

STATE STREET 2021 ESG REPORT

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

STATE STREET®

## 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 p. 87-89 of our [2021 ESG Report](#).

### **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 employees<sup>2</sup>*

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 p. 49-61 of our [2021 ESG Report](#), and our [website](#).

**GLOBAL GENDER REPRESENTATION:**

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

**US RACIAL/ETHNIC GROUP REPRESENTATION:**

	<b>Asian</b>	<b>Black or African American</b>	<b>Two or More Races</b>	<b>White</b>	<b>Hispanic or Latinx</b>	<b>American Indian or Alaska Native</b>	<b>Native Hawaiian or Other Pacific Islander</b>	<b>Not Disclosed/Available</b>
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
<b>Total</b>	<b>\$75,666,955,153.58</b>	<b>\$30,718,191,286.19</b>	<b>\$468,453,256,318.58</b>	<b>\$423,504,492,451.19</b>

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

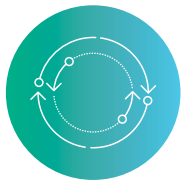
#### *Description of proxy voting and investee engagement policies and procedures*

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**

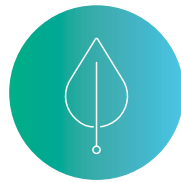
As an investor in more than 12,000 listed companies, prioritization is essential to effectiveness. Our active target list includes companies across seven main regions/markets of our stewardship activities (Australia, Canada, emerging markets, EU, Japan, UK, and US).



**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.



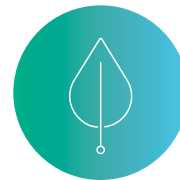
**Process**  
How we prioritize



**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 <sup>3</sup>
Total water consumed	75,548 m <sup>3</sup>
% 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 p. 91-92 of our [2021 ESG Report](#) 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 p. 49-61 of our [2021 ESG Report](#).

#### 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.





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