

State Street Global Advisors – State Street Climate ESG International Equity Fund

Ethical Survey, as voted by members of the Ethical Advisers Co-Op



Poor | Disappointing | Average | Appealing | Excellent

As voted by Ethical Adviser Co-op members. Find a specialised ethical adviser near you: www.ethicaladviserscoop.org/find-an-adviser.html

Fund Overview

State Street Climate ESG International Equity Fund is an actively managed global investment. The Fund seeks to achieve returns subject to delivering climate and ESG objectives. They use both positive and negative screening and preference companies actively managing their climate impact.

Ethical Concerns

Investments

- ✘ Some investments held within the Fund may be problematic for ethical investors, such as:
 - Distribution, logistics and support (coal/oil/gas/mining): Canadian National Railway
 - Distribution, logistics and support (oil/gas): Halliburton Co, Kinder Morgan Inc, Rockwell Automatic (6% revenue)
 - Privacy concerns: Facebook, Alphabet
 - Human rights, supply chain issues and promotes consumerist behaviour: Apple
 - Lending to nuclear weapons producers: Deutsche Bank
 - Data breach issues: Experian
 - Animal welfare: Gilead Sciences, Kering, L'Oréal, Novo Nordisk
 - Diversity and privacy concerns: Uber Technologies
 - Direct exposure to oil and mining: Toyota Motor Corp
 - Alcohol production: Heineken
 - Sugar and junk food: McDonalds, Starbucks
 - Both fossil fuel and renewables sector: TE Connectivity Ltd
 - Human rights, supply chain issues: Tesla
 - Other holdings with ethical concerns: Coca-Cola, Pfizer, Siemens Ag, Unilever, Zoom

Other concerns

- ✘ While the fund publishes a full list of its [proxy voting](#) this also reveals that it has on several occasions voted against or abstained on shareholder motions calling for transparency on; climate change, lobbying payments and racial/gender equity .
- ✘ State Street Climate ESG International Equity Fund do not specialise in ethical investments.

Good Points

- ✓ The Fund's exclusionary screens remove companies involved in activities relating to: controversial weapons, nuclear weapons, tobacco, severe ESG controversies and violations of the UN Global Compact.
- ✓ Targets the following climate metrics, relative to the Index: reduce carbon emission intensity by 70%; reduce exposure to fossil fuel reserves by 90%; reduce exposure to brown revenues by 90%; and increase exposure to green revenues by 300%.
- ✓ Commitment to transparency by being [UNPRI](#) signatory and [RIAA](#) certified.
- ✓ One of 20 asset managers named in the 2020 UN PRI's [leaders group](#).
- ✓ Good transparency of [holdings](#) and [voting](#) history, both easily accessed via the public website.
- ✓ As a large asset manager, they aim to influence change with respect to socially responsible and sustainable business practices by using their "not insignificant" voting power in investee companies.
- ✓ The fund is designed to broadly align with the Paris Agreement on Climate Change.

*This survey, and the information contained in this document, consider **ethics only** and do not include ANY analysis of fees, performance of financial suitability. It is **general advice only**. The ethical score is subjective and benchmarked to each adviser's average ethical client. Your ethics may differ. We recommend you speak to an experienced ethical financial adviser for personalised advice before making any decisions.*

About the 'Ethical Survey'

About the Ethical Advisers Co-Op

The Ethical Advisers Co-op is a group of 35 financial advisers who are passionate about ethics and finance. The Co-op was established as a not-for-profit over 10 years ago to enable likeminded financial advisers to work together to represent the voice of the consumer. We work to shift the super and investment industry into being more ethically aligned with their clients' objectives. The Co-op's nationwide membership of ethical financial advisers help over 3,300 Australians make financial decisions and invest in line with their ethical values.

How the Leaf-System Works

The ethical rating is voted by Australian financial advisers who specialise in ethical investments (Co-op members). The advisers assess if fund ethics suit their average ethical client, and if it matches with the average client's expectations and objectives. The advisers consider how successful the fund is at; 1) removing industries and stocks harmful to the environment and society 2) including companies with environmental or social benefits, and 3) providing evidence of actions from the fund which benefit society and/or the environment. The quality of information the fund provides on its ethical policies, companies invested in, and proxy voting is important in assessing if a fund is as ethical as claimed. The final rating is an average of these votes.

Financial advisers are voluntarily participating to help ethical consumers gain a quick understanding of how the clients of a group of industry professionals view the ethics of each fund. The Co-op and the advisers do not receive any form of remuneration or reward for participating.

Further Research

Does your fund walk the talk?

The Australasian Centre for Corporate Responsibility (ACCR) – a not-for-profit shareholder advocacy organisation – pushes for transparency around whether your super fund 'walks the talk' on issues such as climate and human rights. You can find details on your super fund [here](#).

Is your fund investing in fossil fuels?

Market Forces is a not-for-profit delivering transparency on fossil fuel lending, insuring and investing within super funds, banks and insurance companies. You can see how exposed your super fund, bank or insurance company is to the fossil fuel industry [here](#).

If the fund is certified by the Responsible Investment Association Australasia (RIAA)

You can find more ethical and investment information for certified funds [here](#).

More information on this fund

For exact details of the fund's claimed ethics, costs and legal details see the fund's Product Disclosure Statement - available on their website.

Vote based on information last updated 3rd April 2021