarizes our disclosures across the four TCFD pillars. Full descriptions are in the chapters that follow.

Figure 1: Summary of State Street Investment Management disclosures

Governance: Disclose the organization’s governance around climate-related risks and opportunities.

TCFD recommendation pillar	Key points
Describe the board’s oversight of climate - related risks and opportunities.	<p>The Board provides ongoing oversight of State Street Investment Management’s near - and long - term business strategies.</p> <p>The Board oversees State Street’s sustainability obligations, initiatives, and strategies. In doing so, the Board delegates certain matters to the Examining and Audit, Human Resources, Nominating and Corporate Governance, Technology and Operations, and Risk Committees of the Board.</p> <p>The Board and its committees receive updates on climate - related developments as part of broader discussions on risk management and sustainability - related strategic priorities. Climate considerations are integrated into existing governance structures, ensuring that material risks and opportunities are assessed in the context of the firm’s overall business strategy.</p> <p>State Street Investment Management’s Chief Executive Officer and Chief Risk Officer meet annually with the Board Risk Committee and provide monthly reporting, including on risk management components of climate-related matters, where relevant.</p> <p>The Nominating and Corporate Governance Committee of the Board oversees corporate governance components of State Street’s sustainability and impact obligations, initiatives, and activities, including matters related to climate within the Nominating and Corporate Governance Committee’s scope of responsibilities. To share insights about best practices, the State Street Investment Management Asset Stewardship team typically reports twice annually to the Nominating and Corporate Governance Committee.</p>
Describe management’s role in assessing and managing climate-related risks and opportunities.	<p>State Street Investment Management’s governance structure consists of three senior committees, which are designed to support effective and efficient decision - making and provide oversight of its business functions: (i) the Risk Committee, (ii) the Global Product and Investment Committee, and (iii) the Global Fiduciary and Conduct Committee. These senior committees and the subcommittees underlying each apply a consistent approach to the establishment and implementation of firm - wide policies and procedures and provide broad oversight of the business functions.</p> <p>Oversight responsibilities of sustainability - related activities are integrated among the three senior committees and within the business, reflecting our commitment to effectively oversee those activities.</p> <p>State Street Investment Management endorsed the TCFD framework in 2017. Additionally, our Asset Stewardship team has developed insights on climate - related topics through portfolio company engagements for over a decade. Through our engagements, we seek to understand how company boards and management teams are overseeing and managing climate - related risks and opportunities the company has deemed to be material to its business or operations.</p>

Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.

TCFD recommendation pillar	Key points
Describe the climate - related risks and opportunities the organization has identified over the short, medium, and long term.	<p>Risks: With regard to risks to our clients’ portfolios, we have identified various climate - related risk drivers that may impact the performance of our strategies, leading to decreased asset values, higher volatility over time, and increased risk, including investment risk, liquidity risk, and counterparty risk. With respect to our business, climate - related risks may affect our ability to achieve business goals, and we may be exposed to risks associated with decision - making based on climate models. Acute weather events may also pose a risk to our physical assets.</p> <p>Opportunities: We may experience increased demand for our climate investment strategies and thought leadership about climate - related data and investment solutions. Additionally, we may experience increased demand for our Sustainability Stewardship Service from clients who prioritize sustainability outcomes or for our Proxy Voting Choice program, which allows eligible clients who opt in to choose the voting policy that best aligns to their views, including with respect to sustainability.</p>
Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	<p>As an index manager, we are long - term shareholders on behalf of our clients, and we are focused on delivering the index exposure—including climate - related for clients who wish to pursue a climate focus—to those clients. Climate change risks and opportunities may impact the management of our clients’ portfolios in active strategies, as well as our risk management and Asset Stewardship program.</p> <p>Climate change risks and opportunities also can influence our work as a business, including increasing client demand for climate - related strategies and other offerings, and creating the potential for State Street Corporation to reduce the environmental impact of its operations.</p>

TCFD recommendation pillar	Key points
<p>Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>Most of our index funds, which represent the majority of our AUM, are currently focused on strategies designed to track broad market exposure. For clients that request it, we aim to help our clients understand the nature of climate risk embedded in the indices in which they are invested through climate investment education and analytics.</p> <p>Scenario analysis is core to State Street Corporation's approach to risk management, including for assessing and managing risks from climate-related factors. Over the past several years, in line with sound risk management practices and regulatory expectations, State Street's approach to climate risk-related scenario analysis has continued to develop and evolve.</p> <p>For State Street Corporation's financial risks, scenario analysis results suggest that under extremely stressful assumptions, climate-related risk drivers could have non-negligible impacts on key input factors in loss modeling, and expected credit losses remained limited overall given the strong fundamental credit quality of the financial exposures. For non-financial risks, subject-matter experts ultimately determined that the risk of loss or interruption of service would be primarily driven by unanticipated gaps in business continuity planning, acknowledging that such planning must continue to evolve to take into account the changing severity or frequency of climate-driven events, should these shifts impact the sufficiency of measures currently in place.</p> <p>In 2023, State Street Investment Management conducted a firm-wide climate-related scenario analysis exercise across all asset classes, where data was available, to understand potential climate-related transition risk under different scenarios. The scenario analysis was performed using three scenarios developed by the Network for Greening the Financial System. While climate scenario analysis is not predictive of the future, we see this as a valuable tool to help us understand the potential implications of possible climate pathways. Although this exercise was conducted at an entity-level, we have expanded our data capabilities to perform scenario analysis at a fund level on an ad hoc basis.</p>
<p>Describe how risks and opportunities are factored into relevant products or investment strategies and describe related transition impact.*</p>	<p>We offer a variety of capabilities for clients who wish to pursue a climate focus, including positively and negatively screening portfolios and tracking third-party sustainable indices. Our customizable framework allows us to construct client portfolios that target reductions in current and potential future carbon emissions, increase exposure to green revenues, and increase resiliency to the risks posed by climate change, based on client mandate.</p> <p>For investors who seek to align with the Paris Agreement and/or achieve net zero emissions, we have developed tools and solutions designed to help them implement sustainable investment strategies. The frameworks and guidance followed by such investors may seek to achieve net zero emissions by a combination of decarbonizing their portfolio, increasing their investment in climate solutions or green technologies, increasing their portfolio alignment, and/or improving their reporting and disclosure.</p> <p>In 2025, we introduced Sustainable Outcome Investing in response to client demand for investment solutions that target positive environmental and/or social outcomes alongside a financial return. This client-driven initiative seeks investments that demonstrate positive contribution to achieving sustainable outcomes via companies' activities, while seeking to avoid investing in activities that could contribute negatively to those outcomes. We also provide both bespoke and standardized reporting to clients in certain strategies to help them understand TCFD-aligned and climate-focused risks and opportunities in their portfolios. For more information on our investment strategies, please refer to our Sustainable Investing Capabilities Statement.</p>

Risk management: Disclose how the organization identifies, assesses, and manages climate-related risks.

TCFD recommendation pillar	Key points
<p>Describe the organization's processes for identifying and assessing climate-related risks.</p>	<p>As a manager of client assets</p> <ul style="list-style-type: none"> Engaging with portfolio companies about the climate-related risks they have identified as material to their business. Integrating available sustainability data and climate data (e.g., carbon intensity) in risk monitoring and reporting processes, as requested by clients. <p>As a business</p> <ul style="list-style-type: none"> Conducting an annual State Street Investment Management Climate Risk Workshop with the purpose of identifying key drivers of climate risks that could impact the firm's financial performance, operations, and franchise value, and leveraging State Street's regulatory change management program to identify climate-related changes to the regulatory environment that may impact State Street Investment Management. The Material Risk Identification assessment of the firm's European operating entities, State Street Global Advisors Ltd and State Street Global Advisors Europe Ltd, considers and has fully embedded climate/sustainability-related drivers, any of which, if deemed high or severe in materiality, are put forward for further analysis and controls, including stress testing and scenario analysis relevant for the capital planning process.

TCFD recommendation pillar	Key points
Describe the organization's processes for managing climate-related risks.	<p>The identification, assessment, monitoring, mitigation, and reporting of risks are essential to our financial performance and successful management of our business. Accordingly, the scope of our business requires that we consider these risks as part of a comprehensive and well-integrated risk management function. These risks, if not effectively managed, can result in losses to us, as well as erosion of our capital and damage to our reputation.</p> <p>Our approach to risk management, including Board and senior management oversight and a system of policies, procedures, limits, risk measurement, monitoring, and internal controls, allows for an assessment of risks within a framework for evaluating opportunities for the prudent use of capital that appropriately balances risk and return. Our objective is to optimize our returns while operating at a prudent level of risk. In support of this objective, we have instituted a risk appetite framework that aligns our business strategy and financial objectives with the level of risk that we are willing to incur.</p>
Describe engagement activity with investee companies to encourage better disclosure and practices related to climate-related risks in order to improve data availability and asset managers' ability to assess climate-related risks.*	<p>The Asset Stewardship team, under the firm's Global Proxy Voting and Engagement Policy (the "Policy"), engages with individual issuers to communicate the principles of our Asset Stewardship program and to learn more about companies' strategy, board oversight, and disclosure practices, consistent with applicable regulatory requirements.</p> <p>Climate-related risk management was a topic in over 290 engagements in 2025⁴ and more than 1,900 engagements since 2014. Through these engagements, we seek to gain an understanding of how portfolio companies are overseeing and managing climate-related risks and opportunities that they deem material to their businesses, as well as gain insights into best practices, challenges, and industry trends.</p> <p>Additionally, the Sustainability Stewardship Service team conducts portfolio company engagements under the Sustainability Stewardship Service Proxy Voting and Engagement Policy (the "Sustainability Policy") on behalf of opt-in clients who prioritize sustainability and seek specific sustainability outcomes, consistent with applicable regulatory requirements. For 2025, the Sustainability Policy focused on four sustainability priorities: climate change, nature, human rights, and diversity.</p>
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<p>The Board Risk Committee oversees the risk management components, including climate risk, of State Street's sustainability and impact obligations, initiatives, and activities.</p> <p>In addition, oversight of sustainable investing and asset stewardship matters are integrated among State Street Investment Management's committees and within the business.</p> <p>State Street Investment Management's Risk Management team is part of State Street's Enterprise Risk Management organization, and we draw on enterprise risk processes and frameworks to aim for consistency in our approach. State Street manages climate-related risk considerations in alignment with its Enterprise Risk Management Framework, incorporating climate-related risk issues and impacts into its management of existing risk types, financial and non-financial. State Street uses a variety of existing processes, tools, and dedicated approaches to focus on identification, measurement, and management of climate-related risk drivers to help us understand our vulnerabilities and address them, where material.</p>
Describe how material climate-related risks are identified, assessed, and managed for each product or investment strategy.*	<p>Where appropriate and consistent with a fund or strategy's disclosed objectives:</p> <ul style="list-style-type: none"> • Climate risks are identified and assessed throughout the product and investment strategy lifecycles through investment research and analysis, portfolio construction and management, and investment risk management. • We aim to review all investment strategies at least annually, across a range of metrics including sustainability characteristics, through our Investment Strategy Review Group. • We perform climate data due diligence and comparative analysis to identify best in class metrics, indicators, and data points to drive climate-focused solutions.

Metrics and targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

TCFD recommendation pillar	Key points
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<p>We currently use third parties to source business- and product-related data to help assess climate-related risks and opportunities for our clients, where relevant. The metrics we leverage include carbon emissions data (absolute emissions, carbon intensity, carbon footprint, weighted average carbon intensity ["WACI"]), fossil fuel reserves, brown and green revenues, implied temperature rise, climate value at risk, and carbon risk ratings. We continue to evaluate the effectiveness of various metrics. Going forward, as transparency and reliability around climate data improves, we will assess and may report on additional climate metrics.</p>

TCFD recommendation pillar	Key points
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (“GHG”) emissions and the related risks.	<p>Our Parent’s Scope 1, Scope 2, and certain categories of Scope 3 emissions are tracked and reported as part of its TCFD disclosures.</p> <p>State Street Investment Management does not report Scope 3 emissions related to its assets under management (Category 15). Many aspects of the calculation and attribution of GHG emissions disclosures are in development, and there continue to be significant practical challenges. There is an inherent timing lag in the availability of Scope 3 data, given the interdependence on Scopes 1 and 2, inconsistent Scope 3 estimation measurements, as well as wider technical issues such as “double counting” by asset owners and asset managers. Consensus around Scope 3 reporting parameters is still emerging, and further industry work should be done to determine the value and feasibility of calculating and disclosing Scope 3 GHG emissions on assets under management for the benefit of investors.</p>
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<p>As a manager of client assets</p> <ul style="list-style-type: none"> • As predominantly an index manager, we are long-term shareholders on behalf of our clients, and we are focused on delivering the index exposure to those clients. For clients who seek to achieve climate-related targets, we have developed tools and solutions to implement sustainable investment strategies. Climate-related risks and opportunities are evolving and dynamic; there is no guarantee we will achieve the desired outcomes. <p>As a business</p> <ul style="list-style-type: none"> • Because we co-locate with our Parent company, our operational targets (e.g., emissions and energy use) are available in the State Street Corporation TCFD report.
Asset managers should describe the extent to which their assets under management and products and investment strategies, where relevant, are aligned with a well below 2°C scenario, using whichever approach or metrics best suit their organizational context or capabilities.*	<p>As noted above, as predominantly an index manager, we are long-term shareholders on behalf of our clients, and we are focused on delivering the index exposure to those clients. Where relevant to certain strategies, we provide scenario alignment analysis and TCFD-aligned carbon metrics, transition risk analysis, and physical risk analysis to clients on a regular basis. We also have the capability to provide customized reports upon request (e.g., assessments of progress against annual WACI reduction targets).</p>
Asset managers should disclose GHG emissions for their AUM and WACI for each product or investment strategy, where data and methodologies allow. Asset managers should consider providing other carbon footprinting metrics they believe are useful for decision-making.*	<p>As noted above, as predominantly an index manager, we are long-term shareholders on behalf of our clients, and we are focused on delivering the index exposure to those clients. Where relevant to certain strategies, we provide emissions and WACI analysis to certain clients. Also as noted above, State Street Investment Management does not report Scope 3 emissions related to its assets under management (Category 15).</p>

* Reflects recommendations that are included in the Supplemental Guidance for Asset Managers, which incorporates updates to the guidance for the financial sector released by the TCFD in 2021.

Governance

As part of a global systemically important bank, it is critical that we embed strong corporate governance standards and seek to limit potential negative impacts on the global economy, society, and stakeholders. Our corporate governance structure is designed to promote the responsible management of the sustainability issues we have identified.

Board and parent company oversight

Members of the Board, in their role of overseeing the sound management of the company, have the responsibility to exercise their business judgment in what they believe to be the best interests of the company and its shareholders. Additionally, the Board takes into account State Street's regulatory obligations and the interests of the employees, clients, and the community at large, and in so doing seeks to enhance the long-term value of the company. To effectively govern and carry out the business of the company, our Board meets regularly. The Board oversees the strategies, policies, corporate responsibility initiatives, and objectives that inform our operational management.

State Street Investment Management sits within State Street's wider corporate governance framework, led by the Board. The Board takes guidance from the [Corporate Governance Guidelines](#) and the [Standard of Conduct for Directors](#) on the role of the Board and its responsibilities, functions, and conduct expectations. The Board provides ongoing oversight of State Street Investment Management's near- and long-term business strategies. The Board has several committees to assist in carrying out its responsibilities.

The mandates of these committees are set out in the charters below:

- [Examining and Audit Committee](#)
- [Executive Committee](#)

- [Human Resources Committee](#)
- [Nominating and Corporate Governance Committee](#)
- [Risk Committee](#)
- [Technology and Operations Committee](#)

More information on the current Board committee composition can be found [here](#).

State Street Investment Management's Chief Executive Officer and Chief Risk Officer annually report to the Board's Risk Committee and provide monthly reporting, including on risk management components of climate-related matters, as appropriate. Additionally, State Street Investment Management's Asset Stewardship team typically reports twice annually on its activities to the Board's Nominating and Corporate Governance Committee. These semi-annual updates to the Board cover topics including the firm's proxy voting and engagement policies, market updates and trends, issuer engagement, and proxy voting information, including updates related to sustainability and climate-related topics.

State Street's sustainability governance

Effective governance is central to State Street Corporation's approach to managing climate-related risks and opportunities. Its governance framework includes structured oversight at both the management and Board levels, with dedicated groups responsible for integrating climate considerations across the business.

The Board oversees State Street's sustainability obligations, initiatives, and strategies. In doing so, the Board delegates certain matters to the Examining and Audit, Human Resources, Nominating and Corporate Governance, Technology and Operations, and Risk Committees of the Board.

The Board and its committees receive updates on climate-related developments as part of broader discussions on risk management and sustainability-related strategic priorities. Climate considerations are integrated into existing governance structures, ensuring that material risks and opportunities are assessed in the context of the firm's overall business strategy.

Sustainability Committee

The Sustainability Committee, a sub-group of the Executive Committee and comprising senior Executive Vice Presidents, is central to State Street's governance of sustainability-related issues. With scheduled meetings on a quarterly basis, the committee aligns with State Street's governance framework, with a specific purpose to ensure:

- Senior leadership visibility and oversight of sustainability matters of enterprise-wide significance.
- Board and management committee visibility of sustainability issues.

The membership is composed of a number of State Street's most senior leaders, and the work of the committee is supported by a Sustainability Office, which provides leadership and coordination across the company's sustainability activities. We regard strong governance as critical to ensuring that we both understand a changing external environment and execute against management priorities.

The Environmental Steering Committee and the Health and Safety Committee report into the Sustainability Committee. In addition, a Sustainability Governance Group and a Sustainability Forum convene leaders across the organization who contribute to sustainability initiatives and priorities. A number of working groups are established when needed in order to deal with particular topics, including climate and reporting.

With senior leaders from across the company involved in shaping our sustainability work, this integrated approach complements the overall governance structure of State Street Corporation.

Management oversight of climate initiatives

State Street's climate-related management structure consists of specialized teams that support the assessment, measurement, and strategic integration of climate risks and opportunities across the bank. These include:

- **Climate Data Group:** Responsible for sourcing, managing, and enhancing climate-related data to support regulatory reporting, risk assessment, and client reporting capabilities.
- **Climate Risk Working Group:** Focuses on identifying, assessing, and managing climate-related risks, including transition and physical risks, as part of State Street's broader risk management framework.
- **Climate Office:** Serves as a central coordinating body for climate-related activities, integrating insights from the Climate Data and Climate Risk Working Groups. It acts as a center of excellence, ensuring alignment across business functions and external regulatory expectations.

Legal entity reporting

State Street Investment Management operates around the world from legal entities in North America, Europe, the Middle East, and the Asia Pacific region. Within our global framework, certain legal entities are responsible for overseeing applicable climate risk-related requirements and may have additional reporting and oversight responsibilities related to environmental topics, including climate change.⁵

State Street Investment Management oversight

Firm governance structure

State Street Investment Management’s firm governance structure consists of three senior committees that are designed to support effective and efficient decision-making and provide oversight of our business functions:

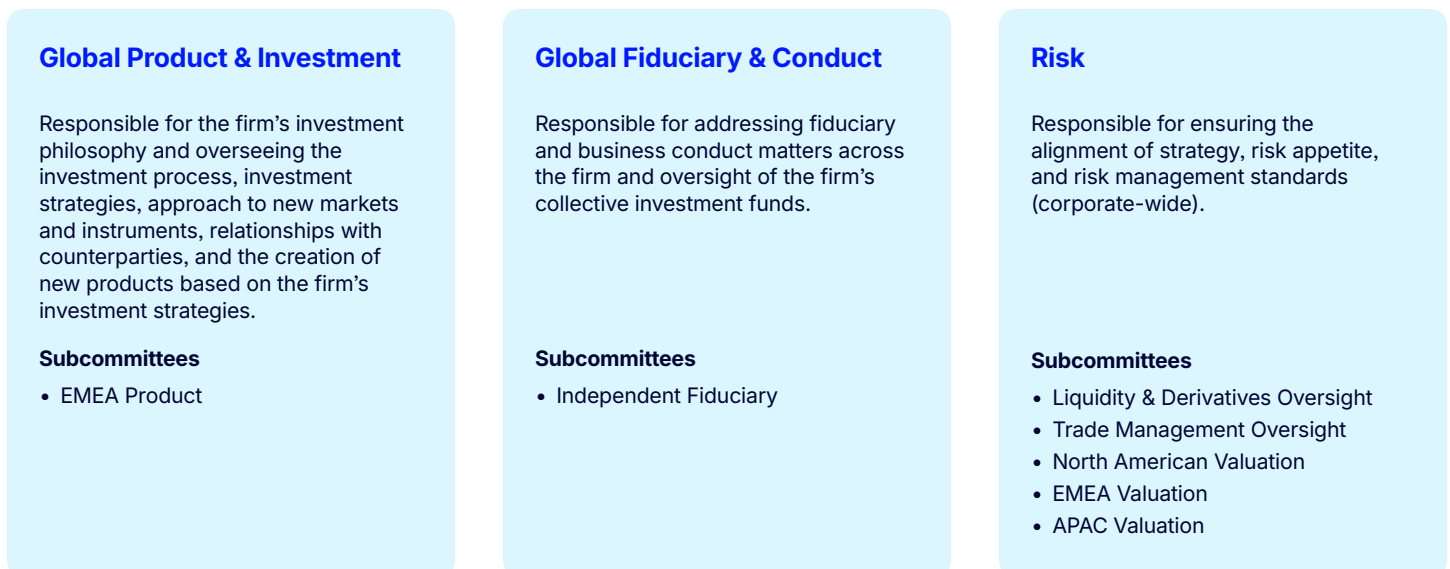
- The Risk Committee (“RC”) serves as the central escalation, review, and challenge point for the firm’s risk profile, material risk trends, and all matters escalated from other committees. The RC also reports and escalates issues to State Street’s senior risk committees as it deems necessary and appropriate.
- The Global Product and Investment Committee (“GPIC”) is responsible for the firm’s investment philosophy and overseeing the investment process, investment strategies, approach to new markets and instruments, relationships with counterparties, and the creation of new products based on the firm’s investment strategies. The GPIC also reports to State Street’s New Business and Product Review and Approval Process Committee.

- The Global Fiduciary and Conduct Committee (“GFCC”) is responsible for addressing fiduciary and business conduct matters across the firm as well as oversight of the firm’s collective investment funds. The GFCC also reports to State Street’s Fiduciary Review Committee.

These senior committees and the subcommittees underlying each apply a consistent approach to the establishment and implementation of firm-wide policies and procedures and provide broad oversight of the business functions. This governance structure is administered by an Internal Governance Oversight team, which focuses on promoting efficiency, clarity, and accountability with respect to decision rights and firm-wide oversight. The guiding principles embodied within this governance structure, and upon which the Internal Governance Oversight team operates, are:

- Promote a culture of efficient and effective decision-making
- Reinforce ownership of, and accountability for, decision-making and management of key risks by business leaders
- Enhance accountability for adherence to policies and decision-making protocol in support of our client service objectives and leadership reputation

Figure 2: Governance structure



Source: State Street Investment Management, 31 December 2025.

Oversight responsibilities of sustainability-related activities are integrated among the three senior committees and within the business, reflecting our commitment to effectively oversee those activities.

Further, we periodically review our governance structure and may make adjustments from time to time. We aim to continue enhancing our internal governance approach for effective oversight of climate-related risks and opportunities related to our business.

Asset stewardship

Our Asset Stewardship program is centered on the pursuit of long-term value for our clients' portfolios through voting at shareholder meetings and engaging with the companies in which we invest on behalf of our clients. We expect our portfolio companies to exercise effective oversight and governance of opportunities and risks that they identify as material to their businesses and to disclose how they are overseeing such risks and opportunities to investors.

Our proxy voting and engagement program focuses on three core principles: effective board oversight, disclosure of material risks and opportunities, and shareholder protection.

Effective board oversight: We believe that well-governed companies can better protect and pursue shareholder interests and withstand the challenges of an uncertain economic environment. Principally, a board acts on behalf of shareholders by protecting their interests and preserving their rights. We believe independent directors are crucial to good corporate governance and believe a sufficiently independent board is key to effectively monitoring management, maintaining appropriate governance practices, and performing oversight functions necessary to protect shareholder interests.

Disclosure: It is important for shareholders to receive timely and accurate reporting of a company's financial performance and strategy so that they are able to assess both the value and risk of their investment. Such information allows investors to determine whether their economic interests have been safeguarded by the board and provides insights into the quality of the board's oversight of management.

Shareholder protection: We believe it is in the best interest of shareholders for companies to have appropriate shareholder rights and accountability mechanisms in place. As a starting place for voting rights, it is necessary for ownership rights to reflect one vote for one share to ensure that economic interests and proxy voting power are aligned. In terms of accountability to shareholders and appropriate checks and balances, we believe there should be annual elections of the full board of directors.

Our Asset Stewardship team is responsible for developing and implementing the firm's Policy, the implementation of third-party proxy voting guidelines where applicable, case-by-case voting items, issuer engagement activities, and research and analysis of corporate governance issues and proxy voting items. The Asset Stewardship team's activities are overseen by our Global Fiduciary and Conduct Committee. The GFCC is responsible for reviewing State Street Investment Management's stewardship strategy, engagement priorities, and the implementation of the Policy. Further information on our Asset Stewardship team can be found in the "Risk management" section of this report and in our [2025 Asset Stewardship Report](#).

Strategy

With respect to our clients, our perspective on climate-related risks is rooted in our duty to invest assets in clients' best interests and to seek value over the long term.

With respect to the management of our clients' portfolios in active strategies, we believe that incorporating sustainability factors, including climate, into our investment risk framework can have a positive impact on long-term value creation. This belief influences the design of certain investment processes. Additionally, with respect to managing our business strategy, we integrate climate considerations where we see risks and opportunities, such as developing investment choices to meet client demand.

State Street considers climate-related risks and opportunities across two sources of risk based on common definitions established by the global network of central bankers and supervisors: Physical Risk and Transition Risk.

Physical Risks are related to the physical impacts from climate change and include:

- Acute Risks, which are primarily event-driven, such as the increased severity or frequency of weather events including wildfires, hurricanes and other storms, floods, and heat and cold waves, among others
- Chronic Risks, which are driven by longer-term shifts in climate patterns, such as changes in sea levels, sustained higher temperatures, and changing precipitation patterns, among others

Transition Risks are those associated with the pace and extent at which an organization manages and adapts to the internal and external rate of change to reduce greenhouse gas emissions and transition to renewable energy and can include:

- Changes in market sentiment, including for investors and consumers
- Reputational risk related to an organization's statements, actions, and behaviors
- Technological changes
- Policy and regulatory changes

Climate-related opportunities for our clients

We believe that the efforts of the public and private sectors to reduce greenhouse gas emissions may present opportunities for our clients with climate- and low-carbon-related objectives over the short-, medium-, and long-term time horizons.

Figure 3: Potential climate-related opportunities for clients

Climate-related area of opportunity	Description	Climate-related opportunity driver type
Product choice	Clients have access to a broad range of investment solutions, as well as to the Sustainability Stewardship Service, to help them meet their climate- and low-carbon-related objectives.	Transition and physical
Risk/return profile	Clients invested in climate and low-carbon investment strategies may benefit from improved risk and return performance under certain scenarios.	Transition and physical

Range of investment solutions

To support clients in achieving their sustainable investing objectives, including with respect to climate, we look to innovate and develop new investment solutions. 2025 saw continued progress in developing and innovating new investment solutions with the launch of the new client-driven Sustainability Stewardship Service and the introduction of a Sustainable Outcome Investing capability for clients targeting a positive environmental and/or social outcome alongside a financial return.

Climate and low-carbon investment strategies

For investors seeking to align their portfolios with their climate goals and/or align with climate-aware industry frameworks, we offer investment products and solutions across both equities and fixed income that are designed to meet specific climate-related objectives.

Across investment strategies with specifically disclosed climate attributes, we may consider mitigation and/or adaptation as important investing dimensions. Mitigation refers to avoiding and reducing emissions in a portfolio or among portfolio companies. Adaptation denotes a company's ability to minimize its exposure to the actual or expected physical, economic, and regulatory impacts of climate change.

Our sustainable investing solutions vary depending on the type of strategy provided to our clients, but generally fall into one of three broad categories, each of which may include a focus on climate:

1 Negative Sustainable Investing Screen: A “Negative Sustainable Investing Screen” (also known as an exclusionary screen) is a screen incorporated into the investment strategy that results in the exclusion of securities of issuers that fail to satisfy certain sustainability criteria (e.g., because the issuers comprise part of a sector or industry). Negative Sustainable Investing Screens include but are not limited to State Street Investment Management's Point of View screens, norms-based screens, Socially Responsible Investing screens, and screens provided by clients or other third-parties (including client-directed screens).

2 Positive Sustainable Investing Screen: A “Positive Sustainable Investing Screen” is a screen incorporated into the investment strategy that intentionally includes securities of issuers identified as having positive sustainability characteristics relative to the issuer's industry or sector peers. Positive Sustainable Investing Screens target an improvement of a portfolio's sustainability profile as compared to a benchmark or stated investment guideline, measured by a sustainability score or a sustainability metric, or invest only in issuers within an industry or sector that score relative to its peers.

3 Third Party ESG/Sustainable Investing Index investment strategies: An index is deemed to be a “Third Party ESG/Sustainable Investing Index” if the index methodology incorporates ESG/sustainability factors or characteristics that are utilized by the third-party index provider to determine which securities and/or their weights are included as index constituents.

With respect to management of our clients' portfolios in active strategies, we believe sustainability factors should be considered alongside traditional investment factors when making investment decisions to develop a more complete picture of portfolio companies' future financial trajectory and business risks. We believe this practice allows issuers to more fully demonstrate their value proposition to investors and the market to appropriately value an issuer's securities. Sustainability factors could cause either a negative or positive impact on a variety of financial metrics. In addition, we recognize that some sustainability-related risks and opportunities are likely to materialize over longer-term time horizons.

Finally, the degree to which these factors may drive future business results may or may not be well recognized in the market. Therefore, we believe it is important to assess these factors as part of a comprehensive assessment of the value of an investment, as applicable, depending on the investment strategy. However, unless specifically disclosed to investors in a strategy, sustainability factors are not material to the way the investment strategy is managed and are not necessarily determinative of investment selection.

Green bond investing

Green bonds enable capital-raising and investment for new and existing projects with potential environmental benefits, such as funds to build a solar power plant. Green bonds are part of a family of labeled bonds and are defined and qualified by a clear use-of-proceeds pledge by the borrower to allocate the funds borrowed to projects that meet specific environmental objectives, including climate change mitigation and adaptation.

To ensure transparency and credibility in the green bond market, several voluntary standards have been established, including the International Capital Market Association (“ICMA”) Green Bond Principles and the Climate Bonds Initiative (“CBI”) Green Bond Taxonomy. These standards allow investors to identify and provide funding to bond issuers based on their future intentions relating to environmental objectives, rather than on their historical record on sustainability. Green bonds generally exhibit similar credit risk and yield characteristics to conventional bonds from the same issuer. The main difference between green and conventional bonds is that the proceeds of a green bond are earmarked for climate- and environment-related projects.

State Street Investment Management established our first US Green Bond strategy in 2012. This was subsequently followed by the launch of a Global Green Bond Index Strategy in 2015. We also manage a number of portfolios that either have an indexed green bond-only investment objective (i.e., they target 100% investment in green bonds) or a targeted allocation as part of the investment objectives of a mandate (i.e., strategies that target a certain percentage or multiple versus the reference benchmark).

State Street Investment Management is a member of ICMA and the CBI and is involved in various working groups as part of an initiative to enhance global standards, transparency, and consistency in the labeled bond market.

Sustainability Stewardship Service

The Sustainability Stewardship Service was launched in 2025 for investors who prioritize sustainability and seek to achieve sustainability outcomes. This client-driven service provides a dedicated framework for company engagement and specialized proxy voting focused on specific sustainability priorities. In 2025, clients from Australia, Denmark, New Zealand, the Netherlands, the United Kingdom, and the United States have opted in their separately managed accounts.

A client that opts into the Sustainability Stewardship Service can either retain their own voting authority or elect to apply the Sustainability Policy to their proxy voting.⁶

The Sustainability Policy is rooted in the three pillars of effective board oversight, disclosure, and shareholder protection. It focuses on certain sustainability priorities, which were the following in 2025 based on client feedback:⁷

- 1 **Climate change:** Focus on the long-term climate-related risks and opportunities that portfolio companies may face, including those associated with physical climate risks and the transition to a lower-carbon economy.
- 2 **Nature:** Focus on potential risks to companies associated with the acceleration of nature loss globally — through companies’ direct or indirect impacts and dependencies on nature.
- 3 **Human rights:** Focus on engaging with companies to understand how they identify, manage, and mitigate human rights-related risks.
- 4 **Diversity:** Focus on the benefits a company can derive from having a diversity of backgrounds, experiences, and perspectives represented on the board, which may include a range of characteristics such as skills, gender, race, ethnicity, and age.

The Sustainability Policy’s approach focuses on potential risks to companies associated with the acceleration of nature loss globally—through companies’ direct or indirect impacts and dependencies on nature—and considers the five key drivers of biodiversity loss: land/freshwater/ocean use change, climate change, resource use, pollution, and invasive species. With climate change representing a key driver of biodiversity loss, the Sustainability Policy recognizes the interconnectedness of climate-, nature- and biodiversity-related issues and considers the relevance of biodiversity and nature across a company’s value chain.

The Sustainability Stewardship Team is responsible for developing the Sustainability Policy based on opt-in clients’ input and feedback on the sustainability priorities that are important to them, conducting portfolio company engagements under the Sustainability Policy on behalf of the opt-in clients, and voting proxies of opt-in clients that have elected to apply the Sustainability Policy to their proxy voting.

Reporting

We produce monthly sustainability reports for certain clients’ equity and fixed income investment portfolios that include, as relevant, key climate-related metrics and a product involvement and controversy profile. Climate metrics include Implied Temperature Rise, Climate Value-at-Risk, and a breakout of Scopes 1, 2, and 3 data. We may also provide, as relevant, a range of additional reports to support regional regulatory requirements, including additional climate metrics and asset stewardship data.

Climate-related risks to our clients

We have identified certain climate-related risks as potentially impactful to our clients’ portfolios, where consistent with the disclosed investment strategy, and dedicated teams are responsible for managing these risks.

Figure 4: Potential climate-related risks to clients

Risk type	Investment management
Description	The risk that: <ul style="list-style-type: none"> • The performance of our strategies differs materially from client expectations; changing regulatory or client expectations increase the possible impact of this risk
Examples of risks posed by climate change	Our climate/sustainable investing strategies might underperform benchmarks. Alternatively, there may be changes in regulatory or client expectations.
Risk mitigants	<ul style="list-style-type: none"> • Regular performance reviews and processes to understand positioning against investment objectives • Engagement with industry bodies on best market practices • Engagement with clients to understand and meet expectations
Our approach	<p>Our Enterprise Risk Management team has enhanced processes, where appropriate, to establish sustainability and climate risk monitoring, including climate risk identification, reporting on key climate metrics, and regular risk reviews with portfolio management teams, if relevant.</p> <p>Additionally, all strategies are regularly reviewed for any deviations from investment objectives, including climate and sustainability. Any significant deviations are further investigated and escalated as appropriate. We monitor and regularly review the regulatory landscape for new developments. Continuous dialogue with clients helps ensure our understanding of expectations and enables us to educate clients on any changes to our business practices, such as changes in fund names or regulatory labels.</p>

Our risk teams

Together, the following teams manage investment management risk.

Investment Risk team

The Investment Risk team is responsible for independently monitoring investment risk exposures to ensure that risk contributions are consistent with return expectations and to highlight intentional and unintentional exposures. Attention is focused on where we have risk, how much risk we have, and whether it is consistent with our views and client objectives.

Liquidity Risk Management team

The Liquidity Risk Management team is responsible for independently monitoring and reporting on asset and funding redemption liquidity risk to ensure appropriate levels of liquidity across portfolios and to ensure adherence to regulatory liquidity requirements. Furthermore, periodic table-top exercises are held with the business to ensure awareness of roles and responsibilities and preparedness of the business and its operations through simulated stress events.

Counterparty Risk Management team

The Counterparty Risk Management team strives to prudently manage counterparty risk while enabling traders to achieve best execution for clients. The team's objective is to be comprehensive, capturing all elements that materially impact counterparty creditworthiness including asset quality, earnings, funding and liquidity, capitalization, and management.

Operational Risk Management team

The role of the Operational Risk Management team is to assist the organization in effectively managing the risk of errors in people, processes, technology, and external events in conjunction with achieving business objectives. The team is an independent risk function with responsibility for the capability of the firm's people and processes to reliably deliver their business activities, and acts as an operational risk industry liaison, continuously tracking, monitoring, and furthering best practices.

Model Risk Management team

State Street Corporation has company-wide requirements for model risk management to which our models adhere. The Model Risk Management team administers State Street's Model Risk Management framework to ensure that model risk is identified, assessed, mitigated, and monitored over time.

Factoring climate-related risks and opportunities into investment strategies

State Street Investment Management has extensive experience working with institutional investors seeking to integrate sustainability objectives into their investments. Next, we share two examples of our sustainability-focused customized separately managed accounts ("SMAs") for institutional clients. These examples are for illustrative purposes only.

Figure 5: Index fixed income

SMA description	A customized climate bond strategy with forward-looking metrics for a Nordic pension fund
Background	An institutional investor sought to align its existing US corporate bond indexed strategy (benchmarked to the Bloomberg US Corporate Bond 1% Capped Index) with a robust sustainable investing framework that incorporated both forward- and backward-looking climate-themed metrics.
Solution implementation	<p>Starting in Q4 2023, we worked with the investor to run simulations in applying a climate-themed investment framework, in addition to their core exclusion list, on an existing portfolio benchmarked to the Bloomberg US Corporate Bond Index with a 1% issuer cap. In Q1 2024, we worked to advance the framework further by incorporating forward-looking metrics. The final implementation was based on a customized solution, integrating forward-looking climate-related metrics through a proprietary optimization engine. Key features of the strategy design included:</p> <ol style="list-style-type: none"> Climate-themed factors <ul style="list-style-type: none"> 50% Scope 1 and 2 carbon intensity reduction versus the benchmark with annual 7.6% YoY reduction in effect from 2030 Minimize fossil fuel reserves and brown revenue Implied temperature rise target of $\leq 2^{\circ}\text{C}$ Carbon risk rating assessment Exclusions: The screened factors included: <ul style="list-style-type: none"> Controversies (violations of UN Global Compact Principles and severe ESG controversies) Business involvement (civilian firearms, controversial weapons, thermal coal, arctic oil and gas, oil sands, tobacco) Green bonds: The strategy overweighted green labelled bonds by two times the benchmark weight. <p>To bring the standard indexed strategy in line with the new custom climate-themed framework required an approximately 30% turnover over five days, ensuring best execution, minimizing trading costs, and staying well within the 50 basis points tracking-error tolerance level.</p>
Outcome	We were able to identify and respond to the needs of the client for a customized climate bond strategy successfully aligned to the Nordic pension fund's investment approach with its sustainability framework, while also meeting its financial objectives. By incorporating forward-looking metrics and stringent screening criteria, the strategy aligned to the client's commitment to sustainable investing and desire to mitigate climate-related risks. The use of green bonds further supported the client's goal to enhance the portfolio's exposure to assets expected to be more climate-resilient and contribute to a lower-carbon economy.

Figure 6: Index equities

Description	A low-carbon tilted and sustainability-screened indexed equity solution for an Australian pension fund (domestic and global indexed equity portfolio)
Background	An Australian pension fund approached State Street Investment Management with a desire to better align their domestic and international equity investment strategy with climate-conscious objectives while adhering to stringent climate-related targets and tracking error limits relative to the strategic benchmark.
Solution implementation	<p>Our team collaborated closely with the client to develop an approach that aligned with their objectives using our proprietary data analytics and a negative screening framework, known as Point of View ("POV"), to identify and exclude high carbon companies and other companies based on additional themes from the investment universe.</p> <ol style="list-style-type: none"> Data analysis and scenario modeling: Using our proprietary data and optimization models, we conducted in-depth scenario analysis to explore various trade-offs between tracking error and the desired sustainability objectives. These scenarios were crucial in helping the client make informed decisions regarding their investment strategy. Tailored allocation: Following extensive deliberation and scenario testing, the client opted for a nuanced allocation strategy that blended an exclusion and tracking error optimization approach: <ol style="list-style-type: none"> Australian Equities: targeting a 20%–25% reduction in carbon intensity with minimal tracking error of 20 basis points MSCI World ex-Australia Equities: aiming for a 55% reduction in carbon intensity while maintaining a comparable performance tracking error to the strategic benchmark of 20 basis points Screening and exclusions: To ensure a comprehensive approach to screening for controversial weapons exposures, the client desired to complement their own screen with our insights based on State Street Investment Management's POV list.
Outcome	Implemented in Q2 2023, the Australian pension fund successfully aligned its investment strategy with its climate goals while upholding its financial performance objectives.

For more fixed income examples, please refer to [The Climate Files](#).

Climate-related opportunities for our business and strategy

Climate change opportunities and risks can influence our work as a business, including increasing demand for climate-related strategies and other offerings, and creating the potential for State Street to reduce its operational impact.

Below is a snapshot of climate-related opportunities we have identified as potentially impactful to our business.

Figure 7: Potential climate-related opportunities for our business and strategy

Area of opportunity	Description	Climate-related opportunity driver type
Demand for products	We may experience increased demand for our climate investment strategies and funds, along with our Sustainability Stewardship Service and Proxy Voting Choice program	Transition and physical
Interest in research and analytics	We may experience increased interest in our proprietary research and sustainability analytics, including related to climate, from investors, financial intermediaries, and other asset owners	Transition and physical
Minimize operational impact	State Street Corporation may reduce its footprint while enhancing resiliency of operations	Transition and physical

Demand for climate-related products

As investor interest in climate-related risks and opportunities evolves, State Street Investment Management may experience increased demand for our climate investment strategies. In response, we are broadening our toolkit to provide investment strategies that help interested clients identify and maximize climate-related opportunities while addressing and managing climate risks in their portfolios. As investors continue to request such solutions, we aim to continue developing our product pipeline to meet market demand and to better serve clients' needs and preferences.

State Street Investment Management has approximately \$901 billion in sustainable investing assets under management, which comprise about 16% of our assets under management, as of 31 December 2025.⁸ Additionally, State Street Investment Management has approximately \$245 billion in climate-related AUM as of 31 December 2025.⁹

Sustainable Outcome Investing

In 2025, we introduced Sustainable Outcome Investing ("SOI") in response to client demand for investment solutions that target positive environmental and/or social outcomes, including those reflected in the UN Sustainable Development Goals ("SDGs"), alongside a financial return. This client-driven initiative seeks investments that demonstrate positive contribution to achieving sustainable outcomes via companies' activities, while avoiding investing in activities that could contribute negatively to those outcomes.

Sustainable Outcome Investing is underpinned by three tenets:

- 1 Intentionality:** There should be a clear formalized sustainable objective that seeks to pursue a positive social and environmental outcome(s).
- 2 Contribution:** Assets should contribute to achieving the intended sustainable outcome in the stated objective.
- 3 Measurement:** There is a commitment and practice across the end-to-end investment lifecycle to identify, measure, make decisions, and report on the sustainable outcome.

In addition, a sustainable outcome investment should be underpinned by a Theory of Change explaining how portfolio assets will contribute to meeting the target sustainable objective. The SOI capability provides a data-driven framework for clients aiming to build portfolios targeting positive environmental and/or social outcomes alongside a financial return.

Our use of climate analytics

We also may experience increased demand for our proprietary sustainability analytics, including those related to climate, from investors, financial intermediaries, and other asset owners. Our data and analytics can help clients assess relevant climate-related risks and opportunities to develop an approach that is aligned with their objectives. This includes performing in-depth analyses conducted primarily with third-party data and proprietary optimization models. We also continue to make investments in sustainability/climate index and data licenses in response to client demand.

Minimizing operational impact

At the core of the State Street climate strategy is the responsible management of its operational environmental impacts. Specifically, it is the operation of State Street’s global network of 77 corporate offices, bank branches, and data centers that contributes to its direct environmental footprint. To minimize this impact, State Street allocates capital toward sustainable building design, improving energy performance of existing buildings, and purchasing energy attribute certificates to complement its decarbonization efforts.

State Street has set a 1.5°C-aligned absolute greenhouse gas reduction target for 2030 to mitigate emissions from its operations. To help reduce its own footprint, State Street also invests in energy attribute certificates to address its Scope 2 market-based emissions on an annual basis, thereby reducing its overall emissions.

For details of the methodology and complete inventory of operational greenhouse gas emissions, refer to the [State Street 2025 TCFD Report](#).

Climate-related risks to our business and strategy

We have identified the following climate-related risks as potentially impactful to our business.

Figure 8: Potential climate-related risks to our business and strategy

Risk type	Strategic
Description	<p>Risks related to:</p> <ul style="list-style-type: none"> • Our ability to execute a long-term plan of action to achieve a particular goal, set of goals, or objectives, and that actions and reactions of State Street are not competitive in the business environment. • Our ability to maintain or grow business operations, such as achieving revenue targets/client volumes, maintaining profit margins, effectively managing expenses, or making the right business investments.
Examples of risks posed by climate change	<ul style="list-style-type: none"> • Inability to achieve our strategic plans due to dependency on and uncertainty of climate policy development • Inconsistency of climate commitments and misaligned strategies across business lines • Our climate/sustainable investment products may be deemed less attractive than peers’ • Divergence in client demand for climate/sustainable investment products
Risk mitigants	<ul style="list-style-type: none"> • Prioritization of sound risk management practices, including for climate-related risks • Engagement with industry bodies and regulators on climate policy development • Regular client engagement to understand and meet expectations
Our approach	<p>Sustainability risk is considered a strategic risk in our Material Risk Identification (“MRI”) process, which utilizes a bottom-up approach to identify the most significant risk exposures, irrespective of their likelihood or frequency, and considers climate risk-related drivers through their impact to our broader inventory of material risks.</p> <p>State Street continues to engage and participate in industry organizations with respect to standards-setting, improving disclosures, and contributing to research.</p> <p>We actively engage with clients, maintain a pipeline for business-at-risk, and continuously monitor any feedback we receive from clients.</p>

Risk type	Model
Description	Model risk describes the potential for adverse consequences, including financial loss, from decisions based on incorrect or misused models. This risk may result from the failure of controls throughout the model life cycle, leading to inaccurate models or inappropriate use or interpretation of results, as well as from inherent model sensitivity due to uncertainty in the modeled environment.
Examples of risks posed by climate change	Climate models are heavily dependent on assumptions; thus, risks can arise from climate data quantification.
Risk mitigants	Robust model validation capabilities and processes can help mitigate risk related to climate models.
Our approach	State Street's Model Risk Management framework ensures that model risk is identified, assessed, mitigated, and monitored over time. Independent model validation is a formal, structured process, applied to all models including climate models, intended to determine whether a model has been developed and implemented consistent with its design objectives and business uses and has an ongoing monitoring plan in place.

To address these and other related risks, we have incorporated climate considerations into our business strategy and planning in the following ways (note, the list below is not exhaustive):

- **Enhancing our product offerings:** We aim to continue developing our product pipeline and enhancing existing product strategies to meet market demand by providing investment strategies and other offerings that help clients achieve their sustainability objectives and investment goals.
- **Performing scenario analysis:** Scenario analysis is core to State Street's approach to risk management, including for assessing and managing risks from climate-related factors. Over the past several years, in line with sound risk management practices and regulatory expectations, State Street's approach to climate risk-related scenario analysis has continued to develop and evolve. Scenario analysis exercises conducted by State Street have evaluated how climate-related risk drivers might impact State Street across both financial and non-financial risks. Results

of these analyses indicate that under extremely stressful assumptions, climate-related risk drivers may have non-negligible impacts on key input factors in loss modeling for credit risk. However, even under such stressful assumptions, expected credit losses remain immaterial given the high-quality nature of the firm's credit exposures. For non-financial risks, a workshop-driven approach determined that the risk of loss or service disruption from climate-related risks was minimal, but it also identified the need for business continuity planning to evolve to take into account the changing severity or frequency of climate-driven events.

Additional scenario analysis has been conducted to assess the impact of discrete climate-related events. Our objective for these focused analyses is to improve our understanding of risk impacts from specific climate-related events, including how we would mitigate such risks.

We continue to enhance our scenario analysis program through the integration of climate-specific scenarios and shocks into our core modeling constructs and capital planning processes.

- **Meeting regulatory requirements:** State Street Investment Management monitors the regulatory environment and has programs in place to address regulatory change and implementation, including climate-related requirements. Additionally, we have established content creation guidelines and implemented a content compliance review process for all materials, inclusive of climate-related content, to mitigate regulatory and reputational risk arising from our activity and/or disclosure, including the risk of greenwashing. We also have a business team dedicated to advancing the firm's efforts to meet regulatory requirements and other reporting obligations related to sustainable investing and stewardship matters, including supporting the firm's sustainable investing governance framework and sustainable investing policies, procedures, and controls.

- **Protecting the resiliency of our physical infrastructure:** State Street Investment Management co-locates with State Street, and State Street's business depends upon maintaining a robust and resilient physical infrastructure across global locations that can handle the impacts of a changing climate. State Street incorporates potential climate impacts in business continuity planning and considers longer-term climate patterns in its location strategy and operational resiliency planning.
- **Reducing emissions:** In 2022, State Street strengthened its science-based Scope 1 and 2 emissions reduction target to align with a 1.5-degree scenario from its prior well-below 2-degree level. As of 2025, State Street has reduced its global Scope 1 and 2 carbon footprint by 39 percent (relative to the firm's 2019 base year level). These reductions are largely the result of rightsizing State Street's real estate portfolio to accommodate a hybrid workforce, selecting new building locations that are more energy efficient, and the realization of energy savings from prior projects. These programs include the optimization of State Street's IT hardware and installation of on-site electricity generation (e.g., solar array).

Risk management

A robust approach to risk management is critical to enable effective delivery of our products and services.

We believe climate change may be a financial risk to our clients and to our business. Therefore, we recognize the importance of integrating climate risk into our risk management framework. State Street Investment Management's Risk Management team is part of State Street's Enterprise Risk Management organization, and we draw on enterprise risk processes and frameworks to aim for consistency in our approach.

State Street manages climate-related risk considerations in alignment with its Enterprise Risk Management Framework, incorporating climate-related risk issues and impacts into its management of existing risk types, financial and non-financial. State Street uses a variety of existing processes, tools, and dedicated approaches to focus on identification, measurement, and management of climate-related risk drivers to help us understand our vulnerabilities and address them, where material.

State Street's established process for risk identification, the Material Risk Identification process, utilizes a bottom-up approach to identify the firm's most significant risk exposures, focused on the risks that can have a material impact on the firm.

The identification of climate-related risks is integrated into the MRI process, with climate-related risks identified and mapped as drivers for our material risks, where appropriate. Climate risk-related drivers may impact both financial risks, such as credit risk or liquidity risk, and non-financial risks, such as operational risk or compliance risk, through physical or transition risk channels. The impact of climate risk-related drivers through these transmission channels may vary based on the relevant climate scenario and time horizon.

State Street's climate risk identification process has evolved alongside its understanding of climate-related risk drivers and quantification methodologies. Following a series of structured global workshops that established climate risk-related drivers relevant to the company's material risks, State Street implemented a survey-based approach to assess the likelihood and potential impact of these drivers. Results indicate that direct impacts to State Street from climate risk-related drivers are limited. These findings are consistent with State Street's role as a global custody bank, which is primarily focused on providing financial services for its institutional investor clients.

The firm continues to enhance its analysis of climate-related risk drivers through a workshop-based process focused on identifying the conditions under which climate-related risks could impact the firm. Insights from these workshops will allow for better prioritization of risk mitigation efforts.

Identifying and assessing climate-related risks to clients

State Street Investment Management's business model informs our approach to risk identification and assessment. As a large manager of index assets, we have historically thought of risk management in indexed products in the context of tracking error to the index. While that remains true, we have also enhanced our processes, where appropriate, to establish sustainability and climate reporting on key climate metrics for certain strategies.

The Investment Risk Management team is responsible for independently monitoring investment risk exposures to ensure that risk exposure levels and contributions are consistent with portfolio-specific guidelines and return expectations. The team also highlights intentional and unintentional exposures, inclusive of climate-related risks for strategies with a climate-related objective.

Managing climate-related risks to clients

For risks in client portfolios, our investment teams are the primary risk owners responsible for evaluating environmental and climate-related risks and opportunities if relevant to the investment portfolio.

The Investment Strategy Review Group reviews investment outcomes across the firm's investment capabilities, with emphasis on risk, return and, where relevant, sustainable investing characteristics and performance evaluation. Where sustainability or climate-related considerations are material to a strategy, these are considered as part of that review, with any material risk-related matters escalated to the Global Chief Investment Officer as appropriate.

In addition, we aim to help clients manage risks through:

- **Publishing thought leadership:** We publish thought leadership that shares perspectives on sustainability- and climate-related topics to help illustrate our capabilities for clients interested in those topics. Sample topics are highlighted in Figure 9.
- **Interacting with industry groups:** State Street engages with regulators, policy makers, and standards-setters to enhance public disclosures.
- **Engaging in climate stewardship:** Through our Asset Stewardship program we engage with companies to discuss risks and opportunities that a company has identified as material.
- **Offering client-driven stewardship:** Our Sustainability Stewardship Service provides clients more choice using a dedicated framework for company engagement and specialized proxy voting focused on specific sustainability priorities, including climate.

Figure 9: Climate and sustainability-related thought leadership example topics

- [The Climate Files: Case Studies on Climate-Thematic Equity Investment Solutions](#)
- [Forward-Looking Climate Metrics in Corporate Bond Portfolios](#)
- [Scope 3 emissions in investment decision-making: An analysis](#)
- [Impact Investing vs. Sustainable Outcome Investing](#)
- [Nature as an asset: The relevance of biodiversity for investors](#)
- [Survey: How EMEA-based insurers are approaching nature-related investing](#)
- [SDG Integration into systematic portfolios](#)
- [Building portfolio resilience through sustainable technology megatrends](#)
- [Climate Transition Corporate Bond Beta Investing Approach](#)

Asset stewardship

At State Street Investment Management, we take our fiduciary duties as an asset manager very seriously. One of our fiduciary obligations to our clients is to always act in their best interest, including when making investment decisions, voting proxies, and conducting other shareholder engagement activities. State Street Investment Management focuses on risks and opportunities that may impact long-term value creation for our clients' investments. We rely on the elected representatives of the companies in which we invest—the board of directors—to oversee these firms' business strategies. We expect effective independent board oversight of the material risks and opportunities to a firm's business and operations. We believe that appropriate consideration of these risks and opportunities is an essential component of a firm's long-term business strategy and expect boards to actively oversee the management of the firm's strategy.

To fulfill our asset stewardship responsibility, we conduct two main activities: engaging with companies and voting at shareholder meetings. When engaging with and voting proxies on the portfolio companies in which we invest our clients' assets, we do so on behalf of and in the best interests of the client accounts we manage and do not seek to change or influence control of any such portfolio companies.

Engagement

We conduct engagements with individual issuers to communicate the principles of our Asset Stewardship program and to learn more about each company's strategy, board oversight, and disclosure practices related to topics the issuer deems material. As part of our efforts, we also engage in fixed income stewardship engagement activities to enable a deeper understanding of issuer-specific developments and how they are being addressed.

Our issuer-specific engagements focus on discussing the principles outlined in the Policy, as well as risks and opportunities that a company has identified as material. We also aim to understand emerging risks and other issues affecting the companies in which we invest on behalf of our clients. We do not engage with issuers where such engagement would be in contravention of applicable law or regulatory guidance.

Engagement on climate-related risk

We believe in the importance of effective risk management and governance of issues that are material to a company. This may include sustainability-related risks and opportunities where a company has identified such risks and opportunities as material to its business. We look to companies to provide disclosure on the risks and opportunities relevant to their businesses, and on the board's oversight of these risks and opportunities,

in line with applicable local regulatory requirements and any voluntary standards and frameworks adopted by the company.

In 2025, we had over 300 engagements with portfolio companies on environmental topics¹⁰. When engaging on environmental topics, we seek to gain an understanding of how companies are managing the risks and opportunities that they deem material to their business as well as gain insights into best practices, challenges, and industry trends. Climate-related risk management was a topic in over 290 engagements in 2025¹¹ and more than 1,900 climate-related engagements since 2014. Climate-related risks and opportunities identified by companies are often interrelated with each other and linked to wider nature, social, and other factors. For example, deforestation releases stored carbon into the atmosphere, contributes to biodiversity change, and can be relevant for local community and stakeholder engagement. This year, we gained insights from companies on several environmental topics, including climate-related risk management, deforestation, and pollution and waste.

Figure 10: 2025 environmental engagement data



Source: State Street Investment Management, 31 December 2025. All numbers are approximate.

* Engagement data reflects the number of engagements during which the topic was discussed. Engagements may cover both topics listed above, as well as other matters relevant to our proxy voting principles, including board oversight, disclosure, and shareholder rights.

Figure 11: Environmental-related risk management engagement examples

Company	Adidas AG
Geography and industry	Germany GICS industry: textiles apparel & luxury goods
Key topics	Circular economy
Asset class	Equity
Key resolutions	N/A
Background	We believe in the importance of effective risk management and governance of issues that are material to a company. This may include sustainability-related risks and opportunities where a company has identified such risks and opportunities as material to its business. In 2025, we engaged Adidas AG (“Adidas”), a global sportswear company, to discuss its strategies and disclosures related to environmental and social topics deemed material by the company. This included a discussion on circular strategies. During this engagement, we aimed to understand how the company identifies and manages risks and opportunities related to these topics as well as gain insights into best practices, challenges and opportunities, and industry trends.
Activity	During our engagement in Q3 2025, Adidas described its circular economy approach as integrated with its broader environmental and social strategies. The company explained circularity is viewed as a strategic lever for climate risk mitigation, cost efficiency, and operational resilience. To help achieve its stated recycled polyester and textile waste targets, the company explained its focus on reducing virgin material use by scaling recycled inputs. Adidas also discussed potential tradeoffs and challenges with shifting to circular models, noting industry collaboration and scalable technologies as critical enablers.
Outcome	<p>The engagement with Adidas provided key insights into best practices and challenges across the footwear industry and its value chain. Adidas explained the key role of circularity to reduce dependency on virgin materials and build long-term resilience. The company described its approach to utilize waste from their existing production cycle, including using leftover rubber and ethylene-vinyl acetate for manufacturing footwear. The company also highlighted efforts to further innovate and scale solutions via collaboration with key partners to drive circularity across the industry.</p> <p>Adidas also explained potential trade-offs with using circular or alternative materials, such as a higher carbon footprint from shifting from recycled polyethylene terephthalate to textile waste for its products. It also described testing materials against sustainability performance criteria, following ISO and internal guidelines.</p> <p>Adidas highlighted opportunities for Extended Producer Responsibility schemes to reflect product sustainability and unlock commercial benefits. The company also shared challenges facing many companies related to the fragmented regulatory landscape and the need for industry and government collaboration to scale solutions. It described how circularity approaches currently come at a price premium, but that automation, technology, and scale are expected to drive cost neutrality in the future.</p>

Company	United Overseas Bank Limited (Singapore)
Geography and industry	Singapore GICS industry: Banks
Key topics	Nature-related risk management
Asset class	Equity
Key resolutions	N/A
Background	We believe in the importance of effective risk management and governance of issues that a company identifies as material. This may include sustainability-related risks and opportunities where a company has identified such risks and opportunities as relevant to its business. In 2025, we engaged United Overseas Bank Limited (Singapore) (“UOB”) and discussed its strategies and disclosures related to environmental topics deemed material by the company.
Activity	UOB identifies sustainable banking as a material environmental, social, governance “ESG” factor. UOB has set objectives to integrate environmental and social considerations into risk management as well as support clients with sustainable financing solutions. During the engagement, UOB discussed its nature strategy and shared updates on progress. This included implementing internal training and capacity building, enhancing nature-related disclosures, and promoting nature-focused financing. The company also outlined its efforts and learnings as an early adopter of the Taskforce on Nature-related Financial Disclosures recommendations. UOB conducted an assessment to map subsectors in its corporate loan portfolio with high dependencies and impacts on nature and disclosed the findings in its Sustainability Report 2024.
Outcome	<p>The engagement with UOB provided key insights into the company’s nature and sustainable financing strategy as well as best practices and trends across the industry more broadly. The company discussed the nascency and limitations in nature-related data and tools available today. To address this, UOB is actively working with various stakeholders to increase data quality and availability for its portfolio and provide thought leadership on methodologies, such as developing nature scenarios for material sectors of its portfolio.</p> <p>UOB recognized that climate-focused solutions can also contribute to the maintenance and restoration of nature’s health. While opportunities in pure-play nature financing remain nascent, scalable opportunities can be found within the climate-nature nexus. UOB reported that approximately 60% of its existing sustainable financing portfolio at the end of 2024 fell within this nexus.</p> <p>For example, UOB provides financing solutions for clients in Singapore’s real estate sector to enhance facilities to meet the requirements for and obtain a green building certification, which includes efficient water and waste management as key requirements.</p> <p>Going forward, UOB plans to continue tracking its financing efforts towards nature and supporting its customers in minimizing impact to nature through relevant financing products.</p>

Voting

Environmental shareholder proposals

When voting our clients' proxies, we may be presented with shareholder proposals at portfolio companies that must be evaluated on a case-by-case basis and in accordance with our proxy voting and engagement principles of effective board oversight, disclosure, and shareholder protection. Where a company has received a shareholder proposal on a commonly requested disclosure topic and the company has determined that the topic is material to its business, we assess the effectiveness of the company's disclosure on such topic in connection with the proposal.

For more information about our engagement and proxy voting, please refer to our [2025 Asset Stewardship Report](#).

Identifying and assessing climate-related risks to our business

We view climate change as an intersecting risk that may pose implications to our business. In alignment with our Parent company, we view risk identification as an iterative activity that includes inputs across the three lines of defense. We recognize sustainability risk, including climate, as a transversal risk in our Material Risk Identification process—which utilizes a bottom-up approach to identify our most significant risk exposures, irrespective of their likelihood or frequency—and consider climate risk-related drivers through their impact to our broader inventory of material risks.

In July 2025, we conducted our annual State Street Investment Management Climate Risk Workshop with the purpose of identifying key drivers of climate risks that could impact the firm's financial performance, operations, and franchise value. The workshop included participation from various teams across State Street Investment Management and featured discussions on topics including the firm's strategy, the evolving regulatory landscape, and industry best practices related to climate and sustainability risk. Subsequently, the risk team updated the climate risk drivers mapping to the existing risk taxonomy.

To better identify and assess climate-related risks to our business, we performed a scenario analysis in 2023. In line with industry best practices, we leveraged three Network for Greening the Financial System scenarios, given the increasing adoption by global regulators and the granularity of data provided across a range of plausible scenarios. These scenarios are orderly, disorderly, and hot house world, and we leveraged a third-party dataset to perform the analysis. We believe this analysis, although not predictive, is helpful for us to better understand the implications of different climate possibilities. While we conducted the scenario analysis and assessed the resilience of our overall investment strategy as represented by our total entity book of business, where data was available, it is important to note that we do not make investment decisions based on the results of this analysis.

Managing climate-related risks to our business

State Street Investment Management's risk function aligns with State Street Corporation's risk function in its approach to identifying, assessing, and monitoring risk. As such, we leverage the three lines of defense model to manage material risks, which may include climate-related risks, to the organization. Responsibility for risk oversight is allocated to ensure decisions are made at an appropriate level and are subject to robust and effective review and challenge.

Embedded in our risk management are the governance committees that oversee and manage our risks. Our committees and teams across the three lines of defense play important roles in identifying and managing our climate risks.

Governance

State Street’s climate-related risks are overseen using a bottom-up, business unit-driven approach to assess risks and mitigate or escalate material risks, if and where identified. At the management level, a dedicated Climate Risk Working Group and a Climate Office sub-group of the Sustainability Committee provide central coordination to ensure appropriate management of climate risks and climate risk regulatory requirements, while at the Board level, the Board Risk Committee oversees the risk management components, including climate risk, of the company’s sustainability and impact obligations, initiatives, and activities.

Within State Street Investment Management, oversight of climate-related matters is integrated among the firm’s committees and within the business.

The teams comprising our second line of defense—Risk and Compliance—establish and monitor adherence to the risk and control framework and create an additional layer of independence.

Risk management, compliance, and audit

Risk management framework

In the normal course of State Street’s business activities, it is exposed to a variety of risks, some that are inherent in the financial services industry, and others that are more specific to State Street’s business activities. The State Street risk management framework focuses on material risks. Many of these risks, as well as certain factors underlying each of them, could affect State Street’s businesses and its consolidated financial statements, and are discussed in detail under “Risk Factors” in State Street’s Form 10-K. The identification, assessment, monitoring, mitigation, and reporting of risks are essential to State Street’s financial performance and successful management of its businesses. Accordingly, the scope of State Street’s business requires that it consider these risks as part of a comprehensive and well-integrated risk management

function. These risks, if not effectively managed, can result in losses to State Street as well as erosion of its capital and damage to its reputation. State Street’s approach to risk management, including Board and senior management oversight and a system of policies, procedures, limits, risk measurement and monitoring, and internal controls, allows for an assessment of risks within a framework for evaluating opportunities for the prudent use of capital that appropriately balances risk and return. State Street’s objective is to optimize its returns while operating at a prudent level of risk. In support of this objective, State Street has instituted a risk appetite framework that aligns its business strategy and financial objectives with the level of risk that State Street is willing to incur.

Compliance programs

State Street Investment Management’s Compliance team is part of State Street’s Compliance organization, and we draw on enterprise programs and frameworks to aim for consistency in our approach. To address compliance risk¹⁴ and the evolving regulatory landscape, the State Street Compliance Risk Management Policy and supporting framework (“Compliance Program”) sets forth enterprise-wide standards for identifying, assessing, monitoring, and reporting on compliance risk.

The State Street Compliance Program applies a risk-based approach to ensure both management and control function resources are directed to those risks, regulations, and regulators that represent the greatest exposure and therefore require the greatest level of engagement. State Street’s regulatory change management programs are designed to identify changes to the regulatory environment that impact State Street’s legal entities, the products and services they provide, and the operations they conduct. Management and control functions work in concert to ensure that relevance and applicability to State Street are understood and that internal processes, procedures, and controls are designed to address changes in the external regulatory environment.

Corporate audit

The third line of defense team—Corporate Audit—provides the Board and management with independent and objective assessments of the design and operating effectiveness of State Street’s system of internal controls. Corporate Audit’s assessments include internal controls over the Parent’s financial and regulatory reporting, compliance with laws and regulations, compliance with significant corporate policies, and the effective management of risks faced by State Street in executing on its strategic and tactical operating plans. Corporate Audit applies a systematic, disciplined approach to evaluate and recommend improvements to the design and operating effectiveness of State Street’s global risk management, internal control, and governance processes.

Climate change risks to our physical assets and operations

Physical climate risk, especially acute weather events, may impact both our physical assets and the services we provide to our clients around the world. We are committed to mitigating the effects to clients from any service interruptions, including those related to climate change.

To understand our operational vulnerabilities to climate factors, State Street, including State Street Investment Management, regularly evaluates the exposure of our operations to changes in the physical environment. This includes assessing the frequency and severity of major weather events that may impact our operations, induce damage, disrupt our supply chain, or potentially hinder our ability to provide products or services.

We also assess the longer-term risks of climate change on our operational resiliency by mapping our key locations, infrastructure, and third parties against the critical services we provide for clients.

Our business continuity and disaster recovery programs are key to ensuring that we can absorb disruptions should they occur. These programs set standards that require recovery strategies to be put in place and regularly tested. These standards, by way of example, include consideration of attributes of the locations of our global workforce and related public infrastructure, and climate and geopolitical factors that could impact their work.

This continuous threat assessment and mitigating actions, coupled with regular incident and crisis management testing and exercises, help to ensure that operational resilience is continuously improved, responsive to changing inherent risks, and embedded as a key tenet of our daily operations. For more information, please refer to State Street Corporation’s [TCFD report](#).

Metrics and targets

Metrics and targets play a critical role in assessing climate-related risks for some of our clients. We see climate metrics as useful inputs for understanding and disclosing climate-related risks, including in the TCFD-aligned reporting we provide to certain clients.

Assessing climate-related risks and opportunities for clients

We are aware of the importance of leveraging reliable and trustworthy data for any investable purpose, from powering quantitative strategies, to displaying results in a client or regulatory report, to informing conversations with companies and clients. Accordingly, we have built robust processes and systems to assess the soundness, validity, and consistency of sustainability data and information used by the firm. The firm periodically reviews its data providers and may make adjustments from time to time.

When requested by clients, we use a range of climate metrics across data providers in different applications as a part of our client reporting. These metrics include industry standards, such as carbon emissions data (e.g., weighted average carbon intensity), fossil fuel reserves, brown and green revenues, implied temperature rise, climate value at risk, and carbon risk ratings. We continue to evaluate the effectiveness of various metrics. Going forward, as transparency and reliability around climate data improves, we will assess and may report on additional climate metrics.

Sample analysis

As an example of analytics that we can offer our clients, the following page shows a selection of climate-related data points that may help clients assess climate-related risks and opportunities.

In this analysis, we provide figures for commonly used listed equity indices like the FTSE All-World Index, the FTSE Developed Index, and the FTSE Emerging Index. For ease of comparison, we assume that \$1 billion is invested in each as of 31 December 2025. In the following sections, we provide analysis covering carbon emissions metrics and Implied Temperature Rise (“ITR”) and an overview of Climate Value-at-Risk (“CVaR”). These data points can help describe portfolios using different lenses:

- Carbon emissions-related analytics may be used by investors to understand the current emissions exposure of their portfolios.
- Investors may use the ITR¹⁵ statistics to obtain an indication of the potential trajectory of future emissions associated with their portfolio.
- CVaR may be used by investors to understand quantitative risk and return implications under different future climate scenarios and key climate-related risk and opportunity pillars.

Figure 12: Climate data toolbox for quantitative strategies

Direction	Metric	Purpose	TCFD*		
			Transition risk	Physical risk	Opportunities
Backward looking	GHG intensity CO ₂ e emissions per \$M revenues	A measure that considers a company's carbon emissions in relation to its output.	✓		
	Fossil fuel reserves Embedded CO ₂ e emissions per EVIC	Connecting a company's operations to the risks of stranded assets and associated potential write offs.	✓		
	Brown revenues % revenues from fossil fuel-related activities	Exposure to activities associated with the extraction and direct use of fossil fuel sources, as well as supporting activities.	✓		
	Green revenues % revenues from low-carbon tech	Exposure to global companies engaged in the transition to a green economy.			✓
	Green bonds Verified by climate bonds initiative	Investment in verified green bonds.			✓
Forward looking (new)	Climate beta Sensitivity to brown-green portfolio	A capital market-based metric measuring sensitivity to climate risks and opportunities.	✓	✓	✓
	Implied temperature rise °C implied temperature in 2050	Provides an indication of how companies and investment portfolios align to global climate targets.	✓		
	Climate VaR % financial value at risk	A bottom-up measure designed to provide a forward-looking and return-based valuation assessment to measure climate-related risks and opportunities.	✓	✓	✓
	Carbon risk rating Score on climate preparedness	A bottom-up measure assessing climate risks and opportunities including their carbon footprint, and the management of their industry-specific carbon risks.	✓		✓

Source: State Street Investment Management. Chart for illustrative purposes. The metrics outlined in the table above may be proprietary factors or sourced from various third-party data providers.

* Based on the TCFD's climate-related risks, opportunities, and financial impact in the TCFD's Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures, 2017.

Figure 13: Carbon emissions and implied temperature rise data point

	Units	FTSE All-World	FTSE Developed	FTSE Emerging
Financed emissions (Scope 1+2)	Tonnes of CO ₂ -eq	38,881.0	29,740.8	120,889.4
Financed emissions (Scope 3)	Tonnes of CO ₂ -eq	401,615.1	380,094.9	594,698.5
Financed emissions intensity (Scope 1+2)	Tonnes of CO ₂ -eq per million \$ invested	38.9	29.7	120.9
Financed emissions intensity (Scope 3)	Tonnes of CO ₂ -eq per million \$ invested	401.6	380.1	594.7
Wtd. avg. carbon intensity (Scope 1+2)	Tonnes of CO ₂ -eq per million \$ revenues	114.0	89.7	331.6
Wtd. avg. carbon intensity (Scope 3)	Tonnes of CO ₂ -eq per million \$ revenues	1133.0	1101.5	1415.3
Implied temperature rise	Degrees Celsius	1.8	1.8	2.0

Source: State Street Investment Management, FTSE Russell, ISS-ESG, Factset, 31 December 2025. Financed emissions are attributed using enterprise value including cash, as recommended by the [PCAF Standard](#). Carbon emissions and Implied Temperature Rise data sourced from ISS-ESG.

Carbon emission metrics and implied temperature rise

One lens we can provide to clients is information about the current emissions exposure of their portfolios.

Climate value-at-risk

We can also provide clients with portfolio-level data related to climate scenario analysis, making use of scenarios developed by the Network for Greening the Financial System (“NGFS”), and company-level CVaR data provided by MSCI based on selected NGFS scenarios.

The NGFS scenarios were developed to provide a common starting point for analyzing climate risks to the economy and financial system. It is important to note that the NGFS scenarios are not forecasts; instead, they aim to explore the bookends of plausible futures (neither the most probable, nor the most desirable) for financial risk assessment.

To reflect the uncertainty inherent to modeling climate-related macroeconomic and financial risks, the NGFS scenarios use different models and explore a wide range of scenarios across regions and sectors. Scenarios differ markedly in their physical and transition impacts, with significant uncertainty in the size of the estimates and variation across regions.

The six NGFS scenarios cover the following dimensions:

- **Orderly** scenarios assume climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued.
- **Disorderly** scenarios explore higher transition risk due to policies being delayed or divergent across countries and sectors. For example, carbon prices are typically higher for a given temperature outcome.
- **Hot house world** scenarios assume that some climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming. The scenarios result in severe physical risk including irreversible impacts like sea-level rise.

See the [NGFS Scenario Portal](#) for more details on NGFS climate scenarios.

Next, we focus on the following three scenarios to cover different temperature outcomes and policy implementations, utilizing outputs based on the REMIND-MAgPIE model:¹⁶ The selection of three particular scenarios is purely for illustrative purposes; it is possible to choose any other NGFS scenarios for this purpose as well.

- 1 **Orderly transition scenario:** Net Zero 2050 (1.5°C). This scenario limits global warming to 1.5°C through stringent climate policies and innovation, reaching global net zero CO₂ emissions around 2050. Some jurisdictions such as the US, EU, UK, Canada, Australia, and Japan reach net zero for all GHGs.
- 2 **Disorderly transition scenario:** Delayed transition (2°C). Delayed transition assumes annual emissions do not decrease until 2030. Strong policies are needed to limit warming to below 2°C. Negative emissions are limited.
- 3 **Hot house world scenario:** Nationally Determined Contributions (NDCs, 3°C). The NDC scenario includes all nationally pledged targets even if not yet backed up by implemented effective policies.

These scenarios are based on complex modelling of the Earth’s physical and socioeconomic systems, and it is considered challenging to convert these into quantitative return implications for portfolios. For this purpose, we utilize MSCI’s proprietary CVaR dataset that converts these climate scenarios into company-level impacts at a 15-year time horizon (expressed as a percentage of a company’s market value). It should be noted that MSCI CVaR data is based on several assumptions made by MSCI. Scenario analysis methodologies continue to evolve, and data is subject to change in the future. As described above, climate scenario analysis is provided to highlight potential climate risks and their underlying drivers; however, there is considerable uncertainty related to these estimates, and specific risks vary under different scenarios.

Based on the MSCI CVaR dataset, we can provide quantitative examples of three key pillars: *policy risks*, which generally correlate to transition risks, *technology opportunities*, which generally correlate to transition opportunities, and *physical risks*. It should be noted that while these cover several pillars of potential climate-related risks, this may not represent a complete picture of all such risks.

Metrics and targets related to our business

Scope 1, 2, and 3 emissions disclosures

Our Parent’s Scope 1, Scope 2, and certain categories of Scope 3 emissions are tracked and reported as part of their [TCFD disclosures](#).

State Street Investment Management does not report Scope 3 emissions related to its assets under management (Category 15). Many aspects of the calculation and attribution of GHG emissions disclosures are in development, and there continue to be significant practical challenges. There is an inherent timing lag in the availability of Scope 3 data, given the interdependence on Scopes 1 and 2, inconsistent Scope 3 estimation measurements, as well as wider technical issues such as “double counting” by asset owners and asset managers. Consensus around Scope 3 reporting parameters is still emerging, and further industry work should be done to determine the value and feasibility of calculating and disclosing Scope 3 GHG emissions for the benefit of investors and for the usefulness of investment decision making.

Sustainability-related business indicators

The below figure provides select business indicators across sustainable investing and asset stewardship. These indicators represent some areas the firm monitors to view how we are serving clients with climate-related investment goals, as well as how we are managing climate-related risks and opportunities that portfolio companies have deemed material to their businesses through our Asset Stewardship program.

Figure 14: Select 2025 business indicators

Sustainable investing AUM ¹⁷	\$901B
Climate-related AUM ¹⁸	\$245B
Number of environmental shareholder proposals voted in 2025 ¹⁹	160
Number of environmental engagements in 2025 ²⁰	300+
Number of engagements on climate-related risk management in 2025 ²¹	290+

Source: State Street Investment Management, 31 December 2025. All numbers are approximate.

Appendix I: State Street Investment Management UK domiciled legal entity TCFD disclosures

State Street Global Advisors Limited (“SSGAL”), Managed Pension Funds Limited (“MPFL”), and State Street Unit Trust Management Limited (“SSUTM”) (together, the “State Street Investment Management UK Entities”) each place reliance on the climate-related financial disclosures contained in the State Street Investment Management group-level TCFD report, which applies in respect of the activities of State Street Investment Management globally.

State Street Global Advisors Limited: A limited liability company organized under the laws of England and Wales; authorized and regulated by the Financial Conduct Authority (“FCA”).

Managed Pension Funds Limited: A limited liability company organized under the laws of England and Wales; authorized by the Prudential Regulation Authority (“PRA”) and regulated by the FCA and the PRA.

State Street Unit Trust Management Limited: A limited liability company organized under the laws of England and Wales; authorized and regulated by the FCA.

The disclosures made in the State Street Investment Management group-level TCFD report and this Appendix are provided by the above State Street Investment Management UK Entities pursuant to the reporting requirements set out in Chapter 2 of the FCA ESG sourcebook.

Governance arrangements

The Boards of the State Street Investment Management UK Entities each place reliance on the State Street Investment Management’s EMEA governance framework to oversee risk and facilitate effective oversight of their respective business functions.

This governance framework includes the UK Senior Management Committee (“UK SMC”), which includes senior employees from State Street Investment Management’s business and corporate support teams that manage and oversee the business conducted by State Street Investment Management in the UK.

The UK SMC is, in turn, supported directly by the EMEA Risk Committee and the following State Street Investment Management committee architecture:

Figure 15: Governance arrangements

Committee	Responsibility
Global Fiduciary and Conduct Committee	Responsible for addressing fiduciary and business conduct matters across State Street Investment Management and oversight of its collective investment funds
Global Risk Committee	Responsible for ensuring the alignment of strategy, risk appetite, and risk management standards
Global Product and Investment Committee (including its sub-committee, the EMEA Product Committee)	Responsible for State Street Investment Management’s investment philosophy and overseeing the investment process, investment strategies, approach to new markets and instruments, relationships with counterparties, and the creation of new products based on State Street Investment Management’s investment strategies

The Boards of the State Street Investment Management UK Entities delegate the oversight of remuneration arrangements to the UK Remuneration Committee and the capital and liquidity matters to the State Street Investment Management EMEA Capital and Liquidity Working Group.

SSGAL also refers to the State Street UK Country Committee, which provides oversight of activities for all businesses operating in the UK, with a particular focus on transversal risks and issues, such as IT resiliency, corporate continuity, and country-level HR matters.

MPFL and SSUTM Working Groups

In addition to being supported by the committees referred to above, the MPFL Board and SSUTM Board have established, respectively, the MPFL and SSUTM joint Working Group to oversee day to day management activities of MPFL and SSUTM. The Working Groups are composed of the CEO of MPFL and SSUTM (as applicable) together with other senior individuals representing the major business lines and relevant professional service functions.

Stephen Yeats

CEO of State Street Global Advisors Limited

Rebecca Bridger

CEO of Managed Pension Funds Limited and State Street Unit Trust Management Limited

Appendix II: State Street Unit Trust Management Limited sustainability disclosure entity addendum

Scope and approach

This addendum has been prepared for State Street Unit Trust Management Limited (“SSUTM”) to address UK specific requirements under the Financial Conduct Authority’s (“FCA”) Sustainability Disclosure Requirements (“SDR”) and should be read together with the State Street Investment Management group-level TCFD report and the other cross-referenced documents herein. This addendum covers the year ended 31 December 2025 and is intended to be reviewed annually.

This addendum is intended to form SSUTM’s sustainability entity reporting for sustainability-related risks and opportunities applicable to SSUTM’s SDR in-scope business. It identifies and sets out disclosures specific to SSUTM and explains how SSUTM applies and oversees group-level policies, processes, and metrics in the context of SSUTM’s governance and delegation arrangement. This addendum also outlines SSUTM’s approach to the governance of SDR in-scope assets, the formulation of strategy, and the identification, assessment, and management of sustainability risks and opportunities.

SSUTM delegates the investment management of its assets to State Street Global Advisors Limited (“SSGAL”). However, SSUTM retains responsibility for overseeing the activities performed under this delegation, including monitoring sustainability-related risks and opportunities and confirming that the sustainability-related claims remain accurate and aligned with the characteristics of the relevant products.

SSUTM is a wholly owned indirect subsidiary of State Street Corporation (“State Street”) operating within the broader State Street governance framework and applies State Street Investment Management group-level sustainability policies and controls where relevant to SSUTM’s activities.

As SSUTM operates within the broader State Street structure and relies upon and is influenced by the broader State Street Investment Management in its consideration of sustainability-related factors in its day-to-day business, it is relevant to consider State Street Investment Management’s approach to sustainability as outlined in its TCFD report prior to setting out SSUTM’s current and future approach to sustainability.

SSUTM has assessed the applicability of State Street Investment Management’s group-level sustainability framework to SSUTM, taking into account SSUTM’s role as manager, its delegation model, and the nature of the schemes it is responsible for. Where SSUTM’s approach requires entity specific description (including oversight, controls, and UK regulatory context), that information is provided in this addendum.

As SSUTM is a subsidiary of State Street Investment Management, its approach is therefore informed by State Street Investment Management’s overarching corporate sustainability strategy, policy, and initiatives as outlined in this TCFD report. SSUTM applies the group’s approach at entity level as relevant and maintains oversight to ensure that: (i) sustainability-related risks and opportunities are appropriately identified, assessed, and managed for SSUTM’s SDR in-scope business; and (ii) sustainability-related claims made in relation to SSUTM products and services are fair, clear, and not misleading.

State Street Investment Management’s group-level sustainability disclosures and targets apply to SSUTM as their subsidiary, and SSUTM incorporates these into its operations and governance to support alignment with the broader sustainability approach.

This alignment helps reinforce consistency and accountability whilst also maintaining the group-level collective sustainability impact and effectiveness. The group-level climate assumptions, scenarios, and metrics remain applicable to SSUTM as the same oversight and monitoring processes are applied across the State Street Investment Management group.

This addendum is intended to be made available to clients and other stakeholders in accordance with the FCA’s SDR disclosure requirements and is relevant to SSUTM’s activities as manager for the State Street Authorised Unit Trusts and State Street Authorised Contractual Scheme fund ranges (the “Schemes”)

SSUTM does not apply a uniform sustainability objective across all Schemes; however, certain Schemes as set out in their prospectuses are designed through their objective, policy, and strategy to meet certain sustainability investment standards, which may include climate-related targets as well as naming and marketing rules, reporting, and disclosure requirements under the FCA’s SDR reporting regime. Where Schemes use sustainability-related terms (or have sustainability characteristics), SSUTM ensures that the relevant disclosures, naming/marketing approach, and ongoing monitoring are carried out in accordance with applicable FCA SDR requirements. Please note that as at the date of this document, none of SSUTM’s Schemes use sustainability labels. SSUTM will keep the information in this addendum under review and update it annually as appropriate to keep it accurate and not misleading, including where there are material changes to SSUTM’s governance, delegation arrangements, products, sustainability approach, or relevant FCA requirements. Accordingly, SSUTM may need to review, revise, or recalibrate its sustainability approach over time, including its methodologies, analysis, and related disclosures and assessments, as market practice and data develop. Any such changes including appropriate oversight of delegated activities will be made in accordance with product governance processes and reviewed by SSUTM governance bodies.

Compliance statement

SSUTM confirms pursuant to ESG 2.2.7R and ESG 5.6.8R of the FCA Environmental, Social and Governance Sourcebook, that the disclosures contained in this addendum, including any third-party or group disclosures, comply with the applicable FCA ESG requirements.

SSUTM has taken reasonable steps to ensure that this addendum, together with the group-level and third-party disclosures cross-referenced herein, is consistent with the applicable requirements of the FCA ESG sourcebook relating to: (i) climate-related financial disclosures (TCFD entity reporting) and (ii) sustainability entity reporting for sustainability-related risks and opportunities applicable to SSUTM’s SDR in-scope business. For the avoidance of doubt, ESG 4.3.1 (anti-greenwashing) is addressed through SSUTM’s controls over sustainability-related statements and communications, as summarised below. Where SSUTM relies on group-level disclosures, SSUTM remains responsible for ensuring those disclosures are appropriately applicable to SSUTM and that any SSUTM specific matters are disclosed in this addendum.

Anti-greenwashing controls (ESG 4.3.1)

SSUTM maintains governance and controls designed to help ensure that sustainability-related claims and communications relating to Schemes for which SSUTM is manager are fair, clear, and not misleading and are consistent with the sustainability characteristics of the relevant Scheme. These controls include, as applicable: (i) product governance and prospectus approval/change control; (ii) review and approval processes for sustainability-related statements in Scheme documentation and relevant investor communications; (iii) oversight of delegated marketing/communications where applicable; and (iv) periodic monitoring to identify whether changes in portfolio construction, index methodology, exclusions, stewardship approach, or data/methodologies could render previously published sustainability-related statements inaccurate or misleading.

Governance and ESG oversight for non-labelled products with sustainability characteristics

The manager’s approach to governance, with respect to managing sustainability risks and opportunities

SSUTM has a well-established corporate governance framework in place that promotes accountability and enables effective decision-making. SSUTM’s Board is responsible for oversight of SSUTM’s governance framework, including oversight of delegated arrangements performed by SSGAL or other group entities.

SSUTM approves each of the Scheme’s investment objective, policy, and strategy at fund launch (including, if stated in the prospectus, any sustainable considerations that are incorporated as part of the Scheme’s investment process).

SSUTM also regularly monitors the Schemes to ensure they are managed in accordance with the requirements set out in the prospectus. The Investment Oversight Team is responsible for monitoring the investment limits of SSUTM Schemes applied at the portfolio level as set out in the prospectus. Furthermore, as part of the Assessment of Value process whereby the SSUTM Board review and confirm on at least an annual basis if the SSUTM Schemes are delivering value under set criteria, any Scheme with sustainability features will have this measure considered as part of the performance assessment.

During 2025, SSUTM’s non-labelled products with sustainability features were governed through the same structures outlined in the “Governance” section of the State Street Investment Management TCFD report and the UK specific Appendix. SSUTM relies on the group governance structures described in the State Street Investment Management TCFD entity report and the UK Appendix, as updated from time to time. SSUTM periodically assesses whether this reliance continues to be suitable given its role, product range, and delegation model.

The section titled, “State Street Investment Management oversight: Firm governance structure” of State Street Investment Management’s TCFD

report details State Street Investment Management’s approach to governance, which consists of three senior committees that are designed to support effective and efficient decision-making and provide oversight of the firm’s business functions: (i) the Risk Committee, (ii) the Global Product and Investment Committee, and (iii) the Global Fiduciary and Conduct Committee. These senior committees and the subcommittees underlying each apply a consistent approach to the establishment and implementation of firm-wide policies and procedures and provide broad oversight of the business functions. Oversight responsibilities of sustainability-related activities are integrated among the three senior committees and within the business, reflecting State Street Investment Management’s commitment to effectively oversee those activities. SSUTM’s local governance ensures these frameworks are applied appropriately, with escalation routes into group/enterprise governance where required.

More specifically, SSUTM sets out and approves the investment approach of the Funds under management, which is monitored on a day-to-day basis by State Street Investment Management. For Schemes that are stated in their prospectus to take into account certain sustainability characteristics as part of their investment process, enterprise risk management is responsible for independently monitoring investment risk exposures to ensure that risk exposure levels and contributions are consistent with portfolio specific guidelines and, if applicable, return expectations.

Processes and controls have been developed to ensure appropriate consideration, review, and challenge are in place with relevant outputs overseen by SSUTM through periodic reporting and ad hoc escalation where required, noting that these activities are performed at group and strategy levels and are directly applicable to SSUTM.

Where relevant, briefly explain in its Sustainability Entity Report how the manager’s strategy has influenced the decision making and process by which it delegates functions, selects delegates, and relies on services, strategies, or products offered or employed by third parties, including delegates.

SSUTM’s strategy and operating model rely on delegation of investment management to SSGAL. SSUTM selects and oversees delegates through its

governance, due diligence, and ongoing oversight processes, including periodic review of delegated performance against investment objectives, risk limits (including any sustainability-related constraints), regulatory requirements, and usage of established enterprise third party/vendor oversight programmes.

Where SSUTM relies on third-party data, index providers, service providers, or delegated functions, SSUTM applies its outsourcing and third-party risk management framework, including due diligence, contractual requirements, service oversight, and escalation procedures.

SSUTM's appointed investment manager, SSGAL, conducts a Material Risk Identification assessment, which considers and has fully embedded climate/sustainability-related drivers, any of which, if deemed high or severe in materiality, are put forward for further analysis and controls including stress testing and scenario analysis relevant for the capital planning process. State Street Investment Management's approach to risk management, including Board and senior management oversight and a system of policies, procedures, limits, risk measurement, monitoring, and internal controls, allows for an assessment of risks within a framework for evaluating opportunities for the prudent use of capital that appropriately balances risk and return. Both SSUTM and State Street Investment Management have instituted a risk appetite framework that aligns business strategy and financial objectives with the level of risk willing to be incurred.

The section of the State Street Investment Management TCFD report titled "Risk management" notes that climate-related risk considerations are managed in alignment with State Street Investment Management's Enterprise Risk Management Framework, incorporating climate-related risk issues and impacts into its management of existing risk types, financial and non-financial.

As referred to in the "Demand for climate-related products" section of the State Street Investment Management TCFD report, as investor interest in climate-related risks and opportunities evolves, State Street Investment Management (and consequently, SSUTM) may experience increased demand for climate investment strategies. In response,

State Street Investment Management is broadening its toolkit to provide investment strategies that help interested clients identify and maximize climate-related opportunities while addressing and managing climate risks in their portfolios. As investors continue to request such solutions, State Street Investment Management aims to continue developing its product pipeline to meet market demand and to better serve clients' needs and preferences.

SSUTM has adopted the Sustainability Stewardship Service Proxy Voting and Engagement Policy ([sustainability-stewardship-service-proxy-voting-and-engagement-policy.pdf](#)) in respect of the SSUTM funds, which focuses on engagement with portfolio companies on certain sustainability topics.

Certain SSUTM funds, if stated in the prospectus, include investment screens. Where such screening is applicable, it results in the exclusion from the portfolio of securities of issuers that fail to satisfy certain screening criteria.

The actual and potential impacts of any material sustainability-related risks and opportunities on the manager's businesses, strategy, and financial planning.

SSUTM has assessed broader sustainability-related risks and opportunities (including social and governance factors), which are managed through group-level governance and policies. Climate-related risk in particular is viewed as a transversal risk and considered as a constant in the backdrop of all identified risks applicable to SSUTM in alignment with our parent company.

The section of the TCFD report, which describes State Street Investment Management's disclosures across the four TCFD Pillars, summarises how the impacts of sustainability-related risks and opportunities influence State Street Investment Management's business, strategy, and financial planning. Climate change risks and opportunities may impact and influence State Street Investment Management's work as a business, including increasing client demand for climate-related strategies and other offerings, and creating the potential for State Street Corporation (of which SSUTM is a subsidiary) to reduce the environmental impact of its operations.

SSUTM has adopted the Sustainability Stewardship Service Proxy Voting and Engagement Policy ([sustainability-stewardship-service-proxy-voting-and-engagement-policy.pdf](#)) in respect of the SSUTM funds, which focuses on engagement with portfolio companies on certain sustainability topics.

Where SSUTM relies on group-level assessments, SSUTM considers whether any SSUTM specific impacts arise from its UK regulatory responsibilities and its product range.

How the manager identifies, assesses, and manages sustainability-related risks.

As referred to in the section titled “Managing climate-related risks to our business” of the State Street Investment Management TCFD report, State Street Investment Management’s (which includes SSUTM) risk function aligns with State Street Corporation’s risk function in its approach to identifying, assessing, and monitoring risk. As such, SSUTM leverages the three lines of defense model to manage material risks, which may include climate-related risks, to the organization. Responsibility for risk oversight is allocated to ensure decisions are made at an appropriate level and are subject to robust and effective review and challenge.

Embedded in the risk management are the governance committees that oversee and manage risks. Committees and teams at SSGAL, which is SSUTM’s appointed investment manager, across the three lines of defense play important roles in identifying and managing climate risks.

The section summarising the firm’s disclosures across the four TCFD pillars, as set out in the State Street Investment Management TCFD report, outlines how State Street Investment Management identifies, assesses, and manages sustainability risks. This includes the conduct of an annual Climate Risk Workshop to identify key drivers of climate risk that could impact the firm’s financial performance, operations, and franchise value, as well as the use of State Street’s regulatory change management programme to identify climate-related regulatory developments relevant to the firm.

The Material Risk Identification assessment of State Street Investment Management’s European operating entities, including SSGAL, considers and has fully embedded climate/sustainability-related drivers, any of which, if deemed high or severe in materiality, are put forward for further analysis and controls including stress testing and scenario analysis relevant for capital planning process, which feeds into SSUTM’s own risk appetite and capital financial planning given investment management activities are delegated to SSGAL.

State Street Investment Management’s approach to risk management, including oversight by SSUTM’s Board and State Street Investment Management’s senior management, together with a framework of policies, procedures, limits, risk measurement, and monitoring practices, provides a basis for assessing risks and evaluating opportunities for the prudent use of capital in a manner that balances risk and return. State Street Investment Management’s objective is to optimise returns while operating at a prudent level of risk. In support of this objective, State Street Investment Management has instituted a risk appetite framework that aligns its business strategy and financial objectives with the level of risk that it is willing to incur.

State Street Investment Management, including SSUTM, also assesses the longer-term risks of climate change on its operational resiliency by mapping key locations, infrastructure, and third parties against the critical services they provide to clients.

State Street Investment Management’s business continuity and disaster recovery programs are key to ensuring that it can absorb disruptions should they occur. These programs set standards that require recovery strategies to be put in place and regularly tested and are reported to SSUTM.

This regular threat assessment and mitigating actions, coupled with regular incident and crisis management testing and exercises, help to ensure that operational resilience is continuously improved, responsive to changing inherent risks, and embedded as a key tenet of State Street Investment Management’s daily operations.

The metrics and targets used by the manager to assess and manage relevant material sustainability-related risks.

Sustainability-related targets and metrics have not been set and reported on at the SSUTM entity level. SSUTM is instead subject to the targets and metrics set and reported on at the State Street and State Street Investment Management group levels. SSUTM has considered whether entity-level sustainability metrics and targets are appropriate given its role and delegation model. Currently, SSUTM relies on group-level metrics and targets where relevant and monitors scheme-level sustainability characteristics (where applicable) through prospectus constraints, index methodologies, exclusions, stewardship approach, and related monitoring. SSUTM reviews this approach periodically, and where there are material changes to regulatory expectations, products, or data availability, SSUTM will review and implement such changes as appropriate.

This SSUTM Sustainability Disclosure Entity Addendum should be read in conjunction with the State Street Sustainability Report ([Sustainability | State Street](#)) and the State Street Investment Management TCFD report, which provide aggregated State Street metrics, including metrics relevant to State Street Investment Management, SSUTM, and the assets State Street Investment Management administers on SSUTM's behalf.

Explain, either in its sustainability entity report or in a cross-referenced public product-level sustainability report, where its approach to a particular investment strategy, asset class or product is materially different to its overall entity-level approach to governance, strategy, risk management, or targets and metrics.

SSUTM has not identified material instances to date where its approach to a particular investment strategy, asset class, or product differs materially from State Street Investment Management's overall approach to governance, risk management, or targets and metrics given the use of shared teams and a common oversight model.

Any variation in approach, if it arises, would be identified through the European Product Committee, which is responsible for reviewing and recommending SSUTM's classifications under regulatory frameworks such as SDR, as well as the broader Global Product and Investment Committee.

SSUTM will continue to assess whether any investment strategy, asset class, or product has an approach that is materially different from its overall entity-level approach and, where applicable, will disclose such differences either in this report or by cross-reference to relevant product level disclosures, as applicable.

Rebecca Bridger

CEO of Managed Pension Funds Limited and
State Street Unit Trust Management Limited

Endnotes

- 1 This figure is presented as of 31 December 2025 and includes ETF AUM of \$1,950.80 billion USD of which approximately \$173.02 billion USD in gold assets with respect to SPDR products for which State Street Global Advisors Funds Distributors, LLC (“SSGA FD”) acts solely as the marketing agent. SSGA FD and State Street Investment Management are affiliated. Please note all AUM is unaudited.
- 2 For US companies, climate-related risk management was an engagement topic only with companies that deem climate-related topics material to their business.
- 3 “Eligible funds” or “eligible index equity assets” include all fund and client accounts managed by State Street Investment Management that employ an equity index strategy and which have granted, or are able to grant, proxy voting authority to State Street Investment Management.
- 4 See note 2.
- 5 For more information about the legal entities for which TCFD reporting is a regulatory requirement, please refer to the appendices.
- 6 The Sustainability Stewardship Service is only available to clients that opt in and is separate and distinct from State Street Investment Management’s Global Proxy Voting and Engagement program. For those clients that opt-in and that elect to apply the Sustainability Policy to their proxy voting, the Sustainability Policy applies as an overlay of the Global Proxy Voting and Engagement Policy.
- 7 As of April 2026, the Sustainability Stewardship Service Proxy Voting and Engagement Policy focused on five sustainability priorities: climate change; nature; human rights; diversity; and human capital management.
- 8 Estimated and unaudited State Street Investment Management Sustainable Investing assets under management as of 31 December 2025, are approximately \$901 billion as calculated by State Street Investment Management for Sustainable Investing Accounts. State Street Investment Management defines a “Sustainable Investing Account” as a client account (i.e., fund or separately managed account managed by State Street Investment Management) that utilizes an investment strategy that falls into one of the following three categories, which are not mutually exclusive:

1. Negative Sustainable Investing Screen, as defined below
2. Positive Sustainable Investing Screen, as defined below
3. Third-Party ESG/Sustainable Investing Index investment strategies, as defined below

Note: ESG/sustainability data coverage limitations or other factors may result in positive or negative screening being applied to less than 100% of a Sustainable Investing Account. The assets under management (AUM) of an account are classified as Sustainable Investment (SI) AUM, irrespective of the percentage of those assets that have been subject to negative or positive screening. There are several ways in which an issuer can be considered to be involved in a particular product or service, and a screening methodology, along with ESG/sustainability data coverage limitations, may result in a negatively screened portfolio having some exposure to the screened criteria.

1. Negative Sustainable Investing Screen: A “Negative Sustainable Investing Screen” (also known as an exclusionary screen) is a screen incorporated into the investment strategy utilized for the management of a portfolio that results in the exclusion from the portfolio of securities of issuers that fail to satisfy certain sustainability criteria (e.g., because the issuers comprise part of a sector or industry). Negative Sustainable Investing Screens include but are not limited to State Street Investment Management Point of View screens, norms-based screens, Socially Responsible Investing (SRI) screens, and screens provided by other third parties (including client-directed screens). Where a client’s investment agreement and/or investment guidelines specify, or the client otherwise communicates to State Street Investment Management that the application of a negative screen is to satisfy a purpose other than sustainable investing (e.g., diversification), such screens do not qualify as a Negative Sustainable Investing Screen.

2. Positive Sustainable Investing Screen: A “Positive Sustainable Investing Screen” is a screen incorporated into the investment strategy utilized for the management of a portfolio that intentionally includes securities of issuers identified as having positive sustainability characteristics relative to the issuer’s industry or sector peers. Positive Sustainable Investing Screens target an improvement of a portfolio’s sustainability profile as compared to a benchmark or stated investment guideline, measured by a sustainability score or a sustainability metric, or invest only in issuers within an industry or sector that score higher within that industry or sector than the issuer’s peers.

3. Third-Party ESG/Sustainable Investing Index investment strategies: An index-tracking client account qualifies as a Sustainable Investing Account if it tracks a Third-Party ESG/Sustainable Investing Index. An index is deemed to be a “Third-Party ESG/Sustainable Investing Index” if the index methodology incorporates ESG/sustainability factors or characteristics that are utilized by the third-party index provider to determine which securities and/or how much in weight are included as index constituents. A client account that utilizes a Third-Party ESG/Sustainable Investing Index as a reference benchmark for performance or reporting purposes, but does not seek to track such index as an investment strategy, does not qualify as a Sustainable Investing Account unless it meets at least one of the first two prongs of the definition of “Sustainable Investing Account” set forth above.

The methodology used by State Street Investment Management to identify Sustainable Investing AUM may differ from the methodology used under certain classification and disclosure regulatory regimes. State Street Investment Management makes no representation that an account identified as a “Sustainable Investing Account” satisfies all Sustainable Investing categories under the State Street Investment Management Sustainable Investing Account Identification Policy. A Sustainable Investing Account may satisfy only one of the three categories described above, and within that category it may incorporate a single sustainability factor or exposure. State Street Investment Management’s Sustainable Investing AUM may include AUM of client accounts for which a negative screen is applied at the request of the client for regulatory or other purposes, which may not be disclosed to State Street Investment Management, that State Street Investment Management believes results in the exclusion from the client’s portfolio of securities based on sustainability criteria.

9 Estimated and unaudited State Street Investment Management climate-related assets under management as of 31 December 2025 are \$245 billion State Street Investment Management's "climate-related assets under management" includes Sustainable Investing Accounts (defined below) that meet the following criteria, which are not mutually exclusive:

1. Positive Sustainable Investing Screens that target an improvement of a portfolio's Climate Profile
2. Third-Party ESG/Sustainable Investing Index investment strategies if the index methodology incorporates a Positive Sustainable Investing Screen that targets an improvement of a portfolio's Climate Profile

"Climate Profiles" include but are not limited to climate change, climate transition (including EU CTB indices), Paris Agreement alignment (including EU PAB indices), carbon emissions reduction and carbon reserve reduction.

State Street Investment Management defines a "Sustainable Investing Account" according to the criteria in note 8.

The methodology used by State Street Investment Management to identify Sustainable Investing AUM and Climate-Related Themes may differ from the methodology used under certain classification and disclosure regulatory regimes. State Street Investment Management makes no representation that an account identified as a "Sustainable Investing Account" or "Climate-Related" satisfies all Sustainable Investing categories or incorporates all Climate Profiles under the State Street Investment Management Sustainable Investing Account Identification Policy. A Sustainable Investing Account may satisfy only one of the three categories described above, and a Climate-Related Account may incorporate a single Climate-Related factor or exposure. Climate-Related AUM may include exposure to fossil fuels.

10 For US companies, environmental topics were discussed during engagements only with companies that deem environmental-related topics material to their business.

11 See note 2.

12 See note 10.

13 See note 2.

14 Compliance risk is defined as the risk of legal or regulatory sanctions, material financial loss, or loss to reputation resulting from failure to comply with regulatory obligations (i.e., applicable final rules, laws, statutes and regulations, formal regulatory guidance, and self-regulatory organization standards that regulate State Street's legal entities, financial services activities, and functions that support those activities).

15 As per ISS, a portfolio's Implied Temperature Rise measures, in aggregate, a portfolio's temperature alignment (in degrees Celsius) at the year 2050 under the NGFS Regional Model of Investment and Development ("REMIND") - Model of Agricultural Production and its Impacts on the Environment ("MAgPIE"). For example, an ITR of 2.5°C assigned to a given portfolio would indicate that the portfolio is exceeding its fair share of the global carbon budget, and that if everyone exceeded their fair shares by a similar proportion, we would end up in a world with 2.5°C of warming. The calculation uses an aggregated budget approach that compares the sum of financed projected carbon emissions against the sum of financed carbon emission budgets for the underlying portfolio holdings. This provides an estimation of the total carbon budget under/overshoot of the portfolio. The total portfolio carbon emission over/undershoot is then converted to a degree of temperature rise using the science-based ratio approach of Transient Climate Response to Cumulative Carbon Emissions.

16 REMIND-MAgPIE is an integrated assessment model built by the Potsdam Institut for Klimafolgenforschung for the purpose of climate modeling.

17 See note 8.

18 See note 9.

19 Source: State Street Investment Management, as of 31 December 2025. Includes environmental shareholder proposals per ISS' proposal code categorization between 1 January 2025-31 December 2025.

20 See note 10.

21 See note 2.

About State Street Investment Management

At State Street Investment Management, we draw from our global scale and market-tested expertise to help create original solutions and better outcomes for our clients and the world's investors.

statestreet.com/investment-management

Marketing communication

State Street Global Advisors (SSGA) is now State Street Investment Management. Please [click here](#) for more information.

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ID4416100-5729742.5.1.GBL.RTL 0626 Exp. Date: 06/30/2027