



# CLIMATE TRANSPARENCY REPORT 2020

State Street Global Advisors (SSGA)

# About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

## About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-6A8CD7CE-03E6-4B52-8859-CD32EE296927/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

# TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	✓	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

# ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
<b>Name</b>	State Street Global Advisors (SSGA)
<b>Signatory Category</b>	Fund Management - Majority
<b>Signatory Type</b>	Investment Manager
<b>Size</b>	US\$ > 50 billion AUM
<b>Main Asset Class</b>	>50% Listed Equity Internally Managed
<b>Signed PRI Initiative</b>	2012
<b>Region</b>	North America
<b>Country</b>	United States
<b>Disclosure of Voluntary Indicators</b>	88% from 38 Voluntary indicators

# State Street Global Advisors (SSGA)

## Reported Information

### Public version

### Strategy and Governance

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Investment policy

SG 01	Mandatory	Public	Core Assessed	General
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 01.1	Indicate if you have an investment policy that covers your responsible investment approach.
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SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC	Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.
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Yes

	Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.
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State Street Global Advisors is the asset management subsidiary of State Street Corporation. As part of a strategic review process, we have identified climate-related risks and opportunities posed to our parent company, as well as to our asset management business and the clients we serve. Here, we focus on Global Advisors.

Climate solutions are a key pillar of our ESG strategy and capabilities.

Recognizing the need to respond to climate change as a systemic risk facing capital markets, we have taken four actions in this area:

**1. Supported the TCFD:** State Street Global Advisors publicly signed on to the TCFD. Our public statement is available here: <https://www.ssga.com/investment-topics/environmental-social-governance/2018/10/tcf-statement.pdf>

**2. Stewardship:** Our Asset Stewardship Program prioritizes climate change in our engagements with portfolio companies. We focus our climate stewardship efforts on thought leadership, engagement, and voting.

#### a) Thought leadership

We have published significant guidance in this area, including identifying systemic and industry-specific physical and transition risks and opportunities:

- Effective Climate Risk Disclosure in the Agricultural and Forestry Sectors through the lens of the TCFD (2019): <https://www.ssga.com/content/dam/ssmp/library-content/products/esg/climate-risk-disclosure-in-agriculture.pdf>
- Climate-Related Disclosure in Oil and Gas, Mining and Utilities (2019): <https://www.ssga.com/content/dam/ssmp/library-content/products/esg/climate-disclosure-assessment.pdf>
- SSGA's Perspectives on Effective Climate Change Disclosure (2017): <https://www.ssga.com/investment-topics/environmental-social-governance/2017/perspectives-on-effective-climate-change-disclosure.pdf>
- Climate Change Risk Oversight for Directors (2016): <https://www.ssga.com/investment-topics/environmental-social-governance/2018/10/climate-change-risk-oversight.pdf>

#### b) Engagement

We have been engaging with companies on climate change-related matters since 2014, and we have led 525 climate engagements with companies across a diverse range of industries and markets on topics such as disclosure, practices, risk management and the impact of climate change on the respective company's

long-term strategy. During engagement, we clearly communicate our expectations related to a company's climate-related disclosure. Once communicated, we monitor the company's responsiveness to our expectations. An overview of these efforts can be found on page 40 of our 2018-19 Annual Stewardship Report.

#### c. Voting

We expect companies to disclose information regarding their approach to identifying material climate-related risks and the policies and practices in place to address such issues. We take a case-by-case approach to voting on climate-related shareholder proposals.

**3. Investment Solutions:** We offer clients within certain asset classes the ability to align their portfolios with their commitments to different climate frameworks/regulations around the world. We offer a variety of options across equity and fixed income asset classes:

- **Exclusionary Screening:** Targets meaningful carbon reduction across asset classes by screening out companies with high emissions and fossil fuel reserves and/or companies in industries with significant climate risk.
- **Mitigation:** Targets specific net carbon reduction goals by reducing carbon intensity of a portfolio by a desired percentage while staying within a specified tracking error range against a specified benchmark.
- **Mitigation & Adaptation:** Targets carbon reduction and provides exposure to businesses that are adapting their business models to climate risks and opportunities.

Our capabilities more broadly depend on several key dimensions-available data, adaptability of the regulations or framework for investments, and investment considerations such as ease of implementation and investment risk.

**4. Reporting:** We are in the process of offering TCFD-aligned climate-related reporting for all institutional mandates across equity and fixed income.

No

**SG 01.7  
CC**

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

Describe the associated timescales linked to these risks and opportunities.

We consider the likelihood and impact of climate risks in both our investment decisions and our asset stewardship efforts.

**Asset Stewardship:** As a near-perpetual holder of capital, State Street takes a long-term ownership perspective in its climate stewardship efforts. As such, we expect boards to consider climate risk as they would any other material risk to the long-term sustainability of their business. This includes encouraging boards to use scenario analysis in order to assess the impacts of climate change on business model and operations, just as they might any other long-term risk.

**Investments:** We recognize that the impacts of climate change may have both near-term and longer term impacts, and have designed analytical frameworks that assess risks across both timescales. Mitigation, in the near term and over this century, can substantially reduce the carbon exposures that contribute to climate change and the risks associated with it. Benefits from adaptation can be realized by focusing on companies managing current climate risks, as well as those positioned to address emerging risks over the longer term. Together, mitigation and adaptation are complementary approaches for addressing risks of climate change impacts over different timescales and positioning portfolios to take advantage of climate transition pathways-which aligns with the objective of most institutional investors to balance short-term risk with longer-term opportunities

No

SG 01.8  
CC

Indicate whether the organisation publicly supports the TCFD?

- Yes  
 No

SG 01.9  
CC

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

- Yes

Describe

State Street Global Advisors is the asset management business of State Street Corporation, which is a publicly listed entity. Below, we have identified how the four core elements of TCFD - governance, strategy, risk management, and metrics/targets - are managed within our parent company.

**1. Governance:** In 2018, the Nominating and Governance Committee Charter of State Street Corporation's Board of Directors was updated to give State Street Corporation's Board the explicit oversight responsibility of material ESG risks. State Street's overall corporate responsibility efforts are overseen by the Executive Corporate Responsibility Committee (ECRC) which reports to the board of directors at least once per year.

**2. Strategy:** Climate change impacts our business in two main ways: through our operations and through the assets that we manage on behalf of our clients. Our strategy for addressing climate change has three main pillars.

- **Protect our infrastructure** - our business depends upon a robust and resilient physical infrastructure that can handle the impacts of a climate-challenged world.
- **Protect our clients' assets** - it is our responsibility to identify and mitigate risks to our clients' assets. In many instances these risks can be driven by exposure to climate change. Therefore it is our job to identify, understand, mitigate or hedge against climate related risks in our investment-making decisions.
- **Manage our own impacts** - We must lead by example and be a leader amongst our peers in addressing climate change.

**3. Risk Management:** Since we first identified climate change as a risk in 2014, State Street has regularly integrated short, medium and long-term climate change considerations into our business management processes. This includes considering the likelihood of possible direct impacts to our physical infrastructure as well as the impacts associated with our investment strategies.

#### Investment Risks Associated with Climate Change

In general, we observe that more companies are starting to manage climate risk. In our 2017 Annual Stewardship Report, we wrote that we would be expanding our stewardship focus on climate risk to sectors such as agriculture, transportation and insurance, since they have obvious connections to climate-related changes. In 2018, we looked across nine countries and 17 GICS industry groups to review how their climate reporting strategies are aligned to the Task Force on Climate-related Financial Disclosure (TCFD) recommendations and to understand how boards are overseeing climate risk. We found that most companies are responding to the recommendations of the TCFD, which has quickly become a standard overarching framework to review and assess climate risk. We view this as a positive development, and one that will, over time, help mitigate climate risk in a significant portion of our portfolio. Additionally, to ensure State Street proactively manages ESG-related investment risks, the firm's Asset Stewardship team utilizes a climate change risk oversight framework that helps us plan for any possible risks we may face due to climate change, encompassing all the equities we manage globally.

**4. Metrics and Targets:** We actively manage our carbon performance using science-based targets for greenhouse gas emissions and internal carbon pricing.

- No



**SG 1.10  
CC**

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

specify

Annual Corporate Responsibility Report:

[http://www.statestreet.com/content/dam/statestreet/documents/values/2018\\_STT\\_CR\\_Report.pdf](http://www.statestreet.com/content/dam/statestreet/documents/values/2018_STT_CR_Report.pdf)

- We currently do not publish TCFD disclosures

## Governance and human resources

**SG 07 CC**

**Mandatory to Report Voluntary to Disclose**

**Public**

**Descriptive**

**General**

**SG 07.5  
CC**

Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or heads of departments

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

**Investment analysts**

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

**Dedicated responsible investment staff**

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

**SG 07.6  
CC** For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

In 2018, the Board of Directors of State Street Corporation, parent company of State Street Global Advisors, adopted a formal mandate to oversee material ESG risks facing the business, including climate-related risks. As part of the execution of that mandate, the Executive Corporate Responsibility Committee reports to the Board of Directors at least once per year on relevant topics.

**SG 07.7  
CC** For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

Management at both State Street Corporation and State Street Global Advisors assess and manage climate-related issues.

At State Street Corporation, Chief Executive Officer Ron O'Hanley signed on in 2017 to the Task Force on Climate-related Financial Disclosure.

At State Street Global Advisors, Chief Investment Officer Rick Lacaille chairs the Executive Corporate Responsibility Committee; his purview includes management of all sustainability related risks. He also chairs the Investment Committee at State Street Global Advisors, which oversees all investment and stewardship activities. This includes both our climate investment solutions, as well as our climate-related proxy voting and engagement activities.

**ESG issues in asset allocation**

<b>SG 13</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**SG 13.1** Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors

**Describe**

ESG factors are taken into account in certain investment capabilities within the firm. ESG considerations are integrated into many of the active equity teams' investment processes when selecting securities. ESG factors are also integrated into certain index investments, both equities and fixed income, as well as certain multi-asset class strategies.

- Yes, in order to assess future climate-related risks and opportunities

Describe

Climate related risks and opportunities are taken into account in certain investment capabilities: for example, in many of the active equity teams' investment processes when selecting securities. Climate-related factors are also integrated into certain equity & fixed income index investments, as well as some multi-asset strategies.

No, our organisation does not currently carry out scenario analysis and/or modelling

**SG 13.2** Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

**SG 13.3** Additional information. [OPTIONAL]

Within our multi-asset solutions, we use ESG criteria for allocation between asset classes in custom mandates for clients and are exploring ways to use ESG criteria more broadly in our investment process.

<b>SG 13 CC</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**SG 13.4 CC** Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.

- Initial assessment
- Incorporation into investment analysis

Describe

Climate related risks and opportunities are taken into account in certain investment capabilities within the firm. Climate considerations are integrated into many of the active equity teams' investment processes when selecting securities. Climate-related factors are also integrated into certain index investments, both equities and fixed income, as well as certain multi-asset class strategies. As an example, within equities, we have developed several strategies that align with the most stringent of the Representative Concentration Pathways (RCPs) adopted by the 2014 Intergovernmental Panel on Climate Change (IPCC) official report (RCP2.6).

We do not conduct broad climate-based scenario analysis at this time across all portfolios, mainly because of the availability of data but also because scenario analysis for non-traditional asset classes is still emerging.

- Inform active ownership

Describe

The main purpose of scenario-planning is to evaluate and incorporate the potential outcomes into long-term strategic business decisions. By incorporating results from scenario planning exercises into long-term strategy, companies can better position themselves to capitalize on opportunities and to mitigate risks. We have found that companies that undertake robust scenario-planning exercises often demonstrate their leadership in addressing climate risk by communicating to shareholders the impact of their findings on their long-term capital expenditure plans. State Street Global Advisors values transparency into the impact of scenario planning exercises on long-term capital allocation decisions because it:

- Demonstrates that the scenario-planning exercise is conducted as part of a strategic review and not as an isolated exercise
- Provides a direct link between the impact of the scenario-planning exercise and strategic outcomes

With this information investors such as State Street Global Advisors are able to gain comfort that climate risk is being managed by the board. Further with scenario analysis disclosures we are able to use this the information to evaluate the robustness of assumptions made in the scenario-planning process and the impacts on long-term strategy.

Other

**SG 13.5**  
**CC**

Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

**SG 13.6**  
**CC**

Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

Yes

Describe

Climate related risks are taken into account in certain investment capabilities within the firm. These mostly relate to the investment time horizon for the strategies in question; however in limited cases, we may assess the potential impact for longer horizons.

No

**SG 13.7**  
**CC**

Indicate whether a range of climate scenarios is used.

- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

**SG 13.8**  
**CC**

Indicate the climate scenarios your organisation uses.

Provider	Scenario used
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario
IEA	<input type="checkbox"/> Sustainable Development Scenario (SDS)
IEA	<input type="checkbox"/> New Policy Scenario (NPS)
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)
IRENA	<input type="checkbox"/> RE Map
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)
Bloomberg	<input type="checkbox"/> BNEF reference scenario
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5
IPCC	<input type="checkbox"/> RPC 6
IPCC	<input type="checkbox"/> RPC 4.5
IPCC	<input checked="" type="checkbox"/> RPC 2.6
Other	<input type="checkbox"/> Other (1)
Other	<input type="checkbox"/> Other (2)
Other	<input type="checkbox"/> Other (3)

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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**SG 14.1** Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

other description (1)

Regulatory environment changes, e.g. around data

Other, specify(2)

other description (2)

Trade

None of the above

**SG 14.2** Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM		21	006	461	036
Currency	USD				
Assets in USD		21	006	461	036

Specify the framework or taxonomy used.

The above figure represents our climate themed investing, through climate investment styles of exclusionary screening, mitigation or mitigation and adaptation.

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

**SG 14.3**

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

other description

- Embedded emissions from all forms of fossil fuels
- None of the above

**SG 14.5**

Additional information [Optional]

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). <https://www.ssga.com/investment-topics/environmental-social-governance/2018/10/tcf-d-statement.pdf>

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.

This includes stewardship, data, and investment solutions:

### 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.

#### a) Thought leadership

We have published significant guidance in this area, including:

- Effective Climate Risk Disclosure in the Agricultural and Forestry Sectors through the lens of the Task Force on Climate-related Financial Disclosure (2019): <https://www.ssga.com/content/dam/ssmp/library-content/products/esg/climate-risk-disclosure-in-agriculture.pdf>
- Climate-Related Disclosure in Oil and Gas, Mining and Utilities (2019): <https://www.ssga.com/content/dam/ssmp/library-content/products/esg/climate-disclosure-assesment.pdf>
- SSGA's Perspectives on Effective Climate Change Disclosure (2017): <https://www.ssga.com/investment-topics/environmental-social-governance/2017/perspectives-on-effective-climate-change-disclosure.pdf>
- Climate Change Risk Oversight for Directors (2016): <https://www.ssga.com/investment-topics/environmental-social-governance/2018/10/climate-change-risk-oversight.pdf>

#### b) Engagement

Climate change has been a priority engagement issue since 2014. Over the course of the past several years,

we have held hundreds of climate-related engagements with companies on topics such as disclosure, practices, risk management and the impact of climate change on the company's long-term strategy. We leverage thought leadership publications to assess the quality of climate-related disclosure and to provide transparency to the market. Further, during engagement, we clearly communicate our expectations related to a company's climate-related disclosure. Once communicated, we monitor the company's responsiveness to our expectations. Examples of climate-related engagements can be found on page 40 of our 2018-19 Asset Stewardship Report.

### c) Voting

We expect companies to disclose information regarding their approach to identifying material climate-related risks and the management policies and practices in place to address such issues. We support efforts by companies to demonstrate the ways in which climate and sustainability matters are incorporated into operations, business activities, and most importantly, long-term business strategy.

We take a case-by-case approach to voting on climate-related shareholder proposals. We consider the following factors when coming to a final vote decision:

- The materiality of the sustainability topic in the proposal to the company's business and sector
- The content and intent of the proposal
- Whether the adoption of such a proposal would promote long-term shareholder value in the context of the company's disclosure and practices
- The level of board involvement in the oversight of the company's sustainability practices
- Quality of engagement and responsiveness to our feedback
- Binding nature of proposal or prescriptiveness of proposal

## **2. Data**

We partner with multiple carbon- and climate-related data providers to source data that can offer insights into client portfolios. This includes information on exposure to:

- Carbon emissions
- Fossil fuels
- "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. Solutions**

Our investment solutions offer both investable opportunities as well as climate-specific reporting capabilities.

### a) Investments

We have the capabilities to offer investable solutions across the range of climate investment styles described above: exclusionary screening, mitigation, and mitigation and adaptation.

### b) Climate-specific Reporting

Our climate reporting solutions are designed to help clients understand how their strategies perform against investment objectives, including climate-focused objectives. 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.

SG 14 CC	Voluntary	Public	General
SG 14.6 CC	Provide further details on the key metric(s) used to assess climate-related risks and opportunities.		



Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
<b>Climate-related targets</b>	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			
<b>Weighted average carbon intensity</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Thematic investing, Reporting	Carbon Intensity-Direct+ First Tier Indirect (tonnes CO2e/USD mn)	<p>Captures the greenhouse gas emissions over which the company has direct control, or derives from direct suppliers, divided by revenue in US dollars. The metric is related yet slightly different from one calculated from Scope 1 and Scope 2 emissions recommended by TCFD as shown below:</p> <ul style="list-style-type: none"> <li>• Direct: Scope 1 plus CO2e emissions from four additional sources, CCl4, C2H3Cl3, CBrF3, and CO2 from Biomass. The additionally of these four sources gives a more comprehensive perspective of the company's carbon risks by accounting for the carbon profile of its key dependencies.</li> <li>• First Tier Indirect: Scope 2 plus emissions from direct (or "Tier 1") upstream Scope 3 emissions – their direct suppliers. The upstream Scope 3 activities we collect disclosed data on are truck, rail, and air transport sources since this tends to be the most common of the 8 upstream Scope 3 categories as outlined by the GHG Protocol. In the absence of these disclosures, all other upstream Scope 3 sources are calculated via an environmentally extended input-output modelling technique.</li> </ul> <p>We use this metric to be conservative and capture more of the possible carbon risk and responsibility. From a risk perspective, pass through costs from carbon price increases could come from a variety of direct and indirect suppliers. From a responsibility perspective, first tier of the supply chain is an area where companies have a sphere of influence – they can select more carbon-efficient suppliers or even vertically integrate processes.</p>
<b>Carbon footprint (scope 1 and 2)</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Thematic investing, reporting	Total carbon emissions for a portfolio normalized by the market value of the portfolio, expressed in tons CO2e / \$M invested	Calculated according to the recommendations of the TCFD.

<b>Portfolio carbon footprint</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Reporting	Total carbon emissions for a portfolio normalized by the market value of the portfolio, expressed in tons CO <sub>2</sub> e / \$M invested	Calculated according to the recommendations of the TCFD.
<b>Total carbon emissions</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Thematic Investing, Reporting	The absolute greenhouse gas emissions associated with a portfolio, expressed in tonsCO <sub>2</sub> e.	Calculated according to the recommendations of the TCFD.
<b>Carbon intensity</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Thematic Investing, Reporting	Volume of carbon emissions per million dollars of revenue (carbon efficiency of a portfolio), expressed in tons CO <sub>2</sub> e / \$M revenue.	Calculated according to the recommendations of the TCFD.
<b>Other emissions metrics</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Exclusions, thematic, integration strategies	Total Reserves CO <sub>2</sub> emissions (m tonnes)	Total embedded GHG emissions for the company in that financial year.

SG 14.7  
CC

Describe in further detail the key targets.

Targettype	Baseline year	Target year	Description	Attachments
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	Short term	Strategy dependent	Scope 1: Remove as much absolute carbon while ensuring risk-return objectives	
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	Short term	Strategy dependent	Scope 2: Remove as much absolute carbon while ensuring risk-return objectives	
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	Short term	Strategy dependent	Scope 3: Remove as much absolute carbon while ensuring risk-return objectives	
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	Short to mid term	Strategy dependent	Intensity of total carbon: Remove as much carbon while keeping most efficient firms to ensure risk-return objectives	
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	Short to mid term	Strategy dependent	Brown Revenue: Minimize while ensuring risk/return objectives. Green Revenue: Maximize while ensuring risk/return objectives.	

**SG 14.8  
CC**

Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.

- Processes for climate-related risks are integrated into overall risk management

Please describe

Please refer to questions SG 01 CC for how we view and manage climate risk in our business

- Processes for climate-related risks are not integrated into overall risk management

**SG 14.9  
CC**

Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.

- Yes

Please describe

State Street Corporation and State Street Global Advisors applaud the voluntary recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). As one of the world's largest asset managers, we take our role as stewards of our clients' assets seriously by seeking to influence environmental, social and governance practices of companies in which we invest. We have a strong track record of using both our voice and our vote to mitigate the risk of climate change to our portfolio companies and will continue to encourage companies in our portfolios for which climate change presents material risks to adopt better policies, practices and disclosures, including the adoption of TCFD specifically.

One way that we work to meet our obligations under the TCFD is by publishing guidance for our portfolio companies on how to provide more effective disclosure that is aligned with the TCFD framework. Please see the following for more information:

- SSGA's Perspectives on Effective Climate Change Disclosure (2017):  
<https://www.ssga.com/investment-topics/environmental-social-governance/2017/perspectives-on-effective-climate-change-disclosure.pdf>
- Effective Climate Risk Disclosure in the Agricultural and Forestry Sectors through the lens of the Task Force on Climate-related Financial Disclosure (2019):  
<https://www.ssga.com/content/dam/ssmp/library-content/products/esg/climate-risk-disclosure-in-agriculture.pdf>
- Climate-Related Disclosure in Oil and Gas, Mining and Utilities (2019):  
<https://www.ssga.com/content/dam/ssmp/library-content/products/esg/climate-disclosure-assessment.pdf>

No, we do not undertake active ownership activities.

No, we do not undertake active ownership activities to encourage TCFD adoption.

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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<b>SG 15.1</b>	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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Yes

<b>SG 15.2</b>	Indicate the percentage of your total AUM invested in environmental and social themed areas.
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	%
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.90

<b>SG 15.3</b>	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
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	Area
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- Energy efficiency / Clean technology
- Renewable energy
- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing

	Asset class invested
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Listed equity

	Percentage of AUM (+/-5%) per asset class invested in the area
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.01

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure
- Commodities
- Fund of hedge funds
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

US Community Investing Index.

- Affordable housing
- Education
- Global health
- Water
- Other area, specify

Climate-related investment strategies.

Asset class invested

- Listed equity

Percentage of AUM (+/-5%) per asset class invested in the area

0.89

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure
- Commodities
- Fund of hedge funds
- Cash
- Other (1)
- Other (2)

We currently work with clients in variety of ways to integrate considerations climate risk into investments we manage on their behalf. This figure represents AUM in a variety of climate investment solutions.

No