RESPONSIBLE INVESTING
REQUEST FOR INFORMATION

Firm Name: State Street Global Advisors

Completed By: Andrej Andrin

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PREAMBLE

In accordance with Queen's University's Responsible Investing Policy, as approved in May 2017, we require all of Queen's External Investment Managers to take due regard of environmental, social, and governance ("ESG") factors in making investment decisions. Managers will be asked to engage where appropriate and report to the University on their ESG activities on an annual basis.

Link to Responsible Investing Policy:
http://queensu.ca/secretariat/sites/webpublish.queensu.ca.uslcwww/files/files/policies/board/Responsible%20Investing%20Policy.pdf

To assist with our due diligence, we request that you respond to the following questions no later than August 21, 2020.

Note: Responses to this questionnaire will be posted in full on Queen's website.

GENERAL

1) Please provide your ESG-related policies.

Yes, we have an ESG investment policy statement as attached in Appendix A, and we have region-specific proxy voting and engagement guidelines that are disclosed on our website.

ESG Investment Policy Statement

Driven by our more than 30-year legacy in environmental, social and governance (ESG) investing, State Street Global Advisors' mission — to invest responsibly to enable economic prosperity and social progress — reflects our commitment to ESG principles. Whether clients are focused on risk management, responding to new regulations, making investments that align with their values, or seeking to enhance long-term performance, we believe full ESG integration into our investment processes, along with our ESG-specific investment capabilities, will help clients achieve their ESG objectives and investment goals.

Our detailed ESG Investment Policy statement is available upon request as seen in Appendix A.

Proxy Voting and Engagement Guidelines

One of the key philosophies and objectives of our Stewardship program is to develop effective proxy voting and engagement guidelines that enhance and evolve ESG practices in the market. We aim to achieve this objective by applying higher voting standards in markets where governance and sustainability practices are below global investors' expectations, and by clearly identifying engagement priorities that focus on sector, thematic and/or market-specific issues.

Our region-specific Proxy Voting and Engagement Guidelines are available at https://www.ssga.com/global/en/about-us/asset-stewardship.html

2) Are sustainable investing and ESG factors integrated into your investment process and portfolio management decisions? If yes, please provide details.

State Street Global Advisors has the ability to develop customized ESG investment solutions across the risk and return spectrum by using a comprehensive set of investment processes. We offer screened strategies for many of the more common exclusions and we implement a variety of client specific exclusion policies through a comprehensive screening process in bespoke solutions. We employ an approach where ESG metrics are used to tilt, optimize or gain exposures to a particular theme with the aim of achieving market-like returns across index, factor, and indexed fixed income portfolios. Lastly, for active quantitative and fundamental equity and fixed income's investment processes, analysts and portfolio managers use an integrated approach to harness ESG information and incorporate it into the decision process in an effort to improve the investment outcome in terms of either generating incremental return or managing risk.

Across the firm and for all asset classes, we engage with corporate issuers. Our direct engagement with them focuses on advocating for change where poor ESG practices place shareholder value at risk. We hold over 12,000 listed equities across our global portfolios. Therefore, the success of our engagement strategy is built on our ability to prioritize and allocate resources to focus on companies and issues that have the greatest potential impact on shareholder returns. To support this process, we have developed proprietary in-house screening tools to help identify companies for active engagement based on various financial and ESG indicators.

The factors we consider in identifying target companies include:

• The size of absolute and relative holdings

• The top holdings of our commingled/pooled funds

• Systematic input from our active equity and fixed income investment teams

• Companies with poor long-term financial performance within their sector

• Companies identified as lagging market and industry standards on ESG matters

• Outstanding concerns from prior engagement

• Priority themes and sectors based on an assessment of emerging ESG risks

3) a) Are you a signatory to the UNPRI?

Yes

b) If you are signatory to other coalitions, please list them.

State Street Global Advisors recognizes the importance of collective action to expand global ESG awareness and adoption as well as the benefits accruing to us and our clients from being party to ESG related consortiums. Please find outlined below a brief description of the various organizations and initiatives we are currently involved with.

Climate Related Initiatives that State Street participates in:

• The Carbon Bond Initiative: The partnership allows State Street Global Advisors to support the global development of a capital market which offers the most transparent and effective route to mobilize capital to support the transition to a low-carbon economy. With investors facing increasing pressure to integrate ESG criteria into their investment decisions and reporting, this partnership will further develop the creation of a trusted standard for bonds. In addition, it will support investors who want to use green bonds to improve the climate profile of their portfolios in a quantifiable way. State Street Global Advisors is also a significant investor in green bonds and a founding member of the Green Bond Principles, which are incorporated in the Climate Bonds Standard. https://www.iif.com/Publications/ID/3528/Climate-related-Financial-Disclosures-Examples-of-Leading-Practices-in-TCFD-Reporting-by-Financial-Firms

• International Institute of Finance (IIF): In 2020, we are partnering with the International Institute of Finance's Sustainable Finance working group to convene TCFD implementation workshops at which investment managers can coalesce on 1) what are the climate metrics we want from companies, 2) what methodology do we want them to use to calculate those metrics, and 3) How do we want companies to report them to investors, all within the principles of TCFD. We are active participants in the IIF's Sustainable Finance working group and we speak at IIF events throughout the year.

• Integral Human Development and the University of Notre Dame: State Street Corporation supports the adoption of a regulation on Carbon Pricing. Please refer to our paper- Rising Climate Risks: Revive Debate on Climate Risks. In addition, State Street is a member of the Global Leaders on Climate Change coordinated by the Vatican- link to public statement.

• One Planet Summit: We are a founding member of the One Planet Summit and we are a part of a working group that is designing a framework to align the reporting from SWFs with the TCFD recommendations.

Building Sustainable Capital Markets Initiatives that State Street participates in:

• Investment Stewardship Group (ISG): As part of a coalition of global asset managers and asset owners, State Street Global Advisors led the creation of the Investor Stewardship Group (ISG) that launched a set of Stewardship Principles and Corporate Governance Principles for the United States market in January 2017. The ISG principles are the culmination of years of collaborative work among the world's largest investors to capture their common governance expectations for the US market while also holding themselves accountable through the stewardship principles. The ISG principles became effective at the start of 2018. Following the publication of the ISG principles, State Street Global Advisors published a thought piece detailing our adherence to the stewardship principles established by the ISG. Further, we have been an active participant in the development of the ongoing ISG governance structure ahead of the 2018 effective date.

• FCLT Global: We are also members of FCLT Global (Focusing Capital on the Long Term), a not-for-profit industry organization dedicated to encouraging long-term behaviors in business and investment decision-making. Through FCLT Global we engage with other global asset managers, asset owners and companies on research projects and thought leadership aimed at encouraging businesses and investors to promote long-term value creation through their strategy, board governance, capital allocation decisions and sustainability practices. State Street Corporation collaborates with FCLT Global and coordinated collaboration with a delegation from the World Economic Forum that was involved in the ESG metrics project that was announced in Davos 2020.

• Embankment Project for Inclusive Capitalism (EPIC): The Embankment Project for Inclusive Capitalism (EPIC), of which we are a participant, was formed to engage leaders across business, government and civil society in their efforts to make capitalism more equitable, sustainable, and inclusive. The Embankment Project is comprised of companies and both asset owners and asset managers to pursue a single goal: to identify and create new metrics to measure and demonstrate long-term value to financial markets. State Street Global Advisors shared our views concerning the inability of markets to appropriately measure and value intangible assets such as culture, brand value and employee engagement due to a lack of standardization and the inconsistent communication of these factors by companies.

• UK: Cambridge Institute for Sustainability Leadership: In 2018 State Street Global Advisors joined the Investment Leaders Group (ILG), a global network of pension funds, insurers and asset managers committed to advancing responsible investment. As part of this group we worked with the Cambridge Institute for Sustainability and Leadership to launch an impact framework. The purpose of this framework was to offer a new approach for investors using the UN Sustainable Development Goals as a measure of performance at both the corporate and fund level. Consequently, in January 2019 the Investment Leaders Group published its findings in a research report entitled In Search of Impact, leveraging the SDGs framework to assess impact of capital on the environment and society. Robert Walker, Global Co-Head of Asset Stewardship at State Street Global Advisors, is part of the ILG.

• The UN Global Compact (UNGC): The UN Global Compact is a voluntary initiative based on CEO commitments to implement universal sustainability principles. As a signatory, we adopted five UN Sustainable Development Goals that align with our long-term approach to Corporate Responsibility

o Ensure inclusion and quality education for all, and promote lifelong learning

o Promote inclusive and sustainable economic growth, employment and decent work for all

o Achieve gender equality and empower all women and girls

o Ensure access to affordable, reliable, sustainable modern energy for all

o Take urgent action to combat climate change and its impact

Including these hallmark organizations, State Street Global Advisors is also a member of, participant in and/or signatory to the following:

Broad-Based Initiatives

PRI - Principles for Responsible Investing - 2012

UNGC - United Nations Global Compact - 2005

CII - Council of Institutional Investors - 2006

RIAA - Responsible Investment Association Australasia - 2017

Harvard Law School Program on Institutional Investors

RIA - Responsible Investment Association Canada - 2017

SASB Investor Advisory Group - 2017

Advisory Committee at Yale's Institute for Sustainable Finance - 2016

University of Cambridge Institute for Sustainability Leadership, Investment Leaders Group - 2018

Australian Institute of Superannuation Trustees

Australian Council of Superannuation Investors

Japan Investment Advisers Association - 1998

Japan Securities Dealers' Association - 2008

The Investment Trust Associati GRESB - Global Real Estate Sustainability Benchmark - 1998

30% Club on, Japan

Climate / Environmental Initiatives

Climate Bonds Initiative - 2020

UNEP FI - United Nations Environment Programme – Finance Initiative - 2005

Ceres Investor Network on Climate Risk & Sustainability Risk - 2003

Green Bond Principles - 2014

TCFD - Task Force on Climate Related Financial Disclosures - 2017

CDP (fka Carbon Disclosure Project) - 2004

Governance Initiatives

Japan Stewardship Code - 2014

ISG - Investor Stewardship Group - 2017

Asian Corporate Governance Association

UK Stewardship Code

Where applicable and possible, we seek to be active participants or signatories, and fulfil the requirements to be a member in good standing. When appropriate, we pay membership fees and/or sponsor events.

c) Indicate any other international standards, industry guidelines, reporting frameworks, or initiatives that guide your responsible investing practices.

We trust that our investment management and asset stewardship practice is consistent with both the overarching spirit and the underlying principles of SASB, TCFD and the UN Principles for Responsible Investing.

• The Sustainable Accounting Standards Board (SASB): Established in 2011, the SASB is an independent, private-sector standards setting organization dedicated to enhancing the efficiency of the capital markets by fostering high-quality disclosure of material sustainability information that meets investor needs. We rely on the SASB Framework for materiality in our proprietary ESG scoring system, the R-FactorTM scoring system. Lynn Blake, Chief Investment Officer (CIO) of the Global Equity Beta Solutions ("GEBS") team, is a member of the Investor Committee at SASB.

• The Task Force on Climate Related Disclosure (TCFD): The Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD) is a market-driven initiative set up to develop a set of recommendations for voluntary and consistent climate-related financial risk disclosures in mainstream filings. It considers the physical, liability, and transition risks associated with climate change and what constitutes effective financial disclosures across industries. As a firm and a fiduciary, State Street advocates for broad adoption of the TCFD as a reporting standard, as it links climate change with material financial implications for us and our clients.

• The Principle for Responsible Investment

The table below, while not exhaustive, is representative of the activities we undertake that align with the six principles.

Principle - Representative Activities/Initiatives

1. Incorporate ESG issues into investment analysis and decision-making processes

• We systematically integrate ESG in the investment process across all investment teams, as well as integrating it into all our asset stewardship activities.

• Portfolio managers have access to our ESG data architecture with 12+ best-in-class data vendors and the R-FactorTM ESG scores.

• We foster regular collaboration between asset stewardship, ESG, and investment teams.

2. Be active owners and incorporate ESG issues into our ownership policies and practices

• Our active stewardship process is designed to have impact by engaging with our portfolio companies on issues that impact value creation over the long-term.

• We developed global and market specific proxy voting and engagement guidelines that help enhance and evolve ESG practices in the market.

• We clearly communicate our expectations and vote rationale during engagement.

3. Seek appropriate disclosure on ESG issues by the entities in which we invest

• We directly engage with companies globally and issue guidance to investee companies on critical topics.

• We engaged directors of major listed companies in key markets, reinforcing the importance for boards to consider the impact of environmental and social sustainability issues on their long-term performance.

• We released guidance on enhancing gender diversity on boards as foundational to good governance and positive investment outcomes in several markets

4. Promote acceptance and implementation of the Principles within the investment industry

• We are prominent at industry conferences and regularly speak at industry events.

• We contribute to PRI working groups, publications and special projects.

• We communicate our signatory status and discuss our experience with prospective signatories.

5. Work together to enhance our effectiveness in implementing the Principles

• We are active in many ESG and responsible investment related networks and groups.

• Our participation in PRI Working Group(s) helps to ensure our alignment with PRI and its objectives.

6. Report on our activities and progress towards implementing the Principles

• We faithfully complete the annual reporting framework.

• Our quarterly stewardship newsletters and annual stewardship report showcase how we use our voice and vote on behalf of clients to assess and take action on ESG risk factors across our portfolio.

• We offer robust reporting on ESG issues for ESG funds we manage.

• Our State Street Corporate Responsibility Report describes our commitment to being a responsible corporate citizen.

As a signatory to the United Nations supported Principles for Responsible Investment since May 2012, State Street Global Advisors reports annually on our activities related to the Principles. For more information, please refer to our most recent Transparency Report available at www.unpri.org/signatories. Our PRI Assessment Report may be requested via the PRI Data Portal.

4) Please describe how ESG oversight and integration responsibilities are structured at your firm, including the process for escalation of key ESG issues. How do you obtain ESG information/data (e.g. public information, third party research, reports and statements from the company, direct engagement with the company)?

Following a robust research and due diligence examination of more than 35 ESG data providers, State Street Global Advisors allocated significant resources toward building our ESG data architecture, which gives our portfolio managers, researchers and strategists access to ESG data from 12 best-in-class data vendors. We use external ESG data for three main purposes:

1. To inform our ESG investment process

2. To provide insights for our ESG reporting

3. To inform our proxy engagements

We presently have relationships with the following external sources:

• Comprehensive ESG data: Sustainalytics, Vigeo EIRIS, ISS-ESG

• Climate-related data: S&P Trucost, FTSE Green, Climate Bond Initiative, CDP

• Specialized ESG data (e.g., governance, gender, real estate): ISS-governance, Global Real Estate Sustainability Benchmark (GRESB), BoardEx, Sustainalytics Country Risk Ratings

• Business and product involvement: MSCI Business Involvement Screening Research (MSCI BISR), Sustainalytics Product Involvement, Sustainalytics Controversies, GSS, CWR, Sustainability Risk Ratings

• Proxy Voting and Engagement services and research: ISS, Glass Lewis.

5) What channels do you use to communicate ESG-related information to clients and/or the public? Do you produce thought leadership (written reports and publications)? If so, is the information available to the public? Please provide links, if applicable.

For more than thirty years, State Street Global Advisors has been helping our clients achieve their ESG investing goals. As part of our dedication to our clients, we regularly publish thought leadership on ESG investing, as well as guidance and expectations for the companies we invest in.

A selection of our ESG thought-leadership concepts can be found online.

We systematically report on our ESG portfolios, our Asset Stewardship activities as well as our firm's own ESG practices.

Institutional ESG Reporting

Understanding environmental, social and governance (ESG) exposures for investments is an increasingly important complement to traditional metrics such as analyses from financial statements, industry trends, and company growth strategies. To meet this growing need, State Street Global Advisors implemented enhancements to the monthly performance reports for clients' equity investment portfolios to include several new ESG sections. These report sections offer access to a full scope of ESG related metrics such as overall our ESG performance powered by R-Factor™, asset stewardship profile, climate profiles, as well as business involvement and controversies profiles depending on the portfolio/fund in scope.

Asset Stewardship Reporting

One of State Street Global Advisors' most important responsibilities to our clients and shareholders is to promote long-term value creation. Our reporting capabilities demonstrate this stewardship philosophy through our corporate engagements and proxy voting records. On an annual basis, State Street Global Advisors publishes an Asset Stewardship Report, which provides details of our stewardship approach, engagement and voting activities during the year, perspectives on governance and sustainability trends and themes, and forward looking priorities. The annual report is complemented by a quarterly stewardship activity report and the quarterly publication of our voting record. The voting activity reports include company details, proposal type, resolution description, and State Street Global Advisors' vote cast.

The most recent annual Asset Stewardship Report can be accessed on our website:

https://www.ssga.com/us/en/institutional/ic/strategies-capabilities/esg/asset-stewardship/asset-stewardship-report-library

Corporate Responsibility Reporting

State Street Corporation publishes a Corporate Responsibility (CR) Report annually, which summarizes how we are performing against the environmental, social and governance (ESG) metrics that we have set for ourselves to build a more sustainable and inclusive business environment for our stakeholders. As a responsible corporate citizen, we are focused on conducting business in a transparent, ethical manner. In order to accomplish our close, we work diligently to maximize our global impact through charitable contributions, employee volunteering and more, while at the same time, minimizing our global footprint. From reducing carbon emissions, to prioritizing asset stewardship, to investing in human capital, we aim to create long-term value for our clients, employees, shareholders and communities.

Following our internal analyses around material ESG issues for our business, we are evolving our ESG reporting practices toward the frameworks created by the Sustainability Accounting Standard Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD). These are reporting frameworks that are investor-led and are designed to provide our shareholders with the information that matters most to them. In addition, they complement earlier initiatives such as the Global Reporting Initiative (GRI) and the International Integrated Reporting Committee.

The most recent annual Corporate Responsibility report can be accessed on our website:

https://www.statestreet.com/content/dam/statestreet/documents/values/2019-State%20Street%20Corporate%20Responsibility%20Report.pdf

6) Do you have periodic reviews of your ESG process/approach to assess its effectiveness? What are the results? What would cause you to disregard ESG issues in your investment/analysis decisions?

ESG Process and Approach review

The Investment Committee's (IC) function is to review and approve all initiatives, activities and strategy development related to ESG, including exclusionary policy and implementation methodology, climate change related activities (both Asset Stewardship and investment related), ESG scoring methodology and ESG best in class and integration solutions. The State Street Global Advisors IC is comprised of senior investment professionals, the heads of various investment and strategic groups within the Firm as well as key control function personnel. The Chair of our IC is Rick Lacaille, the Global CIO at State Street Global Advisors. The Investment Committee typically meets monthly, and more often as appropriate. The Committee also acts as a resource to State Street Global Advisors CEO, Cyrus Taraporevala, and Executive Management Group with regard to investment related matters.

The Investment Committee is currently comprised of the following functional roles across State Street Global Advisors:

Investment Committee Members - Titles

Global Chief Investment Officer (Chair)

Deputy Global Chief Investment Officer

Co-Head of Investment Risk Management

Chief Compliance Officer

Chief Investment Officer – Global Equity Beta Solutions

Chief Investment Officer – Fixed Income, Cash & Currency

Chief Investment Officer – Active Fundamental Value

Chief Investment Officer – Active Fundamental Growth & Core Equity

Head of Investments EMEA

Head of Investment Asia Pacific

Legal Counsel

Asset Stewardship

The Asset Stewardship team assesses and takes action on ESG risks across all our portfolio companies, especially during the Proxy voting season. The team has developed proprietary in-house screening tools to help us identify companies for active engagement on various ESG issues and to assess how our portfolio holdings are managing their sustainability processes and practices.

We are prepared to use our proxy voting power to ensure companies are identifying material ESG issues and incorporating the implications into their long-term strategy. With R-FactorTM informing our decision-making, this year we started voting against ESG Laggards and placing underperformers on notice measured. Beginning this proxy season, we are taking appropriate voting action against board members at companies in the S&P 500, FTSE 350, ASX 100, TOPIX 100, DAX 30, and CAC 40 indices that are laggards based on their R-FactorTM scores and that cannot articulate how they plan to improve their ESG score. Beginning in 2022, we will expand our voting action to include those companies who have been consistently underperforming their peers on their R-FactorTM scores for multiple years, unless we see meaningful change. We believe doing so is in the best interests of investors and companies alike. Please read more in our CEO's Letter on our 2020 Proxy Voting Agenda. Please refer to our CEO's Letter on our 2020 Proxy Voting Agenda.

ESG Investment team

The process by which investment and risk teams monitor for ESG risk depends on the facts and circumstances.

For portfolios with an explicit ESG mandate, systematic checks are performed to ensure that stocks meet the funds' screening criteria and automated IT systems prevent investment managers from investing in excluded securities or those that do not meet positive screening criteria. Quantitative and Active investment teams that have incorporated ESG into their investment processes monitor for ESG risk using a combination of methods including, for example, specialized data feeds that are routinely updated with ESG related controversies, or changes in ESG scores and ratings that feed into their stock selection models. We have implemented several layers of monthly quality check of ESG data feed and are making significant investments in additional data and analytics to enhance ESG monitoring and reporting.

CLIMATE

7) Describe how you identify, assess, and manage climate-related risks.

At State Street Global Advisors, we recognize that climate change can have a material impact on the long-term sustainability of public companies. We publicly support the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD).

Our full suite of climate capabilities reflects both our perspective on climate change as well as the variety of ways that we partner with our clients to invest in a climate-aware manner. Our capabilities include the following:

1. Stewardship: As one of the world's largest index fund managers, we are essentially permanent capital in companies, and are therefore exposed to the same long-term risks they are. We use our position to ensure boards and management teams are overseeing and managing risks that might materially impact their company's ability to generate sustainable returns over the long term and use both our voice and our vote to do so. As a global investor, we see ourselves as an important

accountability mechanism, holding the firms we invest in to a consistent set of reporting standards and investor expectations.

We have published guidance in this area, such as:

• State Street Global Advisors' Perspectives on Effective Climate Change Disclosure: provides a global investor's views on practices and information that we find useful to help evaluate a company's preparedness for climate risks and contributes to the market dialogue to establish and promote consistent investor expectations with regard to climate-related disclosure of high-impact companies.

• Statement of Support for the Task Force on Climate-Related Financial Disclosures: details our support of the voluntary recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

• Climate Change Risk Oversight Framework For Directors: contextualizes the implication of COP21 by sector and provides a framework for directors to oversee risks pertaining to climate change. In addition, through a set of guidance questions, we clarify investor expectations of board members on their responsibilities with regards to climate change related matters at their companies.

• Effective Climate-Risk Disclosure in the Agricultural and Forestry Sectors through the Lens of the TCFD: expands our climate focused publication into the agricultural and forestry sectors.

• Climate-Related Disclosures in Oil and Gas, Mining, and Utilities: helps inform the debate about the most effective way to be engaging with and evaluating companies in the oil and gas, mining, and utilities sectors.

2. Data: Following a robust research and due diligence examination of more than 35 data providers, we have access to 12 best-in-class data vendors including leaders in climate data such as S&P Trucost, FTSE Russell, Climate Bond Initiative and ISS-Oekom, whom we partner with to source data that can offer climate related insights into client portfolios. This includes information on exposure to:

• Carbon emissions and Carbon Intensity

• Fossil fuel Reserves Embedded Emissions

• "Brown" revenues generated from activities related to fossil fuel extraction or power generation

• "Green" revenues generated by companies with low-carbon products/services

• Adaptation score, indicating whether a company is positioned to adapt its business to the risks and opportunities posed by climate change

3. Investment Solutions: Our investment solutions offer both investable opportunities as well as climate-specific reporting capabilities.

We have built capabilities to offer investable solutions across the range of climate investment styles: exclusionary screening, mitigation, and mitigation and adaptation. This gives investors the opportunity to choose the divestment approach to help manage their reputational risks and manage risks associated with stranded assets, or integrate climate in the portfolio in a risk-aware way that balance tradeoffs between carbon-related investment objectives and risk exposures. Our approaches are backed by science-based targets set forth by the Intergovernmental Panel on Climate Change (IPCC), and have the opportunity to scale more or less aggressively towards keeping global temperature rise below 20C above pre-industrial levels. As climate science evolves and the goals set forth by the global scientific community become more aggressive, our investment solutions have the capabilities to continue tracking those goals.

Some of our recent development include:

• Low-Carbon Corporate Bond Strategy: The Strategy is designed to create customized portfolios that achieve the client's goals for carbon reduction within constraints for tracking error, credit quality, duration, interest rate exposure and other factors.

• Low-Carbon Equity Solutions: The solutions Framework uses advanced portfolio optimization techniques to achieve the most efficient tradeoff between carbon reduction and tracking error, while achieving long-term returns broadly in line with the underlying index benchmark. The Framework allows clients to customize their portfolios to align with their specific carbon goals and risk budget.

• Sustainable Climate Strategy: The strategy is an investment approach that uses a "mitigation + adaptation" methodology to build climate change into an equity or bond portfolio. The customizable framework allows us to create client portfolios targeting reduction in current and future carbon emissions, and relocation of capital towards companies benefiting from low carbon technologies and more resilient to physical risks posted by climate change.

4. Climate-specific Reporting

5. In addition, our advanced research team has developed ESG reporting solutions, which give us the capability to report, benchmark and monitor carbon metrics such as carbon intensity and fossil fuel reserves embedded emissions, as well as a full scope of ESG portfolio analytics on ESG scores, controversies, business involvement, and proxy voting and engagement. The ESG reports combine holdings- and returns-based analytics with State Street Global Advisors' ESG and climate-related data architecture.

State Street Global Advisors is enhancing monthly performance reports for clients' investment portfolios to include several new ESG sections. These report sections offer access to a full scope of ESG related metrics including climate profiles such as Weighted Average Carbon Intensity, Scope 1+2 Carbon Emission and Fossil Fuel Reserves Embedded Carbon Emissions, in addition to an overall ESG performance powered by R-Factor™, our ESG scoring system built off a transparent scoring methodology that leverages the Sustainability Accounting Standards Board (SASB) Materiality Map, corporate governance codes, and inputs from three best-in-class ESG data providers. They also offer insight into asset stewardship profile, as well as business involvement and controversies profiles depending on the fund in scope.

The reports also help clients meet regulatory obligations, as well as their reporting obligations to beneficiaries, trustees, and other stakeholders. Ongoing efforts are underway to develop portfolio-level analytical capabilities to support deeper understanding of the portfolio impacts of transitioning to a low carbon economy.

8) Describe the climate-related risks and opportunities you have identified over the short, medium, and long term.

Institutional investors are increasingly concerned with the material financial risks associated with global warming and the impacts of climate change on corporate financial performance and security returns. The challenge remains how to empirically quantify climate risk from an investment perspective and build investable portfolios that address the transition to a low-carbon economy.

We undertook a comprehensive review of the data characteristics for metrics such as carbon intensity, green revenue, and fossil fuel reserves embedded emissions, highlighting their coverage and distributional characteristics. These data characteristics are critical when integrating them into investment strategies. Building on our findings, we designed a climate framework for climate investment strategies within public securities which rests on both mitigating the impact of climate risk today and adapting to climate risk in the future. This 'mitigation and adaptation' framework has enough flexibility to build portfolios at different levels of concentration, tracking error, and short and long term climate risk exposure. For example, we can build a portfolio which aligns with climate model projections with a portfolio calibrated to align with the most conservative climate model projections, which seek to limit cumulative CO_2 emissions to a threshold below the 2°C scenario.

Investors should assess both the mitigation of climate risk today and the adaptation to climate change in the future. The mitigation section of our specific Sustainable Climate Framework involves an explicit objective to reduce the flow of heat-trapping greenhouse gases into the atmosphere today and potentially in the future, and increase exposure to new energy and 'green' companies. The adaptation section of our framework involves an explicit objective to increase exposure to companies adjusting to actual or expected future climate impacts (i.e. the physical impacts of climate change). Mitigation and adaptation are complementary approaches for reducing risks of climate change impacts over different timescales, which is consistent with the objective most institutional investors have of balancing short-term risk with longer-term opportunities.

Please see our White paper for more details: https://www.ssga.com/library-content/products/esg/climate-investing.pdf

9) Describe the resilience of your investment strategy, taking into consideration different climate-related scenarios.

Climate models or integrated assessment models (IAMs) have been developed by a number of leading research think-tanks, governments, universities, and industries. These models provide quantitative projections that integrate both climate science and economic data—representing the interactions of natural and human systems (Mercer 2015). The climate models are the best tools we have to estimate the quantitative impact of climate change over the long-term. In general, the models focus predominantly on mitigation (measures to reduce net carbon emissions) and adaptation (actions that aid a response to new climate conditions).

Representative Concentration Pathways (RCPs)5, are four greenhouse gas concentration trajectories adopted by the IPCC in 2014. The IPCC (Intergovernmental Panel on Climate Change) is an intergovernmental body under the auspices of the United Nations which is tasked with providing an objective, scientific view of climate change and its political/economic impacts.

These four trajectories quantify potential pathways of greenhouse gas (GHG) emissions and atmospheric concentrations, air pollutant emissions and land use. The four trajectories (1) a stringent mitigation scenario (RCP2.6); (2) two intermediate scenarios (RCP4.5 and RCP6.0), and (3) one scenario with very high GHG emissions (RCP8.5). The first trajectory, RCP2.6, is representative of a scenario that aims to keep global warming likely below 2°C above pre-industrial temperatures. RCP2.6 is the only scenario that aims to keep global warming likely below 2°C above pre-industrial temperatures. The majority of models indicate that scenarios meeting forcing levels similar to RCP2.6 are characterized by substantial net negative emissions by 2100.

In State Street Global Advisors' Sustainable Climate Investment solutions, we calibrate our portfolio construction framework as indicated by RCP 2.6, using the percentage reduction in emissions and increase in low-carbon energy transition to determine carbon reduction and increase in low carbon technology exposure objectives.

This framework is highly flexible, allowing us to calibrate the portfolio to different trajectories for climate projections.

Please see our White paper for more details: https://www.ssga.com/library-content/products/esg/climate-investing.pdf

10) Do you track the carbon footprint of portfolio holdings?

Yes

If yes, please describe the methodology and metrics used, and whether you have a set target for reducing the portfolio's footprint.

State Street Global Advisors partners with clients to customize their portfolios to align with their specific carbon goals and risk budget. We use advanced portfolio optimization techniques to achieve the most efficient tradeoff between carbon reduction and exposure to risks, while achieving long-term returns broadly in line with the underlying index benchmark.

We measure the climate profile of our portfolios using a variety of carbon metrics, including those recommended by the Task Force on Climate-related Financial Disclosures (TCFD).

The most appropriate methodology to calculate a portfolio's carbon footprint depends on the particular question an investor wants answered. The following description of TCFD related carbon metrics can help investors discern the specific intent of each carbon foot printing approach. We can upon request, perform a portfolio carbon footprint based on the TCFD recommended metrics.

TCFD Weighted Average Carbon Intensity

Weighted Average Carbon Intensity shows a portfolio's exposure to carbon intensive companies. As carbon intensive companies are likely to be more exposed to carbon pricing mechanisms or other carbon regulatory risks, this metric is seen to be a useful indicator of a portfolio's potential exposure to transition risks (such as policy intervention or changing consumer behaviour) relative to other portfolios or benchmarks. This is the most popular metric since the Task Force on Climate-related Financial Disclosures endorsed it in its final recommendations report in 2017. Unlike other approaches, the calculation does not require market cap or enterprise value as inputs and can therefore be applied more easily to asset classes beyond equity and listed fixed income.

Investors can calculate weighted average portfolio carbon intensity by combining Scope 1 and Scope 2 GHG emissions then allocating based on portfolio weights (current value of the investment relative to current portfolio value): Please refer to Appendix B - Formula # 1.

The advantages of this approach are that it is more easily applied across asset classes and the calculation is simple and easy to communicate. This metric also allows for portfolio decomposition and attribution analysis.

TCFD Total Carbon Emission

The Total Carbon Emissions metric measures a portfolio's carbon emissions allocated to the portfolio in absolute terms and is the starting point for carbon footprinting.

The methodology recommended by the TCFD adopts the equity ownership approach, consistent with the GHG Protocol accounting standard, allocating emissions to an investor based on levels of capital invested in a company and quantifies a market participant's responsibility for the carbon emissions of each holding. The higher the percentage holding in a company the more of its emissions you own. This metric also allows for portfolio decomposition and attribution analysis and is a useful tool for investors managing their portfolio to a specific carbon budget. However, portfolios cannot be compared on a like for like basis because the data are not normalized and size can skew the results. Please refer to Appendix B - Formula #2.

Most often, absolute carbon emissions are apportioned from a company to a portfolio based on equity ownership (market capitalization) or share of financing (enterprise value).

For an equity portfolio, market capitalization is the most appropriate apportioning metric when calculating an investor's 'ownership' of emissions. However, as investors have started to look beyond their equity portfolios, the apportioning metric used has begun to vary. For a fixed income portfolio, balanced fund or even an aggregated footprint across asset classes, enterprise value, net debt, gross debt or total invested capital might all be considered. However, significant changes in underlying companies' market capitalization can be misinterpreted. It is sensitive to swings in market capitalization and can therefore be difficult to compare year-on-year performance.

TCFD Carbon Footprint: carbon emission to value invested

By normalizing Total Carbon Emissions, market participants can compare portfolios of different sizes and still use a metric that is consistent with the GHG protocol. The Carbon Footprint metric offers one approach for doing this, showing carbon emission for a portfolio normalized by the market value of the portfolio or fund and expressed in metric tons Co2e / $million invested. This approach tells an investor which portfolios are the most carbon intensive and therefore where attention should be focused first when it comes to managing carbon risk.

Please refer to Appendix B - Formula #3.

TCFD Carbon Intensity: Carbon Emission to Revenue Intensity

The Carbon to Revenue Intensity performs a similar function to the Carbon Footprint metric but in addition, it normalizes the Total Carbon Emissions by the issuer's revenues to enable comparison across portfolios of different sizes. Whilst the Carbon Footprint gives the carbon intensity of money invested, the revenues approach allows for a better indication of output efficiency as revenues are a good proxy for production. For example, if an investor owns 1% of a company, she/he also owns 1% of its emissions and 1% of its revenues. Please refer to Appendix B - Formula #4.

The method is consistent with GHG Protocol and comparable across portfolios of all sizes, and normalizes for carbon emission efficiency with currency exchange rates being equal.

11) What are your firm's emissions? Please demonstrate how/whether you are taking steps to reduce these scenarios?

After meeting our Environmental 2020 goals three years early, in 2017, we set new goals to achieve by 2025. Our emissions goal is a 30 percent global reduction in GHG emissions by 2025 (measured per square meter against a 2015 baseline). At this point, we have reached a 31% reduction in carbon (on the goal of 30%), and plan to revisit this goal this year. We are taking a long-term view and developing strategies to achieve science-based targets for greenhouse gas emissions. These are targets consistent with limiting global warming to two degrees Celsius, the threshold at which many of the most harmful impacts of climate change can be averted.

We have developed clear goals to manage our environmental impact and we regularly measure our progress. Seventeen of our global offices are ISO14001 certified (based on the newest 2015 standard), a global standard for managing environmental responsibilities. Our carbon emissions reduction plan includes increasing energy efficiency, purchasing green power and reducing energy usage. We also recently consolidated real estate, occupied newer, more energy efficient offices and implemented energy efficiency programs in data centers.

Examples of some initiatives include:

• Establishing an internal price of carbon to fund State Street's global environmental currency portfolio, including investments in renewable energy credits and carbon offsets

• Vendor review process that evaluates waste/recycling providers for post-site sorting potential to increase our recycling rate

• Installation of a solar-paneled smartflower™ in Massachusetts to power electric vehicles

• Expansion of an employee professional network focused on environmental sustainability

• Data center co-location

DIVERSITY

12) Please provide the composition of your senior leadership team and board of directors, including women and visible minorities. How do you encourage diversity of perspectives and experience?*

We think about diversity at State Street in terms of the variety of different backgrounds, perspectives, experiences and worldviews within our organization. We want employees to recognize and embrace the many dimensions of diversity – including those that may be less visible like disabilities, sexual orientation, or religion.

Creating an inclusive environment must go hand-in-hand with building a diverse workforce. We measure our success with qualitative and quantitative tools, including demographics, participation in our many inclusion programs or through employee surveys, among others.

To support our goals on diversity and inclusion, we introduced a three-year strategy in 2015 to educate employees, shift behavior, and embed these elements throughout the company. We have continued to review and renew our commitment to increase the diversity of our workforce and the inclusiveness of our culture through a series of goals and efforts related to diversity and inclusion.

We continue to enhance the goal setting process and in 2018, we created a new set of diversity goals (Gender globally, Employees of Color in the United States) adding AVP, VP, and MD goals to the already existing SVP+ goals. The SVP+ goals, were first introduced in 2011. Our current three-year goals are viewable at https://www.statestreet.com/values/inclusion-diversity/diversity-goals.html. These goals continue to focus on reporting progress, sourcing diverse talent from within and improving leadership opportunities for internal talent.

We support approximately 24 employee resource groups with more than 110 chapters globally, including the Latin American Professionals Group, the Professional Women's Network, the Disability Awareness Alliance, the Asian Professional Alliance, our LGBTQ network, the Black Professionals Group and many more. Executive sponsors provide guidance for each of the groups and serve as a direct liaison between the employee resource group and key areas of the business. Networks follow the 4C Model which organizes Employee Network activities into Culture, Community, Commerce and Careers. These Employee Networks create opportunities to volunteer, network, offer career development and cultural opportunities aligned with members' goals and interests. Over 350 employees globally are involved directly in the leadership of these Employee Networks. Prism, a leading organization focusing on diversity, has recognized four of our Employee Networks as best in class.

In addition, we partner with organizations like The Partnership, Ascend, NAAAP, NABA, NBMBAA, Diversity Best Practices, and the Conferences for Women, to name a few, to offer development opportunities for our employees. For the 13th consecutive year, State Street was the presenting sponsor of the 2019 Massachusetts Conference for Women, the world's largest women's conference.

For a closer look at our US population by position and ethnicity, attached is our most current EEo-1 form, which is from 2018. The official filing for 2019 will not be submitted until 2021 due to delays in the federal government (please see below).

On June 12, 2020, the EEOC received final approval from the Office of Management and Budget (OMB) to collect EEO-1 workforce demographic data (EEO-1 Component 1 data) from covered employers. The EEOC expects to begin collecting the 2019 EEO-1 Component 1 data along with the 2020 EEO-1 Component 1 data in March 2021 and will notify filers of the precise date the collections will open as soon as it is available. https://www.eeoc.gov/employers/eeo-1-survey

Our global workforce is diverse in many ways, and we value every employee's unique contribution. We're proud that the efforts we continue to make toward creating an open, fair and equitable work environment are earning us recognition. The information below includes a list of our strategic partnerships as well as many of our recent awards and accolades.

http://www.statestreet.com/values/inclusion-diversity/partnerships-recognition.html

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PROXY VOTING

13) What proportion of the time do you vote with or against management on shareholder resolutions, board appointments, and auditor appointments? What proportion of the time do you vote with or against management on ESG issues? How does this break down for climate, diversity, and remuneration issues?*

- We voted against 13.2% of director-related management resolutions in 2019.
- We voted against management on 7.5% of director related shareholder resolutions in 2019.
- We voted against management on 12.3% of shareholder resolutions in 2019.
- We supported 47% of climate-related resolutions 2019.
- We voted against management on 18% of compensation-related proposals in 2019.

14) What proportion of all independent ESG shareholder resolutions do you support?*

- We voted against management on 18.6% of governance related-shareholder resolutions in 2019.
- We voted against management on 32.2% of environmental and social issues-related shareholder resolutions in 2019.

15) What proportion of remuneration packages do you vote in favour of? In your view, is the current level of executive remuneration too high, too low, or about right? How is this view reflected in your voting record on remuneration?*

- We supported 82% of all compensation votes in 2019.

16) Have you ever co-filed an ESG-related shareholder resolution? If so, how many and with what frequency?*

We have not filed an ESG related resolution.

17) Have you ever voted against a director for explicitly ESG-related reasons? If so, why? If not, would you consider doing so in the future?*

R-FactorTM is a scoring system created by State Street Global Advisors that measures the performance of a company's business operations and governance as it relates to financially material ESG factors facing the company's industry. State Street Global Advisors may take voting action against the independent board leaders at companies in the S&P 500, FTSE 350, ASX 100, TOPIX 100, DAX 30 and CAC 40 indices that are laggards based on their R-FactorTM scores and cannot articulate how they plan to improve their score.

ENGAGEMENT

18) How many companies do you engage with? What proportion of your engagements focus on environmental and social issues? What are your engagement goals? Are these goals outcome/action-based (e.g. decreases in emissions or increases in number of women on the board) or means-based (reporting on emissions or number of women on the board)?*

Over the course of 2019, we held 1,950 engagements. Of those engagements 1,087 were through letter writing campaigns, 726 were through comprehensive engagements, and 137 focused on R-Factor. Of those all those engagements, we interacted with 1,383 unique companies.

Of our comprehensive engagements, 47% included conversations on environmental and social issues.

19) What is your policy around the escalation of engagement; how and why might this happen and what is the ultimate tool you might use (e.g. voting against board re-election, etc.)?*

SSGA monitors the performance of investee companies through a combination of in-depth research and analysis and maintaining of regular channels of communication with boards and senior management. The process has been designed to allow SSGA to better understand the corporate strategy, performance, governance practices, financial controls and risk management systems of companies held in our client portfolios. SSGA carefully considers environmental and social factors when deemed to be material.

Based on the outcome of our company analysis and dialogue, SSGA may identify potential concerns or areas for improvement. In such cases, SSGA utilizes its voting rights and engagement influence to seek positive change with companies with the ultimate objective of enhancing the value of our clients' investments. To assist in enhancing efficiency of this process, SSGA has developed a proprietary portfolio screening tool. It includes key data points such as long-term financial performance, governance and sustainability structures, performance as well as SSGA's absolute and relative exposure. The screening tool enables the governance team to build an 'active' engagement target list of companies for each geographical region.

The next step of the engagement process depends on the nature of the issue that is being addressed. Matters related to execution of strategy, finance, operations and risk management, will ordinarily be directed towards representatives of the senior executive team. Communications focused on wider strategic considerations, in particular, the structure, effectiveness and responsibilities of the board as well as oversight of the broader governance regime will normally be channeled through relevant members of the board.

When necessary, SSGA may escalate concerns if engagement has failed to result in a satisfactory outcome. The specific steps of the escalation process depend upon the subject, seriousness of the concern, and responsiveness of the company. SSGA may raise concerns to the company chairman, senior independent director, and where appropriate, the relevant regulatory authority. In addition, SSGA will also consider collaborating with other like-minded investors provided there is alignment with the engagement objectives and desired outcome.

It is important to note that the experiences and conclusions reached during the engagement process will help shape SSGA's voting decisions on relevant ballot items. Moreover, they impact considerations regarding the continued suitability of directors that are standing for re-election. SSGA is an important member and plays a critical role in a range of investor-based organizations that complement SSGA's internal mechanisms of regularly tracking noteworthy company, industry and regulatory issues and events.

To ensure that there is a clear and transparent audit trail of our processes, the Asset Stewardship Team maintains a database that allows us to record not only our engagements, but also the details of our voting analysis in contentious situations. The multi-year engagement database ensures that issues identified for follow-up are carried through in subsequent engagements and that positive changes implemented by companies are captured. Lastly, our monitoring process is reviewed at least annually to ensure that engagement efforts are appropriately targeted and that the process is effective and efficient.

DISCLOSURES

The views expressed in this material are the views of the ESG Team through the period ended 08/14/2020 and are subject to change based on market and other conditions. The information provided does not constitute investment advice and it should not be relied on as such. All material has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. This document contains certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected.

Past performance is not a guarantee of future results. Performance returns for periods of less than one year are not annualized. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income.

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STATE STREET GLOBAL ADVISORS

July 2020

State Street Global Advisors
ESG Investment Statement

Our Mission

Driven by our more than 30-year legacy in environmental, social and governance (ESG) investing, State Street Global Advisors' mission — to invest responsibly to enable economic prosperity and social progress — reflects our commitment to ESG principles.

Whether clients are focused on risk management, responding to new regulations, making investments that align with their values, or seeking to enhance long-term performance, we believe full ESG integration into our investment processes, along with our ESG-specific investment capabilities, will help clients achieve their ESG objectives and investment goals.

How We Define ESG

ESG investing is the assessment of material environmental, social and governance issues during the investment process. This complements traditional research such as analyzing financial statements, industry trends and company growth strategies. We are committed to identifying opportunities and mitigating risks to create long-term shareholder value.

An abundance of research shows that companies that are managed responsibly deliver better financial results over the long-term. Additionally, firms that adhere to environmental efficiency, social awareness and high governance standards are well-positioned to withstand emerging risks and capitalize on new opportunities.

As such, we believe we have a responsibility to systematically and explicitly include material ESG metrics in the traditional investment analysis and decision-making process — and that identifying and incorporating material ESG issues is integral to our role as asset managers.

Our ESG Investment Capabilities

To make better decisions using ESG, our investment teams focus on four areas:

Data Analytics	Leveraging a multisource data architecture that helps investors better understand their ESG exposures, take action to achieve their investment goals and monitor results
Differentiated Solutions	Designing the next generation of ESG and climate-oriented investment solutions and integrating material ESG issues into our investment processes
Asset Stewardship	Using our voice and vote to engage portfolio companies to actively consider material ESG issues such as gender diversity and climate change
Reporting	Including ESG metrics in client reporting to assist in measuring impact and ensuring accountability

Data Analytics

Using ESG to inform better decision-making starts with the right data. With increased transparency and improved reporting, investors now have access to more insights than ever before to understand their exposures, take action to achieve their investment goals and monitor progress.

We developed an ESG scoring methodology, R-Factor™, to address market infrastructure challenges around ESG data quality. By offering companies a transparent road map for how to improve their ESG practices and disclosures, we aim to build more sustainable markets. The R-Factor score draws on data from four ESG data providers and leverages the Sustainable Accounting Standards Board's (SASB) widely accepted, transparent materiality framework, as well as its corporate governance codes, to generate a unique ESG score for listed companies. We currently score more than 6,600 issuers and are continuously expanding our coverage universe.

Differentiated Solutions

Utilizing SASB's materiality framework, industry-leading data providers and our own investment expertise, we offer a wide variety of solutions to meet clients' various ESG goals. These include solutions that employ the following:

ESG Investment Solutions

Screening	Building on more than 30 years of experience with screened portfolios, we have developed a firm-wide approach to ESG screening. This approach represents the shared perspective of all State Street Global Advisors investment teams across equities and fixed income in index, active and alternatives. It offers clients a thoughtful way to express their values or risk mitigation preferences in their portfolios. We have access to a variety of externally provided screening data sets to implement clients' preferences.
Thematics	For investors seeking to align portfolios with the Paris Agreement and the transition to a low-carbon economy, we offer a variety of options, including low-carbon mitigation, as well as a combined mitigation and adaptation approach.
Integration	Our active and index portfolio managers systematically integrate ESG signals and factors to mitigate risk and identify opportunities for long-term performance potential.
Best in Class	Utilizing R-Factor as well as other ESG data sources, we have the capabilities to invest in sectors and companies selected for superior performance relative to investment universes and industry peers.

Asset Stewardship

Our Asset Stewardship program is designed to promote long-term sustainable returns on behalf of our clients. We use our voice and our vote to make a measurable difference around the globe. Through strong engagement, voting and thought leadership, we have seen companies respond to our calls to action to enhance diversity at the board level, strengthen board leadership and improve disclosure on their sustainability practices.

The Three Pillars of Our Stewardship Program

Thought Leadership	To inform and provide guidance to our investee companies on the development of ESG practices across our key issues.
Engagement	With portfolio companies to encourage the building of transparent, accountable, high-performing boards and companies.
Proxy Voting	That incorporates our investment objectives and aligns with our long-term investment horizon.

Reporting

In addition to building out our investment capabilities, we have introduced ESG sections as part of clients' monthly performance reports. Using R-Factor as their foundation, these reports initially focus on equities and in time will include fixed income as well. Further, we are expanding our analytical capabilities to provide a more transparent lens into the ESG profile of clients' multi-asset portfolios at the total portfolio level.

Our Approach to ESG

We do not take a one-size-fits-all approach to ESG investing. Our approach varies between investment teams to reflect the ESG integration philosophies of each team and the specific nuances of each investment area. As such, to achieve better risk-adjusted returns, our investment teams each assess if and how financially material ESG issues are integrated into their investment analysis and decision-making processes. Specific approaches to ESG investing by investment area are summarized below.

Equity Index and Smart Beta

Our indexing capabilities range from traditional market-cap-weighted index portfolios to smart beta and thematic ESG index portfolios. Within our equity index strategies, ESG can be integrated in multiple ways — either through the index itself (such as an ESG third-party index) or as part of portfolio construction (through screens, tilts or optimized approaches), recognizing that any deviation from the market-cap-weighted parent index should be viewed as an active decision with trade-offs managed accordingly.
The R-Factor score, along with climate-related metrics, can facilitate the systematic integration of ESG data into our index investment process. Additionally, Bloomberg selected R-Factor to be the scoring system that powers its Bloomberg SASB ESG equity and fixed-income indices.

Our smart beta strategies are designed to deliver the exposures that investors are seeking in a transparent, efficient way through innovative R&D/design and skilled portfolio management. We have approached integrating ESG in a similar way. For strategies with ESG objectives, we focus on achieving predetermined ESG improvement through preferred portfolio construction mechanisms. For strategies that are not explicitly ESG-focused, we aim to achieve benchmark-neutral ESG and carbon exposure, recognizing that many smart beta approaches display less favorable ESG or climate properties than cap-weighted benchmarks. Our conviction in factors as the primary drivers of long-term sources of outperformance remains unchanged.

Active Quantitative Equity

The Active Quantitative Equity team believes that higher-quality companies, as measured by their scores on relevant ESG metrics, will deliver better risk-adjusted returns than lower-quality companies over the long term. The team has embedded ESG considerations into its investment process to enhance outcomes for our clients through the measurement of ESG risks, asset stewardship and by integrating ESG metrics into our assessment of stock returns.

As active managers, the team believes that **taking a nuanced view of companies' treatment of their key ESG risks and opportunities gives insights into management and company quality,** which can be a driver of relative stock return outperformance over medium-term investment horizons.

Active Fundamental Equity

The Active Fundamental Equity teams believe that assessing the impact of material ESG issues on the future earnings power of a business should be part of any fundamental analysis of a company. The teams evaluate company ESG attributes from a bottom-up, fundamental perspective, and each analyst looks to capture material ESG observations in their research notes in the course of evaluating a company.

Having long used ESG data to help isolate specific issues and assess the quality of companies and the sustainability of their growth, the teams systematically incorporate R-Factor and other ESG data metrics into their investment decision-making processes. Even still, they may invest in companies that are at odds with ESG scores and data. In some cases, the team may have a positive view of company fundamentals despite a lack of data and/or poor ESG scores; as data issues resolve, the teams believe that this will become less common. Additionally, our teams engage with portfolio company management on a regular basis, pushing these firms to seriously examine financially material ESG issues and improve disclosures. This type of engagement is, of course, coordinated with the efforts of our Asset Stewardship team.

Fixed Income

Integrating ESG factors into fixed-income investing can be complex given the wide spectrum of available security types. Today, robust ESG data exists for most corporate bonds, but it can become more challenging to apply ESG data to other fixed-income security types. **Our Fixed-Income teams strive to measure ESG impact across corporate bonds, financial institutions, sovereigns and securitized products.**

ESG factors play a particular role in helping to better assess any "events" that can impact creditworthiness and valuation. In particular, corporate governance plays an overarching role in fixed-income credit assessments. Governance structures drive risk policies and can safeguard proper checks and balances. The same investment considerations are also applicable to environmental and social factors, where precautionary measures are taken to ensure that significant changes are made over time, assessing financial feasibility and impact to investors.

State Street Global Advisors manages both fixed-income index strategies, which seek to minimize costs and tracking errors while adding value through a stratified sampling approach, as well as active strategies, including cash, which are heavily reliant on credit research assessments. Our fixed-income teams have integrated ESG considerations into portfolios in multiple ways, including direct integration, portfolio tilts and direct investment in green bonds. Most recently they have developed low-carbon and climate investment strategies, helping investors not only reduce the environmental impact of their portfolios but also fund the transition to a greener economy.

Alternatives, Multi-Asset and Customized Solutions

Our Investment Solutions Group (ISG) is responsible for building multi-asset and custom solutions to meet our clients' specific investment objectives. ISG engages directly with the client to create a portfolio that meets the client's specific ESG objectives and plan mandates. As part of the portfolio construction process, the team assesses the ESG characteristics of each underlying investment strategy. **They incorporate these findings into the overall portfolio construction process, balancing the client's ESG goals with other risks to achieve a portfolio solution that addresses the client's total investment objectives.**

Our Global Fiduciary Services (GFS) team is responsible for outsourced investment management with specific expertise across traditional long-only as well as alternative investment asset classes. Similar to the ISG, the GFS team engages directly with clients to understand their specific investment objectives. As a natural part of their investment process, **the GFS team carefully assesses the ESG policies and distinct practices of our investment partners and direct investments, and also evaluates material ESG factors at the total portfolio level.** With this understanding, the team is able to design solutions that align with our clients' ESG objectives.

Both the Investment Solutions Group and the Global Fiduciary Services team rely on State Street Global Advisors' asset stewardship insights as necessary to inform investment decision-making.

Commitment to Sustainability

As a UN PRI Signatory, State Street Global Advisors is committed to full ESG integration into our investment analysis and processes. Furthermore, our ESG investment practices and strategy strive to adhere to other international conventions and norms, extending beyond the PRI Principles for Responsible Investing and including:

- UNGC — United Nations Global Compact
- SASB Investor Advisory Group
- University of Cambridge Institute for Sustainability Leadership, Investment Leaders Group
- Australian Council of Superannuation Investors
- The Investment Trust Association, Japan
- UNEP FI — United Nations Environnent Programme — Finance Initiative
- TCFD — Task Force on Climate Related Financial Disclosures
- Climate Bonds Initiative Partners Programme
- ISG — Investor Stewardship Group
- Asian Corporate Governance Association
- UK Stewardship Code

These are just a few of the many organizations across the global that we partner with and support on efforts aimed at encouraging greater transparency, standardization, and reporting of material ESG factors alongside financial information. We strive to be transparent and set goals to increase our use of ESG in investment decisions and corporate efforts. We regularly report these efforts via our website and through our annual Stewardship Report, the PRI reporting framework, and our Corporate Responsibility report.

Related Resources

Additional information regarding State Street Global Advisors ESG investment approach can be found on our website at ssga.com/esg

To learn more about our ESG Solutions, please contact your State Street Global Advisors Relationship Manager at SSGAInstitutional@ssga.com.

About State Street Global Advisors

Our clients are the world's governments, institutions and financial advisors. To help them achieve their financial goals we live our guiding principles each and every day:

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

For four decades, these principles have helped us be the quiet power in a tumultuous investing world. Helping millions of people secure their financial futures. This takes each of our employees in 27 offices around the world, and a firm-wide conviction that we can always do it better. As a result, we are the world's third-largest asset manager with US $3.05 trillion* under our care.

* This figure is presented as of June 30, 2020 and includes approximately $69.52 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.

ssga.com

State Street Global Advisors Worldwide Entities

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Appendix B – Q 10 – Formulas:

Formula #1.

$$\sum_{n}^{i}\left(\frac{\text{current value of investment}_i}{\text{current portfolio value}} * \frac{\text{issuer's Scope 1 and Scope 2 GHG emissions}_i}{\text{issuer's \$M revenue}_i}\right)$$

Formula #2.

$$\sum_{n}^{i}\left(\frac{\text{current value of investment}_i}{\text{issuer's market capitalization}_i} * \text{issuer's Scope 1 and Scope 2 GHG emissions}_i\right)$$

Formula #3.

$$\frac{\sum_{n}^{i}\left(\frac{\text{current value of investment}_i}{\text{issuer's market capitalization}_i} * \text{issuer's Scope 1 and Scope 2 GHG emissions}_i\right)}{\text{current portfolio value (\$M)}}$$

Formula #4.

$$\frac{\sum_{n}^{i}\left(\frac{\text{current value of investment}_i}{\text{issuer's market capitalization}_i} * \text{issuer's Scope 1 and Scope 2 GHG emissions}_i\right)}{\sum_{n}^{i}\left(\frac{\text{current value of investment}_i}{\text{issuer's market capitalization}_i} * \text{issuer's \$M revenue}_i\right)}$$