



ACCELERATING

2021 ESG REPORT

GROWTH

STATE STREET®

OUR PURPOSE IS CLEAR:

To help create better outcomes for the world's investors and the people they serve.

Whether we're helping investment companies operate more effectively, providing valuable market insights, launching innovative investment products, or acting sustainably, we are focused on cultivating collaborative partnerships.

As one of the world's largest service providers and managers of institutional assets, our success depends upon the success of our stakeholders — our clients, employees, investors and the communities we serve. We believe addressing environmental, social, and governance (ESG) issues can help generate better long-term outcomes for the world's investors and the people they serve.

For more information, visit [statestreet.com](https://www.statestreet.com).



OUR BUSINESS

State Street has become one of the world's largest providers of financial services to institutional investors with \$43.7 trillion of assets under custody and/or administration and \$4.1 trillion of assets under management¹. The firm operates in more than 100 geographic markets worldwide. Given the impact of our size and global reach, as well as the constantly evolving role of the financial sector in the world economy, we believe it is important to operate in an environmentally and socially responsible way. As we develop and deliver solutions to our clients' business challenges and help them achieve their financial goals, we must identify and manage critical environmental, social, and governance (ESG) issues for our clients as well as in our own business. In doing so we will help to create a more sustainable future for our business and the communities we serve.

KEY BUSINESS OFFERINGS

As an essential partner to institutional investors, our purpose is to help create better outcomes for the world's investors and the people they serve. Our clients — asset managers and owners, insurance companies, official institutions, and central banks — rely on us to deliver solutions that support their goals across the investment life cycle.

Through our investment servicing business, we provide core custody, accounting and fund administration, and performance analytics for traditional and alternative assets as well as multi-asset class investments. Our global markets capabilities span electronic trading, securities lending, and collateral and liquidity management, along with specialized investment research and market insights.

As the first-ever front-to-back platform offered by a single provider, State Street AlphaSM connects investment tools, insights, and partners for greater speed and efficiency across the front, middle and back office. With State Street DigitalSM, we're building on our strong digital services platforms and solutions to help clients transition and thrive in the new digital economy.

Our investment management business, State Street Global Advisors, is the world's fourth-largest asset manager and a pioneer in ETF and index investing. Global Advisors provides investment solutions across the risk-return spectrum, covering all major asset classes, investment styles, and vehicles.

¹ Assets under management as of December 31, 2021, includes approximately \$61 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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RONALD P. O'HANLEY
Chairman and CEO

A STATEMENT FROM RON O'HANLEY

Welcome to our annual Environmental, Social, and Governance (ESG) Report, which describes State Street's approach to ESG matters across our company and our industry, and our impact on the communities in which we operate and the wider world.

2021 proved an especially noteworthy year for ESG. The 2021 United Nations Climate Change Conference (COP26) and a heightened focus on climate change, plus the continuing impact of COVID-19 drove ESG to the forefront for many industries, including financial services. Investors responded accordingly, demonstrating a growing desire to deploy capital with a sustainable purpose.

As one of the world's largest asset managers and custodians, State Street has been deeply engaged around ESG issues for some time.

Our approach aligns with our various roles:

1) as an asset manager, 2) as an asset servicer, and 3) as a responsible corporation and active industry partner. As an asset manager — and a major investor in thousands of global companies — we engage on ESG issues that drive long-term value through our asset stewardship practices.

We manage a wide variety of ESG investment strategies to enable our clients to express their ESG objectives. As an asset servicer, we enable asset owners and asset managers to become more effective in their understanding and usage of ESG as an investment and business lever. And as a global corporation with nearly 40,000 employees, we have an ESG strategy against which we execute a range of operational initiatives to achieve our own ESG goals. These activities range from carefully managing our organization's environmental impact; to ensuring resiliency; to bolstering inclusion, diversity, and equity across our workforce and suppliers.

Our ESG progress in 2021 included the launch of several new products. ESG strategies constitute more than \$516 billion of State Street's total year-end assets under management. On the research front, an [important study](#) from State Street Associates demonstrated how institutional investors have decarbonized their portfolios by thirty percent since January 2019. State Street played an important role among industry and world leaders at COP26, along with our ongoing efforts to advance the goals of partner organizations.

We also made significant strides advancing the goals of our 10 Actions to Address Racism and Inequality and distributed almost \$25 million in support of charitable organizations around the world through State Street Foundation—all while maintaining high levels of employee engagement.

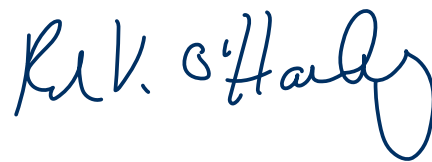
Consistent with prior reports, we measure and disclose our ESG activities according to the frameworks created by the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosures (TCFD), and the Global Reporting Initiative (GRI). This report also fulfills our obligations as a signatory to the United Nations (UN) Global Compact and describes how our ESG-related activities support progress toward the UN Sustainable Development Goals.

Notwithstanding this progress, the ESG path the world is on is a complicated one. In particular, the journey to net-zero carbon emissions will not be a straight line. Oversimplification, false promises, and lack of industry-wide standards will not do. Key concerns remain around divestment, the energy transition, insufficient and inconsistent data and metrics, and challenges around “greenwashing.” Much work remains to be done.

Nonetheless, we believe that last year marked significant shifts in ESG awareness, acceptance, and advancement. A world that is warming beyond what science tells us is a critical tipping point poses a risk to long-term investors. These same investors increasingly are demanding that companies act in ways that help maximize the probability of attractive returns over an extended time horizon. And, without overgeneralizing, the next generation of stakeholders expects to see ESG considerations reflected in where they work, how they spend, and in which companies they choose to invest.

In short, ESG has largely moved from a question of “what” to “how” and “when.” Looking ahead, we believe that accelerating sustainable growth will be tantamount to the promotion and protection of long-term value. That shift in sentiment will be to the benefit of our stakeholders, our industry, our communities, and the planet we all share.

Sincerely,



RONALD P. O'HANLEY

Chairman and CEO



Accelerating sustainable growth will be tantamount to the promotion and protection of long-term value... to the benefit of our stakeholders, our industry, our communities, and the planet we all share.



RICK LACAILLE

RICK LACAILLE

Global Head of ESG

A LETTER FROM RICK LACAILLE

The past year saw greater international momentum around climate change in the wake of COP26, further uncertainty as the global pandemic continued, and deeper engagement within the corporate world around environmental, social and governance (ESG) issues. Against this backdrop, the role of the financial sector as a catalyst for change and a conduit for addressing ESG concerns became increasingly relevant.

At State Street, we believe addressing ESG issues can help generate better long-term outcomes. Through our roles as an asset servicer, asset manager and a responsible corporation, we aim to create value for our key stakeholders including our clients, employees, shareholders, and the communities in which we live and work.

In 2021, we conducted a formal assessment, engaging with our stakeholders to identify the ESG issues that they believe are most important and material to our business, which are addressed in this report.

Relative to our prior assessment in 2019, our material issues have shifted slightly to reflect how our stakeholders have evolved their views on the importance of topics like ESG integration and data privacy. While our board of directors has overseen material ESG issues since 2018, we are driving accountability for our material issues further down in the organization as part of our enterprise-wide ESG integration efforts.

Last year, I took on a new role overseeing State Street's ESG efforts. I am pleased to report that we created greater momentum internally around managing ESG issues this year, which presented much higher levels of engagement around these issues within our organization and with our clients.

We take pride in being a trusted partner to our clients as they navigate an evolving ESG landscape and rapidly changing regulatory environment. In our asset management business, we launched the State Street Sustainable Climate Bond Funds in 2021, adding to our broad range of ESG strategies.

In our asset servicing business, we strengthened our capabilities to assist clients in addressing climate-related data challenges, and improved our ESG risk analytics and reporting capabilities. We also delivered thought leadership on timely themes and topics, and insightful research through State Street Associates.

As part of our asset stewardship agenda, we encouraged our portfolio companies to disclose more detail on board and workforce diversity, and focused our engagement efforts on racial and ethnic diversity. The stewardship team also partnered with Russell Reynolds Associates and the Ford Foundation to deliver recommendations on how boards can elevate their focus on inclusion, diversity, and equity.

We continue to stress the importance of board diversity because we know it reduces the risk of groupthink and because a range of perspectives is a positive factor for effective governance. We achieved greater gender and ethnic diversity within our State Street board with 30 percent of our directors identifying as female and 23 percent of our directors identifying as racially diverse.

As a leading global corporation, we are committed to operating in an environmentally and socially responsible way by carefully managing our operational footprint and corporate activities. In 2021, we maintained our carbon neutrality and are well placed to reach our goal of 27.5 percent carbon reduction in Scope 1 and Scope 2 emissions by 2030.

While our greenhouse gas emissions decreased by 25 percent in 2021, compared to the 2019 baseline, we are aware that reduced office occupancy — and therefore reduced energy use — led to this result. We remain committed to closely monitoring and further reducing our emissions wherever technically and economically feasible. In 2021, our waste recycling rate ticked up to 86 percent — achieving our 2025 target — and water consumption was reduced by 45 percent.

We made great strides in our efforts to enhance workforce and external stakeholder engagements around inclusion, diversity and equity, underpinned by our 10 Actions to Address Racism and Inequality. In addition, we further integrated inclusion, diversity and equity principles into our business by underwriting bond issues using minority-owned underwriting houses for the first time — a game changer for these houses in accessing Wall Street.

Due to our significant role in the financial ecosystem, we recognize we have a unique ability to scale our influence and impact. That's why we continue to engage in industry collaborations and other strategic partnerships that help us amplify our impact, with a focus on ESG issues we believe to be most material to our stakeholders and the business.

Many of our external engagements are intended to amplify climate change action. In April 2021, we joined the Net Zero Asset Managers Initiative, a coalition that supports the goal of net-zero greenhouse gas emissions by 2050 or sooner.


In addition, our Chairman and CEO, Ron O'Hanley, assumed leadership of the Sustainable Market Initiative's Asset Manager and Asset Owner Task Force, which is a group of CEOs that aims to find scalable ways for institutional investors to facilitate the reallocation of capital toward sustainable solutions. Finally, we have a long-standing partnership with the Cambridge Institute for Sustainability Leadership, which is strong in environmental science, biodiversity, and understanding the financial links of this sector.

We also participate in global organizations that tackle the challenges of sustainability, prosperity, and equity. We are a member of the Council for Inclusive Capitalism, a group of global leaders doing business in ways that benefit people, their communities, and the planet. State Street is also part of FCLTGlobal, whose mission is to focus capital on the long term to support a sustainable and prosperous global economy.

In the following ESG report, we outline our approach to identifying, monitoring, measuring and managing our material ESG issues, including the risks and opportunities that affect our business. We have detailed our specific achievements and measures of progress throughout the year.

While it was a year when the world put climate change issues front and center, we continued to consider the impact of all the material issues facing our business, and how we can collectively build a more diverse, equitable, and inclusive world, better reduce our carbon footprint, and help our clients, workforce, and communities prosper.

Sincerely,



RICK LACAILLE

Executive Vice President and Global Head of ESG

Although this ESG Report covers information from the 2021 calendar year, in the final months prior to our 2022 publication date, the world witnessed the start of a war in Ukraine, which is impacting the ESG landscape in many ways, and is relevant to issues covered throughout this report.

As a global systemically important bank, we are supporting the stability of the financial ecosystem and adhering to sanctions, while serving as a trusted partner to clients as they navigate through a complex regulatory environment. We are moved by the outpouring of support from our employees, particularly in Poland, where they are engaging in multiple fundraising initiatives, opening their doors to house refugees, and acting as translators and interpreters at information points across Poland and at the border with Ukraine.

To keep informed about State Street's perspectives and actions, we encourage readers to visit [statestreet.com](https://www.statestreet.com) for additional information.

ESG SNAPSHOT¹

ENVIRONMENTAL

-25%

Greenhouse gas emissions
(Goal: 27.5% by 2030)

-45%

Water usage
(Goal: 25% by 2030)

86%

Waste recycling rate
(Goal: 80% by 2025)

100%

Carbon neutrality³

100%

Achieved LEED Gold Certification
at our new Boston headquarters

SOCIAL

99%

Employees completed
unconscious bias training

\$25M

Total giving by
State Street Foundation

115,600

"Bravo" program employee
recognition moments recorded

10

Actions Against Racism
and Inequality

2:1

Matching employee gifts to specific
organizations focused on
addressing racial equity issues

GOVERNANCE

30%

Female board
members²

23%

Racially-diverse
board members²

12 of 13

Independent
board members²

43%

Increase in Tier 1 supplier
diversity spend from 2020

58%

Companies State Street Global Advisors
engaged with that had all-male boards
have added at least one woman director

¹ All data as of December 31, 2021 unless otherwise noted

² Data as of April 20, 2022

³ For Scope 1 and 2, based on independently reviewed data and resultant investment in renewable energy credits and carbon offset projects.

Each year, State Street's ESG team sets goals for the coming year that aim to address ESG issues that have been identified as "material" by our key internal and external stakeholders. These goals are then approved by the Executive Corporate Responsibility Committee (ECRC). We are proud to have accomplished three of our five 2021 Corporate Responsibility goals, and the remaining two are considered ongoing initiatives. We actively engage and collaborate with academics, non-governmental organizations, industry associations, and other critical partners to further our corporate responsibility and ESG efforts, and we are currently pursuing our new 2022 ESG goals.

2021 ESG GOALS

COMPLETED

Launch communications plan for internal and external audiences on how and why State Street embeds ESG across the enterprise

Maintain carbon neutrality (for Scope 1 and Scope 2 emissions) and show progress in absolute emissions reductions on the path to net zero by 2050, as well as progress in water reduction and waste recycling

Issue a 2020 ESG Report that includes complete SASB and TCFD responses, as part of a new annual reporting framework including 10K, proxy and new Annual Report

ONGOING

Under leadership of new ESG head, **further integrate the development of a cross-divisional approach to ESG products**, services and thought leadership for our clients

Ensure coordinated alignment of enterprise-wide ESG initiatives, including expanding our ESG risk management, governance, and reporting capabilities and enhanced focus on racial and social equity

2022 ESG GOALS

Enhance ESG disclosures, including release of a broad 2021 ESG Report and increased climate-related transparency

Continue aggressive pursuit of environmental goals, including maintaining carbon neutrality

Amplify our impact within and outside of the company on the ESG issues we believe to be most material

Ensure coordinated alignment of enterprise-wide ESG initiatives, including clear accountability and management of our ESG material issues



STAKEHOLDER ENGAGEMENT

State Street has many stakeholders including employees, clients, shareholders, communities, regulators, and suppliers. We regularly engage with, listen to and learn from these stakeholders in order to grow.

- **Employees.** We facilitate employee engagement in a variety of ways, including through employee networks, leadership development programs, flexible work options, global training and development options, and comprehensive benefits.
- **Clients.** Collaborating with investment analysts and business partners keeps us focused on innovation, which enables our clients to seize new opportunities for growth.
- **Shareholders.** Through a robust shareholder engagement program, we engage on ESG subjects such as corporate governance mechanisms and human capital in addition to financial performance.

- **Communities.** We work to strengthen our communities through a combination of philanthropy, volunteering, and strategic partnerships.

- **Regulators.** Our teams communicate frequently with regulators and stay up to speed on the latest ESG regulations and reporting requirements. We expect regulatory scrutiny of sustainable accounting and reporting to increase as more companies step up their ESG commitment.

We are committed to driving long-term value for our stakeholders. To that end, it is critical that we engage with both internal and external stakeholders to make sure we have a current understanding of the ESG issues that are most important to them and that are deemed material to our business. This effort helps us to more effectively analyze, address, and report on these issues in a comprehensive way.

For more details on how we engage with our stakeholders, refer to the [GRI Index](#).

MATERIALITY

A central component of our stakeholder engagement is our materiality mapping process. This exercise is an integral part of our own ESG management, and we work to lead by example for our clients on best practices in identifying and addressing ESG factors.

Material ESG issues are those that are most relevant to an organization's ESG impacts and ultimately its ability to create long-term value. Every two years, we conduct a robust materiality assessment to help us understand the ESG issues we face. These results help inform how we report on our performance according to certain ESG metrics. Our assessment process includes an in-depth analysis of potentially material issues, resulting from the review of inputs from multiple reporting frameworks and benchmarking exercises, as well as feedback gathered from surveys and stakeholder interviews.

In 2021, we conducted a materiality review to update our ESG issues. In this latest assessment, our stakeholders determined the following ESG topics are material to State Street;

- Board governance and ESG management
- Climate change
- Data privacy
- Employee experience
- ESG integration
- Inclusion, diversity and equity
- Operational and cyber resilience
- Risk, ethics and compliance

The updates to this list reflect our continued ESG integration efforts, which are further embedding ESG principles across the enterprise, and the growing importance of ESG in the financial services industry at large. Our refreshed material issues have helped to inform our ESG strategy, approach and reporting.

A LEGACY OF ESG ENGAGEMENT

State Street was an early proponent of low-carbon investing and has been a signatory of the United Nations Principles for Responsible Investment (UNPRI) since 2012. State Street Global Advisors is one of 20 asset managers named to the PRI Leaders Group, which recognizes excellence in climate risk reporting. In 2020, Global Advisors became a signatory to Climate Action 100+, an investor-led initiative with the goal of ensuring the world's largest greenhouse gas emitters take necessary action on climate change. In addition, in 2021, Global Advisors signed onto the Net Zero Asset Managers initiative.

We are also members of a range of organizations addressing issues within ESG including the Boston Green Ribbon Commission, Council for Inclusive Capitalism and FCLTGlobal. We will continue to engage with our industry peers, as well as global initiatives working to create positive impact, such as the Sustainable Markets Initiative (SMI).

STATE STREET'S MATERIAL TOPICS




BOARD GOVERNANCE AND ESG MANAGEMENT



CLIMATE CHANGE



DATA PRIVACY




EMPLOYEE EXPERIENCE



ESG INTEGRATION



INCLUSION, DIVERSITY, AND EQUITY



OPERATIONAL AND CYBER RESILIENCE



RISK, ETHICS, AND COMPLIANCE

ESG AFFILIATIONS

- 30% Club
- Advisory Committee at Yale's Institute for Sustainable Finance
- Alliance of CEO Climate Leaders
- Asian Corporate Governance Association
- Boston College Center for Corporate Citizenship
- Boston Green Ribbon Commission
- Boston Women's Compact
- Business for Social Responsibility
- Business Roundtable
- Cambridge Institute for Sustainability Leadership
- CDP
- Ceres Paris-Aligned Investment Working Group
- CII - Council of Institutional Investors
- Climate Action 100+
- Climate Bonds Initiative
- Coalition on Climate Resilient Investment (CCRI)
- Council for Inclusive Capitalism with the Vatican
- CSR Asia
- CSR Europe
- Embankment Project for Inclusive Capitalism (EPIC)
- FCLTGlobal
- Future Investment Initiative
- Global Reporting Initiative (GRI)
- Green Bond Principles
- Green Power Partnership
- Greentown Labs
- GRESB - Global Real Estate Sustainability Benchmark
- Harvard Law School Program on Institutional Investors
- IIF Sustainable Finance Working Group
- International Business Council
- International Integrated Reporting Council
- Investment Leaders Group (part of CISL)
- Investor Leadership Network
- ISG - Investor Stewardship Group
- Japan Investment Advisers Association
- Japan Securities Dealers Association
- Japan Stewardship Code
- Net Zero Asset Managers Initiative
- One Planet Asset Managers initiative
- One Waterfront CEO Roundtable
- Principles of Responsible Investment (PRI)
- RIA - Responsible Investment Association Canada
- SASB Investor Advisory Group
- Sustainable Markets Initiative
- Sustainable Trading
- The Investment Trust Association
- UN Force for Good Initiative
- United Nations Environment Programme Finance Initiative (UNEPFI)
- United Nations Global Compact (UNGC)
- United Nations Institutional Investors Group on Climate Change (IIGCC)
- Vatican's Dicastery for Integral Human Development and the University of Notre Dame
- World Economic Forum Transition Finance Steering Committee

SUSTAINABLE MARKETS INITIATIVE

In 2021, SMI was State Street's primary external partnership dedicated to driving action on climate change. Our Chairman and CEO Ron O'Hanley is playing a leading role in the SMI, which was launched by His Royal Highness (HRH) the Prince of Wales in 2020. At HRH's request, Ron convened the CEOs of some of the world's largest asset managers and owners to form SMI's Asset Manager and Asset Owner Task Force (Task Force) in early 2021, ahead of COP26 in November. The Task Force's purpose is to find more effective ways of deploying institutional capital to accelerate the transition to a net-zero world by using capital already invested in companies as well as fresh capital investments directed at climate mitigation and adaptation projects.

The Task Force focused on four key areas in 2021: stewardship and engagement, net-zero pathways for asset managers and asset owners, scaling sustainable investments and creating climate transition funds. The Task Force continues to collaborate on how asset managers and owners can use their physical and intellectual capital as well as their standing to devise and implement sustainable solutions.

ADVANCING ESG TRANSPARENCY AND DISCLOSURE

Our legacy of ESG transparency is illustrated by our early adoption of standards for ESG reporting and disclosure, as we began our journey with corporate responsibility, now ESG reporting, in 2001. Increasingly, regulators are adopting ESG standards, and the corporate world — including many of our stakeholders — expects companies to meet their demands for increased ESG transparency. We expect that this movement toward greater transparency and sophistication of disclosures in ESG reporting will only continue to grow.

As global reporting organizations collaborate to harmonize disclosures, companies are bracing for increased regulatory ESG reporting requirements coming around the bend in the next few years.

Several developments are driving this trend:

- The International Financial Reporting Standards Foundation consolidated the Value Reporting Foundation and the Climate Disclosure Standards Board into the International Sustainability Standards Board, which will develop baseline global standards for ESG and sustainability reporting.
- Momentum for ESG regulation in Europe is rising, as evidenced by the European Union's development of an ESG taxonomy, introduction of the Sustainable Finance Disclosure Regulation and approval in principle of the EU's Complementary Climate Delegated Act.

- China and the European Commission reached a preliminary agreement on a common taxonomy for sustainable finance.
- The World Economic Forum's International Business Council introduced ESG metrics and disclosures. Importantly, the Big Four global accounting firms worked together on the project — adding credibility in a very crowded space.

We believe transparent reporting on ESG issues and convergence on ESG disclosure standards is important to help investors be better informed for decision making. The major frameworks we report against include the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosures (TCFD) and the European Union's Non-Financial Reporting Directive. These disclosures can be found in the [Appendix](#) of this report. Finally, all data within this report is as of December 31, 2021 unless otherwise noted.



ESG INTEGRATION

2021 was a year of progress toward greater ESG integration across State Street. We developed tangible guidelines and procedures both for constructing our investment portfolios and managing our financing needs in an effort to generate long-term value for our clients while strengthening our operational resiliency.

Highlights of our integration of ESG considerations over the past year include:

- Advocating for greater diversity in corporate boards and workforces
- Increasing the number of diverse-owned banking partners
- Launching the State Street Sustainable Climate Bond Funds
- Creating ESG guidelines for our securities lending business
- Enhancing oversight of the board of directors on ESG issues by assigning responsibilities to each committee of the board

ASSET STEWARDSHIP

State Street Global Advisors is the asset management arm of State Street Corporation and the world's fourth-largest asset manager. Founded in 1979, Global Advisors is an ETF and indexing pioneer. It currently manages \$4.1 trillion¹ in active and index strategies for more than 2,100 clients in 58 countries.

State Street Global Advisors' status as one of the largest index providers and investors in the universe of globally listed companies gives us the scale and influence to be a leader in asset stewardship. As a long-term significant shareholder with a global focus, we believe companies that successfully embrace ESG principles are those that have strong, effective, independent boards and incorporate sustainability into their long-term strategies. Our approach to asset stewardship is designed to have an impact and drive positive ESG outcomes that promote long-term, sustainable returns for our clients.

¹ This figure is presented as of December 31, 2021 and includes approximately \$61 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.

Our approach builds on traditional research such as analyzing financial statements, industry trends, and company growth strategies. When we ask portfolio companies how they approach ESG factors, we consider things like:

- **Environmental:** Does the company use resources efficiently? What environmental impacts, if any, pose risks to the company?
- **Social:** How does the company treat its employees, customers, community, and all internal and external stakeholders?
- **Governance:** Is the company's leadership structured to facilitate accountability and independence?

As capital markets are transitioning to a more sustainable global economy, material ESG issues have come to the forefront alongside more traditional strategic and financial concerns. In 2021, Global Advisors observed a record number of shareholder proposals on ESG and climate-related topics, with a record number receiving majority support. With this in mind, Cyrus Taraporevala, CEO of State Street Global Advisors, recently released his [letter on our 2022 proxy voting agenda](#), outlining our new voting policies to support the transition toward a low-carbon future and increased gender diversity on boards.

Stewardship ESG priorities

Every year, State Street Global Advisors identifies strategic priorities that inform the focus of our stewardship activities. In 2021, our thematic focus areas were gender diversity, racial & ethnic diversity, human capital management, climate change, and board accountability.

In 2021, State Street Global Advisors continued to leverage our vote and voice to advance diversity, equity and inclusion across our portfolio. For example, we continued to make progress on our Fearless Girl campaign which requires companies to have at least one woman director, and we introduced a new proxy voting policy focused on increasing public disclosures related to board diversity.

Fearless Girl

Much has changed in the composition of corporate boards since we launched the Fearless Girl campaign in 2017. Currently, more than 60 percent of the 1,548 publicly traded companies we identified with previously all-male boards have added at least one woman director. Building on State Street's leadership, the market has coalesced around the issue of gender diversity on boards and we've seen companies answer the call: Now, every company in the S&P 500 has at least one woman on its board. In 2022, we will build on the success of the Fearless Girl campaign by expanding our expectation that companies should have at least one woman director on their board from only companies in select indices to all holdings in all markets globally.

FEARLESS GIRL

**Inclusion, diversity and equity advocacy**

Beyond board diversity, our team is focused on ensuring that companies have robust inclusion, diversity, and equity (IDE) strategies in place, as well as board oversight of those efforts. In 2021, our asset stewardship team collaborated with Russell Reynolds Associates and the Ford Foundation to study best practices for effective board oversight of racial equity. This collaboration produced a set of recommendations on how boards can elevate their IDE focus. This effort was part of our enterprise-wide 10 Actions to Address Racism and Inequality. The goal of Action No. 7 is to leverage Global Advisors' stewardship efforts to determine what we can learn from others to develop best practices and become a best-in-class organization in combatting racism.

Our report was shared with State Street's board in an effort to enhance our own oversight practices in this area. Despite recent advances in diverse board representation and corporate disclosures of the racial and gender composition of workforces, there is still progress to be made. In the 2022 proxy season, we will take voting action against responsible directors if: 1) the boards of companies in the S&P 500 and FTSE 100 do not have a person of color and 2) S&P 500 companies do not disclose their EEO-1 reports.

ESG INVESTMENT SOLUTIONS

At State Street Global Advisors, our mission is to invest responsibly to enable economic prosperity and social progress. We have been among our industry's leaders in asset stewardship as well as in ESG indexing and active management across asset classes. State Street Global Advisors currently has more than \$516 billion in ESG assets under management, comprising roughly 12.5 percent of State Street's assets under management.

Our approach to ESG investing combines customized portfolio construction, our R-Factor™ ESG scoring system, a wide range of ESG investment solutions and thematic climate investment strategies:

Customized portfolio construction: We help clients construct ESG-resilient portfolios and manage risk based on their ESG preferences and risk/return profile.

ESG scoring through R-Factor™: Our ESG scoring system gives listed companies a unique score, enabling investors to develop sustainable portfolios.

ESG investment solutions: We make ESG investment decisions easier for our clients by leveraging industry-leading data providers, the materiality framework designed by the Sustainability Accounting Standards Board (SASB), and the ESG expertise we have built over more than three decades.

Our offerings include exclusionary screening, ESG best-in-class solutions to deliver ESG performance, ESG integration for alpha-driven investment strategies, and climate investment solutions.

See our [SASB report](#) for a detailed explanation of Global Advisors' ESG investing by asset class.

R-Factor™

Drawing on data from five leading ESG data sets and leveraging the SASB transparent materiality framework, our Responsibility Factor¹, or R-Factor™, scoring system generates unique ESG scores for more than 10,000 listed companies globally and allows us to evaluate a company's performance against both regional and global industry peers. The score is powered by ESG data from five providers — Sustainalytics, ISS-ESG (formerly Oekom Research), Moody's V.E (formerly Vigeo-EIRIS), Refinitiv, and ISS-Governance — in order to improve overall coverage and remove biases inherent in existing scoring methodologies. R-Factor™ measures the performance of a company's business operations and governance as it relates to financially material ESG challenges facing the company's industry, including climate-related issues. It is designed to provide companies a road map to improve ESG practices and disclosure, and to help create sustainable capital markets.

¹ Responsible-Factor (R-Factor) scoring is designed by State Street to reflect certain ESG characteristics and does not represent investment performance. Results generated out of the scoring model is based on sustainability and corporate governance dimensions of a scored entity.

R-Factor™ was designed around four core pillars that define our approach to ESG data and scoring: focus on materiality, commonly accepted and transparent frameworks (the SASB materiality framework, in this specific case), multiple data sources, and strong stewardship.

R-Factor™ is the first ESG scoring system that offers companies a road map on how to manage and disclose their ESG practices, giving them the information needed to understand exactly what drives the score. This system represents our best thinking on the measurement of ESG performance. We leverage R-Factor™ to help our clients and portfolio companies better understand their ESG characteristics and see how well they meet the marketplace's expectations. Just as important, we use it extensively in our own business. Our portfolio managers employ R-Factor™ to help make investment decisions and our asset stewardship team leverages it for engagement purposes.

SUSTAINABLE CLIMATE BOND FUNDS

We launched the [State Street Sustainable Climate Bond Funds](#) in June 2021. These index-based funds enable investors to manage climate risks in their core corporate bond holdings, and to increase their exposure to green bonds and companies aligned with the transition to net-zero emissions by 2050. The three funds are specific to the US, eurozone, and global corporate bond markets, respectively.

The funds help investors reduce their exposure to carbon emissions and fossil fuels, allocate capital to fund the climate transition and set the direction for their own climate-based investment goals.

LOOKING AHEAD: CLIMATE TRANSITION STRATEGY

Few equity strategies currently address the reality that the road to net zero emissions will potentially take several decades. To successfully take that road requires a long-term, forward-thinking investment approach. Global Advisors has developed a new high conviction, active equity strategy which targets leaders in climate transition planning and progress. We believe our Global Climate Transition strategy will offer investors an opportunity to benefit from the journey to net zero.

State Street Total ESG

State Street helps our clients to measure and manage ESG risks and opportunities, and address ESG-related data, risk and regulatory challenges via ESG portfolio management, risk analytics, and reporting capabilities. State Street Total ESG provides a multi-vendor suite of ESG data to meet investment and reporting needs across asset classes and enables clients to:

- Leverage our infrastructure and connectivity to centralize ESG and portfolio data
- Interact with industry leading ESG research for idea generation
- Implement active and passive ESG investment strategies
- Analyze portfolios through the lens of industry-leading ESG data sets

In 2021, the Treasury team increased portfolio trading with a diverse group of minority-, women-, and veteran-owned counterparties from zero in 2020 to eight dealers in 2021 with \$1.1B in trading volumes.

- Provide ESG risk and compliance oversight for investment teams
- Measure carbon footprint and carbon intensity, conduct scenario analysis, and report risk disclosures set by the Task Force on Climate-related Financial Disclosures (TCFD)
- Address regulatory reporting requirements such as the EU-based Sustainable Finance Disclosure Regulation (SFDR)

Through the support of our global team and rigorous risk control environment, our advanced technology provides our clients with a fully automated, end-to-end experience. State Street Total ESG can be customized to meet our clients' oversight models and provide a framework across asset types that can be configured to specific scoring requirements.

By combining our strategic relationships in the ESG data field, our research and analytics expertise, and our ability to address client needs throughout the front, middle, and back office, we have the foundation to help our clients succeed.

Treasury ESG investment and funding strategies

State Street's Global Treasury team (Treasury), responsible for managing the company's balance sheet, is increasing its allocation to ESG-labeled bonds in our investment portfolio. These impact-driven portfolio investments further our commitment to a more responsible approach to fixed-income investing as well as provide a favorable credit and income profile.

Treasury plans to implement an ESG Responsible Investing Policy across State Street's balance sheet in 2022 that will govern the on-balance sheet investing and lending activities.

\$247_M

IN INVESTMENTS FOR 10 NEW
AFFORDABLE HOUSING AND RENEWABLE
ENERGY PROJECTS IN 2021

This policy will consider how each business unit will take into consideration ESG relevant factors, both negative risk factors and positive attributes, in its due diligence and monitoring processes.

In 2021, the Treasury team focused on a number of inclusion, diversity, and equity initiatives, including bringing on a more diverse underwriter base on issuances. As part of State Street's commitment to veterans and their families, we collaborated with veteran-owned firms to syndicate a \$500 million senior debt issuance. State Street also partnered Black- and Latinx-owned businesses to underwrite \$850 million of subordinated debt, illustrating ongoing efforts to work with investment firms owned by underrepresented groups as part of our debt offerings.

Looking ahead, a Sustainable Bond Framework is being developed in anticipation of future ESG issuances.

ESG LENDING GUIDELINES

In our securities lending business, we are creating a set of ESG guidelines. Such lending can be complicated because the proxy voting rights for lent securities belong to the borrower, not the lender—meaning that the lender loses the ability to vote in line with its ESG objectives.

We believe that lenders should focus on how they can help borrowers meet their own ESG objectives and provide ways to do so. Our guidelines aim to work for borrowers and lenders accordingly. Learn more from our recent State Street Associates [white paper](#), "Integrating ESG Considerations into Securities Lending: Providing a View of the ESG Data Landscape and Proposing Best Practices."

Municipal finance

Our municipal finance group provides credit facilities to help U.S. municipalities and other public-sector entities finance capital improvement projects. Its clients include state and local governments; essential service providers like water, sewer, and power utilities; airports; transportation agencies; and affordable housing authorities.

MUNICIPAL FINANCE

In 2021, the group provided issuers with credit enhancement and direct loans to support:



1,300+

AFFORDABLE HOUSING
PROPERTIES

The group uses credit enhancement or direct lending to provide municipalities with cost-effective financing solutions for vital infrastructure improvements that serve social and environmental needs.

The municipal finance group evaluates credit decisions according to our risk guidelines, which our enterprise risk management team oversees and reviews annually. Credit exposures are subject to analysis and monitoring for issues including susceptibility to climate events and natural disasters, risk of cyberattacks, ransomware, energy management (including transition to renewable energy for power generation), water and wastewater management, deferred maintenance of capital assets, cost of legal and regulatory compliance and strength of governance framework.

Tax-advantaged investments

Our broad-based commitment to integrating ESG goals and considerations throughout our business includes support for public investments that benefit our communities.

37%

COMMERCIAL REAL ESTATE
LOANS WITH AN ENVIRONMENTAL
CERTIFICATION

Our Tax-Advantaged Investments (TAI) group committed to investments in 10 new affordable housing and renewable energy projects totaling \$247 million in 2021. These included four new affordable housing funds, three state tax credit purchases, and one new solar power investment, as well as an additional capital commitment to a previous solar power investment.

TAI's cumulative investments in renewable energy and affordable housing, together with State Street co-investors, has led to the development and construction of over 4.9 gigawatts of renewable wind and solar energy and the construction of more than 1,300 affordable housing properties located in 52 U.S. states and territories.

Commercial real estate

In 2021, the commercial real estate team developed a climate risk scorecard to assess both physical and transition risks related to climate change at each property in our portfolio.

This scorecard measures climate risk for each loan quantitatively, based on the probabilities of various weather events, and qualitatively, based on the severity of the impact of each event according to a team member's judgment. The team now incorporates this scorecard into its investment decision-making process.

To better understand environmental risk to the portfolio, the group catalogued property-level environmental certifications. Through this effort, the team identified that 19 of the 51 loans (37 percent) in our \$2.59 billion real estate portfolio involve buildings, representing \$1.28 billion in loan values, with some sort of environmental certification — six have both Leadership in Energy and Environmental Design (LEED) and ENERGY STAR ratings, another nine have LEED ratings, and four others have Energy Star ratings. Of the 15 LEED certified buildings, four are LEED Platinum, the highest certification level, while 10 are LEED Gold, and one attained LEED-certified design and construction.

LEED certifications are more concentrated in the office sector (13 of the portfolio's LEED loans representing \$999 million of loan value involve offices), while two multifamily loans with \$88 million of loan value involve LEED certification. In May 2021, the group issued \$75 million to finance a LEED Gold-certified office tower in Dallas, Texas.

In a further effort to consider environmental risk, the group initiated work to estimate the amount of carbon emissions financed by the portfolio. We expect to have a complete estimate of the carbon footprint in 2022.

In addition to the focus on environmentally conscious lending, State Street also strives to promote the availability of affordable housing in the United States. Currently, eight of the portfolio's 20 loans backed by multi-family properties have a percentage of units with an affordable designation. As of March 2022, more than 4 percent of all apartment units forming the collateral of a State Street loan are affordable housing, and we continue to look for lending opportunities to support this important mission.

ESG considerations have and will continue to serve as important drivers in the commercial real estate team's investment decision-making process. Expecting to close in mid-2022, the team is working towards its largest direct investment in the portfolio, a \$132 million loan to support a client in their purchase of a LEED Silver-certified residential property in New York City with 365 apartments, 73 of which are affordable housing units.

ESG RESEARCH AND THOUGHT LEADERSHIP

One of our top 2021 ESG goals was to further integrate a cross-divisional approach not only to ESG products and services, but also to our thought leadership for clients. Thought leadership is critical to our ability to engage with clients and provide timely insight on important ESG issues.

State Street Associates' partnership with Harvard Business School

We build lasting relationships with thought leaders in academia and look for ways to translate academic theory into business practice. In 2021, State Street Associates, the research arm of State Street Global Markets, continued its partnership with renowned ESG professor George Serafeim of Harvard Business School. Professor Serafeim's research has been instrumental in illuminating how ESG issues are critical drivers of long-term value.

The joint work by Professor Serafeim and State Street Associates researchers Hui (Stacie) Wang, Bridget Realmuto LaPerla, and Alex Cheema-Fox helped provide practical approaches for our clients to further integrate ESG criteria into investment management. Through its partnership with Professor Serafeim, State Street Associates continues to build on its initial findings, produce a wide range of ESG thought leadership and provide clients with actionable insights across asset classes.

2021 ESG research

Papers published in leading financial journals in 2021 included:

- [“Corporate Resilience and Response to COVID-19”](#) – An analysis of the systemic relationship between key ESG features and stock returns
- [“Decarbonizing Everything”](#) – An approach to assessing the efficacy of various climate data in portfolio construction with a goal of improving both financial and climate outcomes
- [“Decarbonization Factors”](#) – An examination of investor behavior in relation to low-carbon strategies
- [“Integrating ESG Considerations into Securities Lending”](#) – A review of the ESG data landscape to identify best practices in the application of ESG factors to specific financial transactions

For new insights, Professor Serafeim and State Street Associates researchers Hui (Stacie) Wang and Alex-Cheema-Fox identified the drivers of decarbonization in equity markets globally in [“We’ll Always Have Paris: How Institutional Exposures to Carbon Emissions Have Evolved Since 2015.”](#)

Going beyond equities, the team presented portfolio risk drivers relating to extreme climate events in [“Climate Change Vulnerability and Currency Returns.”](#)

In addition to the research and publication of thought leadership, in 2021 Professor Serafeim and State Street Associates researchers met with more than 400 clients via roundtables and one-on-one client meetings with CEOs, CIOs, and senior investment management executives. They also presented to more than 800 clients and prospects globally through conferences, seminars, fireside chats, ESG Masterclasses and State Street Associates Summer Session ESG webinars.

The team is actively engaging with clients on insights from their thought leadership. Our researchers offer high-value ESG consultative analysis, beta-testing relative carbon exposure analysis for client asset allocation, trading, and engagement efforts. On our Global Markets Insights platform, the group’s decarbonization factor performance proxies help investment professionals compare low-carbon strategies with State Street Associates’ suite of proprietary indicators.



CLIMATE CHANGE

Thanks in part to COP26, climate change and its associated risks are now even more front and center in the broader public consciousness. Many companies now recognize an imperative to be part of the solution, and we embrace our role in helping them. At the same time, we want to be an agent of change, which requires us to hold ourselves to high standards when it comes to reducing our impact on the climate.

Aside from managing the business risks presented by climate change, we know that our strategy to reduce our environmental footprint makes sound business sense, reduces our cost base, engages our staff, and sets an example for our clients and the companies in which we invest.

As a leading global financial institution and custody bank, we have a responsibility to consider our potential environmental impact through two lenses. The first lens is our own operational activities, which we monitor regularly. We develop and implement strategies to reduce our energy use, greenhouse gas (GHG) emissions, water use, and waste generation.

The second lens is the portfolio of companies whose assets we hold or manage. We help these companies better monitor and manage their impact, as society makes broader efforts toward a lower-carbon future.

Our own operations

In 2021, our resolve to reduce our global operational footprint was further strengthened by the international momentum around climate. We worked to manage our physical climate-related risks, found new opportunities to review, monitor and reduce our environmental impact, and augmented our sustainable building design efforts. We also made progress against our operational sustainability goals, including continuing to lower our emissions in an effort to maintain carbon neutrality across Scope 1 and 2 emissions, as well as reducing our water use and waste output.

Managing our potential physical risks

Our offices are located in key financial centers of the world, including some in coastal areas that are under the increasing threat of major climate events. To maximize business continuity, we have developed on-site resiliency, backup operations, and sites in other locations. In addition, we test our systems and our operational sites through regular crisis scenario plans.

Working through the global pandemic

This past year, the world continued to navigate the impacts of the global COVID-19 pandemic. Our staff maintained a hybrid working model, with some still working remotely and others returning to the office. This added further complications for our property management and business continuity resources.

Thus far, we have managed the ongoing challenges of this global health crisis well, underscoring how important planning is to ensure business continuity and operational resiliency through a crisis.

Measuring our environmental impact

Management of our environmental footprint happens in lockstep with oversight of our real estate portfolio, thanks to the dedication and commitment of our global realty team. By closely managing our building infrastructure, this team finds opportunities to review, monitor, and reduce our emissions, moving further toward our operational sustainability goals.

In line with our reporting requirements, our real estate management efforts use a systematic approach to assess our environmental footprint at all locations quarterly, determining whether State Street is in line with expectations and analyzing the impact of our mitigation strategies. This is an integral part of our climate risk management and is ingrained in our overall business approach. In addition, State Street continues to maintain ISO 14001 Environmental Management certification in 18 global offices.

As 2021 was our first full year with COVID-19 impacting office occupancy, we saw continued low, though artificially deflated, emissions across our global footprint. As our occupancy continues to climb as more staff work in the office, we will continue to monitor and manage our footprint, particularly from a resource and waste perspective.

Progress against our operational sustainability goals

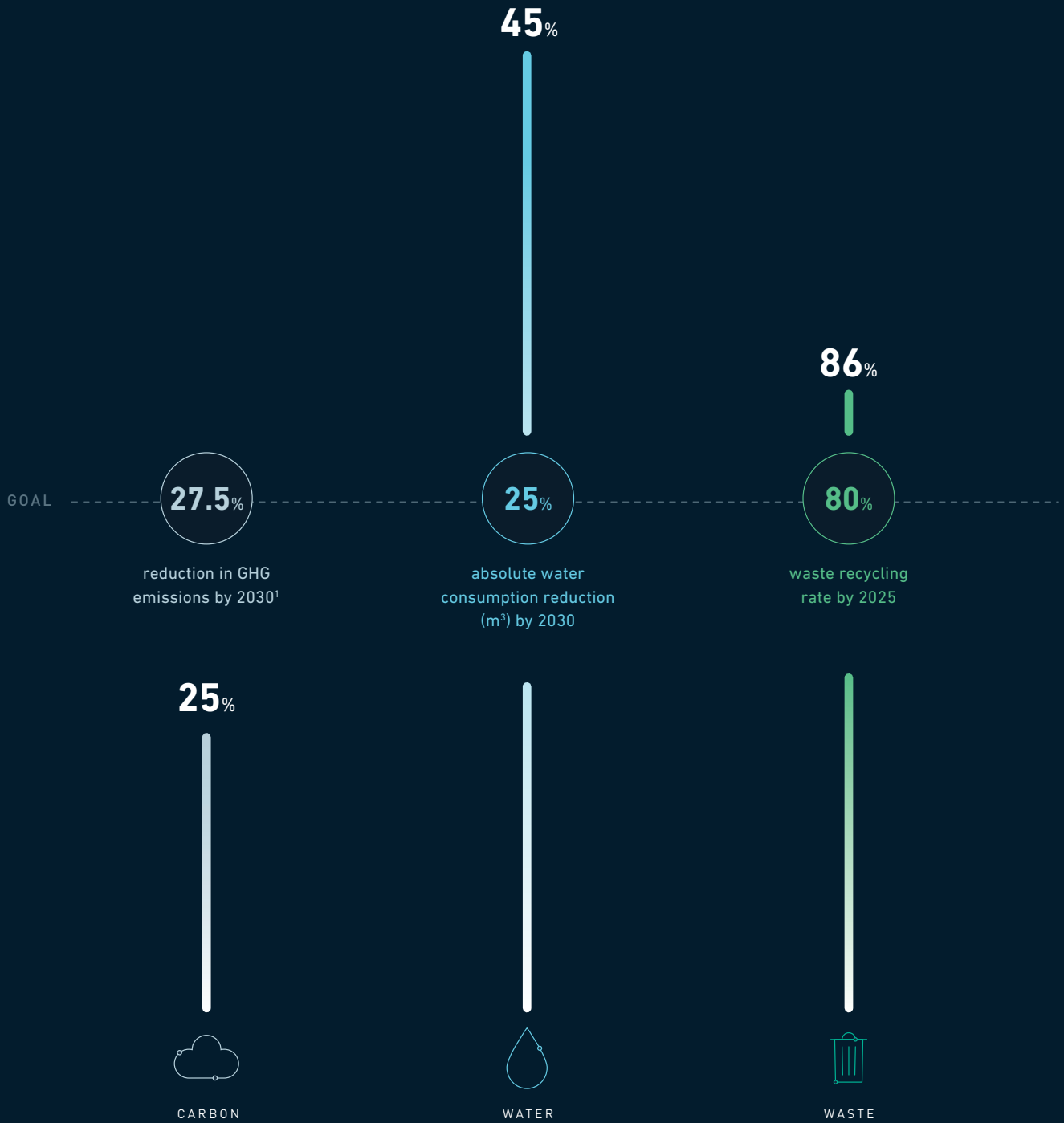
We are committed to a high standard for global environmental stewardship and as a result have set aggressive goals and targets to help reduce our environmental impacts.

These goals are reviewed annually by our Environmental Sustainability Committee and Executive Corporate Responsibility Committee to make sure we have the appropriate policies and procedures in place as we work toward achieving our targets.

With an emissions reduction of 25 percent in 2021, we are well-positioned to reach our goal of 27.5 percent carbon reduction tCO₂e (metric tons of carbon dioxide equivalent) in Scope 1 and Scope 2 emissions by 2030, set with a 2019 baseline. This goal is set using the guidance of the Science Based Target initiative's Well-Below 2°C scenario.

After far surpassing our previous enterprise-wide 2025 goal (established in 2017) of reducing our water consumption by 10 percent, we set a new goal of 25 percent absolute water consumption reduction by 2030 with a 2019 baseline. In 2021, our water consumption was reduced by 45 percent.

PROGRESS AGAINST ENVIRONMENTAL GOALS



¹ Scope 1 and 2

Our 2025 goal to increase our recycling rate of waste to 80 percent (65 percent baseline) remained in place, and in 2021, our recycling rate ticked up to 86 percent—achieving this target for the first time. Since we achieved the goal, we will revisit it in 2022 to determine the appropriate path forward.

Reducing our carbon footprint

In 2021, State Street moved further toward our goal of a 27.5 percent absolute GHG reduction by 2030. At the end of 2021, we achieved a 25 percent reduction in GHG emissions this year compared to our 2019 baseline, an improved performance given the impact of the pandemic and greatly reduced energy consumption at our offices. Factoring in the impact of our low office occupancy rates, this successful reduction is due to a combination of programs we have implemented, including collaborations with key stakeholders and technological innovations in certain areas, like:

- Our Environmental Sustainability team continued to explore energy efficiency initiatives within our buildings that may help the business move closer to achieving our energy and GHG emissions targets, including Uninterruptable Power Supply (UPS) optimization and completing additional energy audits in Asia which will create further opportunities for energy reduction in the future.
- Our global realty team oversaw the reduction of energy impacts in our entire building portfolio, through improvements like lighting retrofits and boiler replacements throughout the portfolio.

- A key solar project at one of our buildings in Quincy, Massachusetts, is under construction.
- We installed additional car chargers for use by our employees in response to the growing demand from electric vehicles.

Maintaining carbon neutrality

In 2021, we maintained carbon neutrality on Scope 1 (direct emissions) and Scope 2 (indirect emissions from electricity) through the purchase of renewable energy certificates (RECs) and carbon offsets. To State Street, carbon neutrality means balancing our carbon emissions with removal of carbon from the atmosphere so that our carbon output has a net neutral impact on the environment. In addition, through our continued careful management and our regular carbon offsets, we retained our position of being carbon neutral for corporate travel, which we have done for several years.

Reducing our water consumption

In 2021, the company reduced water usage by 45 percent compared to the 2019 baseline, exceeding our stated goal of a 25 percent decline by 2030. This is largely due to a significant proportion of our employees working from home during the pandemic. Reduced occupancy meant a decline in water consumption on our premises for air conditioning and cafeteria operations as well as from water fountains and restrooms in our buildings. Our team has created plans to assess water consumption and identify future improvement opportunities, particularly as we started to see an increase in occupancy rates.

For an improved internal environment, we are planning a xeriscaping pilot program, landscaping with native plants requiring no irrigation, which will be reviewed with the intent to expand xeriscaping throughout our buildings in the future.

Reducing waste

For the first time in 2021, State Street not only achieved our goal of an 80 percent global waste recycling rate, but exceeded it by nearly six percent. While total waste volumes are down, we increased our percentage of recycling in large part due to:

- Engaging our workforce through a widespread globally aligned campaign in all our offices, with locally consistent messaging and signage and popular waste items to maximize effectiveness
- Working with our vendors to implement project management initiatives around recycling
- Implementing a program of reusing office furniture, rather than disposing of these items when we exit locations

Global recycling strategy

Our company-wide approach to recycling looks at ways to minimize waste and maximize recycling through all our buildings, at each stage of the waste journey. State Street has developed and implemented education and engagement programs to generate behavioral change in all our vendors, staff and suppliers to help achieve our waste recycling rate goal.

Managing printer use

During 2021, the company implemented a printing reduction program throughout the firm, which achieved positive results. We limited the amount of printing available to staff, with some exemptions, and reduced the number of printers at certain locations. This added another layer of data security as various printers were no longer accessible to our system. Behavior among the staff has changed as a result, and State Street will be looking to reinforce the positive shift as people increasingly return to the offices.

Managing single-use plastics

Pandemic hygiene measures have generated a large amount of single-use plastic. We need to ensure that single-use plastics do not become a dominant waste stream because they pose a significant problem for the environment going forward. As more people return to the offices, we will explore ways of revisiting our plans to reduce our reliance on single-use plastic.

SUSTAINABLE BUILDING DESIGN

To reduce our energy demands and footprint and boost our broad sustainability credentials, we are making energy efficiency and sustainable building design within our building stock a central mandate of our environmental sustainability and global realty teams. Improving energy efficiency of our corporate buildings and data centers remains a driving force of our energy reduction strategy.

SOLAR PANELS IN QUINCY

One notable effort to reduce energy consumption in 2021 was the development of our solar array project for one of our few owned facilities, located in Quincy, Massachusetts. This effort is aimed at providing carbon-free power to the facility, and demonstrates an opportunity to move towards energy grid independence. The project is currently under construction, expected to launch by early 2023.

OUR NEW HEADQUARTERS

Construction for our flagship state-of-the-art future headquarters at One Congress Tower in Boston, Massachusetts continues to follow sustainable building design principles where possible as we work towards achieving LEED Gold certification when the building is complete. While this certification includes carbon emissions, energy use and waste reduction elements, there are elements that also contribute to improved engagement and wellness for our staff.

This includes correct lighting levels, optimum air circulation, access to outdoor spaces, bike storage and repair space, high efficiency and filtration HVAC system, as well as maximum natural light with a column-free interior.

What we do for our clients

COP26 and the soaring interest in and growth of ESG investing have brought climate to the forefront for many of our clients. As a leading global investor, State Street believes clients should treat climate change in the same way as any other significant business risk.

NET ZERO ASSET MANAGERS

It is important that we lead by example. In 2021, State Street Global Advisors signed on to the Net Zero Asset Managers initiative to ensure that our portfolios reach net-zero GHG emissions by 2050 or sooner and set interim targets for 2030.

NAVIGATING THE TRANSITION TO NET ZERO

As more companies move toward the goal of net-zero emissions, their journeys will vary depending on the nature of their businesses, climate exposure and level of emissions. At State Street Global Advisors, we help clients navigate their pathways to net zero. Many businesses will need to innovate in order to address the impacts of climate change. This transition to net zero poses opportunities for our clients to invest in that innovation. To assist, State Street has created products for our clients to meet their climate-specific investment goals.

CLIMATE-FOCUSED ASSET STEWARDSHIP

The asset stewardship efforts of Global Advisors aim to improve ESG practices in our portfolio companies globally, while at the same time promoting sustainable long-term returns.

We have seen positive responses from companies to our recommendations on improved environmental disclosure and better governance of climate-related issues as a result of our interaction, engagement, and voting decisions.

CLIMATE RISK AND OPPORTUNITY SERVICE OFFERINGS

As one of the largest custodians in the world, we aim to increase awareness of climate risks and opportunities for market participants operating in an era of climate change, and make sense of varying approaches to climate data to improve portfolio outcomes. We continue to build upon our ESG risk analytics and reporting tools and services to deliver critical data needed to help clients meet the growing global investor expectations and regulatory guidelines around climate disclosures.

To assist clients in addressing climate-related data challenges, we improved our ESG risk analytics and reporting capabilities with our State Street Total ESG solution. This tool enables clients to measure their carbon footprint and carbon intensity, as well as to report risk disclosures and assessment of metrics for TCFD.

Our recently launched strategic ESG engagement with S&P Global TruCost will also help market participants manage and report on climate and other ESG impacts, by delivering and integrating critical climate data intelligence into decision making and reporting.

What is ahead in 2022

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

A growing number of Fortune 500 companies are responding to the investor-led recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which has become a widely accepted framework for companies to assess and report on climate risk.

In January 2022, State Street Global Advisors announced our expectation for all companies in our portfolios to offer public disclosures in accordance with the four pillars of the TCFD framework: Governance, Strategy, Risk Management, and Metrics and Targets. Starting in the 2022 proxy season, we will begin taking voting action against directors at portfolio companies in major indices in the US, Canada, UK, Europe and Australia that fail to align with climate-related disclosures requested by TCFD.

ENGAGING WITH HIGH EMITTING COMPANIES

State Street Global Advisors released [updated guidance](#) in January 2022 outlining our disclosure expectations for carbon-intensive sectors. If we encounter laggards that are not making sufficient progress as a result of our engagements, we will consider taking action using our votes, either by supporting relevant shareholder proposals or voting against directors at an upcoming shareholder meeting.

State Street Global Advisors is a signatory to the Net Zero Asset Managers initiative, reflecting our commitment as long-term stewards of capital to help companies effectively plan for the low-carbon transition. In the coming year, State Street Global Advisors will launch a targeted engagement campaign with the most significant emitters in our portfolio to encourage disclosure aligned with our expectations for climate transition plans.

These plans cover 10 areas, including decarbonization strategy, capital allocation, climate governance, and climate policy. In 2023, we will hold companies and directors accountable for failing to meet these expectations.



INCLUSION, DIVERSITY, AND EQUITY

At State Street, we believe that our differences make us stronger — which is why inclusion, diversity, and equity (IDE) remain a key focus in all areas of our business.

As a global organization and a leader in the financial industry, State Street has both the opportunity and the responsibility to actively promote positive change in the IDE space. Fostering an environment that encourages authenticity, empowerment, and a sense of belonging among our employees is essential to our success, both internally and with our clients.

We are cultivating a global force of leaders who reflect the diverse markets we serve by educating, inspiring, and empowering our employees at every level.

As we focus on actively driving progress toward greater equity and social justice within our business, we encourage our clients to do the same.

One example is our Fearless Girl campaign, developed to draw attention to a simple truth: that companies with more diverse boards perform better. We have advocated for companies to appoint more women to their boards since we launched the campaign in 2017.

More must be done, of course, and our comprehensive approach goes beyond race and gender. We will continue to use our voice and our vote to advocate that boards and workforces reflect a broader universe of diversity.

Our commitment also means looking at our own business. In 2020, to assess equity within the organization, we began work on a deep analysis of our policies, procedures, culture, and use of language. In 2021, we created a new role of vice president of equity to provide an equity lens to initiatives and programs across State Street while leading the development and implementation of strategies to build greater equity related to human capital and business practices, services, and products.

INCLUSION EMPLOYEE SURVEY

The results of a 2021 internal survey make it clear that even as our employees give us high marks on many IDE metrics, we still have a long way to go.

Based on the survey's responses:

- We need to be an even more inclusive workplace. Inclusiveness is strong in some parts of the organization, but not nearly enough. We must be more consistent and do better
- We must redouble our efforts to ensure that all employees feel like they can achieve their career goals at State Street
- We must strive for everyone to have a sense of belonging in our workplace

OUR INCLUSION, DIVERSITY, AND EQUITY GOALS

We remain committed to meeting the five-year diversity goals for 2022 that we set in 2017. While we made progress toward all of these goals year-over-year, there is still work to be done to achieve them.

To learn more about the composition of State Street's board of directors, see [Board Diversity](#).

We continue to integrate key learnings in pursuit of our diversity goals, as we did in 2021:

- Our business strategy and talent acquisition teams are actively seeking to attract and retain diverse talent
- We are enhancing and globally aligning our companywide requirement that hiring managers interview a diverse slate of candidates — which we introduced in 2015
- We are improving participation in inclusive leadership training for managers and implementing systems to ensure that managers at all levels are accountable for diversity goals
- Senior leadership is helping to advance an ongoing global self-identification campaign to better measure performance and track our progress

TAKING ACTION FOR CHANGE

Our efforts to address racism and inequality at State Street and beyond are guided by our comprehensive action plan, 10 Actions to Address Racism and Inequality, launched in mid-2020 and designed to promote and improve racial equity in our company, industry and society.

We are supporting the plan with development and advancement programs, governance models, community outreach, partnerships, industry collaborations, and philanthropic investments. At the same time, we are actively bolstering our supplier diversity programs.

2021 DIVERSITY GOALS

GLOBAL FEMALE EMPLOYEES

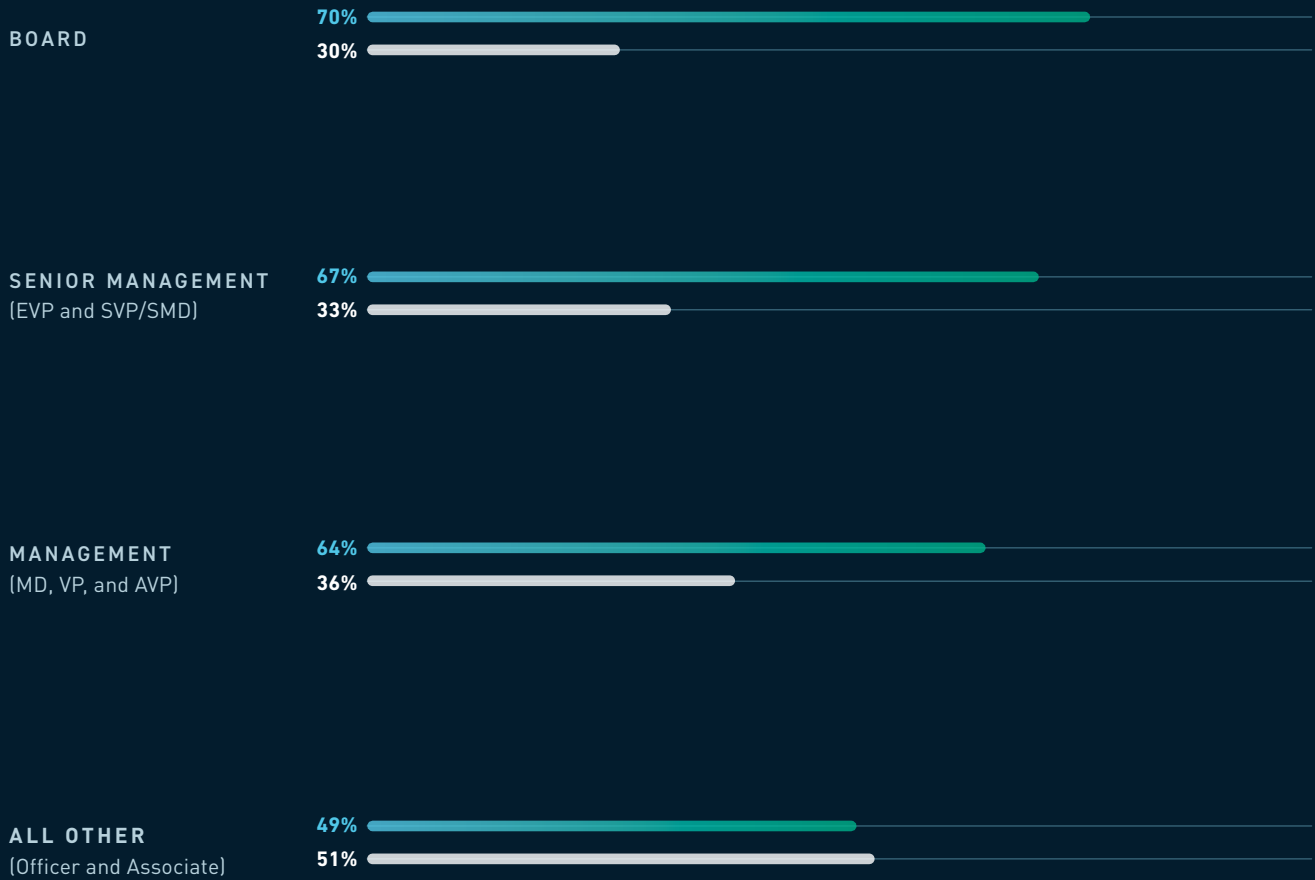
| | 2020 | 2021 | Percent Change | 5-Year Goal |
|------|--------------|--------------|----------------|-------------|
| SVP+ | 30.1% | 32.4% | +2.3% | 36% |
| MD | 32.1% | 30.9% | -1.2% | 37% |
| VP | 32.2% | 31.9% | -0.4% | 38% |
| AVP | 40.0% | 40.2% | +0.2% | 44% |

US EMPLOYEES OF COLOR

| | 2020 | 2021 | Percent Change | 5-Year Goal |
|------|--------------|--------------|----------------|-------------|
| SVP+ | 13.8% | 15.8% | +2.0% | 22% |
| MD | 19.3% | 20.3% | +1.0% | 22% |
| VP | 29.9% | 31.2% | +1.3% | 33% |
| AVP | 34% | 34.8% | +0.8% | 35% |

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

● Male ● Female



¹ As of April 20, 2022

The State Street board backs our commitment. Our efforts are overseen by 10 employee workstreams led by executive sponsors at the Management Committee level. The workstreams tap into our passionate volunteer community to help ensure that we deliver on our promises and hold ourselves accountable.

Part of our challenge is to engage every segment of our workforce and embed IDE into our everyday decision-making. To boost accountability, we have added IDE considerations to performance goals for all managers. At their annual evaluations, leaders must demonstrate what they have done both to improve representation of women and individuals from racially diverse backgrounds, and to drive more inclusive and equitable outcomes for all.

Our 10 Actions to Address Racism and Inequality

In 2021 — the first full year with our 10 Actions plan — we made significant progress toward each of our goals.

1. Improve Black and Latinx¹ employee representation

Our objectives are to triple the number of Black and Latinx leaders (senior vice presidents and above) within State Street, double our Black and Latinx employee population (on a percentage basis) over the next three years, and extend the requirement of a diverse slate of candidates for positions at all levels.

In 2021, we made progress on improving representation of Black and Latinx employees in leadership roles. In addition, we instituted policies to hold senior leadership accountable for diversity goals via pay decisions and updated global definitions relating to our diverse candidate requirement.

2. Sharpen focus on Black and Latinx talent development

We are examining all of our efforts to improve the mobility and development of Black and Latinx professionals. In 2021, we leveraged partnerships and programs to drive career and personal development for Black and Latinx employees; required an IDE performance goal for all managers that we also recommend for all employees; and launched mentorship and sponsorship pilot programs in major business areas to measure outcomes and outline best practices.

3. Conduct anti-racism conversations and training

In 2021, 99 percent of our employees completed unconscious bias training, business leaders led anti-racism sessions across our company, and we co-founded the public Justice, Equity, & Inclusion Series workshops to support the development of anti-racism skills. In addition to providing learning opportunities and conversations around anti-racism and equity to our entire workforce, we are making these approaches and programs available to clients.

¹ Black and Latinx, US only; Black, Asian, and Minority Ethnic (B.A.M.E.), globally

4. Implement IDE practices for management committees

We systematically review key management committee governance models to help ensure inclusion and diverse representation. In 2021, we developed a toolkit for senior management committee chairs to discuss inclusive behaviors and actions, launched a baseline survey to measure effective governance, amplified culture traits and promoted overall inclusion and diversity within each committee.

5. Increase spend with Black and Latinx suppliers

We aim to help strengthen Black- and Latinx-owned businesses by increasing our spend with diverse suppliers over the next three years. For example, in 2021 we launched a supplier diversity website to drive broader participation and issued \$850 million subordinated bonds using an underwriting syndicate equally composed of banks and Black- and Latinx-owned businesses. We surpassed our first-year goal, increasing our spend with diverse suppliers by 43 percent.

6. Improve Black and Latinx board representation

We are committed to working with our board of directors to expand its diversity efforts and add Black and Latinx directors within 18 months. In 2021, John Rhea and Julio Portalatin joined our board — racial diversity among our directors is now 23 percent¹. We also added the diversity slate interview requirement to the board’s charter.

7. Leverage State Street Global Advisors’ asset stewardship efforts

In 2021, State Street Global Advisors called on companies to disclose more detail on board and workforce diversity; focused stewardship efforts on racial and ethnic diversity; and partnered with Russell Reynolds Associates and the Ford Foundation to report on best practices and develop a playbook for effective oversight of IDE. To learn more, read the resulting [white paper](#), “The Board’s Oversight of Racial and Ethnic Diversity, Equity, and Inclusion.”

8. Improve Black and Latinx representation across our industry

We are leading an effort to attract and advance more Black and Latinx professionals in the asset management industry. In 2021, we formalized partnerships with four organizations to provide underrepresented groups with career exploration, IDE best practices, and opportunities for employment and professional development.

9. Establish combating racism as a priority for State Street Foundation

We intend to make combating racism a top priority alongside education and workforce development, and to reprioritize State Street Foundation spending accordingly. Our delivery of over \$2 million in grants to organizations specifically focused on racial equity and social justice (RESJ) supported this effort, as well as an update of our grantmaking guidelines to better reflect RESJ values.

¹ As of April 20, 2022

We also offered to double employees' donations to certain organizations focused on addressing racial equity issues and increased our employee time-off policy for volunteer work with non-partisan, non-profit organizations to four days from two.

10. Increase civic engagement and reflection

To make June 19 (Juneteenth) a day of reflection and service, we provided World Anti-Racism Reflection Moments for employees and families through monthly global opportunities for reflection and community service, as well as for engagement on anti-racism and social justice issues. In June 2021, we launched a 21-day racial equity and social justice challenge — a collection of short daily lessons — culminating with a week of community service actions in honor of Race Unity Day and Juneteenth.

CHALLENGING OURSELVES AND OUR ASSUMPTIONS

We encourage employees at every level to participate in difficult and often uncomfortable discussions about race and equality. These conversations raise awareness of important issues while positively challenging some of our established systems, processes and procedures. Our efforts to engage in dialogue about race and equality extend beyond our own organization as well. In 2021 — for the 15th year — we partnered with the Massachusetts Conference for Women, an organization that promotes, communicates, and amplifies the influence of women in the workplace and beyond.

More than 10,000 conference attendees participated in six workshops. One of these was Brave Dialogues, in which industry leaders shared best practices and lessons about creating compassionate, safe spaces that enable participants to truly listen and encourage open, honest dialogue.

As noted in No. 3 of our 10 Actions, we require unconscious bias awareness training for all employees globally. Currently, 99 percent of all employees have completed the training, which business leaders across the company have reinforced by holding ongoing anti-racism sessions. We also provide managers with unconscious bias awareness conversation guides to help them lead more effective discussions.

IDE educational programs

Other important programs that support our internal IDE efforts include online webinars and live diversity awareness training and workshops. The Degreed platform, for example, offers various distinct learning “pathways” that present relevant assets, interesting engagement events and opportunities for reflection. We frequently update pathways with new assets and material to foster an environment of continuous learning.

Other recent educational initiatives include the Skip Level Mentorship Program first piloted in our Charles River Development and Alpha organization. This program invited all junior Black and Latinx employees within the organization to participate, then paired them with more senior mentors, providing the opportunity to develop presentation and networking skills toward a goal of helping employees grow their careers.

At the end of the program, 11 out of the 40 participants were promoted, with an additional three taking lateral moves. We are looking for ways to extend or recreate this program in other parts of the company, as well as the Diversity Mentorship Program developed by our sales leadership team to introduce and educate employees about client-facing sales and relationship management roles. Historically, these important roles have not been diverse and can be hard to attain without specific prior experience. About 30 employees participated in the initial program.

Employee networks

Better connections strengthen IDE and drive deeper understanding across our business. Our 24 global employee networks with 110 chapters worldwide provide opportunities for colleagues to learn about each other's cultures, facilitate opportunities for employees to volunteer and develop their careers, celebrate the values that unite us, and advance a culture of belonging and inclusion.

More than 50 executive sponsors support these networks, which are established and run by employee volunteers. See the full list of State Street employee networks in the [\[GRI Index\]](#). Our employee networks host and collaborate on a variety of activities that are guided by the "4C model" of making an impact on culture, career, commerce and community. The Black Professional Group, for instance, partnered with our Professional Women's Network to create Her Voice, a powerful video that showcased the experiences of African Americans, Indigenous people, and people of color more broadly.

IDE partnerships

While there is much we can do as one organization, we can make more progress by magnifying our strength in partnership with others.

MLT BLACK EQUITY AT WORK CERTIFICATION

In 2021, alongside more than 35 leading organizations, we became part of the [Management Leadership for Tomorrow \(MLT\)](#) initiative, a results-driven certification program to address the persistent inequities faced by Black professionals.

Certification requires employers to apply the same approach to Black equity as they do to other core business priorities.

We understand the social challenges and inequities facing Black Americans in wealth, income, health outcomes, and more. Our participation in the MLT Black Equity at Work Certification is another significant step toward advancing measurable, sustained progress in each of the core certification focus areas:

- Black representation at every level of the organization
- Compensation equity
- Inclusive, anti-racist work environment
- Racially just business practices
- Racial justice contributions and investments

These five areas align with our 10 Actions and provide us with a road map to continue our work to address racism and inequality in the workplace and our communities.

Corporate Call to Action: Coalition for Equity & Opportunity

Along with other US-based members of the Corporate Call to Action: Coalition for Equity & Opportunity, we have published our EEO-1 racial diversity data in the [Appendix](#) and on our [website](#). We stand by our commitment to confront long-standing racial and economic disparities in financial services and address their impact on the nation's economy.

CEO Action for Racial Equity

State Street has joined approximately 150 companies in supporting the CEO Action for Racial Equity, a fellowship dedicated to advancing racial equity through public policy. This working group represents more than 725,000 employees, \$1 trillion in market capitalization, and approximately \$26 trillion in assets under management.

30% Club

We are members of the 30% Club, a global campaign that advocates for greater female representation on company boards and at the C-suite level in the world's largest companies.

Boston Women's Workforce Council (BWWC) 100% Talent Compact

As signatories to the BWWC's 100% Talent Compact, we have pledged to take concrete, measurable steps to eliminate gender and racial wage gaps in Greater Boston. This pledge includes examining our salary data and practices.

Professional development partnerships

To drive diversity across the company and the financial industry, we partnered in 2021 with four organizations that are helping to provide career exploration and professional development opportunities:

- **A Better Chance, Inc.**, a nonprofit organization that recruits, trains and procures scholarships for academically talented students from underrepresented communities to attend leading independent US preparatory schools
- **National Association of Securities Professionals**, a trade association whose goal is to educate and advocate for women and minorities in the securities industry
- **The Toigo Foundation**, a leadership platform that identifies, develops, and promotes exceptional diverse finance leaders through its MBA Fellowship Program
- **Association of Luxembourg Fund Industry**, a trade association that hosts conferences and forums to share best practices on IDE and provides scholarships and internships to underrepresented talent in asset management

A full list of partnerships is available on our [website](#).

Our year-over-year mean pay gap in the United Kingdom (UK) improved by 0.1% and 4.4% for State Street overall and Global Advisors respectively, but increased by 1.7% for SSBT.

Our year-over-year UK mean bonus gap improved by 5.9% for State Street overall, 4.3% for SSBT, and 6.7% for Global Advisors.

The UK median pay gaps for State Street overall, SSBT and Global Advisors increased by 0.3%, 1.2%, and 7.4% respectively.

GENDER EQUALITY

A significant part of our commitment to inclusion, diversity, and equity is striving to close the earnings gap between men and women. We actively support equal pay for equal work, closely monitor our pay decisions and aim for continuous improvement by training our managers to make appropriate compensation awards.

We acknowledge we have more work to do in this regard, but we believe transparency about our current state is an important step toward being accountable and making progress.

We look at gender pay data from our UK business, which we are required to publicly disclose, covering both State Street Bank and Trust Company London Branch (SSBT) and State Street Global Advisors (UK) Limited. We also report our UK pay gap numbers in aggregate as “State Street overall.”

A significant determinant of this gap is the imbalance in female representation, particularly at the highest pay levels. Furthermore, the median pay gap for State Street Global Advisors increased primarily due to the attrition of more highly paid females. The median pay gap for the legacy/baseline State Street Global Advisors population is flat year-over-year. Across all three reporting categories, the key driver for our gender pay gap continues to be a lower representation of women in both senior roles and higher-paying roles.

Making progress

Gender pay equity is a continued area of focus for us company-wide, and we take concrete measures to improve our performance in gender pay equity and female participation. These efforts include setting strong diversity goals and recruiting more women across all levels of the organization. We also have diverse recruiting panels, avoid asking for compensation history, and have structured mentoring, training, and development programs for women. Additionally, through our Talent Marketplace launched in 2020, we are driving greater diversity through all levels of the company.

We participate in various initiatives to achieve industry inclusion and improve gender equity inside and outside State Street:

- We are a proud member of the UK 30% Club working to achieve greater representation of women on FTSE-100 boards. Our employees have taken part in the 30% Club Mentoring Scheme as both mentors and mentees for eight consecutive years.
- We support the UK Diversity Project, an initiative that aims to accelerate progress toward building an inclusive culture in the industry through initiatives such as the Returners Program, Talk about Black and LGBT Great.
- For the fifth consecutive year, we were a signatory to the Women in Finance Charter.
- To help champion the positive impact of talented Black women on the industry, we are a member of Black Women in Asset Management.

We plan to have broader gender pay gap disclosures beyond our UK data shared here, and will link that from www.statestreet.com/cr when it is available.

Enhancing supplier diversity

State Street is committed to expanding diversity among our suppliers and promoting engagement with suppliers owned by minorities, women, veterans, and members of the LGBTQ+ and disability communities. We strive to create more opportunities for diverse suppliers and assist them in growing their businesses. The goal of our supplier diversity program is to increase the impact of supplier diversity by encouraging our prime suppliers¹ to procure from diverse businesses. The program enables businesses to certify ownership in a range of categories: minority-owned business enterprises, women-owned business enterprises, veteran-owned business enterprises, disabled-owned business enterprises, and LGBTQ+-owned business enterprises.

In 2021, the program increased Tier 1 diversity spend to \$186 million, a 43 percent gain from 2020. Black- and Latinx-owned businesses accounted for 10.9 percent of our annual US and UK diverse supplier spend, and women-owned businesses comprised 3.2 percent. We successfully implemented a Tier 2 diverse spend program that yielded over \$38 million of additional diverse spend for 2021.

Building on the success of internal programs, processes, and procedures in 2020, in 2021 we maintained our deliberate efforts to increase the diversity of our supplier base.

¹ State Street defines "diverse suppliers" as organizations that are at least 51% owned and controlled by an individual or group that falls within these diversity categories.

In 2021, for the sixth consecutive year, we were included in the Bloomberg Gender-Equality Index (GEI) due to our efforts to foster a more inclusive and equitable workplace. State Street leaders were also featured on Yahoo Finance HERoes Women Role Model lists.

One example, also shared elsewhere in the report, is our Global Treasury unit establishing trading relationships with eight minority-owned firms, completing trades totaling \$1.1 billion. In 2021, State Street partnered with Black- and Latinx-owned businesses to underwrite \$850 million of subordinated debt.

We enhanced our procurement processes by including diversity criteria in every request for proposal and mandating review of each bid invite list to see that it is inclusive of diverse companies. To assist business units with finding diverse vendors for their sourcing opportunities, we curated an internal catalog of diverse business enterprises that meet our procurement standards. We also partnered with a leading technology company to procure a diverse vendor search tool that is significantly enhancing our efforts to incorporate more diverse suppliers to compete for State Street business opportunities.

Expanding our procurement diversity efforts further, State Street partnered with Amazon Business to make purchases with diverse suppliers easier by prioritizing diverse suppliers in the suggested search terms.

In 2021, we maintained our memberships with a number of organizations, notably the Greater New England Minority Supplier Development Council, the Boston Chamber of Commerce Pacesetter program and the Minority Supplier Development UK in Europe. These organizations leverage the collective purchasing power of their members to scale opportunities for local ethnic- and minority-owned businesses.

Our supplier diversity team's accomplishments in 2021 would not have been possible without the resources and support of the 10 Actions to Address Racism and Inequality, which increased the program's pace of development.

In addition to deploying the program's cadre of volunteers, we hired a head of Supplier Diversity to manage the team and drive key supplier diversity program development and activity.

IDE INVESTMENTS

In 2021, we continued to invest in the New Commonwealth Racial Equity and Social Justice Fund (NCF), launched in 2020 and co-founded by State Street Chief Diversity Officer Paul Francisco, who serves on the NCF Executive Committee. NCF is a coalition of Black and Brown executives that strives to provide essential support and resources to help uncover and dismantle racial inequities in Boston and across Massachusetts. Our commitment to NCF is in addition to our investment in the Latino Equity Fund.

LOOKING AHEAD

We will continue to challenge ourselves to deliver on our ambitious IDE goals, adding new objectives as we progress. In 2022, we will undergo a civil rights audit that will help us further accelerate the pace of change. The audit will provide an independent, systematic examination of any significant civil rights and racial equity issues relating to our organization and establish a plan of action to address those issues in a thorough, deliberate, timely, and transparent manner.

Going forward, we will continue to drive tangible progress on our 10 Actions plan and to embed IDE concepts and processes throughout our organization.



EMPLOYEE EXPERIENCE

When employees are engaged, supported, and feel valued, everyone benefits. Employees are able to reach their full potential, employers retain their best talent and client service is at its best. The desire to create this optimal work environment has been consistent for years at State Street. Over the past two years, however, we have experienced a significant shift in how we achieve it.

Most notably, employees are increasingly driven by a greater sense of personal and professional purpose, particularly in the wake of COVID-19 and the racial and social justice movement. Because of this, it remains critical that employees can connect — personally and professionally — with the core values of their employers. To achieve this connection, we know we must provide a supportive and inclusive culture, effective internal communications, intentional learning, and opportunities for development and engagement.

We also seek to create an environment where employees can not only thrive professionally, but do so in a way where stress and work/life balance are significant considerations. Given the challenges and stressors many of our employees faced over the last two years, creating a supportive environment for our people was particularly relevant. This is why we remain focused on promoting employee wellbeing through our benefits, wellness initiatives, flexible work models, and more.

CULTIVATING A SUPPORTIVE CULTURE

State Street is dedicated to embedding a supportive culture for all employees throughout the organization — a culture that reinforces a sense of connection and caring — for our colleagues, our clients, and the communities in which we operate. We believe a strong, positive culture is critical for achieving our business outcomes and a key way of connecting our people to a greater sense of purpose.

We create this environment by employing a behavior-based approach, focusing on amplifying the desired behaviors associated with our five culture traits — Choose to Own It, Break Through Silos, Deliver Results with Integrity and Speed, Do Better Every Day, and Care for Our Colleagues, Clients and Community — and continually highlighting the moments where our employees have brought these traits to life.

FOSTERING AN INCLUSIVE, DIVERSE AND EQUITABLE CULTURE

Embedded within each culture trait is our commitment to inclusion, diversity and equity. We seek to be a place where all employees feel they belong and are understood and valued for their unique contributions. Our ongoing focus on racial and gender equality helps broaden perspectives, demonstrate best practices and nurture our teams.

As part of our 10 Actions to Address Racism and Inequality, we have set goals to improve Black and Latinx¹ employee representation, sharpen our focus on Black and Latinx talent development, and expand upon our anti-racism conversations and training. These goals are a smaller subset of our broader diversity goals, addressed in [Inclusion, Diversity, and Equity](#).

Several core concepts of our learning strategy are education about unconscious bias, respect in the workplace, inclusive interviewing, leading inclusively, managing micro-behaviors, and anti-racism training. We launched a learning pathway on our learning platform on equity for all employees to help them develop their understanding of equity and how it plays out in business.

This effort is paying off. In the results of a recent survey open to all State Street employees, 80 percent of respondents agreed or strongly agreed that State Street is committed to providing equal opportunity for all employees and 81 percent believed State Street has a climate in which diverse perspectives are valued — scores significantly above external benchmarks.

A CULTURE THAT VALUES LEARNING AND ADVANCEMENT

We prioritize investing in our employees through a variety of development and training initiatives throughout the year aimed at helping them work toward professional goals, such as developing new skills, growing their careers within the company, and realizing their sense of purpose.

Our Talent Marketplace is the organization's innovative approach to talent management and internal mobility, allowing employees to access new roles, skills, and opportunities while achieving greater diversity at all levels. Employees may establish career profiles to express their skills and experience as they explore internal job opportunities. Last year, we saw more than 2,500 employees indicate they are open to new career opportunities. Additionally, we offer an expansive internal learning platform – Degreed – to all employees, as well as mentorship programs, and several professional development initiatives for recent college graduates, and mid-career professionals.

¹ Black and Latinx, US only; Black, Asian, and Minority Ethnic (B.A.ME), globally

STATE STREET CULTURE TRAITS

OUR ASPIRATIONAL CULTURE TRAITS:
THE "WHAT"

Guideposts for how we link strategy and values to day-by-day behaviors

CHOOSE TO OWN IT

BREAK THROUGH SILOS

DELIVER RESULTS WITH INTEGRITY AND SPEED

DO BETTER EVERY DAY

CARE FOR OUR COLLEAGUES, CLIENTS, AND COMMUNITY

OUR ENTERPRISE-WIDE BEHAVIORS:
THE "HOW"

What everyone can do to deliver on State Street's strategy

Take the initiative to deliver business objectives

Collaborate across teams to reach our shared goals

Drive outcomes for clients, employees, and shareholders while managing risk

Seek better ways of working and adopt new solutions

Help others to succeed



Employee Engagement

In the initial stages of the pandemic, our employees were dispersed with limited in-person interaction. At this time, senior leadership recognized the importance of communicating with employees around the world, ensuring that they felt supported and engaged, and that State Street was promoting physical and mental well-being. Senior leaders worked to be transparent about our plans and goals for how the company intended to support employees both at work and at home. We see this regular, open communication as a legacy of the pandemic, and an area of focus that will stay with us, even as the impacts of COVID-19 dissipate.

Our employees also needed to be able to reach out to let their managers know how they were and what they needed. To facilitate this interaction and address the inability to connect face-to-face, our leaders held regular weekly and sometimes biweekly employee calls. To set an example for employees to encourage them to take time for themselves and their families, senior leaders shared their personal stories of taking time for what is important, maintaining work/life balance, and staying mindful. The response from our staff to these conversations was phenomenal, with employees expressing appreciation for the direct and consistent management contact.

As employees continue to work from home and communicate virtually in our hybrid working model, we intend for that practice of intentional, consistent employee interaction and connectivity to remain. By continuing to leverage preexisting tools such as team calls, one-on-one meetings with management, and surveys, among other engagements, our

leadership has multiple touch points to listen, understand employees' experiences, and take action to support them.

EMPLOYEE SURVEYS

Surveys are an important communication tool to help State Street better gauge overall employee experience and satisfaction, and our employees are encouraged to share feedback by completing regular employee surveys. While our 2020 surveys were centered on COVID-19, our 2021 surveys were more focused on other important issues for our staff, particularly well-being, culture, and employee engagement. In 2021, we executed three surveys to ensure we checked in regularly with our employees.

We have found it critical to survey our employees globally to give them a place to voice their opinions and concerns. Among the key findings were:

- Managers treat their employees with respect, provide timely feedback and make our employees feel valued
- Our commitment to risk excellence, including acting with integrity and fostering an environment where employees can speak up, continues to be an area of strength
- While several business lines and teams have been successful in creating a positive culture and high engagement, engagement levels gradually declined compared to 2020 at the height of the pandemic, a period when the company amplified engagement in a concerted effort to support employees through a time of crisis

Throughout the year, we hosted two Thank You weeks — highly publicized weeks where employees were particularly encouraged to thank a colleague. Of the 115,600 recognition moments throughout the year, over 56,000 occurred during the two Thank You weeks, illustrating the many contributions worth noting when employees are encouraged to thank each other.

EMPLOYEE NETWORKS

State Street empowers our employees to bring their whole selves to work. One way we do this is by providing opportunities and forums for employees to engage in dialogue with one another around shared experiences, values, and cultures that unite them, to learn from one another and to build community – an effort that began pre-pandemic but continued remotely.

At State Street, we support 24 employee networks with more than 110 chapters across the globe that provide in-house networking, mentorship, career development, and training opportunities for participants, as well as the chance to partake in cultural experiences centered around each network's unique interests and goals. Our networks are sponsored by senior executives, but managed by volunteer employees. Each network follows the 4C model, organizing activities and impact into one of four categories: culture, career, commerce, and community. The full list of employee networks is available in our [GRI Index](#).

BRAVO EMPLOYEE RECOGNITION

2021 was our first full year of implementing our global peer reward and recognition program, Bravo. Launched in 2020, Bravo encourages employees to recognize their colleagues for good work, a good deed, or a good idea — anything that reflects our State Street culture traits.

This program has been extremely popular among and meaningful to employees, who enjoy spotlighting the work and contributions that make their team members stand out and broadcasting them to every corner of State Street around the world. Highlighting stories of employees helping others or setting a good example also has the positive side effect of inspiring others to uphold our culture traits and find new ways to support each other, both professionally and personally.

State Street offers a global Employee Assistance Program (EAP) to support the mental health and well-being of our employees. This service is free, confidential, and available 24/7.

In reviewing Bravo stories about employees that are associated with our culture trait “care for our colleagues, clients, and community,” we are inspired to elevate our thinking about how we can be better in everything we do. This helps employees inspire one another, and shows the breadth and depth of the good people at State Street.

COMMUNITY ENGAGEMENT

In the wake of COVID-19 over the past year, we recognized that adjusting to a new way of working also meant transitioning to a new way of volunteering. Our commitment to giving back through global employee volunteerism, matching gift opportunities, and more, is one of the ways that we engage and give employees a sense of purpose and pride in working at State Street. As a result, we strategically modified our volunteer opportunities to offer more virtual volunteer activities. We are committed to continuing these initiatives in our ongoing quest to be good global citizens.

Learn more about how we encourage our employees to engage with the communities in which we live and work in [Corporate Citizenship](#).

Supporting employee health and well-being

The health and well-being of all State Street employees is of paramount importance to the success of our business. Our definition of well-being is broad, encompassing health, wellness, leave time, flexibility, and hybrid work, demonstrating our efforts to support our employees in a holistic way.

In 2021, the pandemic continued to bring employee health and well-being into sharper focus for the organization. The past year has seen senior leaders take an active role in promoting well-being, leading by example by demonstrating the importance of work/life balance, mindfulness, and taking time off.

Remote work was very prevalent for a majority of global employees in 2021, with 78% indicating they were working fully remotely and 17% working a hybrid schedule as indicated in an employee survey in early 2021.

We continued to provide a host of resources and services to help our employees maintain a healthy work/life balance. We offer tailored benefits packages to our employees based on their geographic location, as well as well-being and flexible benefit programs.

Our BeWell Program offers employees a variety of resources and tools to help manage their physical, emotional, and financial wellness. The benefits vary from country to country, but may include tuition assistance, fitness reimbursements, and online wellness programs. We also sponsor “healthy challenges” to create enthusiasm, where participants can earn rewards such as additional paid days off.

FLEXIBLE WORK

Nearly two decades ago, State Street integrated flexible work arrangements into its corporate culture. This approach has repeatedly proved to optimize employee engagement, talent retention and recruiting efforts over the past years as well as throughout the COVID-19 pandemic.

Flexible work also bolsters our business continuity efforts and space utilization. We know that giving employees greater flexibility in their work hours, location, and space, when possible, improves productivity, happiness, and health, while also cultivating trust and loyalty. Our flexible work culture is aligned with our core values, and as more employees continue to come back to work in our facilities around the globe, we will remain committed to finding ways to protect their health and well-being.

In 2021, we developed a framework for State Street’s hybrid approach that optimizes the benefits of both work-from-office and work-from-home models. We also launched efforts to review and evolve our Flex Work policies, processes, and governance, to ensure these are aligned to the company’s workplace of the future plans. This resulted in the development of a resource hub to provide easy access to the tools, resources and guides designed to help employees and managers successfully adapt to hybrid work, including health and safety protocols across global locations, technology information, and dedicated sections for remote and in-office workers.

SUPPORTING WORKING PARENTS AND CARETAKERS

Our flexible work culture includes a focus on providing employees with the proper parental and caregiver support they need. This has been especially critical over the past two years of the pandemic, with many balancing their work with the challenges of remote schooling, protecting family members from illness, and addressing mental health struggles. We offer child, elder, and personal care programs, referrals and resources, emergency backup day care for our employees, and paid parental leave benefits, as well as adoption and fertility assistance (all vary by location).

Talent acquisition, retention, and development

We regard our talent as one of our greatest strengths and by investing in our employees, we create long-term value for our clients, protect our reputation, and grow our business.

State Street is committed to attracting and retaining the industry's top talent by supporting our employees' continued progress and success. We do that through our robust recruitment process and development programs, and empowering our employees to grow professionally and personally through training opportunities and employee-run programs. From the top down, our leadership is passionate about developing a safe, supportive, and inclusive learning environment.

Throughout the pandemic, State Street has made thoughtful adjustments to how we attract, recruit, and retain employees while continuing our focus on high-growth markets that align with our strategic growth. We do this by providing tools, resources, and learning experiences to employees to help them perform and advance in their career pursuits. State Street offers competitive benefits along with mentoring and sponsorship programs, which are attractive incentives for prospective candidates.

1,300+

EMPLOYEES PLACED
THROUGH INTERNAL
MOBILITY IN 2021

560+

EMPLOYEES WERE
SUCCESSFULLY
REDEPLOYED WITHIN THE
ORGANIZATION IN 2021

500+

PROMOTIONS RESULTED
FROM INTERNAL
MOBILITY IN 2021

We continue our commitment to building a diverse workforce, a key focus of our recruiting practices. See [Inclusion, Diversity, and Equity](#) to learn more about how we are working to create more diverse candidate slates for open positions.

INTERNAL MOBILITY THROUGH OUR TALENT MARKETPLACE

State Street's Talent Marketplace initiative represents an investment in our talent and organizational mobility while reducing cost by efficiently channeling talent to hiring managers to fulfill business needs. This translates to improved outcomes for both our business and our employees. Through the Talent Marketplace, employees can build valuable skills, find new roles, and develop their careers.

This improves the mobility of our workforce, as our employees become aware of and can apply for hundreds of internal jobs throughout the world.

We focus on employees' key skills to reposition them into new careers at State Street, complemented by upskilling versus exiting the organization through restructuring.

INDIVIDUAL TRAINING WITH DEGREED

State Street's expanded learning platform, Degreed, facilitates individual employee learning and development. We know that facilitating our employees' growth not only increases their long-term value and opportunities, but also benefits the entire organization. Degreed helps individual employees navigate available learning by providing access to a wide range of offerings and by making targeted AI-driven recommendations based on the employee's interests and skill profile. Courses range from micro-learnings to multi-hour programs and everything in between.

DEVELOPING A TALENT PIPELINE

In alignment with our focus on education through our grants and volunteer goals, we have created an internship program to engage students early in their academic careers by exposing them to experiential learning prior to graduation.

This program allows State Street to develop a talent pipeline by offering students the chance to get to know our work culture and what we stand for as a brand. In turn, interns learn from experienced professionals in their field and students come away with new networking experience in the financial industry. Interns who excel are then encouraged to apply for positions at the company after finishing their studies.

OFFERING ROTATIONAL LEARNING

Our Professional Development Program (PDP) selects high-performing recent college graduates, including some who previously served as State Street interns, to participate in a two-year tailored rotational program that immerses them in different aspects of the business. Based on feedback received from both business leaders and participants in 2021, we will be launching several PDP business tracks in 2022.

This allows participants to rotate through different roles while focusing on a particular business area. The program has been well received by participants looking to learn about State Street's business broadly, while gaining a greater understanding about areas of the business where they can make meaningful contributions.

TAKING LEADERSHIP TO THE NEXT LEVEL

Our two-year Leadership Development Program (LDP) aims to take high-potential, mid-career employees who display the ability to navigate the complexities of State Street's dynamic global business, and provide them with targeted rotational assignments and accelerated professional development. Each program member is supported by a senior leader for the duration of the program.

The LDP helps us build a strong internal leadership pipeline by positioning top talent to ascend to roles of higher responsibility. In 2021, 10 LDP participants completed the program and achieved permanent roles at the vice president or assistant vice president level.

In 2021, we hired 41 people in the US and India who participated in our Professional Development Program (PDP). To date, nearly 38 percent of our US PDP class worked at State Street as an intern or co-op prior to participating. Similarly, in India in 2021, we formalized our internship feeder program for PDPs, and 33 percent of our upcoming 2022 India PDP cohort group consists of former interns.

MENTORSHIP PROGRAMS

Our employee networks provide many programs and opportunities for professional development. In 2021, these included:

Professional Women's Network (PWN) Sponsorship Program

The purpose of the PWN Sponsorship Program is to build and support a pipeline of leaders for the organization and help bridge the male/female achievement gap. The PWN Sponsorship Program pairs a mid-career participant with one of our senior leaders, with the goal of either transitioning into a strategic role or attaining a promotion.

Latin American Professionals Group (LAPG) Mentoring Program

This mentoring program offers a level of engagement and member development designed to be a beneficial experience to both mentors and mentees. The program curriculum incorporates targeted professional development sessions and networking sessions to allow the members to bond and build on their current skills. Additionally, the mentors and mentees work on a professional development plan during the course of this engagement. The program provides an opportunity for early- to mid-career members to enhance their leadership skills and prepare them to become the next generation of leaders.

Latin American Professionals Group (LAPG) Data Presentation Workshops

The LAPG also launched a series of data presentation workshops ranging from introductory class for basic knowledge of software, to specialized workshops on data visualization. Employees were able to gain new skills, which allowed an increased understanding of modifying data for optimal visualization. Teams became resourceful and handled complex data from our clients. The success of LAPG's initiative to increase technical skills sets with data visualization workshops allowed for the employee network to present this workshop at the annual national professional convention with the Association of Latino Professionals for America (ALPFA), the first and largest national Latino professional association in the United States.

For this work, the LAPG was recognized nationally as among the best in class, being named a 2021 Diversity Impact Awards Top 25 Employee Resource Group, and a 2021 Top Employee Network by LATINA Style 50.

Disability 4 Disability Mentoring Program

The Global Disability Awareness Alliance launched a Disability 4 Disability mentoring program in 2021. The program matched members globally with a focused outcome on the mentoring relationship. The program is now entering its second phase for 2022 and is currently recruiting mentors and mentees from the multiple Disability Awareness Alliance Employee Network chapters globally.

CORPORATE CITIZENSHIP

Over the past year, as the pandemic continued, State Street maintained our commitment to being an agent of positive social impact in the communities where we live and have a business presence. Our Corporate Citizenship team oversees a variety of community support initiatives that serve to benefit local communities as well as employees. Engaging our employees for social impact gives them not only a sense of purpose in their work, but also pride in working for a responsible corporate citizen. We additionally invest in communities through grants made by our State Street Foundation.

STATE STREET FOUNDATION

Mission and strategy

State Street Foundation partners with charities that operate in communities where State Street Corporation has a presence and that are:

- Reducing gaps in educational achievement and employability based on race, ethnicity and socio-economic status
- Promoting economic opportunity and racial equity
- Demonstrating leadership, innovation, and a genuine connection with our communities

We seek to achieve this strategy by providing unrestricted grants to support the core business functions of organizations whose missions, activities, and strategies closely align with our mission.

This approach is designed to provide flexibility to the management of the organization to determine its spending priorities.

In 2021, State Street Foundation launched a new multiyear college readiness and success initiative for Early College. The concept of Early College involves the creation of a partnership between high schools and a higher education partner in a program that allows disadvantaged high school students to work toward high school graduation requirements while earning college credits at the same time. The Massachusetts Department of Elementary and Secondary Education oversees the program and sets requirements for state designation as an approved Early College, triggering access to growing public funding.

After lengthy due diligence, State Street Foundation made substantial grants to four high schools in Massachusetts, as well as a partner who is providing ongoing coaching and technical assistance to the Early College high school partners as they move toward state designation.

Focusing on racial equity and social justice

As part of State Street's 10 Actions to Address Racism and Inequality, Action No. 9 is centered on establishing combating racism as a priority for State Street Foundation as a complement to its strategic focus areas of education and workforce development, and to reprioritize grant spending accordingly.

4

ANNUAL PAID RELEASE DAYS
FOR EVERY EMPLOYEE

1:1

MATCHED EMPLOYEE DONATIONS
AND FUNDRAISING EFFORTS

\$500

GRANTED FOR EVERY 16 HOURS
VOLUNTEERED WITH A SINGLE
ORGANIZATION

56%

EXECUTIVE VICE PRESIDENTS AT
STATE STREET ACTIVELY SERVING
ON A CHARITABLE BOARD

441

COMMUNITY ORGANIZATIONS
SUPPORTED BY STATE STREET
EMPLOYEES, WHO DONATED MORE
THAN 29,000 VOLUNTEER HOURS



The benefits of virtual skills-based volunteering are that we are able to truly bring the best of State Street to our charity partners, as location becomes a bit of a moot point. I participated in a project benefiting the Greater Boston YMCA with colleagues from the United States, Ireland and India whom I'd never met. The diversity of thought, experience and background led to a much better final deliverable for the YMCA.

WHITNEY KIMMEL

Vice President, Corporate Citizenship, State Street Volunteers

In June 2020, we committed to making \$5 million in grants to the New Commonwealth Fund, an organization working with community organizations and coalitions to address and eliminate systemic racism and racial inequity, \$2 million of which we distributed in 2021.

We updated our grantmaking guidelines to reflect racial equity and social justice (RESJ) principles last year, applying those guidelines to our Massachusetts grants portfolio. We look forward to implementing learnings from this process across our global locations. In addition, we completed an in-depth review of our Massachusetts grant partners to determine which organizations are led by Black, Indigenous, and people of color (BIPOC) management, intentionally serve a high percentage of BIPOC clients, have diverse boards of directors, and those who prioritize racial equity within their mission and service activities.

EMPLOYEES GIVING BACK

State Street employees are encouraged to support the charities that they care about most. To amplify their efforts, Corporate Citizenship offers volunteer support and a robust matching gift program.

Our employees contribute to their local communities in many ways, including:

- Participating in skills-based volunteer projects, whereby employees utilize their professional skills to help build capacity and strengthen our charitable partners
- Serving on a Community Support Program committee, through which employees develop and execute volunteer projects and/or guide Foundation grants to local organizations

- Joining a charity board to provide strategic guidance and stewardship at the highest organizational level
- Amplifying their charitable contributions through our Matching Gifts Program, comprised of GiveMore (1:1 donation match), CollectMore (matching charitable fundraising efforts), and DoMore (monetizing volunteer time; for every 16 hours volunteered with one organization, the organization receives a grant of \$500)
- Using their four days of paid volunteer release time to serve a charitable organization during business hours
- Planning and hosting volunteer projects for their business units or teams

GLOBAL VIRTUAL VOLUNTEER WEEK

For the second consecutive year, our Global Volunteer Week went virtual as our employee volunteers participated in a variety of virtual volunteer efforts. The main feature was our Day of Service, hosted in partnership with the nonprofit Common Impact. This was a flash consultation in which employee volunteers are partnered with a charity and a team of fellow State Street professionals to tackle a specific challenge in one day. As part of our 10 Actions to Address Racism and Inequality, all 15 charities participating in Global Volunteer Week have a mission to actively combat systemic racism and fight for social justice.

STATE STREET FOUNDATION GIVING

EDUCATION AND
WORKFORCE
DEVELOPMENT
GRANTMAKING



\$14.5M

EMPLOYEE
MATCHING GIFTS



\$4.6M

RACIAL EQUITY &
SOCIAL JUSTICE
FOCUSED
GRANTMAKING

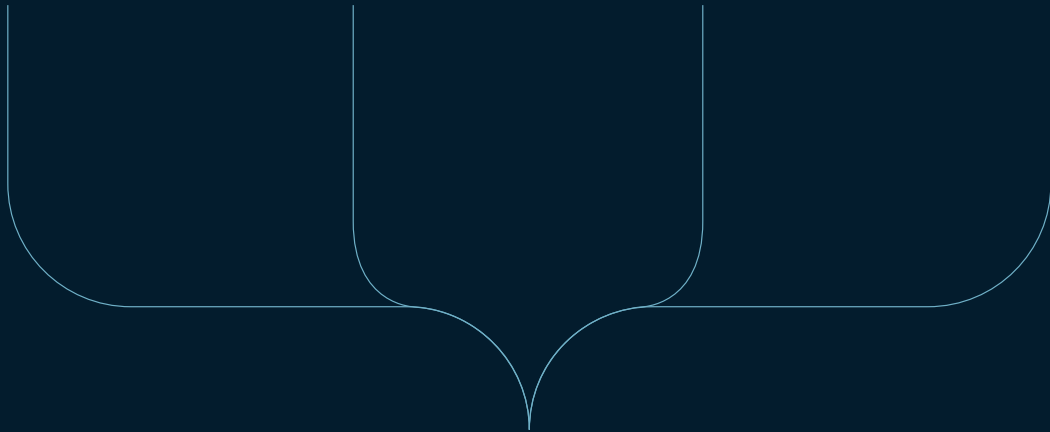


\$3.1M

OTHER, INCLUDING
VOLUNTEERING
AND DISASTER RELIEF



\$2.6M



\$24.8M

TOTAL GIVING BY
STATE STREET FOUNDATION

87

SKILLS-BASED
VOLUNTEER
PROJECTS

394

VOLUNTEERS
DONATING 14,000
HOURS

\$3.2_M

IN MONETARY VALUE
PROVIDED TO OUR
CHARITY PARTNERS

Our aim was to help these organizations thrive, build capacity and continue amplifying their missions. Since 2003, this collaboration has resulted in 87 skills-based volunteer projects with 394 volunteers donating 14,000 hours and provided a monetary value of \$3.2 million to our charity partners.

SKILLS-BASED VOLUNTEERING

Our skills-based volunteering program allows employees to offer their unique skills to nonprofit organizations or initiatives. Benefiting organizations gain specialized assistance in areas where State Street employees have expertise — such as marketing strategies, hybrid work activation, and data analysis — while employees are empowered to support causes they care about and get hands-on professional development experience.

Also in 2021, we helped 10 grant partners navigate COVID-19 with the support of Root Cause, a purpose-driven consulting firm. With great success and feedback, we launched a second iteration with another group of 10 grantees focused on continuous quality improvement, organizational culture, and inclusion, diversity, and equity efforts.



BOARD GOVERNANCE AND ESG MANAGEMENT

As a global systemically important bank, it is important that we embed strong corporate governance standards and seek to limit the potential negative impacts on our economy, society, and stakeholders. We believe that strong corporate governance includes oversight and management of material ESG issues. Our corporate governance structure is designed to promote the responsible and proactive management of our identified ESG material issues, with policies and strategies for mitigating the associated risks.

BOARD GOVERNANCE

Our board of directors is responsible for acting in the best interests of State Street and its shareholders and works to enhance the company's long-term value while accounting for the needs of employees, clients, and the communities where we operate. The board meets regularly, either in person or virtually, to assess our business strategy, performance, and policies, as well as our corporate responsibility initiatives and objectives.

For more details on the frequency of board meetings and delegation of responsibilities, please see our [2022 Proxy Statement](#).

Our guiding policies and charters

State Street's [Corporate Governance Guidelines](#) and the [Standard of Conduct for Directors](#) offer guidance to the board on its role, responsibilities, functions, and conduct expectations. The board also follows the [Governance Standards relative to the Investor Stewardship Group \(ISG\) Governance Principles](#). The board has several principal committees to assist it in carrying out its responsibilities. Committee mandates are set out in the below charters:

- [Examining and Audit Committee](#)
- [Executive Committee](#)
- [Human Resources Committee](#)
- [Nominating and Corporate Governance Committee](#)
- [Risk Committee](#)
- [Technology and Operations Committee](#)

In addition to the board, State Street employees are expected to uphold the company's values and act with integrity when representing the company. These expectations are outlined in the [Code of Ethics for Senior Financial Officers](#) and [Standard of Conduct for employees](#).

The board gains insights into best practices in ESG management by regularly engaging with our shareholders. In 2021, we engaged with or requested engagement with shareholders representing approximately 65 percent of our outstanding common stock. During these meetings, management of ESG issues was a key topic of interest for shareholders, building off previous conversations on social matters like diversity and inclusion initiatives to climate risk.

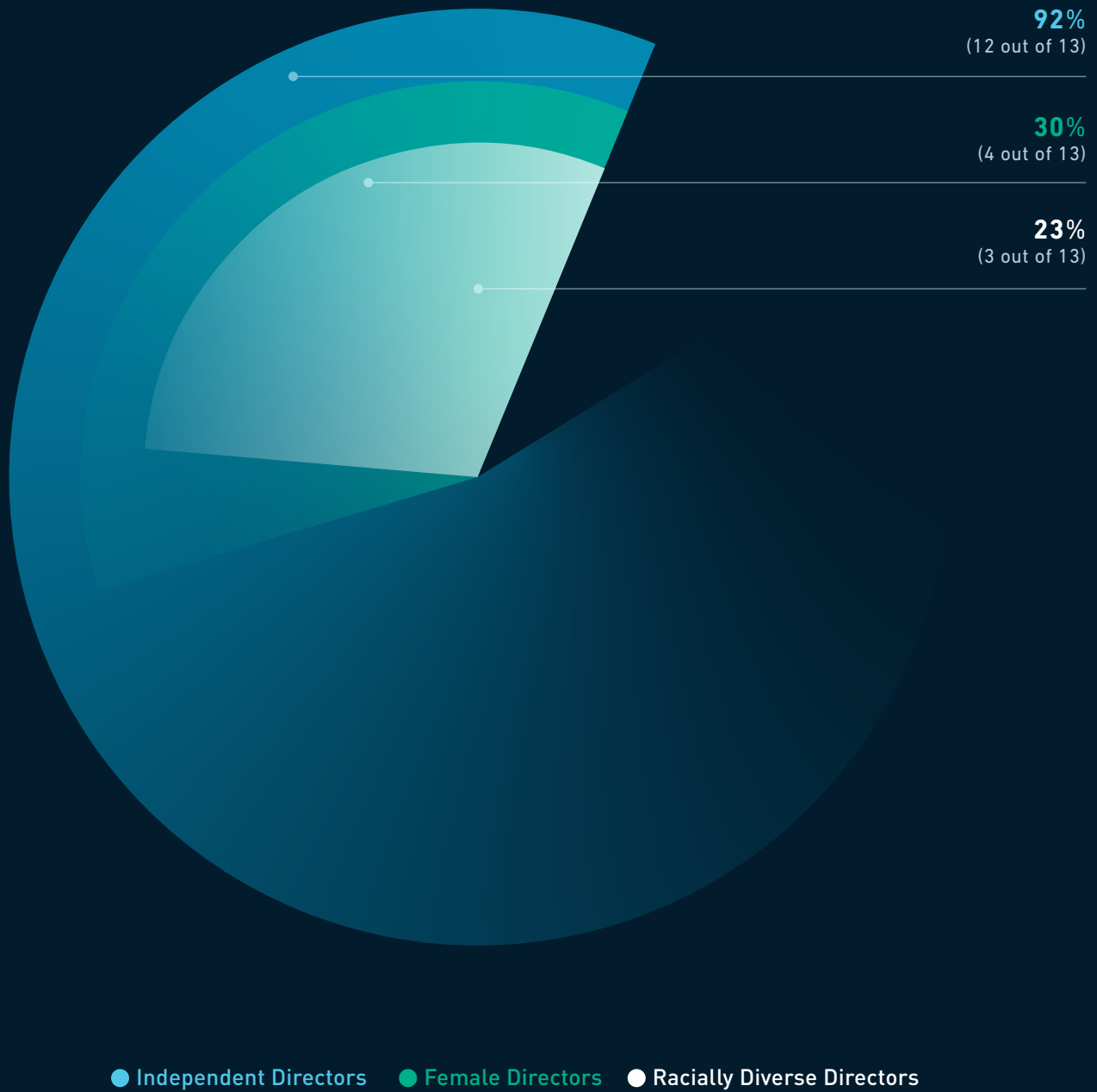
EMBEDDING ESG ACCOUNTABILITY

We continue to prioritize the management of ESG issues as identified by stakeholders in our materiality assessment process. Our board is taking a holistic view of ESG management and has worked to further embed ESG accountability into our governance structures, after first taking on responsibility for oversight of material ESG issues in 2018.

In 2021, the Nominating and Corporate Governance Committee of the board and the board itself reviewed proposed changes to the charters of each of the committees of State Street's board to incorporate oversight responsibilities for ESG activities. Through this effort, the charter of every committee of the board changed to incorporate oversight for ESG activities, initiatives, and obligations for matters within each committee's specific remit. The changes were intended to formally allocate the board's oversight responsibilities for ESG matters, such as climate risk, to the relevant committees. In addition, the board's corporate governance guidelines were expanded from a posture of monitoring ESG to a more active role.

Rick Lacaille, our global head of ESG, continues to be a dedicated member of our executive leadership. He regularly meets with the board to provide ESG management insights and updates, ensuring that the board is informed about ESG and risk mitigation strategies. Additionally, he is the chair of the Executive Corporate Responsibility Committee, which oversees internal ESG efforts across the company, reporting to the board at least once per year regarding the company's ESG-related goals and strategies.

BOARD DIVERSITY¹



¹ As of April 20, 2022

30%

OF DIRECTOR NOMINEES FOR THE 2022 ANNUAL MEETING OF SHAREHOLDERS ARE FEMALE

BOARD DIVERSITY

State Street has long recognized the value of board diversity. We believe that diversity provides a broader range of perspectives and supports improved decision-making. In 2021, we enhanced our Corporate Governance Guidelines and our Nominating and Corporate Governance Committee charter to reinforce our commitment to actively seek diverse candidates for the pool from which director candidates are chosen.

In an effort to meet such diversity objectives, the Nominating and Corporate Governance Committee and the board consider a broad range of attributes when assessing director nominees and new candidates, including demographics such as gender identity, race, ethnicity, sexual orientation and national origin in addition to independence, tenure of board service, professional experience, and skill set. For the 2022 annual meeting of shareholders, 30 percent of the director nominees are female and 23 percent are racially diverse¹.

¹ As of April 20, 2022

23%

OF DIRECTOR NOMINEES FOR THE 2022 ANNUAL MEETING OF SHAREHOLDERS ARE RACIALLY DIVERSE

BOARD INDEPENDENCE

All members of our key board committees—the Nominating and Corporate Governance Committee, the Human Resources Committee, and the Examining and Audit Committee — meet the independence requirements of the New York Stock Exchange (NYSE). We have a Risk Committee, on which the chairman and four independent directors serve, as well as a Technology and Operations Committee, on which five independent directors serve. Based on NYSE listing standards, 92 percent — 12 of 13 — directors are independent¹.

BOARD BEST PRACTICE

In addition to our ongoing work to uphold good governance practices within our own operations, we also acknowledge—given our broad reach and influence—the importance of sharing insights with our clients on responsible board governance.



92%

OF DIRECTORS ARE
INDEPENDENT

Through our asset stewardship team at State Street Global Advisors, we offer guidance to boards of portfolio companies on best practices and insights on advancing standards of governance.

We provide valuable insights to boards on how to effectively manage ESG issues at the senior leadership and board level, with a particular focus on how best to oversee risks, opportunities, and impacts related to climate change and inclusion, diversity, and equity. Our Board of Directors Resource Center is designed to enable corporate directors to steer their companies toward a more resilient, sustainable, and inclusive future.



RISK, ETHICS, AND COMPLIANCE

State Street is committed to the highest standards in risk, ethics, and compliance in the interests of all our stakeholders. We consider every one of our employees to be a custodian of our reputation. To continue creating long-term value for our stakeholders, our employees must act in alignment with our values in everything they do. That is why the company keeps ethical decision-making as a central tenet of our codes of conduct.

Our clients expect us to hold our board members, senior leadership, and all of our employees accountable for our high standards of risk management, ethics, and compliance. In addressing this expectation, State Street takes a comprehensive approach to considering risk and ensuring that all of our employees keep it top of mind in their day-to-day work and in executing their responsibilities.

Risk and compliance are part of our core leadership skills and measurable metrics of management performance. Embedded throughout our organization, risk management starts with the Risk Committee of the board and flows through the entire organization.

This committee holds responsibility for reviewing and approving the firm's risk management policies and overseeing our global risk management framework, which is reviewed at minimum once per year. Our three lines of defense framework governs our operational risk, and more information can be found in the [GRI Index](#).

ADAPTING TO EVOLVING COMPLIANCE REGULATIONS

As a global financial institution with operations around the world, State Street is subject to laws, rules, and regulations in numerous jurisdictions and by numerous regulatory bodies. Further, our designation as a global systemically important bank, a reflection of State Street's size, complexity, global footprint, and interconnectedness across the financial system, comes with heightened supervisory expectations.

In order to address compliance risk,¹ and the evolving regulatory landscape, State Street's Compliance Risk Management Policy and supporting framework ("Compliance Program") sets forth enterprise-wide standards for identifying, assessing, monitoring and reporting on compliance risk.

Our Compliance Program applies a risk-based approach to ensure both management and control function resources are directed to those risks, regulations, and regulators that represent the greatest exposure and therefore require the greatest level of engagement. Our regulatory change management programs are designed to promptly identify changes to the regulatory environment that impact State Street's legal entities, the products and services they provide, and the operations they conduct. Management and control functions work in concert to ensure that relevance and applicability to State Street is understood and that internal processes, procedures, and controls are designed to address changes in the external regulatory environment.

The regulatory landscape is dynamic and always evolving. In order to navigate compliance in this complex environment, State Street continuously seeks opportunities to optimize our programs.

A shifting ESG regulatory landscape

While more ESG reporting standards are moving from voluntary to required, there is still little standardization of ESG regulations and disclosure frameworks across the many geographies in which we operate. We continue to be part of the policy development that shapes our industry, with an eye towards the development of consistent, internationally standardized ESG regulation and comparative data sets for effective disclosures.

INTEGRATING ETHICAL CONDUCT INTO OUR CULTURE

We know that a balanced, inclusive, and measured culture helps underscore ethical conduct. To help build that culture, we are consistent and strategic in how we approach and reward compliance and risk excellence. We have both individual rewards programs and disciplinary response mechanisms to deal with these.

During 2021, we developed a summary of key elements put in place at State Street to manage business conduct risk. This details the practices we follow related to conduct risk or those that influence our ability to manage conduct risk. These practices extend beyond individual employee conduct, to also cover business conduct risk, taking into account strategy and operations, our systems for monitoring, and our process for implementing controls.

¹ Defined as the risk of legal or regulatory sanctions, material financial loss, or loss to reputation resulting from failure to comply with regulatory obligations (i.e., applicable final rules, laws, statutes and regulations, formal regulatory guidance and self-regulatory organization standards that regulate State Street's legal entities, financial services activities and functions that support those activities).

Many of the elements highlighted within the document are integrated into the existing risk management infrastructure, which helps make the management of conduct risk scalable throughout our business with embedded programs and resources.

OUR CONDUCT STANDARDS COMMITTEE

Our Conduct Standards Committee is responsible for overseeing State Street's program for the enforcement of employee conduct standards. This committee, made up of senior leaders, is tasked with ensuring that we have a consistent approach to applying our conduct standards framework to all matters throughout the organization.

As the body responsible for overseeing and reviewing all employee conduct matters, it reviews these matters and decides appropriate responses. In the spirit of transparency and to underscore our culture of risk excellence, we compile an annual report for all employees that highlights noteworthy committee activities, detailing the types of matters that the committee has dealt with and the outcomes. Importantly, it highlights conduct examples that fall short of our expectations.

COMPLIANCE TRAINING

We carry out compliance training for our employees to ensure that they understand the standards that have been set for conduct and as well as our culture and values. We provide the tools necessary to ensure our teams are fully aware of how to engage with our clients, prospects, business partners, peers, and other stakeholders.

This training curriculum covers our Ethical Decision-Making Framework, Standard of Conduct, and Anti-Bribery Policy and Corruption Policy, as well as industry-specific conduct requirements related to issues such as information security and privacy, conflicts of interest, insider trading, and fraud awareness.

MONITORING HUMAN RIGHTS RISKS IN OUR SUPPLY CHAIN

As a global firm with a global presence, we have an obligation to ensure that our procurement practices comply with all human rights-related laws and regulations. We have rigorous standards in place for our suppliers and closely monitor human rights risks within the supply chain. More information on how we approach management of human rights risks can be found in our [Human Rights Statement](#), which also references our commitment to the United Nations Global Compact, and most recent [Modern Slavery Act statement](#).



OPERATIONAL AND CYBER RESILIENCE

As a leading global financial institution, we are the custodians of extensive data and information about our key stakeholders, particularly our clients and our employees. One of the greatest threats to our organization, and our client security, is the potential compromise of that data. We go to extensive lengths to ensure that the data and information entrusted to us is secure.

As the scale of our organization grows and the complexity of the systems we operate increases, continuing to strengthen our defenses against potential data and privacy breaches is essential. As such, operational and cybersecurity resilience is a priority within our business strategy. State Street uses rigorous training, policies, and procedures to manage these risks effectively throughout our organization, to ensure that our staff and systems are addressing the most severe potential threats and to constantly develop new ways to protect our systems.

CYBER RESILIENCE

Our cyber defense is spearheaded by our Global Cybersecurity team (GCS), tasked with continually improving cybersecurity by developing and evolving our security policies and processes, upskilling our internal cyber team, performing awareness training for our employees, increasing security of our systems, enriching incident response via an intelligence-driven approach, and continually testing our systems for rigor.

This targeted, proactive approach reinforces our network for resilience and works to ensure significant investment in tools, emerging technologies, and skilled talent.

In 2021, with a global hybrid workforce split between our offices and working remotely, our operational and cyber resiliency was once again tested. With the security of all our stakeholders front of mind, we regularly and diligently tested our systems, carried out reconciliations and processes, and made important improvements.

Policy and regulation

The GCS team establishes the framework, policies, and related programs to measure, monitor, and report on cybersecurity risks, including the effectiveness of cybersecurity program protections. GCS also defines and manages the enterprise-wide cybersecurity program. We have adopted the [National Institute of Standards and Technology \(NIST\) Cybersecurity Framework](#), which is a set of guidelines and recommendations that combine industry standards and best practices to help organizations manage their cybersecurity risks. In addition, our business operations in the European Union (EU) comply with the General Data Protection Regulation (GDPR), which protects the data privacy and security of individuals there.

Cybersecurity by its nature crosses boundaries and borders, and has an impact on all of our stakeholders. State Street considers cybersecurity everyone's responsibility — it is not just a box that we check, it is ingrained throughout the organization. To support this sense of responsibility, GCS constantly improves awareness and education on managing cyber risks — for our clients and our employees. This education includes a required annual online course for all employees, multiple simulated phishing attacks, and regularly updated information security awareness materials.

People are key to our success. In a highly competitive field, we prioritize attracting and retaining the best talent and expertise globally. We are also committed to attracting a diverse talent pool to further broaden the skill sets on the team.

OPERATIONAL RESILIENCE

We monitor and map emerging threats to the operational side of the business — from climate-related floods to geopolitical issues to unstable governments. We know these potential threats can have a detrimental impact on any global organization and given the interconnectedness of the global financial markets in which we operate, it is prudent for us to manage them well.

To provide us with an understanding of our concentration risk, we segment all the countries in which we work based on the emerging threats we identify. This prepares us for situations that may require redeploying resources or restructuring our physical operations or locations.

For example, certain parts of a country may be classified as vulnerable to weather while others may have infrastructure threats, so we plan according to these classifications. We then overlay plausible scenarios across these regions to assist with our planning.

By identifying and understanding potential threats, we can be better prepared to continue operating and servicing our clients and the market without interruption. Key to this is considering how we can reduce the effects and harm of known crises that may recur, such as impacts of COVID-19 (or future pandemics or health-related events), climate change (including extreme weather events), and other crises. As we adjust to a hybrid working model, we are continuing to adapt our continuity requirements to a more virtual workforce.

Supply chain diversity

We know that having a diverse supply chain is an effective risk mitigation strategy — it spreads the risk and is a critical factor in promoting business continuity in the face of potential threats. As we have seen through COVID-19, supply chains can fail, and therefore amortizing the risk across a more diverse set of suppliers helps to buffer supply interruptions.

State Street engages roughly 5,000 suppliers across the globe who provide us with various products and services, including business and professional services, financial, IT, market data, office support, and travel management.

A responsible supply chain is also a more resilient supply chain. As part of our requests for proposals, we review suppliers in our selection process to ensure they comply with human rights laws, rules, and regulations, and clauses prohibiting human trafficking and modern slavery are included in our supplier contracts. For more information, see [Enhancing Supplier Diversity](#).



DATA PRIVACY

Our clients' trust and confidence are at the foundation of our relationship with them — and maintaining a high standard for data privacy allows us to strengthen those relationships. As the scale of our organization grows and the complexity of the systems we operate increases, continuing to strengthen our defenses against potential personal data breaches is essential.

At State Street, we are committed to handling personal data responsibly and transparently — whether it is data regarding our clients, vendors, employees, or other third parties. In addition, it is necessary that we uphold all regulatory requirements globally, including the General Data Protection Regulation (GDPR) in the European Union, as well as regulator expectations. To that end, data privacy is a collaboration between two corporate functions — global cybersecurity (GCS) and the Privacy Office. GCS, as detailed in [Cyber Resilience](#), manages the general protection of information, including data security and network security.

Our Privacy Office is responsible for the governance of personal data, including its use, retention, and disclosure.

The Privacy Office operates the State Street privacy program and has implemented an internal Global Privacy and Personal Data Protection Standard ("Privacy Standard") for all of our employees. In addition, all employees are required to complete training annually on global privacy and personal data protection. Personal data, defined as any information that can be used to directly or indirectly identify an individual, is required to be processed lawfully, fairly, and in a transparent manner.

Although there are differences in local privacy and data protection regulations, State Street's global privacy standard incorporates the many variations into an overall approach that is consistent and applicable to all employees. We focus on data minimization, respect for data subject rights requests, limitations on the transfer and storage of data, lawfulness, security, and accuracy.

It is every employee's responsibility to safeguard the personal data entrusted to us, regardless of whether the data subject is an employee, client, or other individual.

In addition to the Privacy Standard and the oversight provided by the Global Privacy Office, business units and corporate functions assess privacy risk and the mitigating control environment through State Street's non-financial risk assessment programs, which take into account technology, operational, and compliance risks. Privacy controls are periodically monitored and tested by Corporate Compliance and Corporate Audit.

As protection of information is a core component of data privacy, GCS establishes the framework, policies and related programs to measure, monitor and report on information security risks, including the effectiveness of cybersecurity program protections. In addition, GCS coordinates with Information Technology, control functions, and business units to support the confidentiality, integrity and availability of corporate information assets. Recognizing the significance of cyberattacks, we have taken steps to mitigate the associated risks.

APPENDIX



STATE STREET 2021 ESG REPORT - APPENDIX

**SUSTAINABILITY
ACCOUNTING
STANDARDS BOARD
(SASB) REPORT**

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) REPORT

Asset Management and Custody Activities

INTRODUCTION

State Street Corporation is a financial holding company organized in 1969 under the laws of the Commonwealth of Massachusetts. We conduct our business primarily through State Street Bank, which operates as a specialized bank, referred to as a trust or custody bank, that services assets on behalf of institutional clients.

We have two lines of business: investment servicing and investment management. Our investment servicing line of business performs core custody and related value-added functions, such as providing institutional investors with clearing, settlement, and payment services. Our financial services and products allow our large institutional investor clients to execute financial transactions on a daily basis in markets across the globe. As most institutional investors cannot economically or efficiently build their own technology and operational processes necessary to facilitate their global securities settlement needs, our role as a global trust and custody bank is generally to help our clients efficiently perform services associated with the clearing, settlement and execution of securities transactions and related payments.

Our investment management business, State Street Global Advisors, provides a broad range of investment management strategies and products for our clients. Our investment management strategies and products span the risk/reward spectrum, including core and enhanced indexing, multi-asset strategies, active quantitative and fundamental active capabilities, and alternative investment strategies. Our assets under management (AUM) is currently primarily weighted to indexed strategies. We provide a breadth of services and solutions, including environmental, social and governance (ESG) investing, defined benefit and defined contribution, and an outsourced chief investment officer (OCIO) model.

Global Advisors is also a provider of exchange-traded funds (ETFs), including the Standard & Poor's Depository Receipt (SPDR®) ETF brand. Our clients include managers of mutual funds, collective investment funds and other investment pools, corporate and public retirement plans, insurance companies, foundations, endowments, and investment managers.

TRANSPARENT INFORMATION AND FAIR ADVICE FOR CUSTOMERS

FN-AC-270a.1

1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings

There were no State Street employees with a record of new investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings disclosed in 2021. State Street has extensive policies, procedures, trainings, and controls designed to ensure compliance with all applicable rules and regulations. For more information, see [\[Risk, Ethics and Compliance\]](#).

FN-AC-270a.2

Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers

In 2021, no fines or other financial or non-financial sanctions were disclosed or levied related to legal proceedings associated with marketing and communication of financial product-related information to new and returning customers. State Street discloses all material legal and regulatory proceedings in our [Form 10-K](#) and Quarterly Reports on [Form 10-Q](#).

FN-AC-270a.3

Description of approach to informing customers about products and services

When approaching clients or prospective clients about our services, we are subject to a range of regulations regarding the accuracy and fairness of the messaging. The way we communicate with our clients varies and includes several factors including applicable laws and regulations, the type of client, and the product or service being discussed. In all cases, we provide all relevant information to our clients regarding the service provided, costs, risks, and any warranties regarding performance. In the case of investments, we provide the fund or product's constituent documentation and the investment strategy, characteristics, fees and expenses, financial statements, and performance. For transparency information for our hedge fund, private equity, real estate, ETFs, mutual funds (MFs), and commingled funds, [read here](#).

EMPLOYEE DIVERSITY & INCLUSION**FN-AC-330a.1**

Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees²

For more information regarding State Street's approach to inclusion and diversity, including our policies and programs for fostering equitable employee representation across our global operations, see [\[Inclusion, Diversity, and Equity\]](#) and our [website](#).

GLOBAL GENDER REPRESENTATION:

| | Female | Male | Not Disclosed/Available |
|---------------------------------------|---------------|-------------|--------------------------------|
| Executive Management | 33% | 67% | 0% |
| Non-Executive Management | 35% | 65% | 0% |
| Professionals and All Other Employees | 52% | 48% | 0% |

US RACIAL/ETHNIC GROUP REPRESENTATION:

| | Asian | Black or African American | Two or More Races | White | Hispanic or Latinx | American Indian or Alaska Native | Native Hawaiian or Other Pacific Islander | Not Disclosed/Available |
|---------------------------------------|--------------|----------------------------------|--------------------------|--------------|---------------------------|---|--|--------------------------------|
| Executive Management | 9% | 2% | 1% | 80% | 3% | 0% | 0% | 4% |
| Non-Executive Management | 24% | 3% | 1% | 64% | 3% | 0% | 0% | 4% |
| Professionals and all other employees | 23% | 10% | 1% | 56% | 7% | 0% | 0% | 3% |

**INCORPORATION OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE
FACTORS IN INVESTMENT MANAGEMENT & ADVISORY**

FN-AC-410a.1

Amount of assets under management, by asset class, that employ (1) integration of ESG issues, (2) sustainability themed investing, and (3) screening

| Asset Type | Sustainability Themed | | Screening | |
|--|-----------------------------|---|-----------------------------|-----------------------------|
| | Total Sustainability Themed | Sustainability Themed with No Screening | Total Screening | Screening with No Thematic |
| Equities | \$68,116,384,078.91 | \$30,718,191,286.19 | \$411,061,155,950.06 | \$373,662,963,157.34 |
| Fixed Income | \$262,054,436.32 | - | \$46,273,388,175.56 | \$46,011,333,739.24 |
| Cash | - | - | \$1,302,938,766.88 | \$1,302,938,766.88 |
| Other (Alternative Investment, Multiasset Class Solutions) | \$7,288,516,638.35 | - | \$9,815,773,426.08 | \$2,527,256,787.73 |
| Total | \$75,666,955,153.58 | \$30,718,191,286.19 | \$468,453,256,318.58 | \$423,504,492,451.19 |

State Street Global Advisors currently has more than \$516 billion in ESG assets under management, which comprise about 12.5 percent of State Street's AUM as of December 31, 2021. Industry definitions of ESG eligibility and related categorizations continue to evolve over time. These updates and refinements have resulted in minor changes in the methodology used in defining ESG AUM compared to the prior year. In addition, through the process of updating our methodology in 2021 to be in line with industry standards, we identified some areas where asset classes should be re-categorized to ESG, and some from ESG to non-ESG, in aggregate resulting in a minor net reduction in ESG assets.

Please note that the following definitions are used for the ESG AUM breakdown (estimated and unaudited ESG AUM as of December 31st, 2021).

Screening AUM covers client mandates in the following categories: Negative/exclusionary screening and Norms-based screening, as defined by United Nations Principles for Responsible Investing (UNPRI) as:

- Negative/exclusionary screening: The exclusion from a fund or portfolio of certain sectors, companies or practices based on specific ESG criteria.
- Norms-based Screening: Screening of investments against minimum standards of business practice based on international norms.

Sustainability themed AUM covers client mandates in sustainability themed investing, as defined by United Nations Principles for Responsible Investing (UNPRI) as investment in themes or assets specifically related to sustainability (for example clean energy, green technology or sustainable agriculture).

Finally, Global Advisors manages an estimated and unaudited ESG integration AUM of \$48.5 billion as of December 31st, 2021 in client mandates that are not explicitly identified as ESG and have no ESG objectives but include material ESG factors into investment analysis and investment decisions.

FN-AC-410a.2

Description of approach to incorporation of ESG factors in investment and/or wealth management processes and strategies

Driven by our 35-year legacy in ESG investing, Global Advisors' mission — to invest responsibly to enable economic prosperity and social progress — reflects our commitment to ESG principles. However, we do not take a one-size-fits-all approach to ESG investing.

Our approach varies between investment teams to reflect the ESG integration philosophy of each team and the specific nuances of each investment strategy. As such, to achieve better risk-adjusted returns, our investment teams assess whether and how financially material sustainability risks are integrated into their investment analysis and decision-making processes. This approach is detailed in our [ESG Investment Statement](#). Specific approaches to ESG investing by investment area are summarized below.

Equity Index/Smart Beta

Within our equity index strategies, ESG can be integrated in multiple ways — either through the index itself (such as an index that either incorporates ESG characteristics or has sustainable investment as its objective) or as a custom solution via our beta solutions capabilities.

Active Quantitative Equity

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

Active Fundamental: Equity — Growth/Core

Having long used ESG data to help isolate specific issues and assess the quality of companies and the sustainability of their growth, the teams systematically incorporate R-Factor™ and other ESG data metrics into their investment decision-making processes. In some cases, they may still invest in companies where the team may have a positive view of company fundamentals despite a lack of data and/or poor ESG scores; as ESG disclosures by such companies continue to improve and availability of data increases, the teams believe that scores will become more meaningful.

Active Fundamental: Equity — Value

The team has long sought to identify and incorporate material ESG issues into its investment decision-making processes. Analysts will not typically exclude companies on the basis of a low or challenged ESG score. Instead, they seek to understand the underlying ESG issues and their potential impact on earnings power, balance sheet strength and the value of the business. Their priority is long-term returns, and they seek to focus on the price paid versus the risk taken. Where, after analysis, the team has a positive view of both the fundamentals and valuation of a company, it may still invest despite a challenged ESG score.

Fixed Income

Global Advisors manages both fixed-income index strategies, including those that seek to minimize costs and tracking error while adding value through a stratified sampling approach, as well as active strategies, which can be heavily reliant on credit research assessments. ESG factors play a particular role in helping to better assess “events” that can impact creditworthiness and valuation. In particular, corporate governance plays an overarching role in fixed-income credit assessments. Governance structures drive risk policies and can safeguard proper checks and balances. The same investment considerations may also be applicable to environmental and social factors.

Integrating ESG factors into fixed-income investing can be complex given the wide spectrum of available security types. Robust ESG data now exists for most corporate bonds, but it can become more challenging to assess sustainability risks of other fixed-income security types, such as sovereign bonds and securitized products. Most recently our fixed-income teams have developed low-carbon and climate investment strategies, helping investors not only reduce the environmental impact of their portfolios but also fund the transition to a greener economy.

Within our fixed-income indexing capabilities, sustainability risk can be integrated in a number of ways — similar to equity, this could be through the index itself (such as a third-party index) or by deploying screens, tilts, or stratified sampling techniques using ESG factors.

As with equity indexing strategies, mandates with the sole objective of replicating the return of a non-ESG fixed income benchmark do not consider sustainability risk in investment selection as the primary driver of investment decisions will be the constituents of the relevant index. Our active fixed-income teams consider sustainability risk in their investment decision-making process by utilizing R-factor™ and other tools and data sets to consider the impact of ESG issues on an issuer's credit-worthiness. In addition, State Street Global Advisors' Risk team increasingly considers sustainability credentials in its counterparty selection and oversight processes.

Cash

Cash management combines short duration and high-quality investments with the primary objectives of principal preservation and access to liquidity. Indeed, ESG factors are embedded and aligned with cash investment analyses and portfolio construction philosophies, which focus on risk mitigation, as well as balancing regulatory and rating requirements. The R-Factor™ score has been integrated into our Global Cash systems and investment process. As a result, our investment professionals have real-time access to approved issuers and their corresponding R-Factor™ score. Similar to issuer ratings, the R-Factor™ score is an input to the credit process but is not the driver of the overall investment decision.

Currency

Currency hedging mandates are typically focused on removing the currency exposure in an underlying portfolio and so do not take a view on the long-term sustainability of the economies underlying the currencies. Where mandates allow Global Advisors to take into account the longer-term growth potential of economies, we include a measure of the quality of different countries' governance. In addition, an important part of currency management is the management of counterparty risk. Our Counterparty Risk Management team is increasingly taking into account ESG factors in its counterparty approval process.

Multi-asset, Customized Solutions and Alternatives

Our Investment Solutions Group (ISG) is responsible for building multi-asset and custom solutions to meet our clients' specific investment objectives. State Street Global Advisors' strategic asset allocation recommendations for our clients are dependent on the long-term assumptions we make about future risks and returns of portfolio components. R-Factor™ is incorporated into our long-term equity asset class forecasts. As some countries' R-Factor™ scores are semi-permanently higher than others (due to structural differences in culture, law or environment), we focus on how R-Factor™ scores rise or fall over time, rather than on absolute levels.

ISG engages directly with the client to create a portfolio that meets the client's specific objectives including, where relevant, ESG objectives. As part of the portfolio construction process, the team assesses the ESG characteristics of each underlying investment strategy. The team incorporates these findings into the overall portfolio construction process, balancing the client's ESG goals with other risks to construct a portfolio solution that addresses the client's overall investment objectives.

In addition, in July 2021, our Investment Solutions Group (ISG) and Global Fiduciary Solutions (GFS) teams were integrated into a single, multi-asset investment organization. This part of our ISG (previously Global Fiduciary Services) team is responsible for outsourced investment management with specific expertise across traditional long-only as well as alternative investment asset classes. The team engages directly with clients to understand their specific investment objectives. As a natural part of their investment process, the team carefully assesses the ESG policies and practices of our outsourced managers and direct investments, and also evaluates material ESG factors at the total portfolio level. With this understanding, the team is able to design solutions that align with our clients' ESG objectives.

FN-AC-410a.3

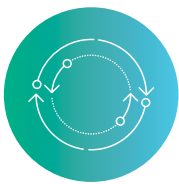
Description of proxy voting and investee engagement policies and procedures

Our approach to proxy voting and issuer engagement is premised on the belief that companies that adopt robust and progressive governance and sustainability practices are better positioned to generate long-term value and manage risk. As near-perpetual holders of the constituents of the world's primary indices, the informed exercise of voting rights coupled with targeted and value-driven engagement is one of the most effective mechanisms for creating value for our clients.

Our engagement and proxy voting prioritization processes are illustrated in the following graphic:

ENGAGEMENT

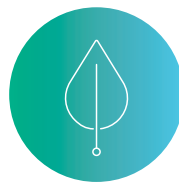
As an investor in more than 12,000 listed companies, prioritization is essential to effectiveness. Our active target list includes companies across seven main regions/markets of our stewardship activities (Australia, Canada, emerging markets, EU, Japan, UK, and US).



Process
How we prioritize



Portfolio Exposure
Absolute and relative holdings



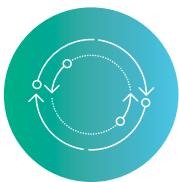
Proprietary ESG Screens
Negative screening on ESG factors



Thematic and Sector Priorities
Stewardship plan

PROXY VOTING

In 2021, we voted at nearly 21,000 meetings and on over 187,000 management and shareholder proposals. As such, prioritization of vote issues is an equally important aspect of our stewardship program.



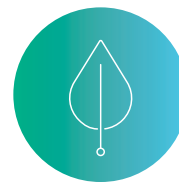
Process
How we prioritize



Alignment with Investment Strategy and Value Creation
Strong financial link to portfolio



Proxy Voting Priorities
Stewardship plan



Proprietary ESG Screens
Negative screening on ESG factors

All voting and engagement activities are centralized within our Asset Stewardship team, irrespective of investment strategy or geographic region. Further, the Asset Stewardship team leverages the breadth of our investment capabilities to make informed decisions.

In conducting voting and engagement activities, we evaluate the critical factors that play into the corporate governance framework of a country, which include macroeconomic conditions, the political environment and quality of regulatory oversight, enforcement of shareholder rights, and the effectiveness of the judiciary. We complement our company-specific dialogue with targeted engagements with regulators and government agencies to address systemic market-wide concerns.

State Street Global Advisors has a dedicated team of ESG analysts, based in Boston, Stamford, London, Krakow and Bangalore, who are charged with implementing its proxy voting guidelines and engagement activities on a global basis. The Stewardship Team's activities are overseen by the State Street Global Advisors Investment Committee (IC), acting through the Proxy Review Committee, which is a sub-committee of the IC. The Proxy Review Committee is responsible for reviewing our stewardship strategy, engagement priorities, and proxy voting guidelines and monitors the delivery of voting objectives. In addition, the Proxy Review Committee provides oversight of our Stewardship Team, reviews departures from our proxy voting guidelines, and reviews conflicts of interest involving proxy voting.

Our Asset Stewardship team has developed an [Issuer Engagement Protocol](#) and a framework to increase the transparency of our engagement philosophy, approach, and processes. This protocol is 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 factors we consider in identifying target companies include:

- The size of absolute and relative holdings
- The top holdings of our commingled/pooled funds
- Systematic input from our active equity and fixed-income investment teams
- Companies with poor long-term financial performance within their sector
- Companies identified as lagging market and industry standards on ESG matters
- Outstanding concerns from prior engagement
- Priority themes and sectors based on an assessment of emerging ESG risks

Where there are significant and complex issues, we will undertake multiple engagements with portfolio companies as needed. This approach allows us to efficiently prioritize our resources and engage with companies in comprehensive, substantive meetings. In these comprehensive engagements, we focus on material, long-term ESG issues that are relevant to the specific company. Topics of current interest to us include:

Governance

- Board and management succession planning
- Board composition and effectiveness
- Bribery and corruption
- Corporate culture
- Executive compensation
- Regulatory compliance
- Shareholder rights

Strategy

- Capital allocation
- Corporate reporting
- Long-term strategy
- Risk management

Environmental issues

- Climate change
- Environmental strategy and management
- Supply chain management

Social issues

- Inclusion, diversity, and equity
- Health and safety
- Human capital management
- Labor standards and human rights

Our 2022 stewardship priorities are climate change, human capital management, inclusion, diversity, and equity and effective board leadership.

Climate change

In April 2021, State Street Global Advisors became a signatory of the Net Zero Asset Managers initiative. As part of our commitment to holding our portfolio companies and ourselves accountable for reducing carbon emissions, beginning in 2022 we will take voting action against companies that fail to provide sufficient disclosure in accordance with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). Further, we will continue to engage companies with a focus on understanding companies' plans and progress toward long-term climate goals as well as alignment with our expectations on this topic.

Human capital management

Human capital management is a priority for our team, especially given the context of the pandemic and current labor market dynamics. We will leverage our engagements to ensure that companies are aligned with our expectations on this topic.

Inclusion, diversity, and equity

We have elevated our long-standing focus on Inclusion, diversity, and equity by including race and ethnicity, and by escalating our approach to voting on this topic. We will continue holding companies accountable for progress in our engagements and through our updated proxy voting policies.

Effective board leadership

We value the critical role that effective boards play in keeping companies focused on their long-term goals, whether it is climate-related targets or redefining their approach to human capital management. Amid the environment of an elevated culture of shareholder engagement and broadened expectations of material risk oversight by boards of directors, we will engage with companies and their directors to understand boards' approaches to providing effective oversight of an increasing range of material issues. We will continue to hold independent board leaders responsible via our R-Factor™ voting framework, ensuring boards manage and disclose material industry-specific ESG risks and opportunities.

BUSINESS ETHICS**FN-AC-510a.1**

Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations

In the ordinary course of business, State Street is involved in disputes, litigation, and governmental or regulatory inquiries and investigations, both pending and threatened. These matters, if resolved adversely against State Street, may result in monetary damages, fines, and penalties or require changes in our business practices. The resolution of these proceedings is inherently difficult to predict. We do not believe that the amount of any judgment, settlement, or other action arising from any pending proceeding is likely to have a material adverse effect on our consolidated financial condition, or on our ability to provide the services contemplated here.

However, an adverse outcome or development in certain matters could have a material adverse effect on our consolidated results of operations for the period in which such matter is resolved or a reserve is determined to be required.

On May 13, 2021, State Street entered into a settlement with the Department of Justice and the US Attorney for the District of Massachusetts to resolve their investigation of the Company concerning the incorrect invoicing of clients for certain expenses over an 18-year period. Under the terms of the agreement, State Street, among other things, paid a fine of \$115 million, entered into a deferred prosecution agreement, and agreed to retain an independent compliance and ethics monitor for a term of two years. We have reimbursed most of our affected customers for those expenses, and we have implemented enhancements to our billing processes. In connection with our enhancements to our billing processes, we continue to review historical billing practices and may from time to time identify additional remediation. We continue to cooperate with the investigation by the Department of Labor and have inquired as to the status of their review.

For further information regarding legal, governmental, and regulatory matters, or our approach to the management of these and related issues, please see page 166 of our [2021 10-K](#).

FN-AC-510a.1

Description of whistleblower policies and procedures

We expect all employees to promptly report any actual, attempted, or suspected violation of applicable laws, rules, regulations, or policies. Failing to report a violation that one knows about is itself a violation.

For managers, this means that when one is aware of an issue relating to an employee or contingent worker, they must address, escalate, and report the issue as necessary. This includes reporting situations outside of their department or involving employees or contingent workers outside of their team.

There are many options for escalating concerns highlighted in the State Street Standard of Conduct for Employees. For example, our Speak Up line is active 24/7 if there are concerns about known or suspected violations of laws or regulations, questionable business conduct, and breaches of the Standard of Conduct — such as breaches pertaining to accounting practices, internal accounting controls, or auditing.

The Speak Up line is operated by an independent third party. An employee can report anonymously (except where local law does not permit), although identifying oneself allows State Street to act as quickly and appropriately as possible.

State Street does not tolerate retaliation against anyone who reports a potential violation in good faith. Unlawful retaliation includes negative job consequences against any employee or contingent worker for acting upon a reasonable belief to:

- Report a potential violation of company policy or applicable law
- Participate in any internal or external investigation

To report an actual or possible violation of policy or law, an employee can contact:

- Their manager
- Corporate Compliance
- Legal
- Global Security
- Lead director of the board (via the confidential Speak Up line)

SOFTWARE AND IT SERVICES RESPONSE

Introduction

Our primary disclosure for the SASB frameworks is according to the guidelines of the Asset Management and Custody guidelines. However, because of the increasing importance of our software and IT-related services, we are continuing to respond to the Software and IT Services guidelines as well.

ENVIRONMENTAL FOOTPRINT OF HARDWARE INFRASTRUCTURE

TC-SI-130a.1

(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable

| Data Center Electricity | 2021 |
|-----------------------------|---------------|
| Total energy consumed | 225,900.69 GJ |
| Percentage grid electricity | 99.05% |
| Percentage renewable* | 99.05% |

* In 2021, State Street purchased Renewable Energy Certificates matching the amount of all grid-purchased electricity used by our data centers.

The above data points cover Scope 1 and 2 emissions from State Street's on-premise data centers within our operational control. As we consider cloud services, which would be considered Scope 3 emissions, we plan to incorporate energy implications into our decision-making.

TC-SI-130a.2

(1) Total water withdrawn, (2) total water consumed, (3) percentage of each in regions with High or Extremely High Baseline Water Stress

| Data Center Water Usage | 2021 |
|--|-----------------------|
| Total water withdrawn | 75,548 m ³ |
| Total water consumed | 75,548 m ³ |
| % withdrawn from water-stressed region | 0% |

TC-SI-130a.3

Discussion of the integration of environmental considerations into strategic planning for data center needs

As State Street continues to develop its information technology infrastructure and services, we are focusing on improving the energy efficiency and environmental footprint of our data centers. This initiative is exploring options such as addressing zombie servers, reducing or limiting the energy required by servers, and replacing older servers with newer technology that reduces energy demands. We are also exploring options to provide energy to data centers that is renewable or non-polluting such as hydrogen fuel cell technologies. This provides State Street with not only low-carbon electricity but also adds redundancy into the electrical system and often provides renewable energy credits, which will support our REC trading business. At the facility level, we are also replacing uninterruptible power supply systems with more efficient systems. When siting new data centers, we consider local temperatures and humidity conditions and seek locations that require less cooling and dehumidification.

DATA PRIVACY & FREEDOM OF EXPRESSION**TC-SI-220a.1**

Description of policies and practices relating to behavioral advertising and user privacy

Beyond tracking website users (numbers, pages visited, etc.), State Street does not engage in behavioral advertising programs and does not resell user data for third-party purposes.

TC-SI-220a.2

Number of users whose information is used for secondary purposes

None.

TC-SI-220a.3

Total amount of monetary losses as a result of legal proceedings associated with user privacy

In 2021, there were no fines or sanctions levied against State Street as the result of legal proceedings associated with user privacy.

TC-SI-220a.4

(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure

Due to the sensitive and proprietary nature of these data points, we choose not to disclose this data at this time.

TC-SI-220a.5

List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring

Due to the sensitive and proprietary nature of these data points, we choose not to disclose this data at this time.

DATA SECURITY**TC-SI-230a.1**

(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected

None reported in 2021.

TC-SI-230a.2

Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards

To learn more about our approach to data security, see [\[Cyber Resilience\]](#) and read our [Privacy Notice](#).

Our businesses depend on information technology infrastructure, both internal and external, to, among other things, record and process a large volume of increasingly complex transactions and other data, in many currencies, on a daily basis, across numerous and diverse markets and jurisdictions. We are working to implement effective systems and other measures to prevent or mitigate a diverse set of cyberthreats, and improve and adapt such systems and measures as such threats evolve and advance.

We define technology risk as the risk associated with the use, ownership, operation, involvement, influence, and adoption of information technology. Technology risk includes risks potentially triggered by technology noncompliance with regulatory obligations, information security and privacy incidents, business disruption, technology internal control and process gaps, technology operational events, and adoption of new business technologies.

The principal technology risks within our technology risk policy and risk appetite framework include:

- Third-party vendor risk
- Business disruption and technology resiliency risk
- Cyber and information security risk
- Technology asset and configuration risk
- Technology obsolescence risk

We manage technology risks by:

- Coordinating various risk assessment and risk management activities, including the operational risk program managed by Enterprise Risk Management
- Establishing, through the Technology and Operational Risk Committee (TORC) and Technology and Operations Committee (TOPS) of the board, the enterprise-level technology risk and cyber risk appetite and limits
- Producing enterprise-level risk reporting, aggregation, dashboards, profiles, and risk appetite statements
- Validating appropriateness of reporting of information technology risks and risk acceptance to senior management risk committees and the board
- Promoting a strong technology risk culture through communication
- Serving as an escalation and challenge point for technology risk policy guidance, expectations, and clarifications
- Assessing effectiveness of key enterprise cybersecurity risk and internal control remediation programs
- Providing risk oversight, challenge, and monitoring for the Global Continuity and Third-Party Vendor Management Program, including the collection of risk appetite, metrics and KPIs, and reviewing issue management processes and consistent program adoption

Our cyber defense is spearheaded by our Global Cybersecurity (GCS) team, tasked with continually improving cybersecurity by developing and evolving our security policies and processes, upskilling our internal cyber team, performing awareness training for our employees, increasing security of our systems, enriching incident response via an intelligence driven approach, and continually testing our systems for rigor.

GCS establishes the framework, policies and related programs to measure, monitor and report on cybersecurity risks, including the effectiveness of cybersecurity program protections. GCS defines and manages the enterprise-wide cybersecurity program. We have adopted the National Institute of Standards and Technology Cybersecurity Framework, a set of guidelines and recommendations that combine industry standards and best practices to help organizations manage their cybersecurity risks. GCS coordinates with Global Technology Services, business functions, control functions, and business units to support the confidentiality, integrity, and availability of corporate information assets.

GCS identifies and employs a risk-based methodology consistent with applicable regulatory cyber security requirements and monitors the compliance of our systems with cybersecurity policies. Cybersecurity risk is managed as part of our overall technology risk management as outlined above. We recognize the of cyberattacks and have taken steps to mitigate the risks associated with them. We have made significant investments in cybersecurity programs to leverage people, technology, and processes to protect our systems and the data in our care.

GCS constantly improve awareness and education on managing cyber risks — for our clients and our employees. Our training includes a required annual online course for all employees, multiple simulated phishing attacks, and regularly updated information security awareness materials. Information Security Officers in GCS help the business better understand and manage their cybersecurity risks.

In addition to our existing security testing capabilities, we also engage independent third parties to perform additional validation to help us better understand the effectiveness of our program and controls.

We have an incident response program in place that is designed to enable a well-coordinated response to cyberattacks, then to recover from the attack and drive the appropriate level of communication to internal and external stakeholders.

RECRUITING & MANAGING A GLOBAL, DIVERSE, AND SKILLED WORKFORCE

TC-SI-330a.1

Percentage of employees that are (1) foreign nationals and (2) located offshore

As a global corporation serving clients in over 100 markets, we have a presence in many countries around the world. In addition, with the growing prevalence of remote work, we cannot provide exact figures of foreign nationals or offshore employees at this time. Our regional breakdown is as follows:

GLOBAL HEADCOUNT AND REGION

| | North America | EMEA | APAC | Latin America |
|-------------------------|---------------|--------|--------|---------------|
| Employees | 12,644 | 12,594 | 13,527 | 20 |
| Percentage of workforce | 32.6% | 32.5% | 34.9% | 0.05% |

TC-SI-330a.2

Employee engagement as a percentage

| Actively Engaged | Not Engaged | Passive |
|------------------|-------------|---------|
| 56% | 19% | 25% |

Methodology

In 2021, we executed multiple pulse surveys and one larger survey to gauge employee sentiment. Our larger survey, which had a 63 percent response rate, was operated using Qualtrics, a third-party platform.

In order to calculate employee engagement, we compiled an overall index score leveraging three questions from the larger survey: whether employees are still connected with our strategy, whether we've created an environment where they feel like they belong, and whether they take pride in their employment at State Street.

We use a 1-5 Likert agreement scale, where 1 is "Strongly Disagree," 2 is "Disagree," 3 is "Neutral," 4 is "Agree," and 5 is "Strongly Agree." All questions contain a "N/A" option. We categorize "Strong Disagree" and "Disagree" as unfavorable, "Neutral" as neutral and "Agree" and "Strongly Agree" as favorable.

Actively engaged: calculated by counting the number of favorable responses divided by the total number of responses.

Passive: calculated by counting the number of neutral responses divided by the total number of responses.

Not engaged: calculated by counting the number of unfavorable responses divided by the total number of responses.

The survey includes 64 Likert scaled questions and two open-ended questions:

We compared the results of the survey to a set of external benchmarks that is a composite of over 16 million employee responses worldwide, including 3.1 million from the finance and insurance industry. When compared, State Street is scoring well above the benchmark on the Conduct & Compliance items. The below table captures the highlights of State Street's high-scoring conduct and compliance questions:

| Conduct & Compliance | Unfavorable | Neutral | Favorable |
|--|-------------|---------|-----------|
| My manager treats me with fairness and respect. | 4% | 9% | 87% |
| We learn from mistakes when they occur. | 6% | 10% | 85% |
| I can report unethical practices without fear of reprisal. | 4% | 14% | 82% |

When asked their opinion on the question: I am satisfied with the actions State Street is taking to be socially and environmentally responsible (e.g., minimizing carbon footprint and supporting community organizations/charities), only 6 percent of survey respondents disagreed, with 70 percent of responses being favorable and 24 percent with neutral responses.

TC-SI-330a.3

Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees. Please describe your organization's (1) policies and (2) programs for fostering employee representation across its global operations

GLOBAL GENDER GROUP REPRESENTATION:

| | Female | Male | Not Disclosed/Available |
|----------------------|--------|------|-------------------------|
| Administrative Staff | 94% | 5% | 1% |
| Technical Staff | 30% | 69% | 0% |
| All Other Employees | 48% | 52% | 0% |

US RACIAL/ETHNIC GROUP REPRESENTATION:

| | Asian | Black or African American | Two or More Races | White | Hispanic or Latino | American Indian or Alaska Native | Native Hawaiian or Other Pacific Islander | Not Disclosed/Available |
|----------------------|-------|---------------------------|-------------------|-------|--------------------|----------------------------------|---|-------------------------|
| Administrative Staff | 4% | 11% | 1% | 73% | 9% | 1% | 0% | 2% |
| Technical Staff | 40% | 3% | 1% | 48% | 2% | 0% | 0% | 5% |
| All Other Employees | 17% | 6% | 1% | 67% | 5% | 0% | 0% | 3% |

For more information regarding State Street's approach to inclusion and diversity, including our policies and programs for fostering equitable employee representation across our global operations, see [\[Inclusion, Diversity and Equity\]](#).

INTELLECTUAL PROPERTY PROTECTION AND COMPETITIVE BEHAVIOR

TC-SI-520a.1

Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations

There were no monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations in 2021.

MANAGING SYSTEMATIC RISKS FROM TECHNOLOGY DISRUPTIONS

TC-SI-550a.1

Number of (1) performance issues; (2) service disruptions; (3) total customer downtime

State Street did not experience performance issues, service disruptions or customer downtime during 2021 at a level of severity to be reported for these purposes. State Street operates a high-quality set of information technology service management processes aligned to industry standards for incident management, problem management, change management, and other related areas. In addition, continuity of both business processes and technology processes is governed by formal policies including, but not limited to, continuous testing to ensure effectiveness.

TC-SI-550a.2

Description of business continuity risks related to disruptions of operations

The core of State Street's approach to business continuity lies in its commitment to redundancy, resiliency, and security and a robust program of stress testing the systems we use.

Our computer, communications, data processing, networks, backup, business continuity, disaster recovery, or other operating, information or technology systems, facilities, and activities may suffer disruptions or otherwise fail to operate properly or become disabled, overloaded, or damaged as a result of a number of factors, including, without limitation, events that are wholly or partially beyond our control. This could adversely affect our ability to process transactions, provide services, or maintain systems availability, maintain compliance and internal controls, or otherwise appropriately conduct our business activities.

ACTIVITY METRICS

TC-SI-000.A

(1) Number of licenses or subscriptions, (2) percentage cloud-based

State Street has no licenses or subscriptions where it serves as the software-as-a-service (SaaS) provider in production.

TC-SI-000.B

(1) Data processing capacity, (2) percentage outsourced

State Street uses many different platforms to meet its technology needs. Open systems (i.e., UNIX, Windows, Linux) make up the largest quantity of our physical servers. In 2021, our systems averaged 288,000 million instructions per second (MIPS). The data provided should be considered within the State Street context and is not directly comparable to other firms' figures. It should also be noted that the data does not represent 100 percent of State Street servers, but represents the open system servers under our responsibility.

TC-SI-000.C

(1) Amount of data storage, (2) percentage outsourced

State Street recently reassessed our data storage reporting, aligning metrics to better reflect the way storage is deployed and managed in our environment.

As of the end of December 2021, total allocated storage capacity was approximately:

- 28 petabytes Storage Area Network (SAN) – providing shared pool of high performance to server infrastructure
- 8 petabytes Network Attached Storage (NAS) – file storage architecture shared across network and users
- 4 petabytes Content Addressable Storage (CAS) – fixed-format storage architecture used primarily to address compliance requirements for data retention
- 2 petabytes Object Storage – cloud-based storage primarily used for unstructured data

Due to our dependence on technology and the important role it plays in our business operations, we must persist in improving and updating our information technology infrastructure, among other things, (1) as some of our systems are approaching the end of their useful life, are redundant, or do not share data without reconciliation; (2) to be more efficient, meet client expectations and support growth opportunities; and (3) to enhance resiliency and maintain business continuity.

For example, there could be sudden increases in transaction or data volumes, electrical or telecommunications outages, natural disasters, cyberattacks, or employee or contractor error or malfeasance. We may not successfully prevent, respond to, recover from, or learn from any such disruptions or failures, so we continue to improve and update our information technology infrastructure.



STATE STREET 2021 ESG REPORT - APPENDIX

**TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES
REPORT**

INTRODUCTION

We believe that climate change presents material risks and opportunities that companies should analyze, prioritize, and ultimately disclose. As the financial services industry, including banks, asset managers, and asset owners, continues to acknowledge and consider this fact, we are committed to providing visibility into our own activities regarding how we approach and manage issues related to climate change.

Since 2017, State Street Corporation has supported the mission and objectives of the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD was set up in 2015 by the Financial Stability Board to develop voluntary and consistent climate-related financial risk disclosures for companies to provide to their investors and other stakeholders. The TCFD reporting principles cover four main areas: governance, strategy, risk management, and metrics and targets. This report provides an update on State Street's progress across these four areas.

GOVERNANCE

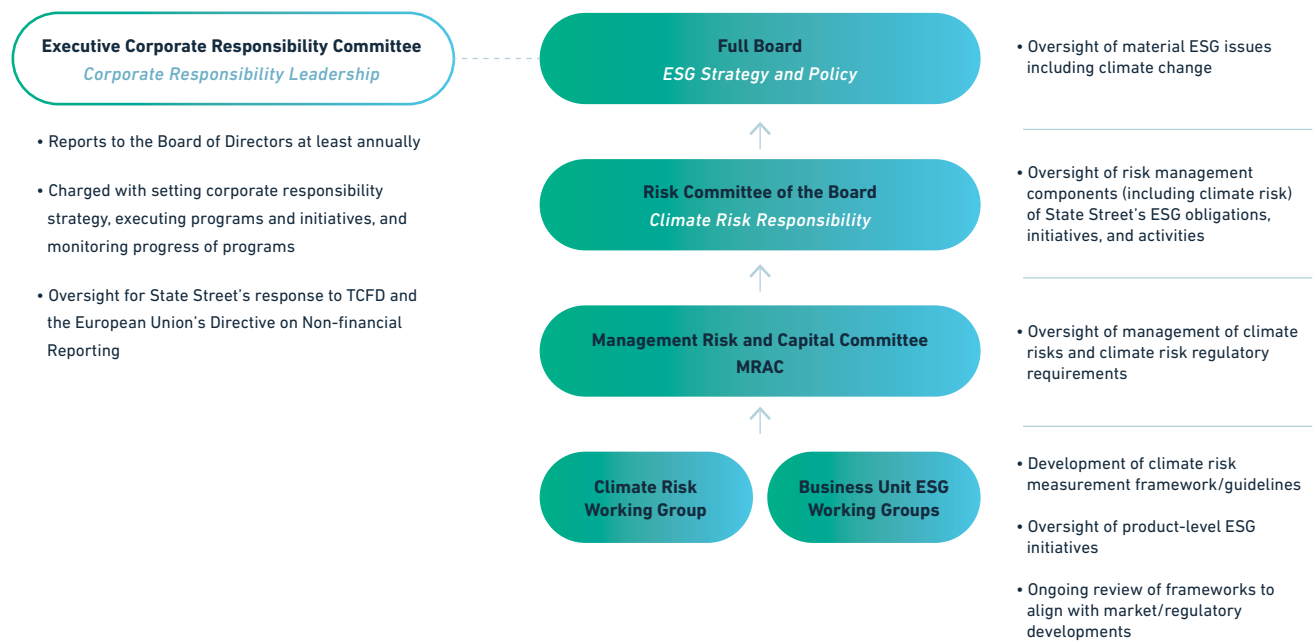
In 2018, State Street's board of directors took on responsibility for oversight of material ESG issues including greenhouse gas (GHG) emissions and climate-related risks. State Street's overall corporate responsibility efforts are overseen by the Executive Corporate Responsibility Committee (ECRC), which reports to the board of directors at least once per year. The ECRC is charged with setting our corporate responsibility strategy, monitoring issues and practices related to our material ESG issues, and promoting and facilitating communication about our ESG activities. The ECRC has also been charged with supporting State Street's responses to TCFD and the European Union's Directive on Non-Financial Reporting.

On March 31, 2021, Rick Lacaille was appointed to serve as global head of ESG to lead and coordinate ESG efforts across the firm as we work towards a well-coordinated and optimized approach to our ESG policies, products, initiatives, and thought leadership.

He works across business lines to fully leverage ESG capabilities stemming from a range of areas at State Street. Rick also acts as chair of the ECRC, which is comprised of representatives from across the corporation, including Global Realty, Procurement, Global Technology Services, Human Resources, Risk Management and more.

In 2021, the Risk Committee of the board of directors added responsibility for the risk management components (including climate risk) of State Street’s ESG obligations, initiatives, and activities to its mandate. State Street’s climate risk management efforts are overseen by the Management Risk and Capital Committee (MRAC), which is the senior oversight and decision-making body for financial risk and capital and liquidity management, and which oversees the firm’s management of climate risks and climate risk regulatory requirements. A dedicated Climate Risk Working Group provides oversight for the development of risk identification, risk assessment, and scenario analysis.

CLIMATE RISK GOVERNANCE STRUCTURE



From the investment side, State Street Global Advisors' ESG investments team also regularly reports on its climate change-related activities, including stewardship efforts and corporate engagements, to State Street Global Advisors' chief investment officer and chief executive officer, as well as State Street's board of directors. In 2021, State Street announced the appointment of Karen Wong, who joined State Street Global Advisors in the newly created role of global head of ESG and sustainable investing. As noted previously, State Street's board of directors has explicit oversight responsibilities for climate change as described in the Risk Committee's Charter. State Street's board and senior management receive regular reports on ESG matters, including climate change, from internal groups including the ESG investments team.

We find that the TCFD's guidance on climate-related disclosure is the most effective framework that companies can leverage to help inform strategies to plan for climate-related risks and make their businesses more resilient to the impacts of climate change. In addition to our own progress incorporating the TCFD principles, our asset stewardship team within Global Advisors engages regularly with their portfolio companies on how they are addressing climate change within the framework of the TCFD principles. In early 2022, State Street Global Advisors adopted a proxy voting guideline encouraging the adoption of TCFD disclosure recommendations in the following areas:

- Board oversight of climate-related risks and opportunities
- Total Scope 1 and Scope 2 GHG emissions
- Targets for reducing GHG emissions

If a company fails to adequately meet our expectations, State Street Global Advisors may vote against the independent board leader. We view this policy as a natural escalation of our previously stated expectations on climate-related disclosure and history of supporting TCFD-based disclosures through proxy voting and engagement.

STRATEGY

Climate change has the potential to impact State Street across many parts of our business, including through the value of the investments on our balance sheet, the locations in which we operate, and the financial condition of our clients.

We incorporate climate change into our business strategy and planning in the following ways:

As a corporation

- *Assessing climate-related risks and opportunities on our balance sheet.* We evaluate the impacts of climate-related factors on the assets we invest in on our own balance sheet to avoid the negative near- and long-term impacts of climate change and to ensure that we are prepared to invest our balance sheet in assets that align with our climate change goals over our investment horizon. Over the past year, we have better incorporated ESG considerations into the management of our balance sheet by furthering our understanding of the impacts of climate risks on the assets on our balance sheet, starting the process of developing a framework to issue a sustainable bond, and creating ESG guidelines for our investment portfolio and lending businesses.
- *Protecting the resiliency of our physical infrastructure.* Our business depends upon maintaining a robust and resilient physical infrastructure across our global locations that can handle the impacts of a changing climate. We incorporate potential climate impacts in our business continuity planning to ensure we are resilient to climate events, and consider longer-term climate patterns in our location strategy and for their impact on our ongoing operational resiliency.

- *Transitioning to a low-carbon economy.* In 2017, we publicly committed to science-based reduction targets for our carbon emissions. In 2020, we surpassed our 2025 target of 30 percent reductions, and have set a new goal of 27.5 percent reduction by 2030, as measured against the 2019 baseline year. This 2030 goal is in line with the Science Based Targets initiative's "well-below 2^o C" methodology. While State Street has exceeded our target reduction for 2021, as conditions revert from the current work-from-home and hybrid environment to higher office occupancy, this new target remains appropriate.
- *Supporting client needs around climate risk management.* As a custodian of and service provider for client assets, we are committed to providing our custody clients with information that enables them to assess the climate change risks present in their portfolios and thereby enable them to assess their risk exposures today and in the future, fulfill their own TCFD goals, and comply with any relevant disclosure or regulatory requirements.

As a global custody bank, it is our fiduciary duty to act solely in accordance with explicit instructions received from clients. The assets held by custody banks belong to their clients and are fully segregated from the bank's assets. Custody banks provide services to their clients as directed agents and do not have discretion over assets. In addition, custody bank balance sheets are distinct from those of other banks with different business models, and are built around client deposits derived from the provision of safekeeping and asset administration services, which represent a stable source of funding, whose value is monetized via the purchase of large and well-diversified portfolios of high-quality and appropriately termed investment assets. In our role as a custody bank, we do not engage in extensive retail, commercial, investment banking, and capital markets operations.

As an asset manager

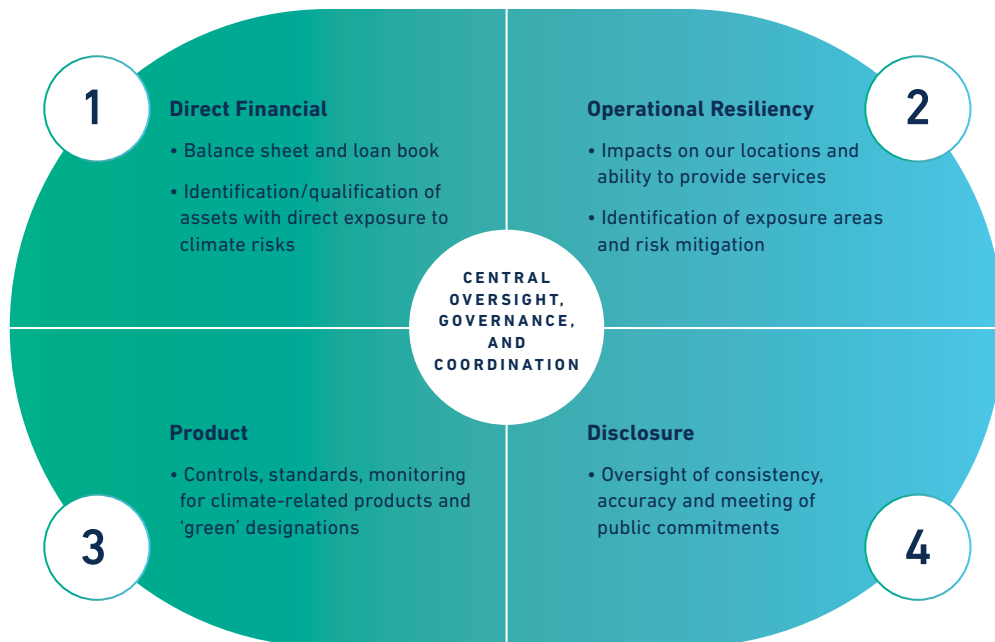
- Provide our asset management clients with information that helps them to assess the climate change risks present in their portfolios and thereby enables them to fulfill their own TCFD goals or obligations.
- In our ESG strategies, we are committed to combining our ESG data and analytics capabilities with traditional financial information when developing our investment practitioner perspective to create a new generation of ESG solutions.
- We are a large-scale fiduciary manager of assets, whose value may be affected by direct and indirect climate change impacts as well as the transition to a low-carbon economy. We believe exposure to these transition risks can directly impact the ability of those assets to generate long-term value. While our clients ultimately bear the risks of climate change in their portfolios, we are committed to helping them identify these risks and offering them ESG/climate investment solutions that can address these risks. Furthermore, our R-Factor™ scoring methodology leverages the Sustainability Accounting Standards Board's materiality framework to ensure our investment decisions are based only on the financially material and industry-specific ESG issues facing each company.

State Street Global Advisors will be releasing its own TCFD report later in 2022. When available, it will be linked from www.statestreet.com/cr.

RISK MANAGEMENT

State Street’s approach to risk involves all levels of management, from the board and its committees to each business unit and each employee. Responsibility for risk oversight is allocated so that risk decisions are made at an appropriate level, and are subject to robust and effective review and challenge. Risk management is the responsibility of each employee, and is implemented through three lines of defense: (1) the business units, which own and manage the risks inherent in their business, are considered the first line of defense; (2) Enterprise Risk Management and other support functions, which provide the second line of defense; and (3) Corporate audit, which assesses the effectiveness of the first two lines of defense. State Street’s risk framework accounts for the impacts of climate event risk on our operational risk and resiliency, but as a global financial institution that provides services to clients and counterparties across the world, climate change has the potential to impact us much more broadly, including through the strategic positioning of our business, the value of the investments on our balance sheet, the locations in which we operate, the financial condition of our clients, our global regulatory obligations, and our reputation in the market.

CLIMATE RISK QUADRANTS



REPUTATIONAL RISK

STRATEGIC RISK

Risk identification

Because risks evolve over time, risk identification is an iterative activity that includes inputs across the first, second, and third lines of defense. State Street has an established process underpinning its identification of material risks to the firm. The Material Risk Identification (MRI) process, which utilizes a bottom-up approach to identify our most significant risk exposures across all on- and off-balance-sheet risk-taking activities, is designed to consider risks that can have a material impact, irrespective of their likelihood or frequency. The resulting inventory of material risks is organized into State Street’s Top Risk Framework depicted below:

TOP RISK FRAMEWORK

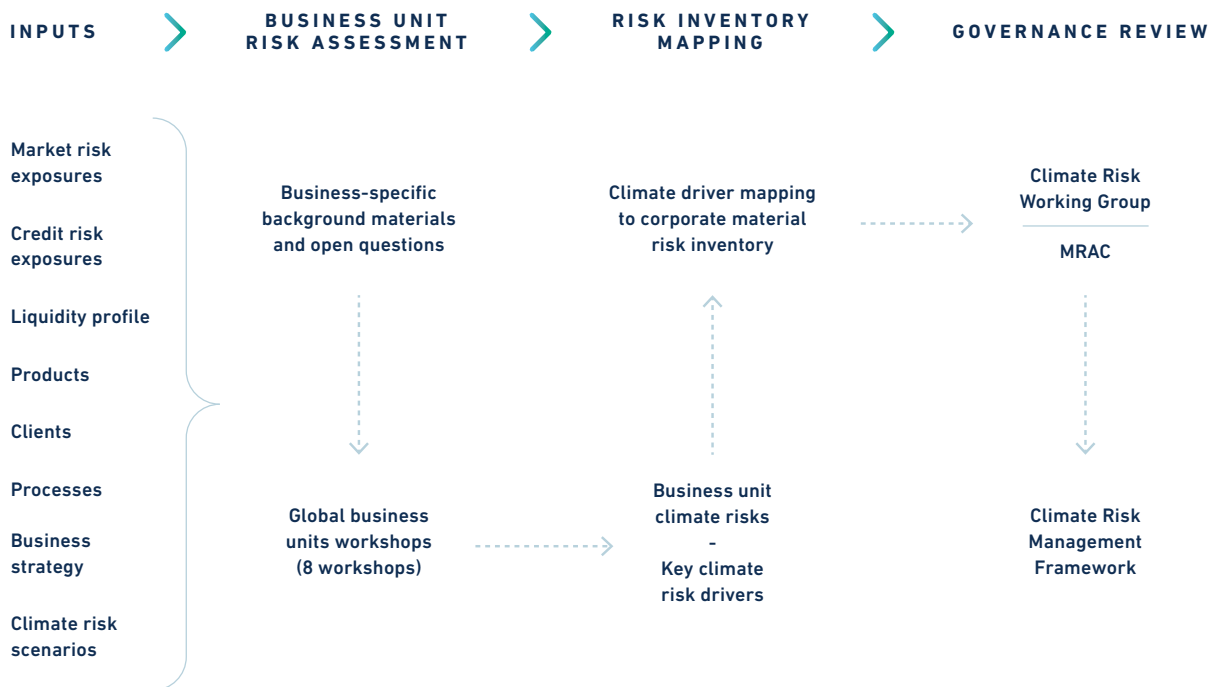


Climate change risks can impact our top risks through the primary transmission mechanisms depicted below:

| Top Risk | Transmission Mechanism |
|---------------------|---|
| Financial Risks | Mark-to-Market <ul style="list-style-type: none"> Physical and transition risks may impact the value of assets in which we invest |
| | Interest Rates <ul style="list-style-type: none"> Climate risks may impact the interest rate environment and interest rate differentials between various countries based on climate factors |
| | Trading <ul style="list-style-type: none"> Physical and transition risks may impact the value of assets in which we make markets |
| | Credit <ul style="list-style-type: none"> Counterparties may be impacted by climate risks, impacting their creditworthiness. Similarly, the value of collateral held by State Street could be impacted by climate risks |
| | Liquidity <ul style="list-style-type: none"> Climate disruptions may impact the ability of our clients and counterparties to access capital or funding markets and cause them to draw on liquidity facilities we provide Climate risks may result in declines in client assets, resulting in lower levels of client deposits on our balance sheet |
| Non-Financial Risks | Operational <ul style="list-style-type: none"> Increasing frequency or severity of climate-driven events may disrupt our operations, leading to a higher potential for operational errors or losses |
| | Technology & Resiliency <ul style="list-style-type: none"> Climate issues could impact risks through operational disruptions, data center outages, faster/slower recovery from intense storms Increasing frequency or severity of climate-driven events may disrupt our critical operations, damage physical assets, or impact our third-party ecosystem across our global operations |
| | Core Compliance <ul style="list-style-type: none"> Regulatory sanctions or material financial impacts may result from failures to comply with applicable laws, regulations, or internal policies and procedures Climate-related liabilities or litigation may increase in light of growing requirements around climate disclosures |
| Business Risks | Strategic <ul style="list-style-type: none"> Failures to adapt and respond to changes in the regulatory or market environments in countries in which we operate may constrain our ability to compete with peers Mismanagement of physical and transition risks by our clients may result in declining levels of assets under custody or administration, leading to reductions in our fee revenues Inability to provide best-in-class climate risk-related products and services may impact fee revenues by resulting in a less competitive product offering |
| | Model <ul style="list-style-type: none"> Lack of historical experience with climate change risks may result in greater model uncertainty or mispricing of climate risk impacts |
| | Investment Management <ul style="list-style-type: none"> Mismanagement of physical and transition risks by our clients may result in declining levels of assets under management, leading to reductions in our fee revenues Lack of ability to offer competitive climate funds to clients may result in a loss of clients or market share and a reduction in fee revenues |
| Reputational | <ul style="list-style-type: none"> Increasing stakeholder focus on corporate behavior with regard to climate stewardship and failures to meet these expectations may lead to increased reputational risk that drives a loss of clients, employees, or investors |

In 2021, in recognition of a growing understanding of the potential impacts of climate risks, the MRI process resulted in the establishment of climate risk — including the risks of adverse impacts on our balance sheet, our operations, or our strategic position caused by climate events or changing climate patterns or by the impacts of transitioning to a low-carbon economy — as a material strategic risk for State Street. In 2022, State Street utilized the MRI process approach to more completely assess the impact of key climate-related drivers on its broader inventory of material risks.

Identification of significant climate-related drivers was facilitated through a bottom-up approach involving a series of structured global workshops across State Street's major business units and functional areas. The workshops, which included senior business unit and control function executives, had the goal of identifying impactful climate-related risk drivers and understanding their transmission mechanisms for State Street. Workshop discussions were supported by educational materials on types of climate risk, climate scenarios, risk transmission channels, and climate-specific market and regulatory developments. See the full process illustrated below.



The Climate Risk Identification Process utilizes a bottom-up approach to identify State Street's most significant risk exposures across all on- and off-balance-sheet risk-taking activities

Key climate risk drivers identified through this process were organized around four key themes – market, operational, strategic, and regulatory – with their impacts mapped to individual material risks across State Street’s Top Risk Framework categories. See table below.

| RISK SOURCE | RISK DRIVER | TIMEFRAME | | TOP RISK TYPE | | | |
|-------------|---|-----------|------|---------------|---------------|----------|--------------|
| | | Short | Long | Financial | Non-Financial | Business | Reputational |
| Market | Acute climate event impacting our counterparty(s) | X | | | | | |
| | Market repricing of climate risk | X | | | | | |
| | Secular declines in regional economies or sectors | | X | | | | |
| Operational | Resiliency of critical operations to climate risks | X | X | | | | |
| | Climate model risk | X | X | | | | |
| | Climate data availability | X | X | | | | |
| Strategic | Sustainability concerns around our clients or operational footprint | | X | | | | |
| | Making and meeting climate commitments | X | X | | | | |
| | Internal consistency of climate commitments | X | X | | | | |
| | Green product strategy/design | X | X | | | | |
| | Misselling/improper disclosures | | X | | | | |
| | Misaligned climate strategies across business lines | | X | | | | |
| Regulatory | Meeting our regulatory obligations | X | X | | | | |

Transmission channels to the Top Risk Framework were further differentiated to provide a more granular view of climate-related impacts to State Street’s top risks, their significance, and their relevance to short- and long-term time horizons. See table below.

● Higher Impact ● Medium Impact ● Lower Impact

| Top Risk | Climate Risk Driver(s) | Short Term | Long Term |
|---|--|---------------|---------------|
| Investment Portfolio Mark-to-Market Risk | <ul style="list-style-type: none"> • Decline in market sectors • Market repricing of climate risks, includes for specific sectors or more broadly | Medium Impact | Medium Impact |
| Trading Risk | <ul style="list-style-type: none"> • Market repricing of climate risks, includes for specific sectors or more broadly | Medium Impact | Lower Impact |
| Credit Risk | <ul style="list-style-type: none"> • Climate event impacts to credit counterparties • Market repricing of climate risks, includes for specific sectors or more broadly • Secular declines in sector or geographies | Higher Impact | Higher Impact |
| Liquidity Risk | <ul style="list-style-type: none"> • Market repricing of climate risks, includes for specific sectors or more broadly • Drop in deposits from climate impact to client business models | Medium Impact | Medium Impact |
| Technology & Resiliency Risk | <ul style="list-style-type: none"> • Acute physical climate events • Chronic physical climate risk trajectories | Higher Impact | Medium Impact |
| Business Conduct & Compliance | <ul style="list-style-type: none"> • New/divergent regulatory obligations • Making and meeting climate commitments • Green product misselling and disclosures | Higher Impact | Medium Impact |
| Strategic Risk | <ul style="list-style-type: none"> • Secular declines in sector or geographies • Ineffective green product strategy or design • Misaligned climate strategies across business lines | Lower Impact | Medium Impact |
| Model Risk | <ul style="list-style-type: none"> • Climate model risk, including lack of data, agreed methodologies and inherent climate modeling uncertainties | Higher Impact | Higher Impact |
| Reputational Risk | <ul style="list-style-type: none"> • Making and meeting climate commitments • Internal consistency of climate commitments • Green product misselling and disclosures • Misaligned climate strategies across business lines | Lower Impact | Higher Impact |

Risk assessment

All assets, physical or financial, have some level of inherent risk from the impacts of climate change. However, the risks of financial loss from those assets are driven by the residual risk that remains after asset-specific characteristics and risk mitigants are taken into account. See the illustrative diagram below.



Climate change risks to our physical assets

To understand our operational vulnerabilities related to climate or environmental factors, we regularly evaluate the risks of climate change. This includes assessing the frequency and severity of major weather events that may impact our operations, induce damage, disrupt our supply chain, or potentially hinder our ability to provide products or services.

We are committed to protecting our clients from any service interruptions including those related to climate change, in addition to taking responsibility for mitigating our own climate impacts.

The potential impacts addressed in our business continuity and disaster recovery strategies include:

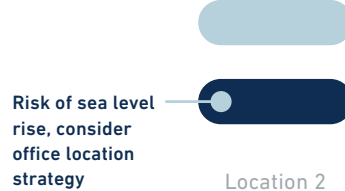
- The loss of, or temporarily restricted access to, buildings or operations
- The loss of, or damage to, technology and operations infrastructure
- Business, operations, or technology impacts to employees because of severe weather

Our building, operations, and technology teams also use this approach when exploring potential new business locations. If a property is in an area that has a higher risk of climate change effects, we conduct due diligence to assess the risks for our operations. In addition, we implement appropriate infrastructure to safeguard against any business interruptions that could occur due to climate-related events. This approach forms the foundation for assessment of the longer-term risks of climate change on our operational resiliency through the mapping of own key locations, infrastructure, and third parties against the critical services we provide for clients. See illustrative mapping below.

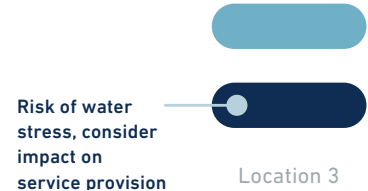
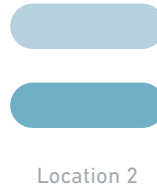
END-TO-END PROCESS MAP

● Higher Risk ● Medium Risk ● Lower Risk

STATE STREET



THIRD PARTIES AND INFRASTRUCTURE



Some of the steps we have taken or will consider taking to mitigate climate-related risks to our infrastructure include:

- Locating critical infrastructure on higher floors of buildings
- Adapting business continuity plans to include scenarios of extreme weather incidents
- Embracing innovative approaches to energy efficiency
- Instituting flexible commuting options for employees

We are currently assessing the potential of climate-related scenario analysis as a tool to inform our decision-making regarding our existing locations, including evaluating the potential impacts to our building critical systems as a result of certain climate scenarios, including sea level rise under a 3.6^o C and a 1.5^o C scenario, as well as evaluating potential severe weather event impacts and water stress resulting from the effects of climate change in the medium to long term.

We also include the evaluation of climate-related event risks in our Operational Risk scenario analysis program, where such events are incorporated as part of our evaluation of potential operational risk losses.

Climate change risks to our financial assets

Climate risk-related impacts on financial assets are influenced by key factors that protect against financial loss including:

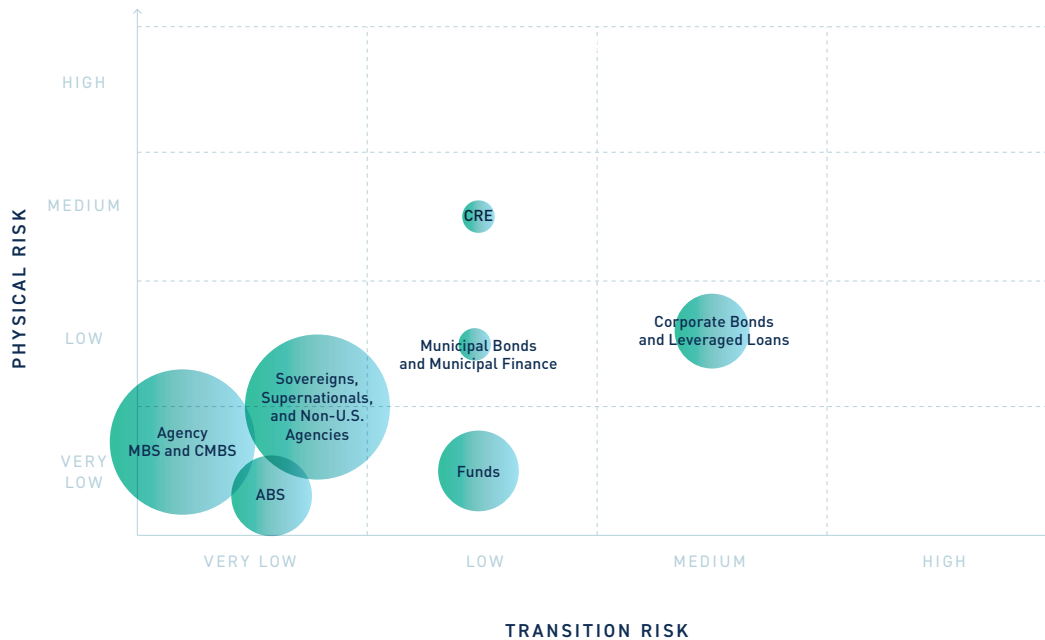
| Factor | Rationale |
|-----------------|---|
| Asset Class | Asset characteristics may increase or decrease inherent climate risk |
| Credit Quality | Counterparty credit quality is a key determinant of an entity's ability to withstand business fluctuations and will provide the same level of ability to withstand impacts from climate change. Conversely, a poorly rated entity may have limited ability to withstand the financial impacts of climate change |
| Tenor | Many climate risk impacts compound over time. Major impacts are less likely in the near term than in the medium or longer term. Therefore, shorter-duration assets protect us from longer-term risks and allow us to reposition as we continuously evaluate changing climate conditions |
| Diversification | Climate risk impacts can vary broadly, resulting in winners and losers across and within geographies and industries. Diversification of our balance sheet across and within geographies and sectors may help mitigate the impact of climate risks |
| Insurance | Some assets are insured against some of the physical risks of climate change, though the availability and cost of insurance are of key concern as the market becomes more sophisticated in its pricing of climate-related risks |

Balance sheet risk assessment

We have assessed each asset type on our balance sheet against its inherent and residual risk profiles. Based on the composition of our balance sheet, we have limited pockets of direct exposure to climate risk. Upon further analysis, we believe that the risk of financial loss from climate change-related impacts to the assets on State Street's balance sheet is currently limited and well-managed through our existing risk management framework.

| State Street Portfolio | Exposure ¹ | Inherent Risk | Structural Protections | Residual Risk |
|--|-----------------------|---|---|---------------|
| Agency Mortgage-Backed Securities (MBS) | \$38B | Medium – Real estate, and by extension mortgages, are at risk due to extreme weather | <ul style="list-style-type: none"> • High credit quality of senior tranches • Significant diversification by geography and obligor • Government agency guarantee • Insurance coverage | Very low |
| Commercial Mortgage-Backed Securities (CMBS) | \$13B | Medium – Real estate, and by extension mortgages, are at risk due to extreme weather | <ul style="list-style-type: none"> • High credit quality of senior tranches • Significant diversification by geography and obligor • Insurance coverage | Very low |
| Asset-Backed Securities (ABS) | \$13B | Low – ABS typically consumer and unconnected to a specific climate risk | <ul style="list-style-type: none"> • High credit quality of senior tranches • Significant diversification by geography and obligor | Very low |
| Sovereigns, Supranationals and Non-U.S. Agencies | \$43B | Medium – These entities are generally large and have highly diverse income streams | <ul style="list-style-type: none"> • High credit quality • Exposure primarily to countries focused on management of climate risks | Very low/low |
| Commercial Real Estate (CRE) | \$3B | High – CRE represents a highly concentrated investment in a physical location, which is at risk due to extreme weather | <ul style="list-style-type: none"> • Seniority of loans • Low loan to value • Insurance against extreme weather and flood when necessary | Medium |
| Corporate Bonds | \$4B | High – Corporates are more highly leveraged than other investments and have complex exposures | <ul style="list-style-type: none"> • Seniority of loans • Short tenor of exposures | Medium |
| Leveraged Loans | \$4B | | | |
| Municipal Bonds | \$1B | Medium – Municipals are concentrated in a single location and vulnerable to extreme weather | <ul style="list-style-type: none"> • High credit quality | Medium |
| Municipal Finance | <\$1B | | | |
| Funds | \$20B | Low – Many funds have low leverage and are typically highly diversified | <ul style="list-style-type: none"> • Diversification • High credit quality • Short tenor of exposures | Low |

¹ As of December 31, 2021



In 2021 and 2022, we prioritized risk assessments of the portfolios identified as having direct exposure to climate-related risks, developing structured, qualitative counterparty-level assessment templates for each of the following asset classes: corporate bonds, leveraged loans, municipal finance, and commercial real estate. The assessments were supported by relevant external data and subject matter assessments of key climate factors driving risks for assets in these portfolios at a counterparty-specific level. As of Q1 2022, assessments had been completed for approximately 20 percent of exposure across the targeted portfolios, with the assessments so far indicating relatively limited exposure to climate-related risks and strong risk mitigation where such risks exist. On an ongoing basis, the climate risk assessment template will be incorporated in onboarding due diligence requirements and annual assessments of counterparties.

Over the past year, State Street also enhanced its methodology to assess country-level climate risks, incorporating both physical and transition risk metrics into a model to assess the relative sovereign and supranational risk exposure based on factors such as vulnerability to natural disasters, emissions intensity, and reliance on fossil fuel rents.

This model was used to assess country-specific climate risks for the sovereigns, supranationals, and non-U.S. agencies portion of the investment portfolio and, separately, for the remaining investment portfolio assets based on their country of risk. Modeled results include full coverage of the sovereigns, supranationals, and non-U.S. agencies exposures and approximately 95 percent coverage for the remainder of the portfolio. Based on these country-specific risk assessments, the majority of the assets in our investment portfolio are in countries with relatively low climate-related risks. The results are shown in the table below.

| Country Climate Risk Classification | Sovereigns, Supranationals, and Non-U.S. Agencies | All Other Investment Portfolio Assets |
|-------------------------------------|---|---------------------------------------|
| Low | 95.5% | 99.6% |
| Medium | 4.0% | 0.3% |
| High | 0.5% | 0% |
| Very High | 0% | <0.1% |

Carbon intensity

For the publicly traded companies in our investment portfolio, where available, we monitor the carbon intensity of our portfolio relative to the index average for the S&P 500. Our analysis covers approximately 96 percent of the corporate bonds in our investment portfolio, and, overall, the State Street portfolio is more carbon intensive than the index. While State Street's portfolio has a lower carbon intensity than the index on a per-sector basis, our higher overall carbon intensity is driven by our higher concentration in high-quality, liquid securities, pursuant to the objectives of a bank investment portfolio. Carbon intensity is measured as tons of CO₂ per million dollars of revenue.

| | S&P 500 | State Street |
|-----------------------------------|------------------|--------------|
| Weighted Average Carbon Intensity | 187 ¹ | 292 |

¹ Sourced from S&P at <https://www.spglobal.com/spdji/en/indices/equity/sp-500/#data> (accessed March 17, 2022)

We also conduct assessments of second-order risks in our portfolio by assessing the preparedness of companies to whom we provide credit facilities through our Fund Finance business to manage their own climate-related risks.

Clients are assessed across various dimensions of their commitment to the elements of TCFD, including whether they have a dedicated climate risk team, whether they conduct climate risk stress tests, and whether climate risk considerations impact their business decisions. Approximately 64 percent of our exposure is to clients who perform very strongly across these key dimensions.

We are currently planning for the incorporation of climate-related scenario analysis as a tool to understand the risks of various climate scenarios on our balance sheet and broader financial risk profile, focusing on the 'hot house world' and 'disorderly' scenarios developed by the Network for the Greening of the Financial System. The risk identification and assessment work completed in the past year will allow us to explore the impacts of these scenarios on our physical and transition risk drivers.

Investment risks related to climate change

At State Street Global Advisors, we believe climate change poses a systemic risk to all companies in our portfolios. Managing climate-related risks and opportunities is a key element in maximizing long-term risk-adjusted returns for our clients. As a result, we have a long-standing commitment to enhance investor-useful disclosure around this topic. We encourage our portfolio companies to report in accordance with recommendations of TCFD, which we first endorsed in 2017.

As part of our commitment to holding our portfolio companies and ourselves accountable for reducing carbon emissions, we became a signatory of the Net Zero Asset Managers initiative in April 2021. This initiative comprises asset managers currently representing \$37 trillion of assets under management and was formed to galvanize the industry to commit to a goal of net-zero emissions by 2050 or sooner. We believe this initiative reflects our long-term commitment to considering material risks and opportunities related to climate risk within our clients' portfolios.

However, setting a goal is just the first step and our research shows that integrating fundamental risks surrounding climate change is prudent for investors — especially as companies manage the transition to a lower-carbon economy. Therefore, as a global investor, we aim to create meaningful progress over time by using our voice and vote to highlight the materiality of climate change to our portfolio companies.

Engagement with portfolio companies

We engage with companies to understand their approaches to mitigating and managing the physical and transitional impacts of climate change. Since 2014, we have engaged with more than 900 companies across multiple industries on climate-related issues. Our engagement approach leverages the four dimensions of the TCFD framework: governance, strategy, risk management, and metrics. We expect companies to disclose their approach to identifying climate-related risks and the management policies and practices that are in place to address such issues.

In November 2020, State Street Global Advisors became a signatory to Climate Action 100+, a global initiative led by investors to foster the clean energy transition by engaging the companies and sectors with the highest greenhouse gas emissions. Climate Action 100+ and State Street have long been aligned in our shared values. The Climate Action 100+'s three central goals are consistent with what our team advocates through our company engagements, thought leadership, and proxy voting. The three goals are: 1) improve governance of climate change, 2) reduce emissions, and 3) strengthen climate-related disclosure.

Proxy voting

State Street Global Advisors has publicly supported the global regulatory efforts to establish a mandatory baseline of climate risk disclosures for all companies. Until these consistent disclosure standards are established, we find that the TCFD framework is the most effective framework by which companies can develop strategies to plan for climate-related risks and make their businesses more resilient to the impacts of climate change. As such, State Street Global Advisors has implemented the following proxy voting guidelines:

Starting in the 2022 proxy season, we will begin taking voting action against companies in the S&P 500, S&P/TSX Composite, FTSE 350, STOXX 600, and ASX 100 indices if companies fail to provide sufficient disclosure in accordance with the TCFD framework, including disclosure of the following:

- Board oversight of climate-related risks and opportunities
- Total Scope 1 and Scope 2 GHG emissions
- Targets for reducing GHG emissions

METRICS AND TARGETS

Transparency and disclosure regarding climate metrics is critical to achieving the objectives of the TCFD framework. We continue to actively work with TCFD, other asset managers, climate data providers, and industry associations to achieve consensus on the climate metrics that we and the companies we invest in use, according to their sector and how they calculate and will report on those metrics.

From a risk management perspective, key risk indicators (KRI) are critical to ensure advancement in measuring and monitoring our progress against both understanding and controlling for the climate risks which may impact State Street. KRIs being implemented are comprised of metrics showing our movement both in mapping our key exposures and tracking those exposures determined to have greater direct connection to climate-related risk drivers.

We also believe that further clarity regarding metrics, including warming scenarios and carbon pricing scenarios, will significantly accelerate the adoption and implementation of the TCFD principles and meaningfully increase transparency around the investment risks and opportunities that climate change presents.

GREENHOUSE GAS EMISSIONS (METRIC TONS CO2E)**DIRECT AND INDIRECT GHG EMISSIONS (SCOPES 1, 2, AND 3)**

| CO2e Emissions (Metric Tons) | 2021 | 2020 | 2019 | 2018 |
|-------------------------------------|---------------|----------------|----------------|----------------|
| CO2 Direct | 4,427 | 4,993 | 6,582 | 7,335 |
| CH4 Direct | 11.52 | 12.89 | 16.90 | 17.13 |
| N2O Direct | 2.71 | 2.92 | 3.73 | 4.60 |
| HFCs Direct | 2,268 | 2,411 | 2,340 | 2,458 |
| Total Direct (Scope 1) | 6,709 | 7,420 | 8,943 | 9,814 |
| Biogenic CO2 | 0 | 1.42 | 4.39 | 4.50 |
| Total Indirect (Scope 2) | 56,987 | 67,049 | 75,728 | 78,678 |
| Total Indirect (Scope 3) | 11,056 | 37,488 | 90,872 | 95,888 |
| Total GHG Emissions | 74,752 | 111,956 | 175,543 | 184,380 |

GHG INTENSITY

| | 2021 | 2020 | 2019 | 2018 |
|-------------------------------|-------------|-------------|-------------|-------------|
| GHG Emissions Intensity Ratio | 2.08 | 1.85 | 2.02 | 2.21 |

List of Included Gases

Carbon Dioxide (CO2), Methane (CH4), Nitrous Oxide (N2O)

GHG REDUCTION

| | Denominator | 2021 | 2020 | 2019 | 2018 |
|--|--|-------------|-------------|-------------|-------------|
| Total GHG Reductions in Metric Tons CO2 Equivalent | Emissions Reduced: Direct (Scope 1) and Indirect (Scope 2) | 1,336 | 1,025 | 1,333 | 1,652 |

ENERGY USE**TOTAL INTERNAL AND EXTERNAL ENERGY CONSUMPTION**

| Consumption by Fuel Type | UNIT | 2021 | 2020 | 2019 | 2018 |
|--|-------------|----------------|----------------|------------------|------------------|
| Total Scope 1 Fuel Usage | | | | | |
| Natural Gas | GJ | 77,473 | 89,266 | 119,054 | 132,695 |
| Diesel | GJ | 5,273 | 4,785 | 5,308 | 5,960 |
| Total Direct Energy | GJ | 82,746 | 94,051 | 124,361 | 138,655 |
| Total Scope 2 Indirect Energy Usage | | | | | |
| Electricity | GJ | 684,706 | 753,866 | 807,157 | 815,297 |
| Heating | GJ | 23,298 | 26,113 | 39,222 | 34,608 |
| Cooling | GJ | 7,777 | 5,261 | 4,865 | 3,459 |
| Total Indirect Energy (Scope 2) | GJ | 715,782 | 785,240 | 851,244 | 853,365 |
| Total Scope 3 Energy Usage | | | | | |
| Business Travel (Non-Renewable) | GJ | 13,162 | 29,788 | 126,798 | 202,454 |
| Total Indirect Energy | GJ | 728,944 | 815,028 | 1,102,403 | 1,194,473 |

ENERGY INTENSITY RATIO

| | UNIT | 2021 | 2020 | 2019 | 2018 |
|------------------|-----------|-------------|-------------|-------------|-------------|
| Numerator | kWh | 221,813,319 | 244,247,646 | 271,001,367 | 275,560,881 |
| Denominator | Occupants | 30,552 | 40,200 | 42,001 | 39,996 |
| Energy Intensity | | 7,260 | 6,076 | 6,452 | 6,890 |

TOTAL ENERGY SAVED

| | | | | | |
|---------------------------|-----------|---------------|---------------|---------------|---------------|
| Electricity | GJ | 16,045 | 13,850 | 15,144 | 23,252 |
| Heating | GJ | 2,049 | 0 | 0 | 0 |
| Total Energy Saved | GJ | 18,093 | 13,850 | 15,144 | 23,252 |

WATER CONSUMPTION

| | 2021 | 2020 | 2019 |
|---|-------|-------|-------|
| Water consumption office only (million cubic feet) | 7.62 | 10.19 | 16.10 |
| Water consumption per person — office only (cubic feet) | 250 | 254 | 384 |
| Water consumption — office + data center (million cubic feet) | 10.29 | 12.74 | 18.54 |
| Water consumption per person — office + data center (cubic feet) | 337 | 317 | 441 |

SCOPE 3

Methodologies for the estimation of carbon emissions are evolving. We currently think of the potential for disclosure under three pillars:

1. Our operational footprint — As in previous years, we made relevant disclosures in our 2021 ESG Report.
2. Our asset management business — State Street Global Advisors is a proud member of the Net Zero Asset Managers initiative.
 - To serve the long-term interests of our clients, State Street Global Advisors is engaging with portfolio companies to assess their consideration of climate risks and opportunities, reducing emissions, and increasing climate-related financial disclosures.
 - State Street Global Advisors is setting an interim target for the proportion of assets to be managed in line with attaining net-zero emissions by 2050 or sooner, and will review the interim target at least every five years, aiming to increase the proportion of AUM until 100 percent of assets are included.
 - State Street Global Advisors is intending to release a report later this year, giving fuller information regarding its net-zero commitment, including interim targets for Global Advisors' financed emissions. When available, this report will be linked from www.statestreet.com/cr.
3. Our own balance sheet – As a custody bank, the majority of assets on our balance sheet are different from those of institutions that primarily provide direct financing to their clients. As of our last public filings, significant proportions of our balance sheet included agency MBS, ABS, sovereign debt, and municipal paper. These asset classes do not yet have industry-agreed methodologies to estimate financed emissions. As a result, our data providers have not yet been able to provide emissions estimates for more than a small proportion of the assets on our balance sheet. We are proactively engaging with industry participants as we work toward defining an appropriate framework

for a custody bank and we continue to mature our own internal carbon accounting methodology. Over time, we expect that increased consistency in approaches to measuring and reporting emissions will lead to advances that we can incorporate into our methodology and that will allow us to enhance our disclosures accordingly.

TARGETS

A 2030 target of 27.5 percent reduction in metric tons of CO₂e from a 2019 baseline was set in 2020 after State Street achieved our 2025 2°C-aligned carbon emissions reduction target at the end of 2019. Paired with State Street's commitment to be carbon neutral, this two-pronged approach involves procuring green power and carbon offsets for all energy consumption while looking to reduce overall energy consumption each year. The target covers all of State Street's Scope 1 and 2 emissions under operational control following the location-based method.

In 2021, for the second year in a row, State Street achieved carbon neutrality for Scope 1 and 2 emissions through infrastructure retrofitting, purchasing renewable energy certificates (RECs) and carbon offsets, and by utilizing renewable energy sources wherever possible.

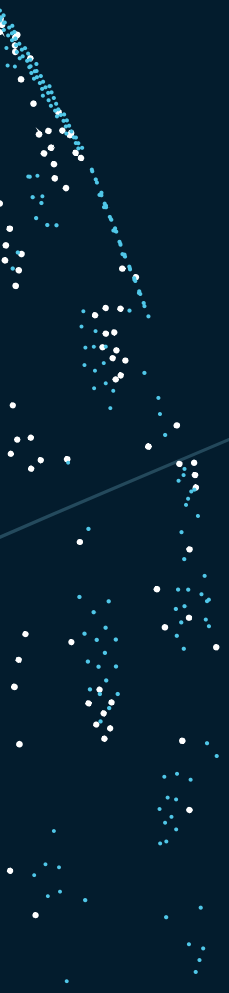
As part of State Street's commitment to environmental sustainability, we set an 80 percent waste recycling goal in 2017 that covered waste from all of our facilities globally. For the first time in 2021, State Street not only achieved our goal of an 80 percent global recycling rate, but exceeded it by nearly 6 percent. While total waste volumes are lower due to decreased office occupancy, we increased our percentage of recycling in large part due to:

- Engaging our workforce through a widespread globally aligned, but locally tailored, campaign in all of our offices
- Working with our vendors to implement project management initiatives around recycling
- Implementing a program of reusing office furniture, rather than disposing of these items when we exit locations



STATE STREET 2021 ESG REPORT - APPENDIX

GRI INDEX



GENERAL DISCLOSURES**INFORMATION****Organizational Profile**

| | | |
|-------|--|---|
| 102-1 | Name of the organization | State Street Corporation |
| 102-2 | Activities, brands, products, and services | <p>We have two lines of business: Investment Servicing and Investment Management. State Street Corporation provides services to asset owners; asset managers and alternative asset managers; official institutions including central banks and sovereign wealth funds; and insurance companies. Across our company we are focused on maximizing the value we create for our customers and delivering on our purpose.</p> <p>See [GRI 102-6] for additional information.</p> |
| 102-3 | Location of the headquarters | <p>State Street Corporation State Street Financial Center One Lincoln Street Boston, MA 02111</p> |
| 102-4 | Location of operations | We serve clients in more than 100 markets. For a list of office locations, see the About section of statestreet.com . |
| 102-5 | Ownership and legal form | <p>State Street is a financial holding company organized under the laws of the Commonwealth of Massachusetts. Our common stock is listed on the New York Stock Exchange.</p> |

| | | |
|-------|-----------------------|--|
| 102-6 | Markets served | <p>We provide investment management, research and trading, investment servicing, and data analysis and insights to the world's institutional investors. Our clients include asset owners; asset managers and alternative asset managers; official institutions, including central banks and sovereign wealth funds; and insurance companies. Our solutions cover our clients across the investment lifecycle.</p> <p>Through our investment servicing business, we provide core custody, accounting and fund administration, and performance analytics for traditional and alternative assets as well as multi-asset class investments. Our global markets capabilities span electronic trading, securities lending, and collateral and liquidity management, along with specialized investment research and market insights.</p> <p>As the first-ever front-to-back platform offered by a single provider, State Street AlphaSM connects investment tools, insights and partners for greater speed and efficiency across the front, middle and back office. With State Street DigitalSM, we're building on our strong digital services platforms and solutions to help clients transition and thrive in the new digital economy.</p> <p>Our investment management business, State Street Global Advisors, is the world's fourth-largest asset manager and a pioneer in ETF and index investing. Global Advisors provides investment solutions across the risk-return spectrum, covering all major asset classes, investment styles, and vehicles.</p> |
| 102-7 | Scale of organization | <p>See [State Street's 10K] concerning State Street's key financials, and further information concerning assets, debt, and shareholders' equity. Please also see [Inclusion, Diversity and Equity], [Employee Experience] and [102-8] regarding staff numbers.</p> |

| | | |
|-------|--|--|
| 102-8 | Information on employees and other workers | <p>Female employees: 17,415 (16,643 full-time and 772 part-time) Male employees: 21,256 (21,156 full-time and 100 part-time). Prefer not to disclose or unknown gender employees: 114 (110 full-time and 4 part-time)</p> |
| 102-9 | Supply chain | <p>Supply chain categories that our Global Procurement Services group focuses on for key products and services include:</p> <p>Business services: These include the global management of the Contingent Labor at State Street (CLASS) Program for staff augmentation and other labor services needs across the company;</p> <p>Financial services: These deliver risk-mitigating business value to State Street within the sub-custody, insurance, and operation support areas;</p> <p>Information technology: These include business applications, hosted applications, telecommunications, hardware and storage cybersecurity, and software;</p> <p>Market data: This encompasses financial data such as quotes, end-of-day prices, valuations, news, corporate actions, descriptions, estimates, ratings, indices, factors, and information related to financial instruments;</p> <p>Office support services: These include program management for print, office supplies, catering services, subscriptions, and facility services in alignment with the Global Realty Services team;</p> <p>Outsourcing: This involves working with the business to source and negotiate onshore, near-shore, and offshore outsourcing arrangements;</p> <p>Professional services: These focus on providing highest value third-party service solutions to meet the business's needs in the areas of consulting, marketing, legal and tax, and audit; and</p> <p>Travel management: This supports travel agencies that manage our business travel and employees conducting business travel.</p> <p>See [Monitoring Human Rights Risks in Our Supply Chain] as well as our Human Rights Statement and our most recent Modern Slavery Act Statement for more information on how we manage risks within our supply chain.</p> |

| | | |
|--------|--|--|
| 102-10 | Significant changes to the organization and its supply chain | In September 2021, State Street and Brown Brothers Harriman & Co. (BBH) announced that they entered into a definitive agreement for State Street to acquire BBH's Investor Services business, including its custody, accounting, fund administration, global markets, and technology services. Once complete, subject to regulatory approvals and customary closing conditions, the acquisition will make State Street the world's largest custodian by assets under custody. |
| 102-11 | Precautionary principle approach | [Task Force on Climate-related Financial Disclosures] [UN Global Compact] |
| 102-12 | External initiatives | TCFD SASB CEO Action for Diversity UN Principles for Responsible Investment UN Sustainable Development Goals UNEP Finance Initiative UN Global Compact Boston Women's Compact CDP Ceres ISO 14001 ISO 5000 |
| 102-13 | Membership of associations | State Street ESG affiliations: 30% Club Advisory Committee at Yale's Institute for Sustainable Finance Alliance of CEO Climate Leaders Asian Corporate Governance Association Boston College Center for Corporate Citizenship Boston Green Ribbon Commission Boston Women's Compact Business for Social Responsibility Business Roundtable Cambridge Institute for Sustainability Leadership CDP (aka Carbon Disclosure Project) Ceres Paris-Aligned Investment Working Group CII - Council of Institutional Investors Climate Action 100+ Climate Bonds Initiative Coalition on Climate Resilient Investment (CCRI) Council for Inclusive Capitalism with the Vatican CSR Asia |

102-13
(continued)

Membership of Associations

CSR Europe
 Embankment Project for Inclusive Capitalism (EPIC)
 FCLTGlobal
 Future Investment Initiative
 Global Reporting Initiative (GRI)
 Green Bond Principles
 Green Power Partnership
 Greentown Labs
 GRESB - Global Real Estate Sustainability Benchmark
 Harvard Law School Program on Institutional Investors
 IIF Sustainable Finance Working Group
 International Business Council
 International Integrated Reporting Council
 Investment Leaders Group (part of CISL)
 Investor Leadership Network
 ISG - Investor Stewardship Group
 Japan Investment Advisers Association
 Japan Securities Dealers Association
 Japan Stewardship Code
 Net Zero Asset Managers Initiative
 One Planet Asset Managers initiative
 One Waterfront CEO Roundtable
 Principles of Responsible Investment (PRI)
 RIA - Responsible Investment Association Canada
 SASB Investor Advisory Group
 Sustainable Markets Initiative
 Sustainable Trading
 The Investment Trust Association
 UN Force for Good Initiative
 United Nations Environment Programme Finance Initiative (UNEPFI)
 United Nations Global Compact (UNGC)
 United Nations Institutional Investors Group on Climate Change (IIGCC)
 Vatican's Dicastery for Integral Human Development and the
 University of Notre Dame
 World Economic Forum Transition Finance Steering Committee

Strategy

| | | |
|--------|--------------------------------------|---|
| 102-14 | Statement from senior decision-maker | [Statement from Ron O'Hanley] |
|--------|--------------------------------------|---|

Ethics and Integrity

| | | |
|--------|--|--|
| 102-16 | Values, principles, standards, and norms of behavior | [Board Governance and ESG Management] State Street Corporate Responsibility Policy Statement State Street Standards of Conduct |
|--------|--|--|

Governance

| | | |
|--------|----------------------|---|
| 102-18 | Governance structure | [Governance and ESG Management: Board Governance] |
|--------|----------------------|---|

Stakeholder Engagement

| | | |
|--------|--|--|
| 102-40 | List of stakeholder groups | Shareholders, clients, employees, academics, NGOs, investment analysts, business partners, community. See [Materiality] for more information. |
| 102-41 | Collective bargaining agreements | Given the global footprint of State Street, we operate in countries where local laws exist regarding the freedom of association and collective employee action. State Street employees in six of our European offices participate in collective bargaining agreements, totaling 3.0 percent of State Street employees globally. |
| 102-42 | Identifying and selecting stakeholders | [Stakeholder Engagement] As a publicly traded company whose success depends on supporting the success of our clients with financial services, we have long defined shareholders, clients and employees as key stakeholders. Further, additional stakeholders are important as they provide expert perspectives or impact our reputation in the marketplace — see [GRI 102-40] . |

| | | |
|--------|------------------------------------|--|
| 102-43 | Approach to stakeholder engagement | [Stakeholder Engagement] [Employee Engagement] [Embedding ESG Accountability] 2021 Proxy Statement, page 2 |
| | | <p>Engagement with stakeholders to determine material topics occurs every two years, undertaken as part of the report creation process, specifically to identify the material ESG issues for State Street. For the 2021 materiality assessment, internal and external stakeholders were interviewed regarding their perspective on the materiality of each potentially material topic to State Street. The process also leveraged pre-existing frameworks like the Sustainability Accounting Standards Board (SASB) framework to represent the voice of investors.</p> <p>State Street has an active shareholder engagement program, holding formal meetings with them at least two times a year. In 2021, they met once in the spring, after annual proxy filing, and once in the fall. The spring typically is a more targeted discussion with shareholders about the governance and executive compensation matters. The fall meetings are more general, fluid discussions and this year ESG was discussed in each of those meetings (~20 meetings, representing ~40 percent of outstanding shares).</p> |
| 102-44 | Key topics and concerns raised | [Materiality] |

Reporting practice

| | | |
|--------|--|--|
| 102-45 | Entities included in the consolidated financial statements | All data presented in the report represents all wholly owned State Street Corporation operations, unless explicitly noted otherwise. |
|--------|--|--|

| | | |
|--------|--|---|
| 102-46 | Defining report content and topic boundaries | <p>[Materiality]</p> <p>The content for this report was informed by topics of the SASB framework, the GRI Standards, the Task Force on Climate-related Financial Disclosures and other reporting standards relevant to State Street and our activities and impacts. A materiality assessment performed in late 2021 consulted our internal as well as external stakeholders. This helped define the topics most material to State Street, and hence described in this report. In addition, some nonmaterial information was added, where we felt it would be of interest to certain stakeholder groups. Topic boundaries were defined by subject matter experts for each material topic. In principle, the content of this report covers all State Street global operations. Any exceptions for material topics are explained under GRI 103-1 for that topic.</p> |
| 102-47 | List of material topics | [Materiality] |
| 102-48 | Restatements of information | No restatements. |
| 102-49 | Changes in reporting | The boundaries for the report have not changed from previous years. |
| 102-50 | Reporting period | January 1 to December 31, 2021 |
| 102-51 | Date of most recent report | April 2021 |
| 102-52 | Reporting cycle | Annual reporting |
| 102-53 | Contact point for questions regarding the report | Adrienne Zak, VP, ESG Reporting & Communications azak@statestreet.com |
| 102-54 | Claims of reporting in accordance with the GRI Standards | This detailed GRI content index is in accordance with the Core option of the Global Reporting Initiative Standards. |
| 102-55 | GRI content index | [GRI Index] |
| 102-56 | External assurance | We obtain independent assurance on our annual ESG reports. For details of the scope and basis of the assurance carried out by ERM-CVS on our 2021 ESG Report, please refer to ERM CVS's [Assurance Letter] . |

TOPIC-SPECIFIC DISCLOSURES

Material topic: Risk, Ethics and Compliance

The State Street material topic "Risk, Ethics, and Compliance" includes the GRI topics "205 Anti-Corruption," "206 Anti-competitive Behavior," "417 Marketing and Labeling" and "419 Socioeconomic Compliance." It also covers our risk excellence programs.

Disclosure on management approach

103-1

Explanation of the material topic and its boundary

At State Street, our business depends on being a trusted partner. Excellence in risk management, compliance, and ethics across all our operations is essential due to their potential impact on State Street's reputation with our stakeholders and the risk to shareholders in the event of breaches. Ensuring regulatory compliance, including anti-corruption, prevention of anti-competitive behavior, and honest and transparent marketing, is a top priority. We strive to foster a culture that allows us to identify and address potential issues before they become problematic from a compliance perspective. This also includes an open and ethical approach to the marketing of our products and services.

103-2

The management approach and its component

[\[Risk, Ethics, and Compliance\]](#)

State Street is committed to conducting business in a fair and ethical manner. We manage compliance and risk programs primarily through the work of three management committees: the Management Risk and Capital Committee, the Business Conduct Risk Committee and the Technology and Operational Risk Committee. The work of these three committees is overseen at the board of directors level by the Risk Committee and the Examining and Audit Committee. Together, this structure provides comprehensive oversight to the wide range of issues related to risk, compliance, and ethics.

Our compliance teams oversee aspects of our first line of defense and report to our chief risk officer (CRO). State Street employs a company-wide three lines of defense structure.

The three lines of defense framework that governs risk in our operations:

- First line: Every employee owns the risks associated with their activities and is responsible for establishing effective internal controls to manage such risks to an acceptable level and to promote a strong culture of risk awareness;
- Second line: Independent control functions such as Enterprise Risk Management and Corporate Compliance set our corporate risk appetite and monitor adherence to these limits, as well as to our risk management and compliance frameworks; and
- Third line: Corporate Audit provides independent assurance of the process.

103-2 continued

Our Standard of Conduct sets forth our ethical priorities. The Standard of Conduct explains the core concepts of ethics, includes a framework for ethical decision-making, and guides employees' decision-making process even when there is not a prescriptive rule for the situation at hand. Some of the principal Compliance policies that support our Standard of Conduct are:

- Anti-Bribery and Corruption Policy
- Gifts and Entertainment Policy
- Political Contributions and Activities Policy
- Personal Investment Policy
- Conflicts of Interest Policy

Anti-Corruption

Our Standard of Conduct and our Anti-Bribery and Corruption Policy convey our anti-corruption policies to all employees. Financial Crimes Compliance, first line managers, Procurement, Finance and Accounting, Human Resources, Legal and Audit departments are all involved in the execution of our Anti-Bribery and Corruption Policy. The policies mitigate regulatory and enforcement risk. They require our employees to neither offer nor receive anything of inappropriate value in order to drive a particular outcome or benefit. In our procurement procedures, we apply due diligence to our business partners to ensure the partner is one we wish to do business with, from a compliance and reputational perspective as well as from a capability perspective. This means holding the business partners to appropriate standards. In addition, our policies require that employees and interns associated with State Street are hired based only on their merit, rather than any association.

Anti-Competitive Behavior

Fair competition is upheld by our policies and the law. Our Standard of Conduct prohibits misusing a client's confidential information or engaging in any unfair dealing with competitors. Advance approval must be obtained by our General Counsel before discussing pricing strategies with competitors, entering into agreements concerning market opportunities, or otherwise engaging in joint action. Competitive information and market data can only be obtained from public sources and through lawful means.

Marketing

Regarding information on the products and services we offer, we have controls in place to support transparent and consistent product and service disclaimers. Compliance and/or the Business Line may provide training to employees in various business roles as appropriate to help ensure the requisite disclaimers are made. Our Global Marketing Materials, Collateral Materials and Communications Policy requires that all marketing content is produced in compliance with applicable regulatory requirement which hold, generally, that content is accurate, fair, balanced, and not misleading.

203-3

Evaluation of the management approach

Our chief compliance officer runs an annual compliance risk assessment to determine the amount and type of compliance monitoring that is required considering both the strength of our compliance internal controls and emerging trends. Adjustments are constantly made to meet emerging trends and needs.

Our “Speak Up/Listen Up” initiative encourages employees as well as business partners to report complaints, grievances, including any observed instances of corruption, misconduct, fraud, and potential violations of policy through “the Speak Up line,” a confidential reporting hotline that promptly routes issues to the Conduct Office and in certain cases, to the lead director of the board. Additionally, Corporate Compliance, Global Human Resources, Legal, and Global Security maintain open channels through which to report concerns. We also conduct regular risk assessments that target certain organizational risk indicators

GRI topic-specific disclosures: 205 Anti-Corruption

205-1

Operations assessed for risks related to corruption

100% of our business operation and every functional area is included in our annual risk assessment, which includes bribery and corruption risk as a standard item in our risk taxonomy.

Our risk analysis places emphasis on the following:

- Payments to vendors and intermediaries
- Corrupt hiring practices
- Pay to play violations,
- Inappropriate charitable contributions
- Facilitation payments
- Inappropriate gifts and entertainment
- Inaccurate books and records

205-2

Communication and training about anti-corruption policies and procedures

100% of governance body members and employees have had our anti-corruption policies and procedures communicated to them.

| <u>Region</u> | <u>Completion Rate:</u> |
|---------------|-------------------------|
| North America | 99.99% |
| EMEA | 99.99% |
| APAC | 99.96% |
| Latin America | 100% |

Members of the board of directors receive information on corruption risks through their review and approval of the Standard of Conduct, which includes key elements of the firm’s Anti-Bribery and Corruption Policy. The Examining and Audit Committee of the board also receives a formal annual report and periodic updates on the Compliance program, which includes our anti-bribery and corruption program.

205-2 continued

While we do not share our anti-bribery and corruption policies and procedures with clients and potential clients, we describe such policies and procedures upon request as part of client due diligence requests and RFPs.

We include a standard anti-corruption provision in all business partner contracts. All internal governance committee members receive annual training by virtue of their status as employees. External Board members do not receive the training. As a regulated business, we share our anti-corruption policies and procedures with various regulators upon request.

205-3

Confirmed incidents of corruption and actions taken

In 2021, there were no confirmed incidents of corruption that resulted in litigation against State Street.

GRI topic-specific disclosures: 206 Anti-Competitive Behavior

206-1

Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

[\[GRI 419-1\]](#)

GRI Topic-specific disclosures: 417 Marketing and Labeling

417-3

Incidents of non-compliance concerning marketing communications

In 2021, we had no instances of noncompliance with regulations or our policies regarding marketing communications, which reflected our dedication to ethical marketing and fair competition.

GRI Topic-specific disclosures: 419 Socioeconomic Compliance

419-1

Non-compliance with laws and regulations in the social and economic area

In 2021, State Street had no fines or sanctions for non-compliance with laws or regulations in the social or economic area.

Material topic: Operational and Cyber Resilience

The State Street material topic "Operational and Cyber Resilience" covers our efforts to ensure resiliency and continuity of our business operations and IT systems.

Disclosure on management approach

103-1

Explanation of the material topic and its boundary

State Street considers operational and cybersecurity preparedness as a strategic business priority and manages these risks by leveraging robust training, policies and procedures. Our employees and systems are built to address the most severe of potential operational and cyber-related threats, and we are continuously developing new protection measures for our systems, data, facilities and employees under our care.

103-2

The management approach and its component

[\[Operational and Cyber Resilience\]](#)

In regard to operational resilience, we closely monitor, map, and manage emerging threats to the business, such as climate-related extreme weather events or unstable governments that could impact business continuity. Key to our approach is having systems in place to identify and understand potential threats to optimize preparedness so that we can maintain operations and continue servicing clients and the market without interruption. We also work to find ways to reduce the impacts and harm of known operational threats or crises that may recur.

Our cyber defense is spearheaded by our Global Cybersecurity (GCS) team, tasked with continually improving cybersecurity by developing and evolving our security policies and processes, upskilling our internal cyber team, performing awareness training for our employees, increasing security of our systems, enriching incident response via an intelligence driven approach, and continually testing our systems for rigor. GCS establishes the framework, policies and related programs to measure, monitor and report on cybersecurity risks, including the effectiveness of cybersecurity program protections. GCS defines and manages the enterprise-wide cybersecurity program. We have adopted the National Institute of Standards and Technology Cybersecurity Framework, a set of guidelines and recommendations that combine industry standards and best practices to help organizations manage their cybersecurity risks. GCS coordinates with Global Technology Services, business functions, control functions, and business units to support the confidentiality, integrity, and availability of corporate information assets.

103-3

We are actively putting measures in place and making investments to better measure, manage, and mitigate cybersecurity risks and continue strengthening our cybersecurity program. All employees are required to adhere to our cybersecurity policy and standards.

Material topic: Data Privacy

The State Street material topic "Data Privacy" includes the GRI topic "418 Customer Privacy." It covers our efforts to implement controls and ensure protection and privacy of our data.

Disclosure on management approach

103-1

Explanation of the material topic and its boundary

Data privacy is handled with diligence and due care at State Street. We do not just hold custodial cash and securities, but also data. Our clients' trust and confidence are the foundation of our relationship with them. They rely on us not only to enable them to make the best investment decisions, but also to safeguard sensitive information in our care. Keeping data safe is one of our core fiduciary responsibilities. Doing so is central to State Street's reputation in the marketplace. This is important across the entire organization.

103-2

The management approach and its component

[\[Data Privacy\]](#)

To support compliance with the Privacy Standard and relevant data protection laws, the Global Privacy Office, as part of Street's Corporate Compliance organization, is responsible for designing, maintaining and overseeing the State Street Privacy Program. The Global Privacy Office, led by the Global Head of Data Privacy, consists of global teams providing privacy compliance advice, oversight, and management.

Every State Street employee is responsible for upholding our Privacy Program, as defined in our Standard of Conduct. Their interactions are determined by our Global Privacy and Personal Data Protection Standard, which is developed by our Privacy Office. Responsibility for oversight of our client data is housed in the Client Information Security division, in close collaboration with appropriate business units. This applies to all personal data, though State Street's Customer Complaints Policy specifically addresses management of data for clients and escalation of any relevant concerns.

Our Data Loss Prevention Strategy will ensure unauthorized disclosures of State Street "critical" data are inspected, monitored, escalated, and prevented in accordance with our Data Loss Prevention & Protection Policy, Corporate Information Security Controls, data handling and usage policies, and legal and regulatory policies.

103-3

The efficacy of our Privacy Program is independently assessed by our corporate audit function as part of our overall Compliance Program. State Street's governance process also works to ensure awareness of client data protection and privacy programs at all levels of management

| | | |
|-------|--|---|
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | State Street did not receive any complaints concerning breaches of client privacy in 2021, nor did we identify any leaks, thefts, or losses of client data. |
|-------|--|---|

Material topic: Employee Experience

The State Street material topic "Employee Experience" includes the GRI topics "401 Employment" and "404 Training and Education."

Disclosure on management approach

103-1

Explanation of the material topic and its boundary

Across all parts of our organization, our diverse, hardworking, and talented employees drive our success. To be able to create long-term value, we have to ensure we are attracting and retaining the best and brightest employees. Our goal is to explain how our company offers opportunities that are more interesting and rewarding than positions in other industries and companies. We have a targeted approach for attracting interns, and various programs to develop talent internally, including our Professional Development Program and Leadership Development Program. Employee experience also covers our employee engagement efforts; talent recruitment, retention, and development; and well-being and flexible work solution programs.

We focus on specific labor practices that enhance the employee experience and performance. Our commitment to providing relevant learning for our employees around the world is a key offering. We do this through our newly created central learning organization called State Street Learning. Our learning professionals located around the world create and implement solutions designed to meet the needs of our business and the development needs of our employees.

103-2

The management approach and its component

[\[Employee Experience\]](#)

At State Street, managers and leaders across the business are responsible for driving employee engagement of their team members, working closely with our Global Human Resources (GHR), Internal Communications and senior leadership.

GHR continuously develops professional tools — strategic, conceptual, analytical, operational, and interpersonal — so our employees can exceed our clients' expectations. In addition, this team sets up measurement tools and leads many of the programs associated with employee engagement, but ultimately, contributing to a positive, supportive culture and staying engaged is the responsibility of every employee at State Street.

We also engage employees through our employee networks, community engagement opportunities such as skills-based volunteering and matching gifts, as well as our global peer reward and recognition program, Bravo. Bravo encourages employees to recognize their colleagues for good work, a good idea or a good deed that is reflective of State Street's culture and culture traits.

103-2 continued

In 2021, we administered status checks to continue gauging employee sentiment, allowing us to observe trends in the organization over time while helping leaders track the progression and impact of specific initiatives related to engagement in their business units.

Our focus is on attracting and developing a diverse workforce with the skills and expertise to serve our clients. Our talent strategy includes offering a variety of benefits and flexible working options to meet employee needs, creating engaging employee experiences, and providing an inclusive environment. Talent acquisition and talent development at State Street are globally managed functions with local executors; we are able to customize and tailor our general offerings as needed in each market.

Through continuous development, we work to give our employees the professional tools — strategic, conceptual, analytical, operational, and interpersonal — they need. Career development is employee-driven, manager-enabled, and company-supported. State Street offers skills training programs that are developed and delivered by experts in each business area. Additionally, we offer professional development workshops and seminars that help employees enhance key skills such as communication and project management. We also provide a variety of management development programs. Our employees also enjoy the benefit of tuition reimbursement for job-related courses taken at accredited institutions.

Our BeWell Program offers employees a variety of resources and tools to help manage their own physical, emotional, and financial wellness, with benefits varying from country to country. Our global well-being resources create a healthier workforce, increase employee morale, and enhance sustainable employee engagement.

Through significant work across cross-functional, businesses, and corporate teams, and valuable feedback from our workforce, 2021 was a critical year to develop a framework for State Street's hybrid approach that optimizes the benefits of both a work-from-office and work-from-home model —taking into consideration the nature of roles, client needs, and other factors; business priorities are the primary driver of which teams are in-person, remote, or hybrid.

103-3**Evaluation of the management approach**

Our evaluation of the effectiveness of our management of talent recruitment and retention topics includes measuring our success through training results and employee engagement (e.g., employee network growth). An annual talent review process is conducted involving the CEO, the chief human resources officer, and the heads of each business/corporate function.

The Management Committee determined that the management approach to talent recruitment and retention is effective, including its ongoing review of employee engagement survey results and executive vice president leadership scorecards. When necessary, adjustments are made to individual development plans in order to ensure achievement of annual goals and alignment with long-term strategic objectives.

GRI topic-specific disclosures: 401 Employment

| | | | | |
|---------------|--|------------------|----------------------|-------------------------|
| 401-1 | New employee hires and employee turnover | Age Group | Percent Hired | Percent Turnover |
| | | Under 30 | 45% | 40% |
| | | 30-50 | 51% | 50% |
| | | 50+ | 5% | 10% |
| | | Gender | Percent Hired | Percent Turnover |
| | | Female | 40% | 42% |
| | | Male | 60% | 57% |
| | | Region | Percent Hired | Percent Turnover |
| | | North America | 15% | 30% |
| | | APAC | 59% | 45% |
| EMEA | 26% | 25% | | |
| Latin America | 0% | 0% | | |

| | | |
|-------|----------------|--|
| 401-3 | Parental leave | <p>[Employee Experience: Supporting Working Parents and Caretakers]</p> <p>All State Street employees are eligible for parental leave specific to their country.</p> <p>From their moment of hire, all employees working above 20 hours per week are eligible for parental leave. We look forward to disclosing this data in future reports as we improve our ability to analyze data in this area in line with GRI standards.</p> |
|-------|----------------|--|

GRI topic-specific disclosures: 404 Training and Education

| | | | |
|---|---|--|--------------------------|
| 404-1 | Average hours of training per year per employee | Gender | Average Hours Per |
| | | Female | 12.88 |
| | | Male | 12.69 |
| | | Unknown/prefer not to disclose | 9.06 |
| | | Management Level | Average Hours Per |
| | | Associate 1 | 23.72 |
| | | Associate 2 | 13.74 |
| | | Senior associate | 13.47 |
| | | Officer | 12.79 |
| | | Assistant vice president | 11.01 |
| | | Vice president | 10.12 |
| | | Managing director | 11.03 |
| | | Senior vice president/ senior managing director | 10.48 |
| | | Executive vice president | 9.37 |
| | | Contractors/interns | 6.81 |
| | | Manager/Non-Manager | Average Hours Per |
| | | Non-manager | 12.69 |
| | | Manager | 13.02 |
| | | Non-required Training | |
| | | % of employees who completed non-required training | 5% |
| Total employee hours spent on non-required training | 143,577.75 | | |
| Most commonly taken non-required course | Welcome to WARM: World Anti-Racism Reflection Moments (and corresponding courses to this program) | | |

404-2

Programs for upgrading employee skills and transition assistance programs

[\[Employee Experience: Talent Acquisition, Retention and Development\]](#)

Internally, our Leadership Development Program (LDP) is a global, enterprise-wide development and rotational program that offers unique professional development opportunities to high-potential, mid-career employees. Our Professional Development Program (PDP) selects high-performing recent college graduates, including former State Street interns to participate in a tailored program that immerses them in different aspects of the business. These two-year programs provide targeted rotational assignments and professional development. Participants gain hands-on experience across State Street's businesses. They will be encouraged and challenged as they develop into well-rounded, authentic, and thoughtful leaders.

In 2021, we hired 41 participants in the US and India who participated in the PDP. 28 PDP participants were hired in the US and 13 were hired in India. 40 percent of PDP participants in the US were in a previous State Street internship or Co-Op program. 33 percent of the upcoming 2022 India PDP program are former interns. 10 LDP participants completed the program and were placed into permanent roles. In 2020, 20 LDP participants completed the program and took full-time roles at State Street — 11 as VPs and nine as AVPs.

Training programs are part of a holistic approach to company culture. We hold sessions on unconscious bias, respect in the workplace, inclusive interviewing, leading inclusively, managing micro-behaviors, and anti-racism training.

Additionally, Culture Pathways (via our Degreed learning platform) assists with a better understanding of our culture traits. Each Pathway includes a combination of courses, videos, and books or articles, allowing individuals to complete the learning at their own pace, and revisit components if needed. We look to our employees to embody our culture traits and continuously practice, role model, and coach others on the behaviors associated with them. State Street launched a learning pathway through Degreed on equity to all employees to help them in their understanding of equity and how it plays out in business. The learning assets leveraged podcasts and other items from both internal and external resources to help the learner in comprehension.

| | | |
|-----------------|---|---|
| 404-2 continued | | Our employee networks also provide many programs and opportunities for professional development. In 2021, these included the Professional Women's Network Sponsorship Program, Latin American Professional Group (LAPG) Mentoring Program, LAPG Data Presentation Workshops, Sales Development Program and Disability 4 Disability Mentoring Program. See details on each of these programs in [Mentorship Programs]. |
| 404-3 | Percentage of employees receiving regular performance development reviews | All full-time employees (100 percent) across all genders and employee categories participate in our career performance management process and receive regular performance and career development reviews. |

Material topic: Inclusion, Diversity, and Equity

The State Street material topic "Inclusion, Diversity, and Equity" (IDE) includes the GRI topic "405 Diversity and Equal Opportunity."

Disclosure on management approach

| | |
|-------|--|
| 103-1 | <p>Explanation of the material topic and its boundary [Inclusion, Diversity, and Equity]</p> <p>We know that different backgrounds, perspectives, and experiences spark creativity and create a more inclusive environment. To be competitive in business long-term, we need a diverse pipeline of talented future leaders across the whole organization. A diverse workforce helps us serve our clients better.</p> <p>We recognize that equal remuneration for equal work across our company is material to our reputation and the motivation of our employees.</p> |
| 103-2 | <p>The management approach and its component</p> <p>Our IDE strategy was developed and implemented by GHR's Global Inclusion, Diversity, and Equity team, with input of key champions and stakeholders, and approved by the company's senior management. 2021 was the fourth year of our comprehensive five-year strategy that includes four key components: communication, accountability, talent pipeline, and learning & development.</p> <p>The chief diversity officer oversees the company's global strategy and programs for diversity and inclusion. All business leaders participate in ensuring that our goals are met.</p> |

103-2 continued

The following policies cover diversity and equal opportunity:

- Global Inclusion, Diversity, and Equity Policy
- Global Equal Employment Opportunity Policy
- Global Non-Discrimination Policy
- Global Remuneration Policy
- US Pay Transparency Policy
- US Affirmative Action Policy
- US Americans with Disabilities Policy

Additionally, we have a dedicated department for employee relations and a whistleblower hotline available to all employees.

As a component of our commitment to gender equity, State Street is making steps toward greater transparency for its pay structures. One of the steps of this work is our U.K. Gender Pay Gap Report, referenced within [\[Inclusion, Diversity, and Equity: Gender Equality\]](#). However, we do not yet globally report a woman's basic salary as a percentage to a man's. We expect to disclose this information later in 2022 and will link to it from www.statestreet.com/cr when it is available.

State Street is partnering with Kahilla, a digital, modern women's resource group designed to provide participants with the mindsets and skill sets needed to advance and lead today and tomorrow. Membership offers a unique community and digital learning experience with access to renowned experts in the field of positive psychology and executive leadership as part of State Street's commitment to talent development, diversity, and inclusion. A Kahilla membership, includes access to executive coaching, curated content, and connection to community, all within a safe and secure digital platform. The curriculum will be available in both live and on-demand sessions, ensuring you can participate anytime and anywhere via internet browser or mobile app.

State Street continues to partner with organizations to support efforts to close the gender gap in wages and representation. One example is the Boston Women's Workforce Council's 100% Talent Compact, which is a pledge companies make to commit to closing the gender pay gap. We also partner with the 30% Club to further guide our strategy to improve female representation at the highest levels of the organization. For the 15th consecutive year, State Street was the presenting sponsor of the 2021 Massachusetts Conference for Women, the world's largest women's conference.

103-2 continued

State Street also offers employees the opportunity to join one of 24 employee networks with more than 110 chapters and 58 executive sponsors, including:

- Asian Professionals Group
- Bible Study Group
- Black Professionals Group
- Catholic Employee Network
- Community of Professional Practice (COPP)
- Disability Awareness Alliance
- Employee Preparedness & Response Employee Network
- Environmental Sustainability Employee Network (ESEN)
- Flexible Work Employee Network
- Global Toastmasters Network
- Indian Employee Network
- International & Cultural Exchange Network
- Irish-American Professionals Network
- Italian-American Employee Network
- Italian American Professionals Alliance
- Jewish Professionals Network
- Language Practice Network
- Latin American Professionals Group
- Military Employee and Family Network
- Muslim Employee Network
- Professional Women's Network
- State Street Connect
- State Street Executive Assistants Network
- State Street Professional Accountants Networking Group
- State Street Global PRIDE and Friends
- State Street Good Reads
- Women's Information Network
- Working Parents Group
- Year Up Network

Our employee networks encourage diversity awareness and education, offer volunteering opportunities, and promote career development and cultural expression.

103-3

Evaluation of the management approach

While we continue to report progress on our enterprise-level diversity goals to the organization through our gender and employees of color diversity dashboards, we are also making our leaders accountable for driving these efforts and providing them an assessment on where they stand in relation to IDE through the executives' talent reviews and leadership scorecards. Equally important is to pay close attention to our employee survey results that provide a clear picture on our gaps and opportunities and provide a sense of the impact of our work across the company.

GRI topic-specific disclosures: 405 Diversity and Equal Opportunity

| 405-1 | Diversity of governance bodies and employees | [Inclusion, Diversity, and Equity] [Board Diversity] | | | | | | | | | | | | | | | | |
|----------|--|--|------------------------|------|--------|------------------------|----------|-----|------|----|-------|-----|-----|----|---------|-----|-----|----|
| | | <p><u>Technical:</u></p> <table border="1"> <thead> <tr> <th>Age</th> <th>Male</th> <th>Female</th> <th>Prefer Not to Disclose</th> </tr> </thead> <tbody> <tr> <td>Under 30</td> <td>62%</td> <td>38%</td> <td>0%</td> </tr> <tr> <td>30-50</td> <td>68%</td> <td>32%</td> <td>0%</td> </tr> <tr> <td>Over 50</td> <td>85%</td> <td>16%</td> <td>0%</td> </tr> </tbody> </table> | Age | Male | Female | Prefer Not to Disclose | Under 30 | 62% | 38% | 0% | 30-50 | 68% | 32% | 0% | Over 50 | 85% | 16% | 0% |
| Age | Male | Female | Prefer Not to Disclose | | | | | | | | | | | | | | | |
| Under 30 | 62% | 38% | 0% | | | | | | | | | | | | | | | |
| 30-50 | 68% | 32% | 0% | | | | | | | | | | | | | | | |
| Over 50 | 85% | 16% | 0% | | | | | | | | | | | | | | | |
| | | <p><u>Administrative:</u></p> <table border="1"> <thead> <tr> <th>Age</th> <th>Male</th> <th>Female</th> <th>Prefer Not to Disclose</th> </tr> </thead> <tbody> <tr> <td>Under 30</td> <td>0%</td> <td>100%</td> <td>0%</td> </tr> <tr> <td>30-50</td> <td>8%</td> <td>90%</td> <td>0%</td> </tr> <tr> <td>Over 50</td> <td>9%</td> <td>91%</td> <td>0%</td> </tr> </tbody> </table> | Age | Male | Female | Prefer Not to Disclose | Under 30 | 0% | 100% | 0% | 30-50 | 8% | 90% | 0% | Over 50 | 9% | 91% | 0% |
| Age | Male | Female | Prefer Not to Disclose | | | | | | | | | | | | | | | |
| Under 30 | 0% | 100% | 0% | | | | | | | | | | | | | | | |
| 30-50 | 8% | 90% | 0% | | | | | | | | | | | | | | | |
| Over 50 | 9% | 91% | 0% | | | | | | | | | | | | | | | |
| | | <p><u>Other:</u></p> <table border="1"> <thead> <tr> <th>Age</th> <th>Male</th> <th>Female</th> <th>Prefer Not to Disclose</th> </tr> </thead> <tbody> <tr> <td>Under 30</td> <td>44%</td> <td>55%</td> <td>0%</td> </tr> <tr> <td>30-50</td> <td>53%</td> <td>47%</td> <td>0%</td> </tr> <tr> <td>Over 50</td> <td>54%</td> <td>43%</td> <td>1%</td> </tr> </tbody> </table> | Age | Male | Female | Prefer Not to Disclose | Under 30 | 44% | 55% | 0% | 30-50 | 53% | 47% | 0% | Over 50 | 54% | 43% | 1% |
| Age | Male | Female | Prefer Not to Disclose | | | | | | | | | | | | | | | |
| Under 30 | 44% | 55% | 0% | | | | | | | | | | | | | | | |
| 30-50 | 53% | 47% | 0% | | | | | | | | | | | | | | | |
| Over 50 | 54% | 43% | 1% | | | | | | | | | | | | | | | |
| | | <p><u>Employee Breakdown by Age:</u></p> <table border="1"> <thead> <tr> <th>Age</th> <th>Male</th> <th>Female</th> <th>Prefer Not to Disclose</th> </tr> </thead> <tbody> <tr> <td>Under 30</td> <td>47%</td> <td>52%</td> <td>0%</td> </tr> <tr> <td>30-50</td> <td>57%</td> <td>43%</td> <td>0%</td> </tr> <tr> <td>Over 50</td> <td>59%</td> <td>41%</td> <td>0%</td> </tr> </tbody> </table> | Age | Male | Female | Prefer Not to Disclose | Under 30 | 47% | 52% | 0% | 30-50 | 57% | 43% | 0% | Over 50 | 59% | 41% | 0% |
| Age | Male | Female | Prefer Not to Disclose | | | | | | | | | | | | | | | |
| Under 30 | 47% | 52% | 0% | | | | | | | | | | | | | | | |
| 30-50 | 57% | 43% | 0% | | | | | | | | | | | | | | | |
| Over 50 | 59% | 41% | 0% | | | | | | | | | | | | | | | |
| 405-2 | Ratio of basic salary and remuneration of women to men | [Inclusion, Diversity, and Equity: Gender Equality] Our disclosure of basic salary and remuneration ratios in the United Kingdom is one of many steps that State Street has taken toward gender equity. We are not currently able to share global information publicly but plan to disclose later in 2022. This disclosure will be linked from www.statestreet.com/cr when it is available. | | | | | | | | | | | | | | | | |

Material topic: Climate Change

The State Street material topic "Climate Change" includes the GRI topics "302 Energy," and "305 Emissions."

Disclosure on management approach

103-1

Explanation of the material topic and its boundary

Our environmental impacts reflect our operational efficiency, and good performance helps attract and retain clients, save money, and engage employees. As a financial services company, our main impacts are indirect and related to the assets we manage and to issues of ESG integration into our client offerings (see [ESG Integration]). However, when compared to our operations, our products and services have minimal direct environmental impact. Hence, our focus lies in our emissions from operations and supply chain issues.

We recognize the threat of climate change and are committed to reducing our fossil fuel consumption. Therefore, greenhouse gas (GHG) emission management and mitigation are a key aspect of environmental sustainability at State Street. Our energy usage in our buildings and data centers is responsible for most of our carbon emissions. Other emission sources are business travel and commuting.

103-2

The management approach and its component

[\[TCFD Report – Governance\]](#)

In 2021, Rick Lacaille was appointed to serve as State Street's Head of ESG to lead and coordinate ESG efforts across the firm. Rick provides enterprise leadership for State Street's ESG program, effectively ensuring a well-coordinated and optimized approach to our ESG policies, products, initiatives, and thought leadership. He works across teams to fully leverage ESG capabilities stemming out of all areas at State Street, including State Street Global Advisors.

In our Executive Corporate Responsibility Committee (ECRC), Global Realty, Procurement, Global Technology Services (IT), Travel, and Environmental, Social, and Governance (ESG) teams are all represented. This group manages GHG from operations, with Scope 1 and 2 predominantly arising from the Realty and IT functions, and indirect Scope 3 emissions arising from Procurement and Travel functions.

Our corporate responsibility (CR) strategy is managed by the ECRC, which meets at least quarterly. Our global Environmental Sustainability Policy states that we are "committed to being a leader in environmental sustainability, both in the way we carry out our operations and in the products and services we offer." By conducting our business in this manner, we align our long-term success with the environment and create enduring benefits for our shareholders, clients, employees, and the communities in which we live and work. We consider adherence to this policy to be the responsibility of all individuals who take part in our activities.

103-2 continued

As a financial services provider with mainly office-based operations, we are not subject to GHG emissions policies or regulations beyond what is typically required for other large companies in our markets. However, on a voluntary basis, we are committed to progress with respect to emissions.

We are subject to Article 8 of the EU Energy Efficiency Directive, and the UK Carbon Reduction Commitment legislation for our operations in the UK and Europe. State Street follows GHG Protocol best practices and dual-report GHG emissions using both the location and market-based methods. For market-based figures, RECs are included. Purchased RECs are Green-e (NA) or EECS-GO (EMEA) certified. Per GHG Protocol guidance, carbon offsets are not included in market-based method calculations.

103-3

Evaluation of the management approach

Our Environmental Sustainability Committee oversees and regularly assesses our progress with our environmental initiatives and goals. We also consider suggestions from stakeholders. Our ISO certifications are audited by external parties annually. In 2021, we were able to reduce our carbon emissions by 25 percent from a 2019 baseline.

GRI topic-specific disclosures: 302 Energy

302-1

Energy consumption within the organization

| Consumption by Fuel Type | | UNIT | |
|---------------------------------|-----------|---------------|--|
| Total Scope 1 Fuel Usage | | | |
| Natural Gas | GJ | 77,473 | |
| Diesel | GJ | 5,273 | |
| Total Direct Energy | GJ | 82,746 | |

302-2

Energy consumption outside of the organization

| Consumption by Fuel Type | | UNIT | |
|--|-----------|----------------|--|
| Total Scope 2 Indirect Energy Usage | | | |
| Electricity | GJ | 684,706 | |
| Heating | GJ | 23,298 | |
| Cooling | GJ | 7,777 | |
| Total Indirect Energy | GJ | 715,782 | |

| | | | | | |
|-----------------|--|-----------------------------------|-----------|---------------|--|
| 302-2 continued | Energy consumption outside of the organization | Consumption by Fuel Type | | UNIT | |
| | | Total Scope 3 Energy Usage | | | |
| | | Business Travel (Non-Renewable) | GJ | 13,162 | |
| | | Total Indirect Energy | GJ | - | |
| 302-3 | Energy intensity | Energy Intensity Ratio | | UNIT | |
| | | Numerator | kWh | 221,813,319 | |
| | | Denominator | Occupants | 30,552 | |
| | | Energy Intensity | | 7,260 | |
| 302-4 | Reduction of energy consumption | Total Energy Saved | | UNIT | |
| | | Electricity | GJ | 16,045 | |
| | | Heating | GJ | 2,049 | |
| | | Total Energy Saved | GJ | 18,093 | |

GRI topic-specific disclosures: 305 Emissions

| | | | |
|-------|--------------------------------|-------------------------------------|--------------|
| 305-1 | Direct GHG emissions (Scope 1) | CO2e Emissions (Metric Tons) | |
| | | CO2 Direct | 4,427 |
| | | CH4 Direct | 11.52 |
| | | N2O Direct | 2.71 |
| | | HFCs Direct | 2,268 |
| | | Total Direct (Scope 1) | 6,709 |

| | | | |
|-------|---|--|--|
| 305-2 | Energy-based indirect GHG emissions (Scope 2) | C02e Emissions (Metric Tons) | |
| | | Biogenic CO2 | 0 |
| | | Total Indirect (Scope 2) | 56,987 |
| 305-3 | Other indirect GHG emissions (Scope 3) | C02e Emissions (Metric Tons) | |
| | | Total Indirect (Scope 3) | 11,056 |
| 305-4 | GHG Emissions Intensity | GHG Intensity | |
| | | GHG Emissions Intensity Ratio | 2.08 |
| | | List of Included Gases | Carbon Dioxide (CO2), Methane (CH4), Nitrous Oxide (N2O) |
| 305-5 | Reduction of GHG emissions | GHG Reduction | |
| | | Total GHG Reductions in metric tonnes CO2 equivalent | 1,336 |

Material topic: Environmental, Social, and Governance (ESG) Integration

The State Street material topic "ESG Integration" refers to our ESG investment solutions, asset stewardship practices, State Street Total ESG reporting and analytics tools, and incorporation of ESG considerations in our investment and funding strategies.

Disclosure on management approach

103-1

Explanation of the material topic and its boundary [\[ESG Integration\]](#)

Our goal for ESG integration is to generate long-term value for our clients while strengthening our operational resiliency.

103-1 continued

ESG Investment Solutions

Environmental, social and governance (ESG) factors are increasingly used to capture intangible, off-balance sheet risks and opportunities. We recognize that firms that perform well on material ESG factors may be better positioned to generate sustainable long-term returns. As a result, we endeavor to offer our clients a range of products and services that draw on best-in-class data and analytics to bring ESG considerations into client portfolios. This is especially important for our Asset Management division, State Street Global Advisors. Global Advisors' approach to ESG investing combines asset stewardship, customized advisory services, our proprietary R-Factor™ ESG scoring system, a wide range of ESG investment solutions, and thematic climate investment strategies.

Asset Stewardship and Proxy Voting

Our primary fiduciary obligation to our clients is to maximize the long-term returns of their investments. It is our view that material ESG issues can both create risk as well as generate long-term value in our portfolios. As near perpetual holders of the constituents of the world's primary indices, the informed exercise of voting rights coupled with targeted and value-driven engagement is the most effective mechanism of creating value for our clients.

State Street Total ESG

We help our clients to measure and manage ESG risks and opportunities and address ESG-related data, risk and regulatory challenges via ESG portfolio management, risk analytics, and reporting capabilities. State Street Total ESG provides a multi-vendor suite of ESG data to meet investment and reporting needs across asset classes.

Investment and Funding Strategies

We integrate ESG considerations into State Street's investment and funding strategies, including the management of State Street's investment portfolio and the decision-making for our commercial real estate portfolio.

103-2

The management approach and its component[ESG Integration]ESG Investment Solutions

State Street Global Advisors' ESG Investment Strategy and ESG Research teams, together with the Asset Stewardship team, lead our firm-wide effort to systemically identify the ESG risks and opportunities within State Street Global Advisors' investment products. They work collaboratively with internal and external business partners and provide relevant insights to our global investment teams. Internally, we focus on investing in innovative research ideas, richer information/data sets, and the pricing of ESG factors across the asset classes to find new ways to meet our clients' ESG investing goals.

103-2 continued

State Street Global Advisors currently has more than \$516 billion in ESG assets under management, comprising roughly 12.5 percent of State Street's assets under management. Industry and internal definitions of ESG eligibility and related categorization of AUM amounts continue to evolve and be refined over time. These updates and refinements have resulted in minor changes in the methodology used in defining ESG AUM compared to the prior year. In addition, through the process of updating our methodology in 2021 to be in line with industry standards, we identified some areas where asset classes should be re-categorized to ESG, and some from ESG to non-ESG, in aggregate resulting in a minor net reduction in ESG assets. We systematically integrate ESG in the investment process for our actively managed strategies and offer a variety of ESG investment styles across asset classes: exclusionary screening, best-in-class investment selection, thematic, and ESG integration.

Asset stewardship and proxy voting

All voting and engagement activities are centralized within the Asset Stewardship team irrespective of investment strategy or geographic region. Further, the Asset Stewardship team leverages the breadth of our investment capabilities to make informed decisions. By consolidating and harmonizing our voting decisions and engagement efforts, we leverage the full power of our institutional discretionary holdings and exert greater influence with management and boards.

In conducting our voting and engagement activities, Global Advisors evaluates the various factors that play into the corporate governance framework of a country, including macroeconomic conditions, political environment and quality of regulatory oversight, enforcement of shareholder rights, and the effectiveness of the judiciary. SSGA complements its company-specific dialogue with targeted engagements with regulators and government agencies to address systemic market-wide concerns.

State Street Global Advisors has a dedicated team of ESG analysts, based in Boston, Kraków, London, and Tokyo, who are charged with implementing its proxy voting guidelines and engagement activities on a global basis. The activities of the Stewardship team are directly overseen by SSGA's Investment Committee (IC). The IC is responsible for approving the annual stewardship strategy, engagement priorities, and proxy voting guidelines, and monitoring the delivery of objectives. Furthermore, the Proxy Review Committee, a dedicated subcommittee of the IC, provides day-to-day oversight of the Stewardship team, including approving departures from proxy voting guidelines and managing conflicts of interest.

The Stewardship team is supported by several specialists within SSGA in executing their stewardship responsibilities. These include members of SSGA's proxy operations team who are responsible for managing fund set-up, vote execution, vote reconciliation, share recall and class-action lawsuits, and members of SSGA's client reporting and compliance teams.

State Street Total ESG

In order to provide a multi-vendor suite of ESG data for clients' investment and reporting needs, State Street Total ESG builds on our existing tools and platforms. Through our global support team and rigorous risk control environment, our advanced technology provides our clients with a fully automated, end-to-end experience. Our approach combines our strategic relationships on the ESG data front, our research and analytics expertise, and our ability to address client needs throughout the front, middle, and back office.

103-2 continued

Investment and funding strategies

State Street's Global Treasury team manages State Street's investment portfolio, is increasing its allocation to ESG-labeled bonds, and plans to implement an ESG Responsible Investing Policy across State Street's balance sheet in 2022 to govern on-balance sheet investing and lending activities. The policy will consider how each business unit will take into consideration relevant ESG factors, both negative risk factors and positive attributes, in their due diligence and monitoring process.

Our securities lending business is creating a set of ESG lending guidelines in order to help borrowers meet their own ESG objectives. We support public investments that benefit our communities through our Tax-Advantaged Investments group, which committed \$247 million to affordable housing and renewable energy projects in 2021.

ESG considerations have and will continue to serve as important drivers in the decision-making process for State Street's commercial real estate portfolio. To better understand environmental risk to the portfolio, the Commercial Real Estate team catalogued property-level environmental certifications, and identified that 37 percent in our \$2.59 billion real estate portfolio involve buildings with some sort of environmental certification.

103-3

Evaluation of the management approachESG Investment Solutions

We regularly evaluate our ESG product portfolio management approach through Global Investment Committee reviews and a quarterly business review delivered to the Executive Management Group. In addition, we also use a formal employee evaluation process as part of the annual performance planning and review cycle, and client feedback for evaluation.

Asset stewardship and proxy voting

Global Advisors conducts real-time and quarterly audits to review the accuracy of application of proxy voting guidelines to agenda items. In addition, Global Advisors' Proxy Operations team conducts vote audits on firm-wide accounts to look for anything out of the ordinary. For example, more than the usual number of ballots rejected due to ballots received after vote cutoff. These cases are then investigated to understand the reason for ballot rejection.

Investment and funding strategies

In 2021, the commercial real estate team developed a climate risk scorecard to assess both physical and transition risks related to climate change at each property in our portfolio. This scorecard is incorporated into the team's investment decision-making process. In a further effort to consider environmental risk, the group initiated work to estimate the amount of carbon emissions financed by the portfolio. We expect to have a complete estimate of the portfolio's carbon footprint in 2022.

Material Topic: Board Governance and ESG Management

The State Street material topic “Board Governance and ESG Management” refers to our efforts related to the diversity of the board of directors, their oversight and management of ESG-related issues, and their overall effectiveness in creating long-term value for our stakeholders. This topic includes the GRI Indicator “405-1 Diversity of Governance Bodies and Employees.”

Disclosure on management approach

103-1

Explanation of the material topic and its boundary

Governance, including structures, processes, and policies, is material to State Street. As business conditions change, our highest level of decision-makers, the board of directors, must stay vigilant in monitoring and managing emerging risks. The board recognizes that for State Street to continue creating long-term value for its stakeholders, it must actively manage ESG issues. This encompasses the board’s oversight of sustainability, its diversity, and its effectiveness at deciding what is in the company’s best long-term interests. The board takes a holistic view of ESG management and is actively working to further embed ESG accountability into our governance structures. These structures promote the responsible and proactive management of identified ESG material issues, with policies and strategies for mitigating the associated risks. This topic is most material to State Street’s own operations but is also relevant to the company’s interactions with stakeholders of all types.

103-2

The management approach and its component[\[Board Governance and ESG Management\]](#)

As part of its duties outlined in the 2021 Corporate Governance Guidelines, the board monitors, measures and manages State Street’s material activities and practices regarding ESG matters. The Nominating and Corporate Governance Committee of the board, and the board itself, reviewed proposed changes to the charters of each standing committee of State Street’s board to incorporate oversight responsibilities for ESG activities. In 2021, the charter of every standing committee of the board changed to incorporate oversight for ESG activities, initiatives, and obligations for matters within each committee’s specific remit.

The Nominating and Corporate Governance Committee meets regularly and consists entirely of members who are independent under criteria established by the SEC and New York Stock Exchange. In addition, the chief investment officer periodically presents to the board on ESG matters in relation to State Street’s goals and the activities of the executive corporate responsibility committee.

103-2 continued

The board's decision-making and conduct is guided by State Street's [Corporate Governance Guidelines](#), the [Governance Standards Relative to the Investor Stewardship Group \(ISG\)](#) Governance Principles, and the following standing board committee charters, which outline the specific functions to which each committee attends:

[Examining and Audit Committee](#)

[Executive Committee](#)

[Human Resources Committee](#)

[Nominating and Corporate Governance Committee](#)

[Risk Committee](#)

[Technology and Operations Committee](#)

103-3

Evaluation of the management approach

The board is ultimately charged with managing this material topic. However, during State Street's annual strategy session, State Street management invites the board to discuss the company's trajectory and any adjustments that should be made.

Disclosure on management approach

405-1

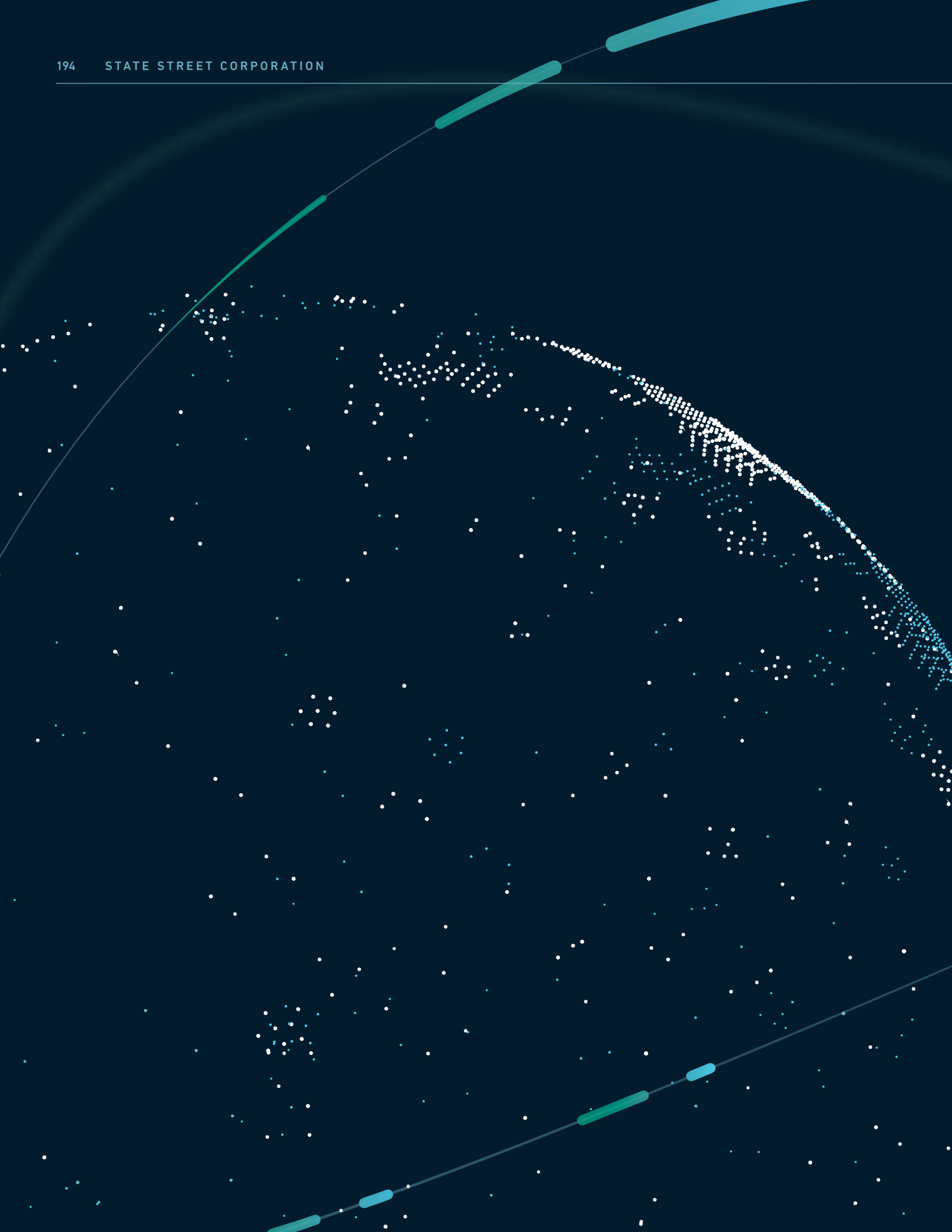
Diversity of governance bodies and employees

GENDER

| | Male | Female | Prefer not to disclose/ unknown | Total |
|---|------|--------|------------------------------------|-------|
| # | 9 | 4 | - | 13 |
| % | 70% | 30% | - | |

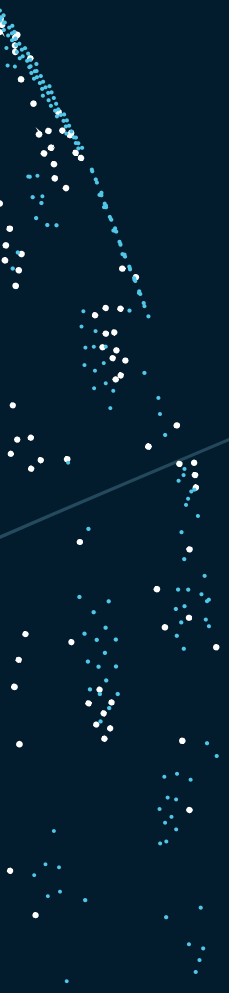
RACE & ETHNICITY

| | # | % |
|---------------------------|-----------|----------|
| African American/Black | 1 | 7.7% |
| Native American | 0 | - |
| Asian | 1 | 7.7% |
| Caucasian/White | 10 | 77% |
| Hispanic or Latinx | 1 | 7.7% |
| Hawaiian/Pacific Islander | 0 | - |
| Other/Not Disclosed | 0 | - |
| Total | 13 | - |



STATE STREET 2021 ESG REPORT - APPENDIX

UN SUSTAINABLE DEVELOPMENT GOALS



UN SUSTAINABLE DEVELOPMENT GOALS

State Street became a signatory to the United Nations Global Compact in December 2014. As an early adopter, we have taken a leadership role in contributing to the United Nations Sustainable Development Goals (SDGs). State Street is well positioned to drive significant progress on many SDGs and has identified six goals on which it has the greatest potential for impact.

SDG4: Quality Education

SDG8: Decent Work and Economic Growth

State Street Foundation's mission is to promote economic opportunity in the communities where we have a business presence. We invest in high-performing nonprofit organizations that support education, combat racism and inequality, and promote employability and employment opportunities for disadvantaged individuals, helping them gain the skills and educational qualifications needed to secure sustainable employment in today's knowledge-based, global economy.

State Street Foundation partners with charities that operate in communities where we have a presence and are committed to reducing gaps in educational achievement and employability based on race, ethnicity, and socioeconomic status, thereby promoting economic opportunity and racial equity and demonstrating leadership, innovation, and a genuine connection for our communities. We do this by providing grants to support the core business functions of organizations whose missions, activities, and strategies are aligned with these goals.

[Read more in Corporate Citizenship >](#)

SDG 5: Gender Equality

GENDER DIVERSITY ON BOARDS

Through our Asset Stewardship team, we are using our voice and our vote to encourage portfolio companies to take ESG objectives seriously, including greater gender diversity on boards. State Street Global Advisors believes that board quality is foundational to good governance and positive investment outcomes. We have a responsibility as a fiduciary to engage on this issue and use our proxy voting power as stewards of our clients' assets.

FEARLESS GIRL

Our Fearless Girl campaign exemplified our focus on gender diversity, where we informed hundreds of companies with no women on their boards that we were prepared to vote against the chair of their Nominating Committees if we did not see action.

From the start of the Fearless Girl campaign in 2017 through February 2022, 948 (over 60 percent) of the 1,548 companies we identified with previously all-male boards have added at least one woman director. And every company in the S&P 500 has at least one woman on its board. In 2022, we will build on the success of the Fearless Girl campaign by expanding our expectation that companies should have at least one woman director on their board from only companies in select indices to all holdings in all markets globally.

[Read more in Asset Stewardship >](#)

We recognize the value of gender diversity on in State Street's own board of directors. Four out of 13 (30%) of our Board members self-identify as female¹.

[Read more in Board Governance and ESG Management >](#)

¹ As of April 20, 2022

GENDER EQUALITY IN THE WORKPLACE

We support gender equality in the workplace through our flexible work culture and benefits. We provide parental and caretaker support by offering child, elder, and personal care programs, referrals and resources, emergency backup day care for our employees and paid parental leave benefits, as well as adoption and fertility assistance (all vary by location). In addition, State Street's Professional Women's Network established the Sponsorship Program, which aims to build and support a pipeline of leaders for the organization and help bridge the male/female achievement gap.

[Read more in Employee Experience >](#)

State Street supports equal pay for equal work and trains our managers to make appropriate compensation awards to women. In 2021—for the 15th year—we partnered with the Massachusetts Conference for Women, an organization that promotes, communicates and amplifies the influence of women in the workplace and beyond.

[Read more in Gender Equality >](#)

SHE IMPACTS

As part of our dedication to furthering gender diversity, the State Street Global Advisors Gender Diversity Index ETF (SHE), created in 2016, is an exchange-traded fund designed to measure the performance of U.S. large capitalization companies that are "gender diverse," exhibiting gender diversity in their senior leadership positions.

SHE includes a charitable component — SHE Impacts, a donor-advised fund administered by Advisors Charitable Gift Fund, a 501(c)(3) public charity. SHE Impacts provides grants to organizations that prepare and encourage girls from kindergarten through grade 12 to take their place in STEM industries (science, technology, engineering, and math) where women have low representation today. SHE Impacts also supports programs that promote gender diverse leadership in the workplace. In 2021, SHE Impacts made a \$50,000 donation to Black Girls Code.

SDG 7: Affordable and Clean Energy**SDG13: Climate Action**

To be a responsible corporate citizen, State Street continuously works to minimize the environmental impacts of our business operations and set aggressive goals to reduce the environmental footprint of our business.

As an asset servicing provider, manage their own risks, or comply with the increasingly complex regulatory landscape.

As an asset manager, we help asset owners reduce the carbon intensity of their investment portfolios and embrace the growth opportunities in green innovation. We have developed a range of equity and bond solutions to help mitigate and adapt to climate change risks, and position a portfolio for the transition to the low carbon economy. Our asset stewardship team engages with portfolio companies and boards on climate issues to drive transparency around how they are managing the opportunities and risks of climate change.

As a responsible corporation, we are continuing to reduce our carbon footprint by reducing energy use, greenhouse gases, and water usage and discharge, as well as improving waste recycling. To scale impact on climate change, State Street has joined forces with a number of industry initiatives and organizations, such as the Sustainable Markets Initiative, the Net Zero Asset Managers Initiative, Climate Action 100+, the Institutional Investors Group on Climate Change, and the Climate Bonds Initiative, among others.

CARBON NEUTRALITY

We continued to achieve carbon neutrality for Scope 1, Scope 2 and partial Scope 3 (corporate travel) greenhouse gas (GHG) emissions in 2021 through infrastructure retrofitting, purchasing renewable energy certificates (RECs) and carbon offsets, and by utilizing renewable energy sources wherever possible.

While our GHG emissions decreased by 25 percent in 2021, compared to the 2019 baseline, we are aware that office occupancy had an impact on this result, reducing energy use in our offices as a result of the hybrid workforce and in functions such as business travel. We remain committed to closely monitoring and further reducing our emissions wherever technically and economically feasible. In 2021, our water consumption was reduced by 43 percent, and our recycling rate ticked up to 86 percent—achieving the latter target for the first time.

[Read more in Climate Change >](#)

INVESTMENT CLIMATE ACTION

Investment activities related to climate including risk assessments, stewardship efforts, and corporate engagements are regularly reported to the Global Advisors board, CEO Chief Investment Officer. Our climate change risk oversight framework allows us to prepare and plan for potential climate-related risks that our business may be facing, including our globally managed equities.

State Street Global Advisors, one of the world's largest asset managers, plays a key role in influencing the climate-related policies of the companies we invest in, which includes climate-centered asset stewardship that ensures boards and executives are implementing proper management and oversight of their company's climate risk exposure; leveraging climate data to innovate investment solutions; investment-worthy solutions that include exclusionary screening, mitigation and adaptation; as well as climate-focused reporting that improves clients' understanding of their strategy performance against climate goals and targets.

SUSTAINABLE MARKETS INITIATIVE

In 2020, His Royal Highness the Prince of Wales (HRH) launched the Sustainable Markets Initiative (SMI), a network of global CEOs working together to build prosperous and sustainable economies that generate long-term value through the balanced integration of natural, social, human, and financial capital. In 2021, State Street's Chairman and CEO Ron O'Hanley convened the CEOs of some of the world's largest asset managers and owners to form SMI's Asset Manager and Asset Owner (AMAO) Task Force at the request of HRH, to work on meaningful and actionable plans to help accelerate the world's transition to a sustainable future.

[Read more in Stakeholder Engagement >](#)

In early 2022, State Street informed companies in major indices in the US., Canada, U.K., Europe, and Australia that we will expect them to align their climate-related disclosures to the Task Force on Climate-related Disclosures framework in the coming years.

[Read more in Asset Stewardship >](#)

SDG10: Reduced Inequalities

2021 was the first full year of our 10 Actions to Address Racism and Inequality. We made significant progress toward each of our goals and also announced our commitment to undertake a civil rights audit. These 10 Actions coordinate efforts from across State Street to effect change within our company and industry. State Street is dedicated to expanding diversity among our suppliers and promoting engagement with suppliers owned by minorities, women, veterans, and members of the LGBTQ+ and disability communities. We strive to create more opportunities for diverse suppliers and assist them in growing their businesses and increasing their involvement in local communities.

[Read more in Inclusion, Diversity, and Equity >](#)

Action No. 9 of our 10 Actions to Address Racism and Inequality set a goal to establish combating racism as one of the priorities for our State Street Foundation. To that end, in 2021, SSF administered grants and began offering 2:1 matching gifts for a selection of organizations that are tackling racial equity. We also implemented guidelines for racial equity grantmaking in Boston and plan to expand those guidelines globally in the coming years.

[Read more in Corporate Citizenship >](#)

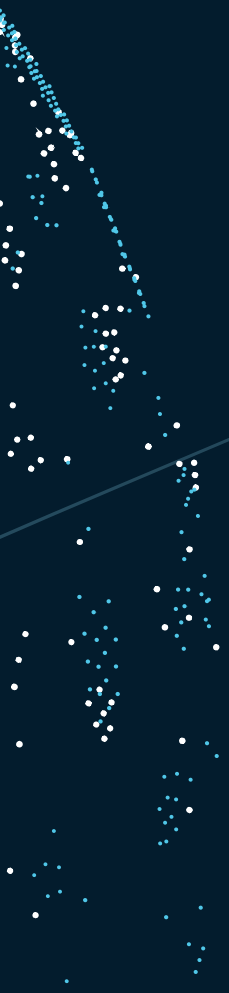
In 2021, our asset stewardship team collaborated with Russell Reynolds Associates and the Ford Foundation to study best practices for effective oversight of racial and ethnic IDE. The result was a set of timely recommendations on how boards can elevate their IDE focus.

[Read more in ESG Integration >](#)



STATE STREET 2021 ESG REPORT - APPENDIX

UN GLOBAL COMPACT



ALIGNMENT WITH THE UNITED NATIONS GLOBAL COMPACT PRINCIPLES

| UNGC PRINCIPLE | REFERENCE | COMMENTARY |
|---|---|--|
| Human Rights | | |
| Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights | Monitoring Human Rights Risks in Our Supply Chain | We support fundamental human rights principles as outlined in the UN Universal Declaration of Human Rights. We are signatories to the UN Global Compact and support the principles related to human rights abuses and forced labor. As a company that procures goods and services from across the globe, we are diligent in our efforts to ensure that human rights risks are being monitored in our supply chain. |
| Principle 2: Make sure that they are not complicit in human rights abuses | Monitoring Human Rights Risks in Our Supply Chain | Our procurement sourcing program helps ensure that our global procurement due diligence processes are in accordance with the United Kingdom Modern Slavery Act and any other laws, rules, or regulations prohibiting human trafficking and/or slavery. This regulation requires that potential suppliers attest to whether they have a policy in place prohibiting child and/or forced labor, whether their policy extends to their own suppliers and subcontractors, and to provide tangible proof of the policy. |
| Labor | | |
| Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining | Employee Experience | State Street is committed to adherence to local laws regarding the freedom of association and collective employee action. State Street employees in six of our European offices participate in collective bargaining agreements, totaling 3.0 percent of State Street employees globally. |
| Principle 4: The elimination of all forms of forced and compulsory labor | Monitoring Human Rights Risks in Our Supply Chain | In our business operations, we do not allow forced or compulsory labor. Additionally, all of our potential suppliers must provide information about social compliance audits of their own suppliers and subcontractors, with reference to risks for incidents of forced and compulsory labor. |
| Principle 5: The effective abolition of child labor | Monitoring Human Rights Risks in Our Supply Chain | State Street remains committed to rejecting child labor. This commitment requires our potential suppliers to provide information about social compliance audits for their suppliers and subcontractors including reference to risks for incidents of child labor. |

| | | |
|---|----------------------------------|---|
| Principle 6: The elimination of discrimination in respect of employment and occupation | Inclusion, Diversity, and Equity | Inclusion and diversity, along with building a more equitable State Street, are central to our company's values. In 2021, we continued to support our 10 Actions to Address Racism and Inequality, and announced our commitment to undertake a civil rights audit. Our approach to inclusion and diversity is built by talent pipeline, accountability, policy, employee networks, and learning and development. With regard to promoting diversity at the board level, we brought on two directors at the 2021 annual meeting of shareholders that self-identify as racially diverse, and four out of 13, 30 percent, of our board directors self-identify as female as of April 20, 2022. |
|---|----------------------------------|---|

Environment

| | | |
|--|------------------------------|--|
| Principle 7: Businesses should support a precautionary approach to environmental challenges | Climate Change | Through our precautionary approach to environmental sustainability and greenhouse gas (GHG) emissions reduction, we continuously monitor and address the physical risks associated with climate change. GHG emission management and mitigation is a key aspect of environmental sustainability at State Street. |
| Principle 8: Undertake initiatives to promote greater environmental responsibility | Climate Change | We track our performance in energy use, greenhouse gas emissions, water use, waste generation, and recycling rate and we work with the companies within our portfolios to help them monitor and manage their footprints. We maintained carbon neutrality for Scope 1, Scope 2, and corporate travel GHG emissions through carbon offsets and continue investing in renewable energy in projects across the world. |
| Principle 9: Encourage the development and diffusion of environmentally friendly technologies | ESG Integration | We provide R-Factor™, the first ESG scoring system that offers companies a road map on how to manage and disclose their ESG practices, to help our clients and portfolio companies better understand their ESG characteristics and see how well they meet the marketplace's expectations. In 2021, our Commercial Real Estate team developed a climate risk scorecard to assess both physical and transition risks related to climate change at each property in our portfolio. |
| Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery | Risk, Ethics, and Compliance | As a trusted fiduciary and partner to the world's leading institutions, State Street holds the highest standards of risk excellence and compliance. In 2021, with a global workforce working both in the office and remotely, our operational and cyber resiliency was once again core to our strategy. With the security of all our stakeholders front of mind, we regularly and diligently tested our systems, carried out reconciliations and processes, and made important improvements. Thanks in part to this commitment to protecting our systems, State Street experienced no major incidents over the year. Additionally, we continued improving our policies, guidance, and training on risk culture and compliance. |



STATE STREET 2021 ESG REPORT - APPENDIX

EU DIRECTIVE ON NON-FINANCIAL REPORTING CONTENT LISTINGS

EU DIRECTIVE ON NON-FINANCIAL REPORTING CONTENT LISTINGS

The EU Directive on Non-Financial Reporting outlines certain requirements for corporate disclosures that companies of a certain size must comply with. State Street is subject to these requirements. Below is an index of information found within our 2021 Report, aligned with the requirements of the EU directive.

Environmental matters

- Climate Change
- Our Business
- SASB Report (Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory)
- SASB Report (Software and IT Services Response)
- TCFD Report (Physical Risks Associated with Climate Change, Investment Risks Associated with Climate Change)
- GRI (Material Topic: Climate Change)
- GRI (Material Topic: ESG Integration)
- UN Sustainable Development Goals

Social and employee matters

- Inclusion, Diversity, and Equity
- Employee Experience
- Corporate Citizenship
- SASB Report (Employee Diversity and Inclusion)
- SASB Report (Recruiting and Managing a Global, Diverse, and Skilled Workforce)
- GRI (Material Topic: Inclusion, Diversity, and Equity)
- GRI (Employee Experience)
- UN Global Compact
- UN Sustainable Development Goals

Respect for human rights

- Climate Change
- Monitoring Human Rights Risks in Our Supply Chain
- Inclusion, Diversity, and Equity
- SASB Report (Inclusion, Diversity, and Equity)
- SASB Report (Recruiting and Managing a Global, Diverse, and Skilled Workforce)
- GRI (Material Topic: Inclusion, Diversity, and Equity)
- UN Global Compact

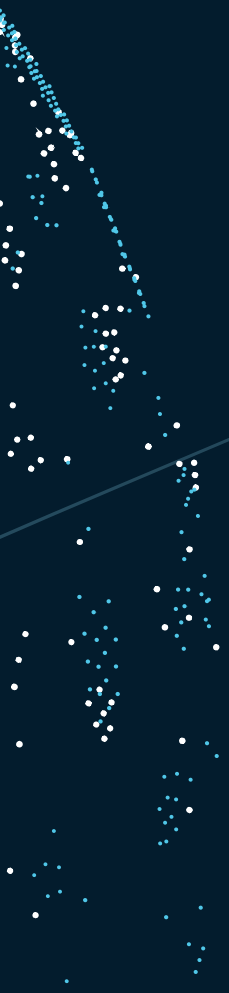
Anti-corruption and bribery matters

- Risk, Ethics, and Compliance
- GRI (Material Topic: Risk, Ethics, and Compliance)
- UN Global Compact



STATE STREET 2021 ESG REPORT - APPENDIX

EEO-1 REPORT



EQUAL EMPLOYMENT OPPORTUNITY

M Male F Female

2020 Employer Information Report EEO-1¹

| 2020 | Hispanic | | White | | Black or African American | | Native Hawaiian or Pacific Islander | |
|-----------------------------------|------------|------------|-------------|-------------|---------------------------|------------|-------------------------------------|----------|
| | M | F | M | F | M | F | M | F |
| Exec/Sr. Level Officials & Mgrs | 8 | 2 | 182 | 88 | 5 | 1 | 0 | 0 |
| First/Mid- Level Officials & Mgrs | 86 | 68 | 2135 | 1150 | 77 | 70 | 3 | 2 |
| Professionals | 176 | 133 | 2525 | 1707 | 185 | 195 | 4 | 3 |
| Sales Workers | 14 | 4 | 157 | 53 | 2 | 3 | 0 | 0 |
| Administrative Support | 50 | 75 | 242 | 304 | 62 | 103 | 2 | 3 |
| 2020 Total | 334 | 282 | 5241 | 3302 | 331 | 372 | 9 | 8 |

| 2020 | Asian | | American Indian or Alaskan Native | | Two or More Races | |
|-----------------------------------|-------------|-------------|-----------------------------------|-----------|-------------------|-----------|
| | M | F | M | F | M | F |
| Exec/Sr. Level Officials & Mgrs | 17 | 10 | 0 | 0 | 0 | 2 |
| First/Mid- Level Officials & Mgrs | 528 | 274 | 5 | 2 | 28 | 14 |
| Professionals | 1170 | 935 | 5 | 8 | 49 | 26 |
| Sales Workers | 10 | 6 | 0 | 0 | 1 | 0 |
| Administrative Support | 103 | 139 | 2 | 2 | 11 | 10 |
| 2020 Total | 1828 | 1364 | 12 | 12 | 89 | 52 |

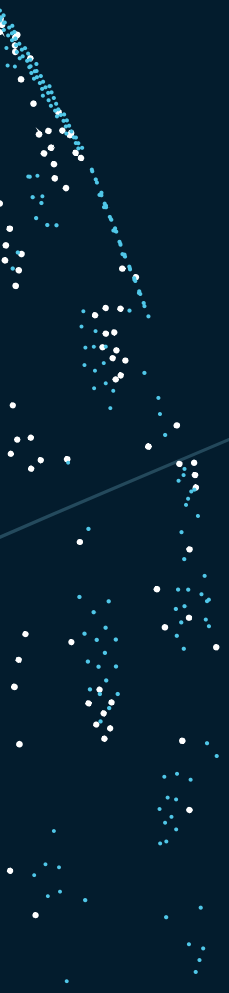
| 2020 | Total | | Grand Total |
|---------------------------------------|-------------|-------------|--------------|
| | M | F | |
| Exec/Sr. Level Officials & Mgrs | 212 | 212 | 315 |
| First/Mid- Level Officials & Mgrs | 2862 | 2862 | 4442 |
| Professionals | 4114 | 4114 | 7121 |
| Sales Workers | 184 | 184 | 250 |
| Administrative Support | 472 | 472 | 1108 |
| 2020 Total | 7844 | 7844 | 13236 |

¹ At the time of publication of this report, our 2021 EEO-1 filing was not yet certified. When available, it will be linked from www.statestreet.com/cr.



STATE STREET 2021 ESG REPORT - APPENDIX

ASSURANCE LETTER



Independent Assurance Statement to State Street

ERM Certification and Verification Services Inc. ('ERM CVS') was engaged by State Street Bank and Trust Company ('State Street') to provide limited assurance in relation to State Street's 2021 Environmental, Social and Governance ('ESG') Report ('the Report') as set out below.

| Engagement summary | |
|-----------------------------------|---|
| Scope of our assurance engagement | <p>Our engagement was designed to provide assurance on whether:</p> <ul style="list-style-type: none"> the Report presents a complete and balanced presentation of State Street's ESG activities and performance in the 2021 reporting year in accordance with the GRI Standards ('Core' option); the 2021 data for the following indicators are fairly presented, in all material respects, in accordance with the reporting criteria: <ul style="list-style-type: none"> Total Scope 1 GHG emissions (metric tonnes CO₂e) Total Scope 2 GHG (location and market-based) emissions (metric tonnes CO₂e) Total Scope 3 GHG emissions (metric tonnes CO₂e) for the following four categories: <ul style="list-style-type: none"> Category 3 - Fuel-and-energy-related activities (not included in Scope 1 or Scope 2) Category 5 – Waste generated in operations Category 6 – Business travel Category 7 – Employee commuting Total water usage – absolute (million cubic feet) and per employee Total waste – absolute (short tons) and recycling rate percentage. |
| Reporting criteria | <p>GRI Standards</p> <p>WBCSD/WRI GHG Protocol (2004, as updated January 2015)</p> <p>State Street's internal reporting criteria and definitions.</p> |
| Assurance standard | ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised). |
| Assurance level | Limited assurance. |
| Respective responsibilities | <p>State Street is responsible for preparing the Report and for the collection and presentation of the information within it.</p> <p>ERM CVS' responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.</p> |

Our conclusions

Based on our activities, and noting the exclusions explained in the 'Limitations' paragraph below, nothing has come to our attention to indicate that the following statements are not correct:

- the Report presents a complete and balanced presentation of State Street's ESG activities and performance in the 2021 reporting year in accordance with the GRI Standards ('Core' option);
- the 2021 data for the following indicators are fairly presented, in all material respects, in accordance with the reporting criteria:
 - Total Scope 1 GHG emissions in metric tonnes CO₂e
 - Total Scope 2 GHG (location and market-based) emissions in metric tonnes CO₂e
 - Total Scope 3 GHG emissions in metric tonnes CO₂e for the following four categories: Category 3 - Fuel-and-energy-related activities (not included in Scope 1 or Scope 2); Category 5 – Waste generated in operations; Category 6 – Business travel; and Category 7 – Employee commuting
 - Total Water usage – absolute (million cubic feet) and per employee
 - Total Waste – absolute (short tons) and recycling rate percentage.
- the Report includes information required by the European Union Directive on Non-Financial Reporting, as well as information for the Taskforce on Climate-related Financial Disclosure (TCFD) and the United Nations Global Compact (UNGC).

Our assurance activities

We planned and performed our work to obtain all the information and explanations that we believed were necessary to provide a basis for our assurance conclusions. A multi-disciplinary team of corporate responsibility and assurance specialists performed the following activities:

- A review of external media reporting relating to State Street to identify relevant sustainability issues in the reporting period.
- Attendance at regular teleconference meetings with the reporting team and report writers throughout the writing process to understand the development of the Report and issues raised during the process.
- Virtual interviews with management representatives responsible for the sustainability strategy implementation.
- Virtual interviews with relevant staff to understand and evaluate the data management systems and processes (including IT systems and internal review processes) used for collecting and reporting the 2021 performance data and related disclosures for the topics covered in the Report.
- A review of a sample of corporate level qualitative and quantitative evidence supporting the reported information.
- For the 2021 data on GHG emissions, water usage and waste, virtual interviews with the external company responsible for collecting and consolidating utility data across State Street's operations as well as a review of the completeness and accuracy of the data including unit and emission conversion factors for GHG emissions, the reasonableness of estimations and extrapolations and the accuracy of the data consolidation.
- A check on whether the Report is in accordance with the GRI Standards ('Core' option) and includes relevant information for the European Union Directive on Non-Financial Reporting, TCFD and the UNGC.
- A check of the consistency of the financial performance data disclosed in the Report with State Street's 2021 Form 10-K, where relevant.

The limitations of our engagement

Due to travel restrictions relating to COVID-19, our assurance activities consisted of desktop reviews of data and related information, and virtual meetings and interviews with State Street personnel responsible for the content of the Report.

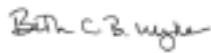
For the financial performance data disclosed in the Report, we have restricted our work to checking the consistency of those data with the audited State Street Annual Report on Form 10-K for the year ending 31st December 2021. We have not assured the personal views expressed in the CEO Statement or the Letter included in the Report.

While we have confirmed that the Report is 'in accordance' with the GRI Standards ('Core' option), we have not assured the additional information in the GRI Table in the Appendix.

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Our observations

We have provided State Street with a separate Management Report with our detailed (non-material) findings and recommendations.



Beth Wyke
Partner, Head of Corporate Assurance
April 20th, 2022

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