

# Our Stewardship Approach to Russia/Ukraine

## Benjamin Colton

Global Head of Asset Stewardship, Voting & Engagement

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## Our Approach

As stewards of long-term capital with a global footprint, we believe the Russia/Ukraine conflict represents new portfolio risks. As such, we have outlined our [approach to stewardship in the context of this conflict](#). As the event unfolds, we expect our approach to evolve over time.

To date, we have identified holdings in our portfolio with material exposure to the conflict. These are companies domiciled outside of Russia and Ukraine that may be impacted by the conflict, and that either (i) have continued or recently halted their local business operations, and/or (ii) have not provided public disclosure on their response to the conflict. These holdings may include companies that generate significant revenue from these markets, have Russian and/or Ukrainian subsidiaries, employ local workforces, engage in local joint ventures and partnerships, and/or otherwise have meaningful exposure to the conflict. Consistent with our material portfolio exposure criteria, these companies are constituents of major market indices. Equipped with this view of material exposure, we will:

- Request engagements with companies with material exposure (as outlined above) to (but not domiciled in) Russia in order to understand how these companies are managing the sanctions, reputational, and human rights-related risks of operating in the region; and
- Request engagements with companies with material exposure (as outlined above) to Ukraine in order to understand how these companies are managing risks related to disruptions in the supply chain, as well as human capital management.

We expect management teams of impacted companies to take meaningful action to mitigate and manage relevant risks, and for boards to provide robust oversight of these efforts and ensure public disclosure of relevant information. Our objectives in these engagements will be to understand how the boards of these impacted companies are effectively overseeing the management of material business risks resulting from the conflict. We will continue to monitor these impacted companies and consider using our proxy vote to hold boards accountable for insufficient oversight of relevant risks, in line with our existing expectations for directors.

Additionally, we will not engage with Russian-domiciled companies during this time, and we will not vote at Russian-domiciled shareholder meetings. We believe this to be in the best interest of our clients due to the lack of quality information available to investors and the considerable reputational and regulatory risks to our clients.

Against the backdrop of a grave humanitarian crisis, we will proactively manage emerging risks to our portfolio. As the conflict between Russia and Ukraine continues to unfold, we will carefully assess any further impact to our portfolio companies, and will pursue additional engagements with impacted companies (excluding those domiciled in Russia) in order to ensure our portfolio can continue to generate long-term value for our clients.

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- Start with rigor
- Build from breadth
- Invest as stewards
- Invent the future

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\* Pensions & Investments Research Center, as of December 31, 2020.

<sup>†</sup> This figure is presented as of December 31, 2021 and includes approximately \$61.43 billion of 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 Global Advisors are affiliated.

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