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March 2022

# State Street Global Advisors' Issuer Engagement Protocol

State Street Global Advisors has developed an engagement framework to increase transparency around our engagement philosophy, approach, and processes. These guidelines are designed to communicate with our investee companies regarding the objectives of our engagement activities and to facilitate a better understanding of our preferred terms of engagement. The framework also includes guidance for our interactions with activist investors and shareholder proposal proponents.

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State Street Global Advisors' engagement activities are driven exclusively by our goal to maximize and protect the long-term value of our clients' assets. These guidelines outline instances in which the Asset Stewardship team is willing to participate in reactive engagement, thereby allowing the team to prioritize proactive engagements across our global portfolios, including targeted thematic engagement campaigns.

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**State Street Global  
Advisors' Methodology  
for Developing its Annual  
Engagement Strategy**

While we would like to maintain a dialogue with all of our portfolio companies, we recognize the need to focus our engagement efforts where we believe we will have maximum impact. Each year, as part of its strategic review process, the Asset Stewardship Team develops an annual engagement strategy, and it identifies a target list of companies that we intend to engage with during the year. Factors considered in developing the target list include a company's:

- Material risks and opportunities associated with priority ESG topics (e.g., human capital management, climate change)
- Inclusion in related targeted engagement campaigns
- R-Factor™<sup>1</sup> score
- Need for a follow-up engagement based on past discussions

The intensity and type of engagement with a company is determined by State Street Global Advisors' relative and absolute holdings in that company. In addition, we also factor in geographic diversity in our engagement efforts to reflect the level of economic exposure to various markets. Finally, we also consider the engagement culture in a market or geographic region when developing our engagement target list and approach.

State Street Global Advisors meets with companies through in-person and virtual meetings. We prefer virtual meetings as we believe this is cost effective for our clients and investee companies. This also helps us reduce our global carbon footprint.

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<sup>1</sup> State Street Global Advisors' proprietary scoring model, which aligns with SASB's Sustainability Accounting Standards, and measures the performance of a company's business operations and governance as it relates to financially material ESG factors facing the company's industry.

### **Helpful Information to Include in Engagement Request Emails to State Street Global Advisors**

To help expedite the review of engagement requests, please include the following information in engagement request emails to State Street Global Advisors:

- Company name and identifier (i.e. ticker)
- Topics the issuer is interested in discussing
- Upcoming meeting date, if applicable
- Issuer attendees and their titles

All requests for engagement should be sent to the Asset Stewardship team at [GovernanceTeam@ssga.com](mailto:GovernanceTeam@ssga.com).

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### **Requesting R-Factor™ Scores**

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Companies interested in receiving their R-Factor™ scores should submit an email request to [myfactorscore@ssga.com](mailto:myfactorscore@ssga.com) including the following information:

- Company's legal name
- Ticker
- ISIN
- Company's headquarter location
- Contact name
- Contact's Title at Company
- Contact email address (must be an official company email address)
- Contact phone#

Please note that R-Factor™ scores will be provided only to employees affiliated with a company's Investor Relations, Chief Financial Officer, ESG/Sustainability Leadership or General Secretary's organizations. Please include attestation in your email stating that you are affiliated with one of these functions.

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### **Guidelines for Engaging with Investee Companies**

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- During the 'proxy season,' we prioritize conversations related to companies' shareholder meetings. In the 'off-season,' we discuss our ESG focus areas and stewardship priorities with companies for whom these topics are most material.

- We seek to meet with management at reasonable intervals to receive updates on execution of strategy, financial, and operational performance, as well as significant matters that may affect the future prospects of the company. Discussions pertaining to interim financial results or other short-term considerations will not be considered a priority.
- We believe that as a long-term shareholder with substantial holdings, it is important to establish a relationship and have a direct communication channel with independent directors in our investee companies. Therefore, as part of our active engagement process, we prefer to meet with the non-executive chairperson/lead independent director and/or representative of key board committees. Such meetings help us assess the quality and effectiveness of the board, the extent of the oversight of management, and the board's perspectives on key issues, such as strategy, risk, capital allocation, and compensation. It also allows us to escalate matters to the board's attention if management has been unresponsive to suggestions discussed during prior engagements.
- After our initial meeting with members of the board, the frequency of desired follow-up meetings is determined by the nature of the issues discussed. We will outline expectations and timelines for subsequent meetings during the discussion. We follow similar guidelines for meeting requests with C-suite management representatives at companies.
- Typically, we allow additional capacity for reactive engagement in Q2 for markets such as in the US, UK, EU, and Japan (Q4 for Australian companies) where the majority of the companies in those countries have general meetings between the months of April and June.
- We reserve the Q1, Q3, and Q4 time periods to conduct the majority of our active engagements with some room for reactive engagement for companies that have experienced a significant event or are seeking approval for a corporate transaction, board transition, or other material concern.
- Instances where we accept engagement requests include instances when:
  - We have concerns about a ballot item; and
  - We believe that engagement will better inform our voting decision; and/or
  - We want to discuss material ESG risks with a company.
- Instances in which we are likely to reject solicitation requests include:
  - We do not have any immediate concerns about a ballot item
  - We believe we have adequate information to make an informed voting decision on a ballot item
  - Our position on a ballot item is addressed in our public policy statement

- We have actively engaged with the company on matters pertaining to the ballot proposal outside the proxy season
- We believe that the matter is best discussed outside the vote solicitation period
- If we have provided feedback during the vote solicitation period, we believe that any follow-up discussion with the company should focus on the board or company's response to our feedback
- We track all feedback provided to investee companies and routinely conduct follow-up engagements to assess the progress made by a company toward the incorporation of our feedback.
- We welcome written submission of changes made by the board to the company's governance or remuneration policies and practices.

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**Guidelines for Engaging  
with Activist Investors or  
Investors Soliciting State  
Street Global Advisors'  
Votes in Connection with  
Vote-No Campaigns or  
Shareholder Proposals**

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We believe it is good practice for us to speak to other investors that are running proxy contests, putting forth vote-no campaigns, or proposing shareholder proposals at investee companies. However, we limit such discussions with investors to one engagement unless we believe that it is necessary for us to have a follow-up call. We welcome the opportunity to review materials sent in advance of the proposed discussion. To the extent possible, we review all materials made publicly available by the investor or the company on a contested ballot item before making a voting decision. Our primary purpose of engaging with investors is:

- To gain a better understanding of their position or concerns at investee companies
- In proxy contest situations:
  - To assess possible director candidates where investors are seeking board representation in proxy contest situations
  - To understand the investor's proposed strategy for the company and investment time horizon to assess their alignment with State Street Global Advisors' views and interests as a long-term shareholder.

All requests for engagement should be sent to [GovernanceTeam@ssga.com](mailto:GovernanceTeam@ssga.com).

### **Investor Engagement Protocol**

State Street Global Advisors encourages boards of directors to develop an investor engagement protocol or plan that establishes policies and mechanisms through which independent directors communicate with and receive feedback from institutional investors. The protocol would help foster strong relationships between a company's directors and its investors, while promoting transparency, responsibility, and accountability of the board.

The protocol should identify key independent directors (such as a non-executive chairman, lead independent director, or a representative of a key board committee), who would be mandated to engage with shareholders on a range of topics that are of interest to State Street Global Advisors and/or other institutional investors. A robust engagement protocol would also develop a crisis communication plan for the board when institutional investors and the market-at-large need to communicate with independent directors, in a timely manner, about their oversight and response to a developing concern facing the company.

## About State Street Global Advisors

For four decades, State Street Global Advisors has served the world's governments, institutions and financial advisors. With a rigorous, risk-aware approach built on research, analysis and market-tested experience, we build from a breadth of active and index strategies to create cost-effective solutions. As stewards, we help portfolio companies see that what is fair for people and sustainable for the planet can deliver long-term performance. And, as pioneers in index, ETF, and ESG investing, we are always inventing new ways to invest. As a result, we have become the world's fourth-largest asset manager\* with US \$4.14 trillion† under our care.

\* Pensions & Investments Research Center, as of December 31, 2020.

† This figure is presented as of December 31, 2021 and includes approximately \$61.43 billion of assets with respect to SPDR products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Global Advisors are affiliated.

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