




LEA 02	Monetary	Reason for Interaction
Individual/ internal staff engagements	<input checked="" type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input type="checkbox"/> Other: specify	
Collaborative engagements	<input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input type="checkbox"/> Other: specify	
Service provider engagements	<input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input type="checkbox"/> Other: specify	

# RI TRANSPARENCY REPORT

## 2013/14

State Street Global Advisors (SSgA)

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2013-14 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
⚠	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

## PRI disclaimer

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Public							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Private							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Private							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
LEI 02	Description of ESG incorporation	✓	Public	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Public	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 10	Description of ESG integration	✓	Public	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 14	ESG issues in index construction	✓	Public	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	-	n/a	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	-	n/a		✓					
LEA 14	Examples of ESG engagements	-	n/a		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	-	n/a		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	-	n/a		✓					
LEA 20	Securities lending programme	✓	Public		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 24	Shareholder resolutions	-	n/a		✓					
LEA 25	Examples of (proxy) voting activities	-	n/a		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
FI 02	Breakdown of investments by credit quality	✓	Private							✓
FI 03	Description of ESG incorporation	🔒	n/a	✓						
FI 04	Percentage of each incorporation strategy	🔒	n/a	✓						
FI 05	Type of ESG information used in investment decision	🔒	n/a	✓						
FI 06	Types of screening applied	🔒	n/a	✓						
FI 07	Processes to ensure screening is based on robust analysis	🔒	n/a	✓						
FI 08	Processes to ensure fund criteria are not breached	🔒	n/a	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
FI 10	Description of ESG integration	🔒	n/a	✓						
FI 11	Review of ESG issues while researching companies/sectors	🔒	n/a	✓						
FI 12	Processes to ensure integration is based on robust analysis	🔒	n/a	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	🔒	n/a	✓						
FI 14	ESG issues in index construction	✓	Private	✓						
FI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓
FI 19	Engagement with corporate issuers	✓	Public		✓					
FI 20	Engagement with government issuers	✓	Public		✓					

# State Street Global Advisors (SSgA)

## Reported Information

## Public version

## Organisational Overview

## PRI disclaimer

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## Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1 Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Other, specify

Execution and advisory only services

OO 02

Mandatory

Peering

General

OO 02.1 Select the location of your organisation's headquarters.

United States

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

2400

OO 03

Mandatory

Descriptive

General



**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

**OO 04** **Mandatory** Gateway/Peering General

**OO 04.1** Indicate the year end date for your reporting year.

31/12/2013

**OO 04.2** Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM	2	344	789	481	597
Currency	USD				
Assets in USD	2	344	789	481	597

**OO 04.3** Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

**OO 06** **Mandatory** Descriptive General

**OO 06.1** To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown
- Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	>50%	0
Fixed income – corporate	<10%	0
Fixed income – government	<10%	0
Fixed income – other	0	0
Private debt	0	0
Private equity	0	0
Property	0	0

Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	10-50%	0
Other (1), specify	<10%	0
Other (2), specify	<10%	<10%

'Other (1)' specified

Multi-asset class solutions not counted in the underlying asset class.

'Other (2)' specified

Absolute Return, Commodities, Currency, Company Stock, Global Multi Strategy, Hedge Fund of Funds, Managed Futures, Private Equity and Real Estate.

Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 07	Mandatory to Report Voluntary to Disclose	Peering	General
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OO 07.1	Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds.
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	% of externally managed assets
Segregated mandate(s)	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Pooled fund(s)	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %
<i>Total externally managed assets</i>	100%

**OO 07.2** | Indicate the proportion of your externally managed assets in fund-of-funds.

	% of externally managed assets
Fund-of-funds	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

**OO 08** | **Mandatory to Report** | **Voluntary to Disclose** | **Peering** | **General**

**OO 08.1** | Indicate the breakdown of your organisation’s AUM by market.

Market breakdown	% of AUM
Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %

**Gateway asset class implementation indicators**

**OO 10** | **Mandatory** | **Gateway** | **General**

**OO 10.1** | Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- We incorporate ESG issues into investment decisions on our internally managed assets
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- None of the above

**OO 11** | **Mandatory** | **Gateway** | **General**

**OO 11.1** Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Cash
- Other (1)
- Other (2)
- None of the above

'Other (1)' [as defined in OO 05]

Multi-asset class solutions not counted in the underlying asset class.

'Other (2)' [as defined in OO 05]

Absolute Return, Commodities, Currency, Company Stock, Global Multi Strategy, Hedge Fund of Funds, Managed Futures, Private Equity and Real Estate.

**OO 11.2** Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

- Other (2)
- None of the above

'Other (2)' [as defined in OO 05]

Absolute Return, Commodities, Currency, Company Stock, Global Multi Strategy, Hedge Fund of Funds, Managed Futures, Private Equity and Real Estate.

<b>OO 12</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
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**OO 12.1** The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.

**Core modules**

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

**RI implementation directly or via service providers**

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

- Fixed Income - Corporate
- Fixed Income - Government

**Closing module**

- Closing module

**Note:** Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

# State Street Global Advisors (SSgA)

## Reported Information

## Public version

## Overarching Approach

## PRI disclaimer

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## Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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**OA 01.1** Indicate if you have a responsible investment policy.

- Yes  
 No

**OA 01.2** Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes  
 No

**OA 01.3** Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

SSgA works collaboratively with clients to help identify the distinct combination of ESG investing methods best suited to accomplish their unique goals. While SSgA does not have an overarching ESG investment policy, SSgA and State Street have a range of policies and guidelines relevant to corporate governance and ownership practices, ESG investment considerations, and corporate sustainability. State Street Global Advisors is a signatory to the United Nations supported Principles for Responsible Investment ("PRI"). The act of signing PRI underscores our existing commitment to integrating ESG into our investment process, asset stewardship activities and throughout our organization.

Ultimately, ESG investment considerations can extend to the active ownership process. As a fiduciary, we consider the financial and economic implications of ESG issues first and foremost. SSgA views corporate governance as good risk management and necessary to ensure that our rights as shareholders are protected. Similarly, ESG factors not only can have an impact on the reputation of companies; they may represent significant operational risks and costs to business. Well-developed ESG management systems can also generate efficiencies and enhance productivity, both of which impact shareholder value in the long-term. To this end, SSgA has developed Proxy Voting and Issuer Engagement Principles that consider ESG issues in the stewardship process.

SSgA combines a disciplined investment process with a global investment platform that gives clients access to every major asset class, capitalization range and style, with strategies spanning investment approaches including passive, active, absolute return and customized portfolios. Our environmental, social and corporate governance perspective has been developed over time and reflects our breadth and depth of viewpoints, products and services. We believe that our approach to ESG has and continues to help SSgA attain our overriding ambition of meeting our clients' needs.

OA 02	Mandatory	Core Assessed	PRI 6
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**OA 02.3** Indicate if your other policies or guidance documents related to responsible investment are publicly available.

- Yes
  - Yes, all
  - Yes, some

**OA 02.4** List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Proxy Voting & Engagement Guidelines & Principles	<a href="http://www.ssga.com/webapp/glp/about.jsp?country=US&amp;language=EN">http://www.ssga.com/webapp/glp/about.jsp?country=US&amp;language=EN</a>
UK Stewardship Code	<a href="http://www.ssga.com/library/capb/518422_SSGAs_Statement_on_the_UK_Stewardship_CodeCCR11393955223.pdf">http://www.ssga.com/library/capb/518422_SSGAs_Statement_on_the_UK_Stewardship_CodeCCR11393955223.pdf</a>
Controversial Weapons Policy	<a href="http://www.ssga.com/webapp/PublicationDetails?cmd=51869829&amp;country=GB&amp;language=EN">http://www.ssga.com/webapp/PublicationDetails?cmd=51869829&amp;country=GB&amp;language=EN</a>

- No

<b>OA 03</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1,2</b>
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**OA 03.1** Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply



Policy components/types	Coverage by AUM
<input type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input type="checkbox"/> Specific guidelines on environmental issues <input type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

<b>OA 03.2</b>	Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]
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The proxy voting, engagement/active ownership and specific guidelines on corporate governance apply to listed equities, which constitutes a majority of our AUM as of December 31, 2013.

<b>OA 04</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>General</b>
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<b>OA 04.1</b>	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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Yes

OA 04.2

Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

It is the policy of SSgA to treat all client accounts fairly and equitably. This includes the effective management of potential or actual conflicts of interest by engaging in the following practices:

- Providing appropriate disclosure in a reasonable and timely manner of actual and potential material conflicts of interest;
- Taking steps to minimize the effect of any material conflict of interest on any client's account
- Managing each client's account in accordance with client-identified guidelines and restrictions and;
- Making reasonable efforts to ensure that no client or categories of clients are inappropriately advantaged at the expense of another client.

SSgA employs a variety of mechanisms designed to manage conflicts of interest, including:

- Disclosing actual or potential material conflicts of interest to clients;
- Implementing appropriate policies, procedures and controls;
- Monitoring for compliance with those policies, procedures and controls; and;
- Reporting and/or escalating identified conflicts of interest situations that need to be addressed.

No

## Objectives and strategies

OA 05

Mandatory

Gateway/Core Assessed

General

OA 05.1

Indicate if your organisation sets objectives for its responsible investment activities.

Yes

OA 05.2

Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year
- Less than once per year

OA 05.3

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
- Biannually
- Annually
- Every two years or less
- It is not reviewed

No

## Governance and human resources

OA 08

Mandatory

Gateway/Core Assessed

General

OA 08.1

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

### Roles present in your organisation

- Board members or trustees
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify **asset class CIOs, etc.**
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify
- Other role, specify

The Investment Committee has oversight of Proxy Voting. Not all Chief-level staff, Portfolio Managers, Investment Analysts have some oversight/accountability and/or implementation responsibilities but many do.

**Promoting responsible investment**

OA 10

Mandatory

Core Assessed

PRI 4,5

OA 10.1

Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

Yes

OA 10.2

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

**Select all that apply**

Asian Corporate Governance Association

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Association for Sustainable & Responsible Investment in Asia

Australian Council of Superannuation Investors

CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

CDP Forests

CDP Water

CFA Institute Centre for Financial Market Integrity

Council of Institutional Investors (CII)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

- Local Authority Pension Fund Forum
- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

- United Nations Global Compact
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

No

OA 11	Mandatory	Core Assessed	PRI 4
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**OA 11.1** Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

**OA 11.2** Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

No

OA 12	Voluntary	Additional Assessed	PRI 4,5,6
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**OA 12.1** Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.

Yes

- Yes, individually
- Yes, in collaboration with others

**OA 12.2** Select the methods you have used.

- Endorsed written submissions to governments, regulators or standard-setters developed by others
- Drafted your own written submissions to governments, regulators or standard-setters
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

SASB Advisory Council

**OA 12.3** Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

Yes, publicly available

provide URL

<http://www.ssga.com/webapp/PublicationDetails?cmd=57042719&country=GB&language=EN>

No

No

**ESG issues in asset allocation**

OA 14	Voluntary	Descriptive	PRI 1
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<b>OA 14.1</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>OA 14.2</b>	Indicate the percentage of your total AUM invested in environmental and social themed areas.
----------------	--

% of total AUM

0.5

<b>OA 14.3</b>	Please specify which thematic area(s) you invest in and provide a brief description.
----------------	--

Area

- Clean technology
- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Other area, specify

**Green Bonds**

Asset class invested

- Listed equity
- Fixed income - corporate
- Fixed income - government

No

## Assurance of responses

OA 19	Voluntary	Additional Assessed	General
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**OA 19.1** Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.

Yes

**OA 19.2** Indicate who has reviewed, validated and/or assured your reported information.

- Reviewed by Board, CEO, CIO or Investment Committee
- Validated by internal audit or compliance function
- Assured by an external independent provider, specify name

**OA 19.3** Describe the steps you have taken to review, validate and/or assure the content of your reported information.

SSgA Compliance reviewed the Transparency Report.

No



# State Street Global Advisors (SSgA)

## Reported Information

### Public version

#### Direct - Listed Equity Incorporation

## 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.

## Overview

LEI 02	Voluntary	Descriptive	PRI 1
LEI 02.1	Provide a brief overview of how you incorporate ESG issues in listed equity investments.		

As a fiduciary we believe that ESG information should be placed in a context which considers its performance implications in financial terms first and foremost. Not only can ESG factors have an impact on the reputation of companies; they may represent significant operational risks and costs to business. Identifying and managing ESG risks in portfolios may help guard against negative surprises. Well-developed ESG management systems can generate efficiencies and enhance productivity, both of which impact shareholder value longer term. Identifying and managing ESG risks in portfolios may help guard against negative surprises and adverse outcomes. On the other hand, skeptics argue that these benefits are already priced in by the market, or that a company may incur an unnecessarily high cost structure to achieve ESG goals. Transcending the materiality debate, consideration of ESG criteria is an enduring characteristic of values-based investors.

Exploration of the use of ESG factors in our active models is an ongoing area of study. This research effort reflects the evolutionary relationship between ESG factors and investment performance informed by our prior work as well as the body of external study, and client demand for ESG analysis and integration. Our examination of ESG performance focuses on addressing several critical aspects of ESG understanding, namely: does good ESG behaviour result in superior investment returns, how beneficial is ESG in terms of minimising downside risk of active strategies, and how is the relationship between ESG and investment performance likely to evolve over time?

We have leveraged this research foundation to directly incorporate ESG into the equity selection and/or portfolio construction process in certain investment strategies in a quantitative fashion. In some instances ESG ratings have been integrated as an element of the alpha model itself, either selectively as a component of stock selection across the universe or within specific sectors, or more broadly as an additional alpha factor, while in others we have integrated ESG into the portfolio construction process by targeting a minimum level of exposure to an ESG score. While the specific approach has varied, the common thread has been to use ESG factors to capture potential alpha while at the same time limiting downside from risk events.

SSgA has many values-based clients who are motivated by organisational mission or ethics in the investment process. When managing portfolios for these clients we apply screens to filter out investments which are not compliant with client guidelines. These screens may be provided by clients or sourced from third-parties, as appropriate, to comply with the specific restrictions. SSgA manages many portfolios across asset classes and investment styles which apply ESG or SRI exclusions to the investment process. For active equity mandates with screens we generally have the same excess return targets and risk budgets as mandates without screens. For passive equity mandates with screens we generally have the same investment objective as mandates without screens, which is to seek to provide the returns and characteristics of the benchmark as closely as practicable before expenses, albeit with higher ex ante tracking error.

ESG factors are not incorporated in the investment philosophy and processes of SSgA's listed equity assets in a uniform manner due to, inter alia, the substantial breadth and depth of investment management styles, regions and client requirements.

## ESG incorporation in actively managed listed equities

### Implementation processes

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
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LEI 03.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.

#### ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied (estimate +/- 10%)	%
	38

- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied (estimate +/- 10%)	%
	3

- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

Percentage of active listed equity to which no incorporation strategy is applied (estimate +/- 10%)	%
	59

Total actively managed listed equities

100%

**LEI 03.2**

Describe your primary reasons for choosing a particular ESG incorporation strategy.

Our approach to ESG incorporation, using PRI definitions, is generally driven by client requirements for screening. The majority of our ESG incorporated assets at year end 2013 used exclusionary and norms-based screens. In cases where integration is the incorporation strategy, the approach is driven by our research and analysis that, generally speaking, integrating ESG (in a manner described in LEI 02.1) is expected to help improve the investment outcome, either in terms of return enhancement or risk reduction. Another driver of pursuing ESG integration is expectation of client demand, certainly if doing so helps improve the investment outcome and in some cases even if integration's effect is neutral in terms of contributing to performance.

<b>LEI 04</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
<b>LEI 04.1</b>	Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.		

**Type of ESG information**

- Raw ESG company data
- Company-related analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Sector-related analysis or ratings
- Country-related analysis or ratings
- Screened stock list

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Issue-specific analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Other, specify

<b>LEI 04.2</b>	Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.
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Our global investment teams leverage insights from the ESG team as well as external sources. We utilize numerous third-party research vendors to accommodate the diverse requirements of our global client base and the range of asset classes and management styles we provide. The potential benefits of using independent vendors include unbiased, broad coverage and increased flexibility to satisfy multiple ESG objectives. The nature of the ESG information we source from a research provider will vary based on the ESG incorporation strategy or parameters of the mandate, including, inter alia, domicile of the client, domicile of the portfolio, investment geography of the portfolio, investment management style, client preference and provider coverage and expertise. Many clients are the source of screened stock lists that we use in managing their portfolio's, as they may furnish this to SSgA and their other external investment managers presumably to ensure a consistent approach.

<b>LEI 04.3</b>	Indicate if you incentivise brokers to provide ESG research.
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- Yes
- No

<b>LEI 05</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>LEI 05.1</b>	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
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- Engagement
  - We have a systematic process to ensure the information is made available.
  - We occasionally make this information available.
  - We do not make this information available.
- (Proxy) voting
  - We have a systematic process to ensure the information is made available.
  - We occasionally make this information available.
  - We do not make this information available.

<b>LEI 05.2</b>	Additional information. [Optional]
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SSgA shares insights it gains from its engagements activities with members of SSgA's active equity investment teams. Members of SSgA's governance team jointly conduct company engagements with members of SSgA's active fundamental investment teams. Both teams also have follow up discussions after the joint engagements. Our governance team also jointly conducts engagement with Australian companies with the active quantitative team members in Sydney from time to time.

**(A) Implementation: Screening**

LEI 06	Mandatory	Descriptive	PRI 1
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**LEI 06.1** Indicate and describe the type of screening you apply to your internally managed active listed equities.

**Type of screening**

- Negative/exclusionary screening

**Screened by**

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

**Description**

In segregated portfolios the screening varies by client objective. The screening varies according to the ESG and investor objectives in commingled portfolios. Some portfolios employ a single screen, for example, tobacco or weapons, whereas some portfolios employ multiple screens.

- Positive/best-in-class screening
- Norms-based screening

**Screened by**

- UN Global Compact Principles
- Universal Declaration of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify

**Description**

We manage multiple portfolios which seek to restrict from investment companies which, in the determination of research providers, are non-compliant with UN Global Compact Principles.

**LEI 06.2**

Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

SSgA can develop customized investment solutions across both the continuum of ESG approaches and the risk and return spectrum. We have access to and experience with broad ESG data that can be deployed for strategies which avoid investment in companies that are not compatible with missions and goals yet seek maximum performance within the constraints, in a "second generation" approach where ESG factors are integrated into investment decisions and portfolios are tilted toward better ESG performers and/or away from poorer ESG performers, or in a "third generation" approach using ESG factors to seek enhanced performance and reduced risk.

Investor attitudes vary across both the values/ethical and financial dimensions of ESG understanding. Implementation options therefore encompass a range to satisfy the diverse client interests. Screening criteria is usually established in conjunction with clients and often in collaboration with external research providers. In many cases SSgA will receive a brief from a client or prospect and then assess it for alignment against current screening services, looking to third parties for execution if the new brief is outside the scope of existing capabilities or services. In other cases clients will provide the screens and SSgA implements the portfolio using the client provided screens.

The frequency of criteria review varies, ranging from semi-annual to ad-hoc. We notify clients of changes through written and verbal means depending on the fact and circumstances of the client and/or portfolio. Clients are often consulted before decisions are made with regards to screening in commingled portfolios.

**LEI 07****Mandatory****Core Assessed****PRI 1****LEI 07.1**

Indicate which processes your organisation uses to ensure that screening is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

**LEI 07.2**

Additional information. [Optional]

The process or processes indicated in 07.1 are used depending on the facts and circumstances of specific portfolios and mandates. They are not mutually exclusive. In some cases, the screens that we source from third-party providers use one or more of the processes indicated.

**LEI 08**

Voluntary

Additional Assessed

PRI 1

**LEI 08.1**

Indicate which processes your organisation uses to ensure that fund criteria are not breached

Checks are performed to ensure that stocks meet the funds' screening criteria. These checks are:

- Systematic
- Occasional

Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.

Audits of fund holdings are undertaken regularly by internal audit function

Other, specify

None of the above



**LEI 08.2**

If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.

In the event account investment guidelines are breached, SSgA has controls in place to identify and escalate the breach to the appropriate internal and external parties. Issues determined to be active guideline breaches are escalated to the client through the appropriate client facing personnel upon discovery. The Investment Management team is notified of the breach upon discovery. The description and root cause of the breach is logged internally in the Global Breach Log, and preventative measures are discussed and recorded to prevent recurrence.

All active breaches are reported monthly to the Compliance Matters Working Group ("CMWG"). The Compliance Matters Working Group ("CMWG") is organized to evaluate the business and its execution of certain responsibilities. The CMWG meets monthly and has membership representation from Compliance, Legal, and Risk. At each CMWG meeting, potential compliance breaches are reviewed and assessed as individual incidents to determine whether they represent a material weakness in the operating framework of the Compliance Program. On a periodic basis, all breaches are grouped together and evaluated by Compliance to highlight any trends or other indications of a material systemic weakness in the Compliance Program or SSgA Funds Management's ("FM") controls. The CMWG serves as an advisory working group to both the Chief Compliance Officer ("CCO") and the Global Compliance Committee ("GCC"). The GCC meets monthly and has representation from Legal, Compliance, Information Security, Risk, Operations, Trading, Portfolio Management, Relationship Management, and Technology. The GCC serves as both another input for the CCO to become aware of potential issues impacting the SSgA FM business and as another body to assess the materiality of each breach.

### (C) Implementation: Integration of ESG issues

LEI 10	Voluntary	Descriptive	PRI 1
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As a fiduciary we believe that ESG information should be placed in a context which considers its performance implications in financial terms first and foremost. Not only can ESG factors have an impact on the reputation of companies; they may represent significant operational risks and costs to business. Identifying and managing ESG risks in portfolios may help guard against negative surprises and adverse outcomes. Well-developed ESG management systems can generate efficiencies and enhance productivity, both of which impact shareholder value longer term. Identifying and managing ESG risks in portfolios may help guard against negative surprises. On the other hand, skeptics argue that these benefits are already priced in by the market, or that a company may incur an unnecessarily high cost structure to achieve ESG goals. Transcending the materiality debate, consideration of ESG criteria is an enduring characteristic of values-based investors.

Our investment process begins and ends with research and exploration of the use of ESG factors in our active models is an ongoing area of study. This research effort reflects the evolutionary relationship between ESG factors and investment performance informed by our prior work as well as the body of external study, and client demand for ESG analysis and integration. Our examination of ESG performance focuses on addressing several critical aspects of ESG understanding, namely: does good ESG behavior result in superior investment returns, how beneficial is ESG in terms of minimizing downside risk of active strategies, and how is the relationship between ESG and investment performance likely to evolve over time?

Historically, ESG issues have been considered separate and distinct from financial issues except when investment teams had an explicit ESG mandate. Over the last several years, however, our active investment teams have conducted empirical research, often irrespective of specific client opportunities, that examines the relationship between ESG ratings and equity returns. While our prior research findings into the efficacy of ESG ratings as a source of alpha have in the aggregate yielded mixed conclusions, we have nevertheless identified some segments of the market in which there does appear to be evidence of forecasting ability. In some instances, predictive power tended to strengthen over time suggesting that ESG related matters may become increasingly influential to investment performance going forward. On the risk side, there is also evidence that ESG can be a beneficial agent in reducing downside risk during such volatile markets as those experienced during the financial crisis, and research is on-going in this area.

We have leveraged this research foundation to directly incorporate ESG into the equity selection and/or portfolio construction process in certain investment strategies in a quantitative fashion. In some instances ESG stock ratings have been integrated as an element of the alpha model itself, either selectively for stock selection within specific sectors or more broadly as an additional alpha factor, while in others we have integrated ESG into the portfolio construction process by targeting a minimum level of exposure to an ESG score.

While the specific approach has varied, the common thread has been to use ESG factors to capture potential alpha while at the same time limiting downside from risk events. In these endeavors we have used data from multiple internal and external sources. The investment team and ESG staff collaborate to structure the research parameters, source the appropriate ESG data and understand the results, often making adjustments in iterative fashion to arrive at the optimal outcome in terms of potentially adding value to the model and/or aligning with client expectations.

LEI 11	Mandatory	Core Assessed	PRI 1
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<b>LEI 11.1</b>	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
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ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

<b>LEI 11.2</b>	Additional information. [Optional]
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As discussed in LEI 03, we do not integrate in all active equity strategies but where we do, however, ESG is integrated into the alpha model(s) in systematic fashion as outlined in LEI 10.1.

LEI 12	Voluntary	Descriptive	PRI 1
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<b>LEI 12.1</b>	Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis.
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- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Company information and/or ratings on ESG are updated regularly
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

<b>LEI 12.2</b>	Describe how ESG information is held and used by your portfolio managers.
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- ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

<b>LEI 12.3</b>	Additional information.
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The specific process or processes indicated in 12.1 are used depending on the facts and circumstances of specific portfolios or client mandates and they are not mutually exclusive. In some cases, the research that we source from third-party providers use one or more of the processes indicated. ESG research is not produced internally, however, we research the provider's research for potential efficacy in improving the alpha potential and/or reducing the volatility of our active models. If we observe efficacy in an empirical analysis we reality check these findings to ensure they are understandable, explainable and have a logical basis for enduring. In the course of these endeavors we regularly refresh the data and liaise with the research provider to correct any inaccuracies that may be discovered.

## ESG incorporation in passively managed listed equities

<b>LEI 14</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>LEI 14.1</b>	Indicate if you manage passive listed equity funds that incorporate ESG issues in the index construction methodology.
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Yes

<b>LEI 14.2</b>	Indicate the percentage of your total passive listed equity funds for which ESG issues are incorporated in the index construction methodology.
-----------------	--

	(% of total passive listed equity funds)
--	--

- <10%
- 10-50%
- 51-90%
- >90%

<b>LEI 14.3</b>	Specify index/fund name, provide a brief description of ESG methodology and indicate which of the following ESG incorporation strategies you apply.
-----------------	---

Index/fund 1

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
US Community Investing Index(TM)	<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

Index/fund 2

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
Dow Jones Sustainability(TM) World Index	<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

Index/fund 3

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
FTSE4Good	<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

Index/fund 4

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
MSCI Global ex Controversial Weapons Indices	<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

Index/fund 5

No

## Outputs and outcomes

LEI 15	Voluntary	Descriptive	PRI 1
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<b>LEI 15.1</b>	Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.
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- Screening
- Integration of ESG issues
- Index incorporating ESG issues (for passively managed funds)

<b>LEI 15.2</b>	Additional information.
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Describing the reduction in starting universe, the influence on composition, or other effects is not particularly useful or even practical given the breadth and depth of asset classes, portfolio management styles and screening objectives or ESG index tracking portfolios across SSgA.

Broadly speaking, the majority of screened passive equity portfolios are run on a segregated basis to accommodate clients' unique requirements, however; SSgA has also created pooled funds for some of the more common ESG screening approaches. With respect to passively managed pooled funds that are screened, the percentage of benchmark capitalization restricted from investment can range from 10-12% to 2-4% depending on the screening objectives and benchmark of the respective fund (as of December 31, 2013).

Portfolios which track an ESG index constitute a small majority of assets under management and in these cases we generally employ a replication strategy where we attempt to match, as closely as practicable before expenses, the return and characteristics of the index. This means holding securities in the portfolio at a weight proportional to the weight in the index.

## Communication

<b>LEI 18</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,6</b>
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<b>LEI 18.1</b>	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.
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- We disclose it publicly

	Provide URL
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<http://www.ssga.com/webapp/glp/about.jsp?country=US&language=EN>

	Provide URL
--	-------------

<http://www.statestreet.com/better/>

<b>LEI 18.2</b>	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
-----------------	---

- Yes
- No

<b>LEI 18.3</b>	Indicate the information your organisation proactively discloses to clients/ beneficiaries and/or the public regarding your approach to ESG incorporation.
-----------------	--

Reporting to public	Reporting to clients/beneficiaries
<input checked="" type="radio"/> Broad approach to ESG incorporation <input type="radio"/> Detailed explanation of ESG incorporation strategy used	<input type="radio"/> Broad approach to ESG incorporation <input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used

<b>LEI 18.4</b>	Indicate how frequently you typically report this information.
-----------------	--

Reporting to public	Reporting to clients/beneficiaries
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Between quarterly and annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Other, specify As and when updates are appropriate but generally no less frequently than annually.	<input type="radio"/> Quarterly or more frequently <input type="radio"/> Between quarterly and annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Other, specify As and when updates are appropriate. Frequency can also depend on the facts/circumstances of the particular client.

- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries

<b>LEI 18.5</b>	Additional information. [Optional]
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We provide information on ESG incorporation in listed equity at both a general and investment strategy level. Much of the general information and some of the investment strategy specific information is available on SSgA's web site or in the State Street Corporate Responsibility Report. We also provide information through a variety of means including, inter alia, in the course of client and prospect communication, media interviews, and industry speaking engagements.

# State Street Global Advisors (SSgA)

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

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## Engagement

### Overview

LEA 01	Voluntary	Descriptive	PRI 2
LEA 01.1	Provide a brief overview of your organisation's approach to engagement.		

SSgA has comprehensive proxy voting and engagement guidelines that cover global markets and we vote and engage with companies across our holdings and our investment strategies.

We conduct proactive engagements to address significant shareholder concerns that include environmental, social and governance (ESG) issues in a manner consistent with maximizing shareholder value. We also engage with companies to provide insight on the principles and practices that drive our voting decisions.

By centralizing our voting and engagement activities within the corporate governance team (the team), we exert greater influence when encouraging companies to change and improve ESG practices by leveraging the full power of our discretionary holdings. The team works alongside members of SSgA's active fundamental and global investment teams; collaborating on issuer engagements and providing input on company specific fundamentals. We seek to engage with companies together with the investment teams on diverse issues including corporate strategy, performance, and corporate governance as well as environmental and social (ES) issues.

SSgA uses multiple ESG screens to identify companies for engagement and to conduct more in depth analyses in advance of shareholder meetings. We can broadly group our engagements into three categories - reactive, recurring, and active engagements. Our active engagements are generally triggered by our screening processes or concerns we may have with a company. These engagements seek collaborative and constructive interaction with company board members and senior management and as a result longer term relationships are established with target companies as we monitor the company for improvements in their practices.

SSgA reviews its global engagement policies and procedures each year to assess and ensure that its engagement progresses with companies continue to be effective and meaningful. This process ensures that our ESG screens target the right companies for engagement and that we integrate emerging thematic ESG risks and other factors such as regulatory change in to our voting and engagement activities. We have also implemented a comprehensive process to monitor the companies we have engaged with for improvements in their practices.

LEA 02	Mandatory	Gateway	PRI 1,2,3
LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.		

Type of engagement	Reason for interaction
<b>Individual/Internal staff engagements</b>	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
<b>Collaborative engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
<b>Service provider engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

## Process

### Process for engagements run internally

LEA 03

Mandatory

Core Assessed

PRI 2

LEA  
03.1

Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

☉ Yes

LEA  
03.2

Describe how you identify and prioritise engagements.

SSgA uses a blend of quantitative and qualitative research and data to identify issuers where active engagement may be necessary to protect and promote shareholder value. Issuer engagement may also be event driven, focusing on issuer specific corporate governance, sustainability concerns or wider industry related trends. SSgA also gives consideration to the size of our total position of the issuer in question and/or the potential negative governance, performance profile, and circumstance at hand. As a result, SSgA believes issuer engagement can take many forms and be triggered under numerous circumstances.

No

LEA  
03.3

Additional information. [Optional]

In conducting our engagement, SSgA evaluates the various factors that play into the corporate governance framework of a country, including the macroeconomic conditions and broader political system in a country, quality of regulatory oversight, enforcement of property and shareholder rights and the independence of the judiciary to name a few. SSgA understands that regulatory requirements and investor expectations relating to governance practices and engagement activities differ from country-to-country. As a result, SSgA engages with issuers, regulators, or both, depending on the market. Also, SSgA is a member of various investor associations that seek to address broader corporate governance related policy at the country level as well as issuer specific concerns at a company level.

To help mitigate company specific risk, the team may collaborate with members of the active investment teams to engage with companies on corporate governance issues and address any specific concerns, or to get more information regarding shareholder items that are to be voted on at upcoming shareholder meetings. Outside of proxy voting season, SSgA conducts issuer specific engagement with companies covering various corporate governance and sustainability related risks.

LEA 04

Mandatory

Core Assessed

PRI 2

LEA  
04.1

Indicate if you define specific objectives for your engagement activities.

- Yes
- Yes, for all engagement activities
  - Yes, for the majority of engagement activities
  - Yes, for a minority of engagement activities
- No

<b>LEA 04.2</b>	Indicate if you monitor the actions that companies take following your engagements.
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- Yes
  - Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases

<b>LEA 04.3</b>	Describe how you monitor and evaluate the progress of your engagement activities.
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SSgA tracks its engagement activities with companies. It makes detailed notes about the discussions and feedback on ESG issues provided to the company. Assessing the effectiveness of our issuer engagement process is often difficult. To limit the subjectivity of measuring our success we actively seek feedback from companies on progress made, particularly on the feedback provided by SSgA during the previous engagement.

SSgA also monitor the actions issuers take post-engagement to identify tangible changes. By doing so, we are able to establish indicators to gauge how issuers respond to our concerns and to what degree these responses satisfy our requests. It is also important to note that successful engagement activity can be measured over differing time periods depending on the facts and circumstances involved; engagements can last as short as a single meeting or span multiple years.

- No

<b>Process for engagements conducted via collaborations</b>			
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<b>LEA 05</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 05.1</b>	Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.
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- Yes
- No

<b>LEA 05.3</b>	Additional information.[Optional]
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There are several ways SSgA gets notified of collaborative engagements. However, the most common way we get involved is by invitation from other shareholders who take a lead position in 'vote no campaigns" at various companies. We also get notified of collaborative engagements through the various shareholder associations that SSgA is a member of.

Currently, several shareholder based organizations exist that foster, promote and facilitate the ability for shareholders to act together over common causes. The PRI, for example, provides signatories with a private forum to pool resources, share information and engage with companies and other stakeholders in the investment value chain on diverse ESG issues. The Association of British Insurers' (ABI) Investor Exchange provides similar means for investors to collaborate. During 2013, SSgA has worked together with other investors to develop a better understanding of the materiality of ESG issues and relevant performance metrics across sectors. SSgA is also a sponsor of Project Delphi, an investor collaboration that seeks convergence around the materiality and impact of ESG factors on investment and asset allocation decisions.

<b>LEA 06</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 06.1</b>	Indicate if the collaborative engagements in which you are involved have defined objectives.
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- Yes
- No

<b>LEA 06.2</b>	Indicate if you monitor the actions companies take following your collaborative engagements.
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- Yes
- No

### General processes for all three groups of engagers

<b>LEA 09</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
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<b>LEA 09.1</b>	Indicate if the insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions.
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Type of engagement	Insights shared
<b>Individual/Internal staff engagements</b>	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No
<b>Collaborative engagements</b>	<input type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input checked="" type="radio"/> No

<b>LEA 09.2</b>	Additional information.
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SSgA shares insights it gains from its engagements activities with members of SSgA's active equity investment teams. Members of SSgA's governance team jointly conduct company engagements with members of SSgA's active fundamental investment teams. Both teams also have follow up discussions after the joint engagements. Our governance team also jointly conducts engagement with Australian companies with the active quantitative team members in Sydney from time to time.

<b>LEA 10</b>	<b>Mandatory</b>	<b>Gateway/Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 10.1</b>	Indicate if you track the number of companies you engage with.
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Type of engagement	Tracking engagements
<b>Individual / Internal staff engagements</b>	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
<b>Collaborative engagements</b>	<input type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input checked="" type="radio"/> No, we do not track and cannot estimate our engagements

## Outputs and outcomes

<b>LEA 11</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**LEA 11.1** Indicate the number of companies with which your organisation engaged during the reporting year.

	<b>Number of companies engaged</b> (avoid double counting, see explanatory notes)
Individual / Internal staff engagements	367

**LEA 11.2** Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]

Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> > 50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

**LEA 12** Voluntary Additional Assessed PRI 2

**LEA 12.1** Indicate if your engagements in the reporting year covered E, S and/or G issues.

Type of engagement	Coverage
Individual / Internal staff engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information
Collaborative engagements	<input type="checkbox"/> Environmental <input type="checkbox"/> Social <input type="checkbox"/> Corporate Governance <input checked="" type="checkbox"/> We do not track this information

**LEA 12.2** Provide an estimated breakdown by E, S and/or G issues.

Individual / Internal staff engagements

% Environmental only

% Social only

11

% Corporate Governance only

80

100%

Collaborative engagements

100%

## Communication

LEA 15 Mandatory Core Assessed PRI 2,6

LEA 15.1 Indicate whether your organisation proactively discloses information on its engagements.

We disclose it publicly

please provide URL

<http://www.ssga.com/webapp/glp/about.jsp?country=US&language=EN>

LEA 15.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

LEA 15.3 Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.

Engagement information disclosed

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information



<b>LEA 15.4</b>	Indicate how frequently you typically report engagements information.
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- Disclosed continuously (prior and post engagements)
- Disclosed quarterly
- Disclosed annually
- Disclosed every two years or less
- Other, specify  
Semi-annually (twice per year).

No

- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries.

**(Proxy) voting and shareholder resolutions**

**Process**

<b>LEA 17</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>PRI 2</b>
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<b>LEA 17.1</b>	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.
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	Approach
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- We use our own research or voting team and make our own voting decisions without the use of service providers.
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

	Based primarily on
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- the service provider voting policy signed off by us
- our own voting policy
- our clients requests or policy
- other, explain
- We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- We hire service provider(s) which make voting decisions on our behalf.

<b>LEA 20</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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<b>LEA 20.1</b>	Indicate if your organisation has a securities lending programme.
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Yes

LEA 20.2

Indicate how voting is addressed in securities lending programme.

**Please select one of the following**

- We recall most securities for voting on all ballot items
  - We recall some securities for voting on some ballot items on a systematic basis in line with specified criteria
  - We occasionally recall some securities for voting on some ballot items on an ad-hoc basis
  - We empower our securities lending agent to decide when to recall securities for voting purposes
  - We do not recall our shares for voting purposes
  - Other (please specify)
- No

LEA 21	Mandatory	Core Assessed	PRI 2
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LEA 21.1

Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.

- Yes, in most cases
- Sometimes, in the following cases:
  - votes in selected markets
  - votes on certain issues (all markets)
  - votes for significant shareholdings (all markets)
  - other, explain  

This discussion generally occurs during engagement.
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

**Outputs and outcomes**

LEA 22	Mandatory	Core Assessed	PRI 2
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LEA 22.1

For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- We do track or collect this information

Votes cast (to the nearest 1%)

%

**Specify the basis on which this percentage is calculated**




- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

<b>LEA 23</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
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<b>LEA 23.1</b>	Indicate if you track the voting instructions that you and/or your third party have issued on your behalf.
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- Yes, we track this information

<b>LEA 23.2</b>	Of the voting instructions that you and/or third parties have issued on your behalf, indicate the proportion of ballot items that were:
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Voting instructions	Breakdown as percentage of votes cast
For (supporting) management proposals	 89.41
Against (opposing) management proposals	 10.49
Abstentions	 0.1

100%

<b>LEA 23.3</b>	For the reporting year, describe your approach towards voting on shareholder resolutions.
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Shareholder resolutions are voted on a case-by-case basis.

- No, we do not track this information

**Communication**

<b>LEA 26</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,6</b>
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**LEA 26.1** | Indicate if your organisation proactively discloses information on your voting activities.

- We disclose it publicly

provide URL

[http://www.ssga.com/webapp/features/proxy\\_voting\\_policy.jsp?country=GB&language=EN](http://www.ssga.com/webapp/features/proxy_voting_policy.jsp?country=GB&language=EN)

**LEA 26.2** | Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes
- No

**LEA 26.3** | Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Reporting to the public	Reporting to clients/beneficiaries
<p><b>Indicate how much of your voting record you disclose</b></p> <ul style="list-style-type: none"> <li><input type="radio"/> All voting decisions</li> <li><input checked="" type="radio"/> Some voting decisions</li> <li><input type="radio"/> Only abstentions and opposing vote decisions</li> <li><input type="radio"/> Summary of votes only</li> </ul>	<p><b>Indicate how much of your voting record you disclose</b></p> <ul style="list-style-type: none"> <li><input checked="" type="radio"/> All voting decisions</li> <li><input type="radio"/> Some voting decisions</li> <li><input type="radio"/> Only abstentions and opposing vote decisions</li> <li><input type="radio"/> Summary of votes only</li> </ul>
<p><b>Indicate what level of explanation you provide</b></p> <ul style="list-style-type: none"> <li><input type="radio"/> Explain all voting decisions</li> <li><input type="radio"/> Explain some voting decisions</li> <li><input type="radio"/> Only explain abstentions and votes against management</li> <li><input checked="" type="radio"/> No explanations provided</li> </ul>	<p><b>Indicate what level of explanation you provide</b></p> <ul style="list-style-type: none"> <li><input type="radio"/> Explain all voting decisions</li> <li><input checked="" type="radio"/> Explain some voting decisions</li> <li><input type="radio"/> Only explain abstentions and votes against management</li> <li><input type="radio"/> No explanations provided</li> </ul>

**LEA 26.4** | Indicate how frequently you typically report voting information.

Reporting to the public	Reporting to clients/beneficiaries
<input type="radio"/> Continuously (primarily before meetings) <input type="radio"/> Continuously (soon after votes are cast) <input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Between quarterly and annually <input type="radio"/> Less frequently than annually <input type="radio"/> Other, specify	<input type="radio"/> Continuously (primarily before meetings) <input type="radio"/> Continuously (soon after votes are cast) <input type="radio"/> Quarterly or more frequently <input type="radio"/> Between quarterly and annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Other, specify Pursuant to client reporting schedules.

- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

# State Street Global Advisors (SSgA)

## Reported Information

### Public version

#### Direct - Fixed Income

## 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.

## Outputs and outcomes

FI 15	Voluntary	Descriptive	PRI 1
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**FI 15.1**

Indicate how your ESG incorporation strategies have influenced the composition of your fixed income portfolio(s) or investment universe.

### Fixed Income - Corporate

- Narrow down or prioritise the investment universe
- Buy / sell / weight decisions
- Other, specify

**FI 15.2**

Additional information.

This is variable and depends on the facts and circumstances of the portfolio. It is possible that ESG incorporation can influence fixed income portfolios in multiple ways. For instance, if we are managing a portfolio which restricts from investments certain issuers on an ESG basis it narrows the investment universe and may lead to a sell decision if we already own bonds from the issuer. Another example could be in a thematic bond portfolio where the universe is narrowed by bonds exposed to a theme and at the same time we may wish to over or underweight the issue because of cumulative exposure to the issuer in the portfolio.

## Communication

FI 18	Mandatory	Core Assessed	PRI 2,6
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**FI 18.1**

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.

- We disclose it publicly
- We disclose it to clients/beneficiaries only

**FI 18.3**

Indicate the information your organisation proactively discloses to clients/beneficiaries regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

**FI 18.4** Indicate how frequently you typically report this information.

- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify

Frequency depends on client reporting requirements for SMAs, For commingled products the frequency will vary by jurisdiction but is typically no less than annually.

- We do not proactively disclose it to the public and/or clients/beneficiaries

**FI 18.5** Additional information. [Optional]

Details to clients in SMAs or in commingled funds that incorporate ESG. Much of what is provided re: commingled funds is public via fund documentation.

## Engagement in fixed income investments

### Fixed Income - Corporate

FI 19	Voluntary	Descriptive	PRI 2
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**FI 19.1** Indicate if you engage with corporate issuers.

- Yes
- No

**FI 19.3** Additional information.

Although we may be in contact with corporate issuers and discuss these developments it cannot be qualified as direct engagement. From an active credit analyst perspective, we do not specifically interact with issuers on ESG issues nor do we attempt to influence ESG practices and/or improve ESG disclosure. We may, however, review ESG related issues (e.g. environmental risks) when determining the suitability of an investment for our portfolios.

### Fixed Income - Government

FI 20	Voluntary	Descriptive	PRI 2
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<b>FI 20.1</b>	Indicate if you engage with government issuers such as government departments (national or local), agencies and other entities in order to influence their approach to ESG issues that may affect creditworthiness.
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Yes

No

<b>FI 20.3</b>	Additional information.
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We may express opinions when discussing advanced beta strategies on how ESG elements, in particular governance, can impact the credit worthiness of a sovereign issuer in the long term but we do not speak directly to government departments on this topic. It is mostly part of investor discussions. From an active credit analyst perspective, we do not specifically interact with issuers on ESG issues nor do we attempt to influence ESG practices and/or improve ESG disclosure. We may, however, review ESG related issues (e.g. environmental risks) when determining the suitability of an investment for our portfolios.