

State Street Sustainable Climate Emerging Markets Enhanced Equity Fund

Informations publiées sur le site Internet pour un fonds visé à l'Article 8



A. Résumé

La politique d'investissement du State Street Sustainable Climate Emerging Markets Equity Fund (le « **Compartiment** ») consiste à surperformer l'indice MSCI Emerging Markets Index (l'« **Indice** ») à moyen et long terme tout en investissant dans des sociétés dont l'empreinte carbone est plus faible en termes d'émissions actuelles et futures (mesurées par les réserves de combustibles fossiles), qui génèrent des revenus verts et sont mieux positionnées face aux risques physiques posés par le changement climatique, et en excluant les titres à partir d'une évaluation de leur adhésion aux critères ESG (à savoir les normes internationales concernant la protection de l'environnement, les droits de l'homme, les normes du travail, la lutte contre la corruption, le tabac, l'alcool, le divertissement pour adultes, les jeux d'argent et les armes controversées).

Le Compartiment promeut des caractéristiques environnementales ou sociales, mais n'a pas l'investissement durable pour objectif.

Le Compartiment promeut certaines caractéristiques environnementales au moyen d'investissements dans des sociétés dont l'empreinte carbone est plus faible en termes d'émissions actuelles et futures (mesurées par les réserves de combustibles fossiles), qui génèrent des revenus verts et qui sont mieux positionnées face aux risques physiques posés par le changement climatique. En outre, il promeut d'autres caractéristiques environnementales et sociales au moyen d'un filtre négatif et basé sur des normes appliqué au portefeuille du Compartiment en vue d'exclure les titres à partir d'une évaluation de leur adhésion aux critères ESG, à savoir les normes internationales concernant la protection de l'environnement. Plus précisément, le Compartiment promeut certaines caractéristiques sociales via l'exclusion des investissements dans des sociétés qui violent les principes du PMNU concernant les droits de l'homme (Principes 1 et 2), les normes du travail (Principes 3 à 6), la lutte contre la corruption (Principe 10) et dans des sociétés associées au tabac, à l'alcool, au divertissement pour adultes, aux jeux d'argent et aux armes controversées.

Les principes du PMNU sont la plus grande initiative mondiale relative à la durabilité des entreprises. Ils visent à ce que les entreprises alignent leur stratégie et leurs activités sur des principes universels concernant les droits de l'homme, le travail, l'environnement et la lutte contre la corruption, et qu'elles prennent des mesures pour faire progresser ces objectifs sociétaux.

Le Compartiment promeut également certaines caractéristiques environnementales et sociales à travers l'allocation d'une part de son portefeuille en investissements durables. Pour qu'un titre puisse être qualifié d'investissement durable, la société doit être « Leader » ou « Outperformer », comme déterminé par le Gestionnaire d'investissement au moyen de la notation ESG R-Factor™.

Le Gestionnaire d'investissement, pour le compte du Compartiment, investira de façon active à l'aide de la Stratégie quantitative en actions Climat durable, décrite plus en détail sous la section 8.1 du Prospectus et du Supplément correspondant. Cette stratégie utilise des modèles quantitatifs d'allocation géographique, de sélection de titres et multifactoriels pour évaluer l'attractivité des

valeurs, en ce compris l'utilisation d'une méthodologie systématique pour offrir une exposition supérieure (par rapport à celle de l'Indice) aux sociétés cherchant à atténuer le risque climatique et à s'adapter à celui-ci. L'évaluation des pratiques de bonne gouvernance s'effectue au travers d'un filtrage négatif appliqué par le Compartiment. Les entreprises pour lesquelles le Gestionnaire d'investissement juge qu'il n'y a pas de violations des principes du Pacte mondial des Nations Unies (« **PMNU** ») sont considérées faire preuve de bonne gouvernance.

Le Gestionnaire d'investissement emploie une méthodologie ESG contraignante qui vise à construire un portefeuille pour lequel au minimum 90 % des actifs du Compartiment sont investis dans des titres alignés sur les caractéristiques environnementales et sociales qu'il promeut. Il est prévu que, dans cette part du portefeuille, au moins 25 % des actifs du Compartiment soient investis dans des titres qui sont des investissements durables ayant des objectifs environnementaux et/ou sociaux au moment du rééquilibrage du portefeuille, normalement réalisé sur une base trimestrielle. La partie restante (<10 %) du portefeuille, composée de trésorerie ainsi que d'équivalents de trésorerie existants détenus à la discrétion du Gestionnaire d'investissement, ne sera pas alignée sur les caractéristiques environnementales et sociales promues. Si tant est que le Compartiment recoure à des instruments financiers dérivés, ceux-ci ne sauraient être utilisés pour atteindre les caractéristiques environnementales ou sociales qu'il promeut.

Le Compartiment ne s'engage pas à réaliser des investissements durables au sens du Règlement sur la taxinomie.

La réalisation des caractéristiques environnementales est mesurée par l'exposition plus élevée du portefeuille du Compartiment (par rapport à l'Indice) aux sociétés qui atténuent les émissions de gaz à effet de serre et s'adaptent aux risques liés au climat par la construction du portefeuille qui vise à :

- a) minimiser l'intensité carbone (émissions proportionnelles au chiffre d'affaires), les revenus bruns et les réserves de combustibles fossiles ;
- b) maximiser les revenus verts ; et
- c) cibler les entreprises positionnées pour tirer parti de la transition vers une économie bas-carbone, sur la base de leurs notations en matière d'adaptation au climat.

La réalisation plus approfondie des caractéristiques environnementales et sociales promues par le Compartiment est mesurée via le pourcentage du portefeuille investi dans des titres inclus dans le filtre négatif et basé sur des normes.

Le Compartiment applique une approche systématique de l'atténuation et de l'adaptation qui cible les réductions d'émissions de carbone alignées sur les objectifs de Paris et la réaffectation de capitaux au profit d'entreprises profitant de technologies bas-carbone. Le Compartiment vise à réaliser les critères suivants concernant les cinq catégories climatiques utilisées dans le processus de construction du portefeuille : minimiser l'intensité carbone, les revenus bruns et les réserves de combustibles fossiles, maximiser les obligations vertes et les efforts d'amélioration de la notation en matière d'adaptation au climat. En outre, un filtre négatif et basé sur des normes est appliqué au portefeuille du Compartiment pour exclure les titres en fonction des critères suivants : armes controversées, violations du PMNU, charbon thermique, forage en Arctique, pétrole et sables bitumineux, graves controverses ESG, tabac, alcool, divertissement pour adultes, jeux d'argent, exclusions du Conseil d'éthique suédois et exclusions mondiales du Fonds de pension du gouvernement norvégien.

Le Fonds utilise les sources de données suivantes :

1. S&P Trucost, FTSE Russell et ISS ESG pour les données relatives au climat
2. MSCI et Sustainalytics pour les filtres ESG

SSGA applique un processus de diligence raisonnable continu aux fournisseurs de données ESG, qui donne lieu à des rapports réguliers sur la qualité des données. De même, SSGA peut travailler avec les fournisseurs de données concernés sur tout problème lié aux données détecté par ses équipes.

Les données ESG peuvent être basées sur certaines hypothèses, prévisions, projections, perspectives et opinions, lesquelles s'appuient le cas échéant sur les tendances actuelles du marché ou sur les événements futurs anticipés. Étant donné la nature évolutive et innovante des modèles de données, des méthodologies et des hypothèses, ainsi que l'incertitude inhérente à la prédiction d'événements prospectifs, il ne peut être garanti que les données ESG sont toujours exactes ou correctes ni que les données ESG répondront aux objectifs ou aux exigences de quelque client ou investisseur donné que ce soit. De plus, il se peut que certaines données ne puissent être obtenues en raison du manque de disponibilité des sources de données.

Les politiques d'engagement de SSGA ne sont pas directement intégrées dans la stratégie d'investissement du Compartiment. Cependant, le Programme d'intendance des actifs de SSGA consolide l'ensemble des activités actionnariales de vote et d'engagement, toutes classes d'actifs confondues, indépendamment de la stratégie d'investissement ou de la région géographique, y compris pour le Compartiment.

Pour plus d'informations détaillées, veuillez vous référer aux sections pertinentes ci-dessous, au Prospectus et au Supplément correspondant.



B. No sustainable investment objective

The Fund promotes environmental or social characteristics, but does not have as its objective a sustainable investment it will have a minimum proportion of 25% of sustainable investments.



C. Environmental or social characteristics of the financial product

The Fund promotes certain environmental characteristics through investments in companies which exhibit lower carbon emissions in the way of current emissions and future emissions (measured by fossil fuel reserves), produce green revenues and are better positioned for the physical risks posed by climate change. In addition to this, further environmental and social characteristics are promoted by a negative and norms-based screen applied to the portfolio of the Fund to screen out securities based on an assessment of their adherence to ESG criteria, i.e. international norms in relation to environmental protection. Specifically, the Fund promotes certain social characteristics through exclusion of investments in companies which violate UNGC Principles relating to human rights (Principles 1 and 2), labour standards (Principles 3 to 6), anti-corruption (Principle 10) and companies associated with tobacco, alcohol, adult entertainment, gambling and controversial weapons.

The UNGC Principles is the world largest corporate sustainability initiative aimed at companies to align their strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and take actions that advance societal goals.

The Fund further promotes certain environmental and social characteristics through its allocation of a portion of the portfolio to sustainable investments. In order for the security to qualify as a sustainable investment, the company must be a "Leader" or "Outperformer" as determined by the Investment Manager using the RFactor™ ESG score.

For further details of the exclusions applied by the Investment Manager at any time please refer to Section G below.



D. Investment Strategy

The Investment Manager, on behalf of the Fund, will invest actively using the Sustainable Climate Quantitative Equity Strategy as further described in section 8.1 of the Prospectus and the Relevant Supplement and in Section J below. This strategy uses quantitative country allocation, stock selection and multi-factor models to evaluate the attractiveness of stocks including the use of a systematic methodology to provide higher exposure (relative to the Index) to companies that are mitigating and adapting to climate risk.

In implementing this strategy, the Investment Manager constructs a portfolio of securities taking into account certain ESG factors such as: carbon intensity (emissions scaled by revenue, fossil fuel reserves, green revenues, brown revenues and ratings for climate adaptation. The resulting portfolio of the Fund intends to provide higher exposure (relative to the Index) to companies that are mitigating and adapting to climate related risks. The securities in the Fund are selected primarily from the constituents of the Index and the Investment Manager applies the negative and norms-based ESG screen prior to the construction of the portfolio of the Fund and on an ongoing basis.

Application of the ESG screens results in the exclusion of any securities from the portfolio based on an assessment of their adherence to certain ESG criteria defined by the Investment Manager. The Fund will screen out securities of issuers identified as being non-compliant with UNGC Principles relating to environmental protection, human rights, labour standards and anti-corruption, as well as tobacco, alcohol, adult entertainment, gambling and controversial weapons. The Fund may use additional ESG screens from time to time in order to exclude securities of issuers based on their involvement with an activity that is deemed non-compliant with one or more of such ESG criteria.

The assessment of good governance practices is implemented through the negative screening utilised by the Fund. Companies deemed by the Investment Manager to not violate UNGC principles are considered to exhibit good governance.



E. Proportion of investments

The Investment Manager employs a binding ESG methodology which aims to build a portfolio where at least 90% of the Fund's assets are invested in securities which are aligned with environmental and social characteristics promoted by the Fund. It is intended that, within such portion of the portfolio, at least 25% of the Fund's assets are invested in securities which are sustainable investments with environmental and / or social objectives, at the point of rebalance of the portfolio which typically occurs on a quarterly basis. The remaining portion (<10%) of the portfolio, consisting of cash as well

as cash equivalents in place held at the Investment Manager's discretion, will not be aligned with the promoted environmental and social characteristics.

To the extent that the Fund may use financial derivative instruments, these will not be used to attain the environmental or social characteristics promoted by the Fund.

The Fund does not commit to making sustainable investments within the meaning of the Taxonomy Regulation.



F. Monitoring of environmental or social characteristics

The attainment of the environmental characteristics is measured through the higher exposure of the Fund's portfolio (relative to the Index) to companies that are mitigating greenhouse gas emissions and adapting to climate related risks by constructing the portfolio that aims to:

- a) minimise;
 - carbon emission intensity (emissions scaled by revenue);
 - brown revenues; and
 - fossil fuel reserves.
- b) maximise green revenues; and
- c) target companies that are positioned to benefit from the transition to the low-carbon economy based on their ratings for climate adaptation.

A further attainment of the environmental and social characteristics promoted by the Fund is measured through the % of the portfolio invested in securities that are included in the negative and norms-based screen.

The environmental and social characteristics are embedded in the investment policy of the Fund and the associated sustainability indicators are monitored by the Investment Manager through its investment oversight program including pre- and post-trade compliance monitoring for ESG screens and regular reviews by a sub-committee of the Investment Manager.



G. Methodologies

The investment policy of the Fund is to outperform the Index over the medium and long term while investing in companies which exhibit lower carbon emissions in the way of current emissions and future emissions (measured by fossil fuel reserves), produce green revenues, and are better positioned for the physical risks posed by climate change while screening out securities based on an assessment of their adherence to ESG criteria (i.e. international norms in relation to environmental protection, human rights, labour standards, anti-corruption, tobacco, alcohol, adult entertainment, gambling and controversial weapons).

The Fund adopts a systematic mitigation and adaptation approach that targets Paris-aligned reductions in carbon emissions and reallocation of capital towards companies benefiting from low-carbon technologies. The Fund aims to achieve the following criteria in relation to five climate categories utilised in the portfolio construction process:

	Mitigation				Adaptation
Criteria	Reduce Carbon Emission Intensity Direct and indirect greenhouse gas emissions	Reduce Fossil Fuel Reserves Greenhouse gas emissions resulting from a company's fossil fuel reserves	Reduce Brown Revenues Revenues related to drilling, mining and other extractive activities	Increase Green Revenues Revenues from low-carbon technology and "clean" energy production	Score Adaptation Efforts Steps to protect a business from the physical, economic and regulatory impacts of climate change
Metric	CO ₂ emissions / \$M revenues	Embedded CO ₂ / M Tonnes CO ₂ emissions	% revenues from extractive activities	% revenues from low-carbon technology	Score on Climate Change Preparedness
Data Provider	S&P Trucost	S&P Trucost	S&P Trucost	FTSE Russell	ISS ESG

Mitigation – Aims to reduce the flow of heat-trapping greenhouse gases into the atmosphere and increase exposure to new energy and green companies.

Adaptation – Aims to increase exposure to companies working proactively to minimise their exposure to actual or expected physical, economic and regulatory impacts of climate change and the transition to a low-carbon economy.

Filtres ESG

The ESG screens applied to the Fund include the following:

1. Controversial Weapons
2. UNGC Violations
3. Thermal Coal
4. Arctic Drilling
5. Oil and Tar Sands
6. Severe ESG Controversies
7. Tobacco
8. Alcohol
9. Adult Entertainment
10. Gambling
11. Swedish Ethical Council exclusions
12. Norwegian Government Pension Fund Global exclusions

Further details on the methodologies used for the ESG screens is as follows:

1. **Controversial Weapons:** Companies with focused involvement in the following controversial weapons are excluded.

Landmines Landmines are explosives that are designed to detonate at the presence, proximity or contact of a person or vehicle. After being planted, antipersonnel mines can remain undetonated for years, posing a serious risk to civilians after a conflict has ended.

Biological and chemical weapons Biological or chemical weapons are munitions that utilize pathogens such as viruses, bacteria, and disease-causing biological agents, toxins, or chemical substances that have toxic properties, to inflict death or harm. Either type can be dispersed in gas, liquid, or solid forms. As these munitions are based on organisms or chemicals, civilians are often unintended victims since the impact zone is constrained only by how far the particles can disperse. For biological weapons, person-to-person transmission of the illness can further exacerbate the civilian impact.

Cluster weapons Cluster weapons are air-dropped explosives: bombs, missiles, rockets, or shells that carry sub munitions and disperse them over an area. The sub munitions have a wide impact zone, and often remain undetonated on the ground. These munitions can remain dangerous for years after the conflict has ended, posing a serious risk to civilians.

Depleted Uranium Depleted Uranium (DU) munitions are projectiles (bullets, rockets, etc.) that have been equipped with the radioactive chemical substance DU, a byproduct of the uranium enrichment process used to make nuclear weapons and nuclear-reactor fuel. Because of its high density, DU is often used as a penetrator in ammunition to help pierce armor. However, areas where depleted uranium munitions have been used are exposed to its radioactive qualities, causing people living in the area to be more prone to cancers, congenital birth defects, and other illnesses.

Nuclear Weapons A nuclear weapon is a device that is capable of releasing nuclear energy in an uncontrolled manner, due to fusion and/or fission reactions, making it a highly destructive explosive. The indiscriminate and disproportionate impact on civilians makes nuclear weapons a controversial weapon.

White Phosphorus White phosphorus (WP) is an allotrope of the chemical element phosphorus, which burns fiercely when exposed to oxygen. A WP munition is any projectile (eg flares, grenades, or mortars) that is equipped with WP, in order to act as a smoke-producing agent, or as tracer, illumination, or incendiary munition.

2. **UNGC Principles:** Companies directly complicit in violations of core international norms and conventions, as described in the UNGC Principles are excluded.

The UNGC is the world's largest corporate sustainability initiative with 13,000 participants from 170 countries. It consists of a set of internationally recognized principles that encompass important

issues, such as human rights, labour, the environment, and anti-corruption practices. The 10 principles are as follows:

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

3. **Thermal Coal:** Companies involved in the extraction or power generation of thermal coal are excluded.
4. **Arctic Drilling:** Companies involved in oil and gas exploration in the Arctic regions are excluded.
5. **Oil and Tar Sands:** Companies for whom a meaningful portion of their average daily production comes from oil sands are excluded.

6. **Severe ESG Controversies:** Companies involved in incidents/events that may pose business or reputational risk due to the potential impact on stakeholders, the environment, or the company's operations are excluded.
7. **Tobacco:** Companies with direct involvement in the production/manufacturing of tobacco are excluded.
8. **Alcohol:** Companies involved in the production of alcoholic beverages or derive revenue from the manufacture of alcoholic products are excluded.
9. **Adult Entertainment:** Companies involved in the production, direction, or publishing adult entertainment materials and/or owns/operates adult entertainment establishments. Those include sex shops, producers of adult movies and television programs, sexually explicit video games, magazines with adult content, adult websites, and ownership of strip clubs and topless bars (Live entertainment of an adult nature) are excluded.
10. **Gambling:** Companies deriving revenue by owning and/or operating gambling establishments (operation of casinos, lotteries, bookmarking, online gambling, etc.) are excluded.
11. **Swedish Ethical Council:** All companies on the recommended exclusion list by the Council on Ethics, Swedish National Pension Funds, are excluded. The Ethical Council is a body operated jointly by four Swedish national pension funds — AP1, AP2, AP3 and AP4 (known as the AP funds). The Council seeks to drive positive change in foreign companies implicated in violating international environmental and human rights conventions, including the Universal Declaration of Human Rights, United Nations treaties and the International Labour Organization's Core Conventions. Excluded companies from their investment universe are directly involved in the production or marketing of anti-personnel landmines and cluster munitions. Companies can also be divested if they violate the UNGC and the OECD Guidelines for Multinational Enterprises and where dialogue with the companies has not led to improvements.
12. **Norwegian Government Pension Fund Global:** All companies on the recommended exclusion list by Norges Bank Investment Management in relation to the Norwegian Government Pension Fund Global are excluded.

The Norwegian Ministry of Finance has established ethically motivated guidelines for observation and exclusion of companies. The guidelines contain criteria for exclusion based either on the companies' products or on their conduct. Companies that produce certain types of weapons, base its operations on coal, or produce tobacco are excluded as are companies that through their conduct contribute to violations of fundamental ethical norms. The Norwegian Ministry of Finance has established an independent Council on Ethics to make ethical assessments of companies. The Council on Ethics sends its recommendations to Norges Bank's Executive Board, which then makes the final decision on exclusion, observation or active ownership.

Finally, the Norwegian Government Pension Fund Global itself may divest from companies that impose substantial costs on other companies and society as a whole and so are not long-term sustainable. Examples of activities that are unsustainable are business models that do not conform to prevailing technological, regulatory or environmental trends.

The exclusion list generated by the ESG screening process is updated once per quarter.

The ESG screen methodology (with the exception of the Swedish Ethical Council and Norwegian Government Pension Fund Global lists which, as described above, is generated by the Council of Ethics, Swedish National Pension Funds and Norges Bank Investment Management respectively) and screening criteria applied to the Fund are subject to SSGA's governance approval process. A description of both the Swedish Ethical Council and Norwegian Government Pension Fund Global list can be found detailed above.



H. Data sources and processing

The Fund utilises the following data sources related to climate:

- **Carbon Intensity:** S&P Trucost. Carbon intensity covers the GHG (Green House Gases) emissions over which the company has direct control, and derives from direct suppliers (indirect control), divided by revenue.
- **Fossil Fuel Reserves Embedded Emissions:** S&P Trucost. Fossil Fuel Reserves are defined as total GHG emissions from proven and probable fossil fuel reserves expressed in million tons CO₂.
- **Brown Revenues:** S&P Trucost. Brown revenue is defined as the proportion of revenues a company derives from activities related to the extraction of fossil fuels, or power generation using fossil fuel-based energy sources. It reflects firms tied to conventional energy value chains.
- **Green Revenues:** FTSE Russell. Green revenues measure the revenue exposure of public companies in the transition to the green economy.
- **Adaptation Score:** ISS ESG. Adaptation score is a measure of a company's position and actions on climate change.

The Fund utilises the following data sources to derive the ESG screens:

Controversial Weapons State Street Global Advisors receives universe-level data from two ESG screening data providers: Sustainalytics and MSCI. A screen is then applied to the data to generate lists from each data provider of excluded securities for this category. State Street Global Advisors determines the parameters that define the screen which are then approved by the firm's Investment Committee. Companies are excluded if they appear on either or both of the lists from the two data providers.

UNGC Violations Data is sourced from Sustainalytics. A screen is then applied to the data to generate a list of excluded securities for this category. State Street Global Advisors determines the parameters that define the screen which are then approved by the firm's Investment Committee.

Thermal Coal Data is sourced from Sustainalytics. A screen is then applied to the data to generate a list of excluded securities for this category. State Street Global Advisors determines the parameters that define the screen which are then approved by the firm's Investment Committee.

Arctic Drilling Data is sourced from Sustainalytics. A screen is then applied to the data to generate a list of excluded securities for this category. State Street Global Advisors determines the parameters that define the screen which are then approved by the firm's Investment Committee.

Oil and Tar Sands Data is sourced from Sustainalytics. A screen is then applied to the data to generate a list of excluded securities for this category. State Street Global Advisors determines the parameters that define the screen which are then approved by the firm's Investment Committee.

Severe ESG Controversies Data is sourced from Sustainalytics. A screen is then applied to the data to generate a list of excluded securities for this category. State Street Global Advisors determines the parameters that define the screen which are then approved by the firm's Investment Committee.

Tobacco State Street Global Advisors receives universe-level data from two ESG screening data providers: Sustainalytics and MSCI. A screen is then applied to the data to generate lists from each data provider of excluded securities for this category. State Street Global Advisors determines the parameters that define the screen which are then approved by the firm's Investment Committee. Companies are excluded if they appear on either or both of the lists from the two data providers.

Alcohol State Street Global Advisors receives universe-level data from two ESG screening data providers: Sustainalytics and MSCI. A screen is then applied to the data to generate lists from each data provider of excluded securities for this category. State Street Global Advisors determines the parameters that define the screen which are then approved by the firm's Investment Committee. Companies are excluded if they appear on either or both of the lists from the two data providers.

Adult Entertainment State Street Global Advisors receives universe-level data from two ESG screening data providers: Sustainalytics and MSCI. A screen is then applied to the data to generate lists from each data provider of excluded securities for this category. State Street Global Advisors determines the parameters that define the screen which are then approved by the firm's Investment Committee. Companies are excluded if they appear on either or both of the lists from the two data providers.

Gambling State Street Global Advisors receives universe-level data from two ESG screening data providers: Sustainalytics and MSCI. A screen is then applied to the data to generate lists from each data provider of excluded securities for this category. State Street Global Advisors determines the parameters that define the screen which are then approved by the firm's Investment Committee. Companies are excluded if they appear on either or both of the lists from the two data providers.

Swedish Ethical Council The exclusion list of the Swedish Ethical Council is determined by the Swedish Ethical Council and provided by Sustainalytics to State Street Global Advisors.

Norwegian Government Pension Fund Global The exclusion list of the Norwegian Government Pension Fund Global is determined by Norges Bank Executive Board or by Norges Bank Investment Management and provided by Sustainalytics to State Street Global Advisors.

SSGA receives ESG data from a wide variety of data providers covering various themes including, but not limited to, climate, controversies and governance and leverages multisource data architecture for the analysis and dissemination of ESG data.

SSGA implements an ongoing due diligence process in relation to ESG data providers resulting in regular data quality reports. Such process tracks correlation and coverage dimensions of key ESG and climate metrics and scores between a selection of data providers over time for the covered universe. SSGA may engage with the relevant data providers in relation to any data issues identified by the SSGA teams.



I. Limitations to methodologies and data

ESG data may be based on certain assumptions, forecasts, projections, views and opinions which may be based on current market trends or anticipated future events. To assess company involvement in different activities and to estimate revenue shares as accurately as possible, data providers strive to obtain information directly from companies and issuers. Sources of data include annual reports, regulatory filings, sustainability reports, press releases, investor presentations, company websites, and other company disclosures. Given the developing and innovative nature of data models, methodologies and assumptions and the inherent uncertainty in predicting forward-looking events, it cannot be guaranteed that the ESG data is always accurate or correct or that the ESG data will satisfy the aims or requirements of any specific client or investor. Furthermore, there may be data that cannot be sourced due to the lack of availability of data sources.



J. Due diligence

The Investment Manager, on behalf of the Fund, will invest actively using the Sustainable Climate Quantitative Equity Strategy as further described in section 8.1 of the Prospectus and the Relevant Supplement.

This strategy uses quantitative country allocation, stock selection and multi-factor models to evaluate the attractiveness of stocks including the use of a systematic methodology to provide higher exposure (relative to the Index) to companies that are mitigating and adapting to climate risk, by constructing a portfolio of stocks that takes into account climate characteristics such as carbon intensity (emissions scaled by revenue), fossil fuel reserves, green revenues, brown revenues, and ratings for climate adaptation. In following this strategy, the Investment Manager may invest in or gain exposure to securities registered in or trading in markets other than those included in the Index. The Investment Manager has limited discretion regarding deviation from the Index and thus any deviation from the performance of the Index is expected to be limited under normal market conditions as the investment strategy uses defined risk parameters that mean the Fund's weighting to countries, sectors and/or securities relative to the Index will be limited. The Investment Manager employs a negative and norms-based screen prior to the construction of the portfolio and on an ongoing basis.



K. Engagement policies

Is engagement part of the environmental or social investment strategy?

- Yes
- No

While SSGA engagement policies are not directly embedded into the Fund's investment strategy, for SSGA the informed exercise of voting rights coupled with targeted and value-driven engagement is

the most effective mechanism of creating value and managing Sustainability Risk for the investors. SSGA's Asset Stewardship programme consolidates all voting and engagement activities across asset classes, irrespective of investment strategy or geographic region. The engagement strategy is built on SSGA's ability to prioritise and allocate resources to companies and issues that have the greatest potential impact. SSGA's Asset Stewardship programme is underpinned by 3 separate pillars, that is, (i) providing information and guidance to investee companies on the development of ESG practices across key issues, (ii) engaging with portfolio companies to encourage transparent, accountable, high performing boards and companies, and (iii) by exercising voting rights in a manner that reflects long term investment objectives for the purpose of influencing the activity or behaviour of the issuers. To support this process, SSGA has developed proprietary in-house tools to help identify companies for active engagement based on various financial and ESG indicators.



L. Reference benchmark

Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the Fund?

- Yes
- No

The MSCI Emerging Markets Index is a trademark of MSCI Inc.