

State Street World ESG Index Equity Fund

Duurzaamheidsinformatie voor artikel 8-fonds - website



A. Samenvatting

Het State Street World ESG Index Equity Fund (“**Fonds**”) is een indexfonds dat de prestaties volgt van de MSCI World ESG Universal (“**Index**”), waarbij effecten worden uitgesloten op basis van een beoordeling van hun naleving van ESG-criteria, d.w.z. internationale normen inzake milieubescherming, mensenrechten, arbeidsnormen, bestrijding van corruptie en controversiële wapens. De index gebruikt MSCI ESG-ratings, MSCI ESG Controversies-scores en MSCI ESG Business Involvement Screening Research om in de index de voorkeur te geven aan effecten die blijf geven van zowel een robuust ESG-profiel als een positieve trend in het verbeteren van het ESG-profiel.

Dit financiële product promoot ecologische of sociale kenmerken, maar heeft geen duurzame beleggingsdoelstelling.

De ecologische en sociale kenmerken die het fonds promoot worden gebaseerd op basis van de door het fonds aangewezen index en de op normen gebaseerde screening die wordt toegepast op de portefeuille van het fonds om effecten uit te sluiten op basis van een beoordeling van hun naleving van ESG-criteria, d.w.z. internationale normen inzake milieubescherming, mensenrechten, arbeidsnormen, bestrijding van corruptie en controversiële wapens.

Het beleggingsbeleid van het fonds is het zo nauwkeurig mogelijk volgen van de prestaties van de index met behulp van een replicatiestrategie zoals nader beschreven in het hoofdstuk “Investment Strategies” in het prospectus, en de tracking error tussen de prestaties van het fonds en die van de index zo veel mogelijk te minimaliseren, waarbij effecten worden uitgesloten op basis van een beoordeling van hun naleving van internationale normen inzake milieubescherming, mensenrechten, arbeidsnormen, bestrijding van corruptie en controversiële wapens.

De vermogensbeheerder hanteert een bindende ESG-methodologie met als doel een portefeuille samen te stellen waarin minstens 90% van de activa van het fonds is belegd in effecten die afgestemd zijn op de door het fonds gepromote ecologische en sociale kenmerken. Het restant (<10%) van de portefeuille, bestaande uit contanten en equivalente middelen die naar het inzicht van de vermogensbeheerder worden aangehouden, zal niet op de gepromote ecologische en sociale kenmerken afgestemd zijn. Voor zover het fonds financiële derivaten kan gebruiken, worden deze niet gebruikt om de door het fonds gepromote ecologische of sociale kenmerken te bereiken.

Het fonds verbindt zich niet om duurzame beleggingen te verrichten in de zin van de SFDR of de Taxonomieverordening.

Het aandeel van de portefeuille van het fonds dat wordt belegd in effecten die zijn opgenomen in de index en het percentage van de portefeuille dat is belegd in effecten die zijn opgenomen in de negatieve en op normen gebaseerde screening zullen de duurzaamheidsindicatoren vormen om het behalen van elk van de ecologische of sociale kenmerken die worden gepromoot door het fonds te meten.

De link naar de indexmethodologie waarin de door het fonds gepromote ecologische of sociale kenmerken zijn opgenomen, is beschikbaar in het betreffende supplement en is hieronder opgenomen. Naast het volgen van de index wordt de volgende ESG-screening toegepast op de portefeuille van het fonds:

- 1 controversiële wapens
- 2 schendingen van het Global Compact van de VN (“**UNGC**”)
- 3 uitsluitingen door de Zweedse Raad voor de Ethiek

De databronnen die worden gebruikt om de relevante ecologische of sociale kenmerken met betrekking tot de index te behalen vindt u in de indexmethodologie. Het fonds gebruikt gegevens van MSCI en Sustainalytics voor de ESG-screening. SSGA voert een doorlopend due diligence proces uit met betrekking tot ESG-dataverstrekkingen dat resulteert in regelmatige rapporten over de kwaliteit van de gegevens en kan in gesprek gaan met de betreffende dataverstrekkingen over eventuele problemen die door de SSGA-teams worden vastgesteld.

Het is mogelijk dat de indexprovider fouten maakt, zoals een onjuiste beoordeling van de screeningcriteria zoals beschreven in het beleggingsbeleid en/of het toelaten van onjuiste effecten of het uitsluiten van juiste effecten tijdens het screeningproces. ESG-gegevens kunnen op bepaalde aannames, voorspellingen, prognoses, visies en opinies zijn gebaseerd, die op huidige markttrends of verwachte toekomstige gebeurtenissen gebaseerd kunnen zijn. Gezien de aard van gegevensmodellen, methodologieën en aannames, die in ontwikkeling en innovatief zijn, en de inherente onzekerheid bij het voorspellen van toekomstige gebeurtenissen, kan niet worden gegarandeerd dat de ESG-gegevens altijd nauwkeurig of juist zijn of dat de ESG-gegevens voldoen aan de doelen of vereisten van een specifieke klant of belegger. Bovendien is het mogelijk dat er geen gegevens beschikbaar zijn door het ontbreken van databronnen.

SSGA houdt toezicht op externe leveranciers, inclusief indexproviders, in overeenstemming met het risicobeheerprogramma voor derden. SSGA overlegt regelmatig met indexproviders voor het evalueren van het dienstverleningsniveau en voert ook gerichte beoordelingen uit van de processen, systemen en systeemcontroles, gegevens, kwaliteitscontroles en IT-beveiliging van de indexproviders.

Het engagementbeleid van SSGA is niet rechtstreeks in de beleggingsstrategie van het fonds geïntegreerd. Het Asset Stewardship-programma van SSGA brengt echter alle stem- en engagementactiviteiten voor alle activaklassen samen, ongeacht de beleggingsstrategie of geografische regio, inclusief voor het fonds.

het fonds heeft de index aangewezen voor het behalen van bepaalde ecologische of sociale kenmerken die door het fonds worden gepromoot.

De index wordt elke drie maanden herzien en herwogen, waarbij wijzigingen aan het einde van de laatste werkdag van februari, mei, augustus en november worden doorgevoerd.

Meer informatie over de indexmethodologie van MSCI vindt u op: <https://www.msci.com/index-methodology> (index code 712650)

Meer en uitgebreidere informatie vindt u in de betreffende delen hieronder, het prospectus en het betreffende supplement.



B. No sustainable investment objective

The Fund promotes environmental or social characteristics, but does not have as its objective a sustainable investment.



C. Environmental or social characteristics of the financial product

The Fund is an index fund tracking the performance of the Index. The environmental and social characteristics promoted by the Fund is the Index designated by the Fund and more specifically the MSCI ESG Ratings as well as the MSCI ESG Controversies scores and MSCI ESG Business Involvement Screening Research which are used in the index construction.

In addition, 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, human rights, labour standards, anti-corruption 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.

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



D. Investment Strategy

The investment policy of the Fund is to track the performance of the Index as closely as possible using the Replication Strategy as further described in the “Investment Strategies” section of the Prospectus, while seeking to minimise as far as possible the tracking difference between the Fund’s performance and that of the Index while screening out securities based on an assessment of their adherence to international norms in relation to environmental protection, human rights, labour standards, anti-corruption and controversial weapons.

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. This 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 controversial weapons. The Fund may use additional ESG screens from time to time in order to exclude securities based on their involvement with an activity that is deemed non-compliant with one or more of such ESG criteria.

The Fund also may, in exceptional circumstances, invest in securities not included in the Index but that are believed to closely reflect the risk and distribution characteristics of securities of the Index. The Fund may also hold (i) securities which, in the opinion of the Investment Manager, are likely to become part of the Index and (ii) securities acquired through corporate activity which may not form part of the Index. The Index measures the performance of global developed equity securities, re-weighting from free-float market cap weights using certain ESG metrics, in particular MSCI ESG Ratings, MSCI ESG Controversies and MSCI ESG Business Involvement Screening Research to tilt the index towards securities demonstrating both a robust ESG profile and positive trend in improving that ESG profile.

The assessment of good governance practices is implemented through the negative screening utilised by the Index. Companies deemed by the Index provider 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. 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 SFDR or the Taxonomy Regulation.



F. Monitoring of environmental or social characteristics

The sustainability indicators used to measure the attainment of each of the environmental or social characteristics promoted by the Fund are the ESG ratings and exclusions produced by the Index provider and incorporated into the index construction methodology. The proportion of the Fund's portfolio invested in securities included in the Index will constitute a sustainability indicator used to measure the attainment of each of the environmental or social characteristics promoted by the Fund.

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 applied by the Investment Manager to the portfolio of the Fund.

The Fund rebalances on a quarterly basis, in line with the Index rebalancing frequency. In addition, the sustainability indicators associated with the negative and norms-based screen 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 link to the Index methodology which captures the environmental or social characteristics promoted by the Fund is made available in the Relevant Supplement and in Section L below.

In addition to tracking the Index, the following ESG screens are applied to the portfolio of the Fund:

Controversial Weapons

UNGC Violations

Swedish Ethical Council exclusions

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

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.

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.

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.

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 list which, as described above, is generated by the Council of Ethics, Swedish National Pension Funds) and screening criteria applied to the Fund are subject to SSGA’s governance approval process. A description of the Swedish Ethical Council list can be found detailed above.



H. Data sources and processing

The data sources used to attain the relevant environmental or social characteristics related to the Index are detailed in the Index methodology.

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.

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.

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

There is a risk that the index provider may make errors, such as incorrect assessment of the screen criteria described in the Investment Policy and/or include incorrect/exclude correct constituents in the screening process. ESG scoring and screening is subject to inherent methodological limits. Any assessment of ESG criteria by an Index is based on the data provided by third parties. Such assessments are dependent upon information and data that may be incomplete, inaccurate or unavailable, which could cause incorrect assessment of a company's ESG performance. In particular there may be potential inconsistencies, inaccuracy or a lack of availability of required ESG data, particularly where this is issued by external data providers. These limitations may include but are not limited to issues relating to:

missing or incomplete data from companies (for example, relating to their capacity to manage their Sustainability Risks) which have been used as input for any scoring model;
the identification of relevant factors for the ESG analysis; and
the quantity and quality of ESG data to be processed.

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

SSGA oversees external vendors, including index providers, in line with its third party risk management programme. SSGA engages with index providers regularly for service level reviews and also undertakes targeted reviews of index providers' processes, systems & systems controls, data, quality controls & IT security.



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 Fund is an index fund tracking the performance of the MSCI World ESG Universal Index. The Index has been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund. The Index uses MSCI ESG Ratings, MSCI ESG Controversies scores and MSCI ESG Business Involvement Screening Research to tilt the index towards securities demonstrating both a robust ESG profile and a positive trend in improving that ESG profile.

The Index is reviewed and rebalanced on a quarterly basis, with the changes implemented as of the close of the last business day of February, May, August and November.

Please refer to MSCI's index methodology description which can be found at the following link:

<https://www.msci.com/index-methodology> (index code 712650)

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