

State Street Europe ESG Screened Enhanced Equity Fund

Website-Offenlegung von Informationen für einen Fonds nach Artikel 8



A. Zusammenfassung

Die Anlagepolitik des State Street Europe ESG Screened Enhanced Equity Fund („**Fonds**“) ist das Erzielen einer mittel- und langfristigen Outperformance gegenüber dem MSCI Europe Index („**Index**“). Dabei werden auch Wertpapiere auf Basis einer Beurteilung ihrer Einhaltung bestimmter ESG-Kriterien ausgefiltert, die vom Anlageverwalter festgelegt werden.

Der Fonds bewirbt ökologische oder soziale Merkmale, mit dem Fonds wird aber keine nachhaltige Investition angestrebt.

Die von dem Fonds beworbenen ökologischen und sozialen Merkmale sind ein normenbasiertes Negativ-Screening, das auf das Portfolio des Fonds angewandt wird, um Wertpapiere auf Basis einer Beurteilung ihrer Einhaltung von ESG-Kriterien, d. h. von internationalen Normen in Bezug auf Umwelt- und Sozialschutz, auszufiltern.

Der Anlageverwalter investiert im Namen des Fonds aktiv mit Risikobegrenzungsparametern gegenüber dem Index, indem er die Quantitative Equity Strategy anwendet, wie in Abschnitt 8.1 des Prospekts und des maßgeblichen Nachtrags sowie nachstehend im Abschnitt J näher beschrieben. Diese Strategie wendet eine quantitative Länderallokation und Aktienausswahl an sowie Multifaktor-Modelle, um die Attraktivität von Aktien zu beurteilen, und der Anlageverwalter setzt die Strategie ein, um ein Portfolio aufzubauen, welches dem Anlageziel und der Anlagepolitik des Fonds entspricht.

Der Anlageverwalter verwendet eine verbindliche ESG-Methode, die den Aufbau eines Portfolios verfolgt, in dem mindestens 90 % des Fondsvermögens in Wertpapiere investiert sind, die auf die vom Fonds beworbenen ökologischen und sozialen Merkmale ausgerichtet sind. Der verbleibende Anteil (<10 %) des Portfolios, bestehend aus Zahlungsmitteln und Zahlungsmitteläquivalenten, die nach dem Ermessen des Anlageverwalters gehalten werden, wird nicht auf die beworbenen ökologischen und sozialen Merkmale ausgerichtet. Soweit der Fonds derivative Finanzinstrumente einsetzen kann, werden diese nicht zur Erreichung der vom Fonds beworbenen ökologischen oder sozialen Merkmale verwendet.

Der Fonds verpflichtet sich nicht zu nachhaltigen Investitionen im Sinne der SFDR oder der Taxonomie-Verordnung.

Die Erreichung ökologischer und sozialer Merkmale wird gemessen anhand des Anteils des Portfolios, der in Wertpapieren investiert ist, welche im normenbasierten Negativ-Screening enthalten sind.

Die Anlagepolitik des Fonds ist das Erzielen einer mittel- und langfristigen Outperformance gegenüber dem Index. Dabei werden auch Wertpapiere auf Basis einer Beurteilung ihrer Einhaltung bestimmter ESG-Kriterien ausgefiltert, die vom Anlageverwalter festgelegt werden, wie nachstehend dargestellt. Insbesondere wird auf das Portfolio des Fonds ein normenbasiertes Negativ-Screening

angewandt, um Unternehmen nach den folgenden Ausschlusskriterien auszufiltern:

- kontroverse Waffen;
- Verstöße gegen den UN Global Compact („**UNGC**“);
- Kraftwerkskohle;
- arktische Bohrungen;
- Öl- und Teersande;
- schwerwiegende ESG-Kontroversen;
- zivile Feuerwaffen und
- Tabak.

Der Fonds verwendet für die ESG-Screenings Daten von MSCI und Sustainalytics. SSGA wendet in Bezug auf ESG-Datenanbieter ein kontinuierliches Due-Diligence-Verfahren an, durch das regelmäßige Datenqualitätsberichte erzeugt werden, und kann mit den maßgeblichen Datenanbietern in Bezug auf Daten, welche die SSGA-Teams identifiziert haben, in einen Dialog treten.

ESG-Daten können auf bestimmten Annahmen, Prognosen, Hochrechnungen, Einschätzungen und Auffassungen basieren, denen aktuelle Markttrends oder erwartete künftige Ereignisse zugrunde liegen können. Angesichts der sich entwickelnden und innovativen Natur von Datenmodellen, Methoden und Annahmen sowie der mit der Vorhersage zukunftsgerichteter Ereignisse verbundenen Unsicherheit kann nicht garantiert werden, dass die ESG-Daten immer richtig oder korrekt sind oder dass die ESG-Daten den Zielen oder Anforderungen bestimmter Kunden oder Anleger gerecht werden. Des Weiteren kann es Daten geben, die aufgrund der fehlenden Verfügbarkeit von Datenquellen nicht erhoben werden können.

Die Mitwirkungspolitik von SSGA ist nicht direkt in die Anlagestrategie des Fonds eingebunden. Das Asset-Stewardship-Programm von SSGA fasst jedoch alle Stimmrechts- und Dialogaktivitäten in allen Anlageklassen zusammen, unabhängig von der Anlagestrategie oder geografischen Region, unter anderem für den Fonds.

Nähere Informationen und Details sind den nachstehenden Abschnitten, dem Prospekt und dem maßgeblichen Nachtrag zu entnehmen.



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 environmental and social characteristics promoted by the Fund is 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 and social protection. , Specifically, the Fund promotes certain environmental characteristics through exclusion of

investments in companies which violate UNGC principles relating to environment (Principles 7 to 9) and which are active in thermal coal, arctic oil & gas exploration, and oil sands extraction.

The Fund also 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 controversial weapons, civilian firearms and tobacco. 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.

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 with limited risk parameters relative to the Index using the 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 and the Investment Manager uses the strategy to build a portfolio to aims to meet the investment objective and investment policy of the Fund.

In implementing this strategy, 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 that fail to comply with UNGC principles relating to environmental protection, human rights, labour standards and anti-corruption or are associated with Severe ESG Controversies, controversial weapons, civilian firearms, tobacco, thermal coal, arctic oil & gas exploration and oil sands extraction. 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 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. 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 attainment of the environmental characteristics is measured through the % of the portfolio invested in securities that are included in the negative and norms-based screen specifically related to environmental characteristics, namely companies violating UNGC principles in regards to the environment and which are active in thermal coal, arctic oil & gas exploration and oil sands extraction.

The attainment of the social characteristics is measured through the % of the portfolio invested in securities that are included in the negative and norms-based screen specifically related to social characteristics, namely companies violating UNGC principles and companies associated with controversial weapons, civilian firearms and tobacco.

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 and will also involve screening out securities based on an assessment of their adherence to certain ESG criteria defined by the Investment Manager as detailed below.

ESG Screens

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 Civilian Firearms
- 8 Tobacco

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. **Civilian Firearms:** Companies involved in the manufacturing and/or retailing of small arms and associated ammunition/components for civilian use are excluded.
8. **Tobacco:** Companies that are involved in the production and manufacturing of tobacco-related products are excluded.

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

The ESG screen methodology and screening criteria applied to the Fund are subject to SSGA's governance approval process.



H. Data sources and processing

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.

Civilian Firearms 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.

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.

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 with limited risk parameters relative to the Index using the 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. The quantitative models integrate a review of ESG criteria through the measurement of ESG risks by integrating ESG metrics into the assessment of stock returns. 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

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