



STATE STREET®

MAKING LIFE

BETTER
CORPORATE RESPONSIBILITY



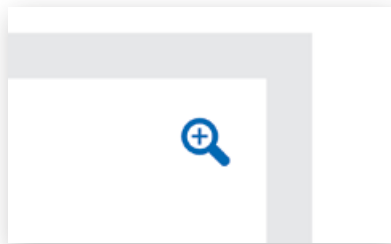


STATE STREET®


A BETTER WORLD MEANS A BETTER LIFE FOR ALL OF US — OUR EMPLOYEES, OUR CLIENTS, AND THE COMMUNITIES IN WHICH WE LIVE AND WORK. IT ALSO MEANS A HEALTHIER BUSINESS. AT STATE STREET, WE STRIVE TO MAKE THIS A BETTER WORLD IN MANY DIFFERENT WAYS. THIS REPORT OF OUR 2010 CORPORATE RESPONSIBILITY EFFORTS WILL SHOW HOW WE IMPACT ALL OF OUR STAKEHOLDERS THROUGH OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT PRACTICES. WE CONSTANTLY STRIVE TO REFINE AND IMPROVE OUR EFFORTS IN ALL OF THESE ENDEAVORS, BECAUSE WE BELIEVE THEY ARE AT THE CORE OF WHAT IT MEANS TO BE A SUCCESSFUL GLOBAL COMPANY.

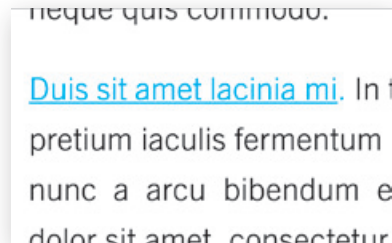
WELCOME

As part of our effort to make life better for our stakeholders, we set out to build better communications materials. For our 2010 Corporate Responsibility (CR) report, we've incorporated interactive design elements that aim to improve user experience, accessibility and navigability. We hope you find them useful. If so, let us [know!](#)



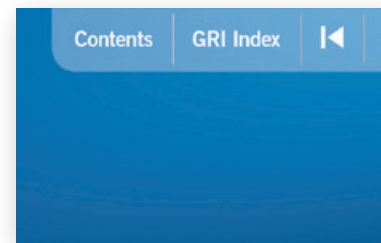
DETAILED VIEWS

Throughout the report you'll see magnifying glass icons on certain elements. Clicking these will open pop-up windows with additional detail or information. To close these windows, click the close button. 



CONTENT LINKS

You'll also see hyperlinks at various points throughout the text. These links behave like those found on web-sites. Clicking them provides quick access to relevant Web content and contact information.



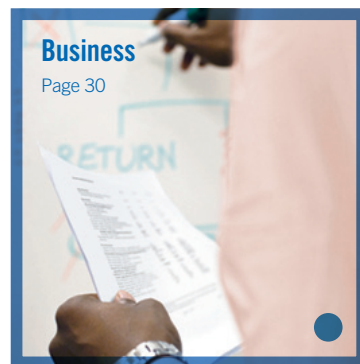
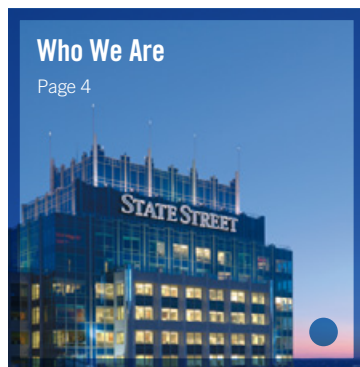
NAVIGATION

Use the navigation bar at the top of each page to move easily between report pages and sections. At any point, you can access the table of contents and GRI index without leaving the current page.

NAVIGATION KEY (See Above)

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WHO WE ARE

State Street is a leading financial services provider serving some of the world's most sophisticated institutions. We offer a flexible suite of services that spans the investment spectrum, including investment management, investment research and trading, and investment servicing.

We are headquartered in Boston, Massachusetts with operations in 26 countries¹ serving clients in more than 100 geographic markets. Our global reach, expertise, and unique combination of consistency and innovation can help clients manage uncertainty, act on growth opportunities and enhance the value of their services.

State Street is registered as a bank holding company under the Bank Holding Act of 1956, as amended, and has elected and successfully maintained financial holding company status. The company is organized under the laws of the Commonwealth of Massachusetts, and conducts business principally through our wholly owned subsidiary, State Street Bank and Trust Company, a Massachusetts-

chartered trust company. State Street is a publicly held company; its common stock is listed on the New York Stock Exchange under the ticker symbol STT.

As a leading provider of financial services to institutional investors, State Street continually looks for ways to enhance our services and expand our global reach. In 2010, we completed the acquisitions of two significant pieces of business: Moutant International Finance Administration (MIFA) and the securities services business of Intesa Sanpaolo, one of Italy's premier banking groups. We also agreed to acquire Bank of Ireland Asset Management (BIAM).

The acquisition of MIFA expanded our alternative investment servicing capabilities, making us the largest alternative

asset servicing provider globally with \$660 billion in assets under administration.² Acquiring Intesa Sanpaolo Securities Services gives us a significant presence in Luxembourg and the firm was a leading provider of securities services in the Italian market. BIAM represents approximately \$36 billion in assets under management and will become part of State Street Global Advisors (SSgA), expanding its investment capabilities to include fundamental active equity management, and will provide clients with an expanded global investment platform. These acquisitions represent milestones in our strategy to become a truly global provider and continue our progress toward our long-term goal of doubling our revenue from outside the US.

¹Visit www.statestreet.com and click "Find a Location" to view a full list of State Street's office locations.

²No. 1 in alternative fund servicing: Aggregating State Street data from the HFN.net Q2 2010 Hedge Fund Administration Survey and the ICFA Alternative Fund Administration Survey May 2010.

OUR VALUES

As part of State Street's transition to a new executive team in early 2010, we refocused our strategic vision, established company-wide leadership behaviors and redefined the areas of focus for our corporate goals. Recognizing that our corporate values — the principles that guide our internal conduct as well as our relationships with the outside world — would play an important role in supporting the transformation of our business, we also revisited what we stand for as a company, and the values that inspire and bind us together as an organization. The process included client interviews, executive interviews and employee workshops, as well as an all-employee survey.

In the survey, we asked participants to select the attributes they associate with State Street now and those they would like the company to possess in the future. A total of 6,300 employees responded, representing a 23 percent participation rate. The results provided important direction about what employees wanted to preserve in State Street's culture, what should change and what new attributes would be desirable. The new values statement reflects this employee feedback and underscores State Street's focus on becoming a more performance-based culture that emphasizes inclusiveness and teamwork, and maintains the highest levels of ethics and corporate responsibility. Once we developed the new values, follow-up communications highlighted their relevance to each of our stakeholder groups — shareholders, clients, employees and communities.

**ALWAYS
FINDING
BETTER
WAYS**

- We are committed to continuous improvement — in our delivery of value to clients, in our operating efficiency, in the development of our employees and in the returns that we provide to our shareholders
- We believe that being innovative, creative and flexible is essential for earning our place as the most trusted partner to our clients globally
- We are passionate about delivering on our commitments whether in the form of performance, financial results, consistency, insights or reliability

**STRONGER
TOGETHER**

- We are one company, accountable to each other, to our clients and to our shareholders
- We believe that a team-based, diverse and inclusive culture promotes a more effective, meaningful and creative work environment, and delivers better outcomes for our clients
- We are passionate about building relationships and creating shared goals that enable our employees and our clients to achieve success

**GLOBAL
FORCE,
LOCAL
CITIZEN**

- We are a global company with a deep commitment to individual markets and the clients we serve
- We believe that our reputation and our integrity are two of our most important assets
- We are passionate about corporate responsibility and giving back to the communities in which we live and work

OUR APPROACH TO STAKEHOLDER ENGAGEMENT

State Street has long recognized four main stakeholder groups — shareholders, clients, employees and the community. We use a variety of communications methods to engage stakeholders in our corporate responsibility (CR) efforts. The CR team in the Corporate Citizenship division serves as the primary conduit for collecting stakeholder feedback and determining its applicability for CR reporting. The team is not always the principal participant in stakeholder engagement — the Corporate Responsibility (CR) Working Group also gathers the outcomes of such engagements. In addition, an important source of input for our CR Report is a Ceres stakeholder team, an independent group of individuals that includes investors, environmentalists, labor union representatives, academics and community leaders. State Street and Ceres work together to identify appropriate team members and to have participants represent our four main stakeholder groups. More information regarding how we engage stakeholders is included in relevant sections of this report.

Stakeholder Engagement Formats

[Click to review stakeholder feedback considered in preparing this report](#)

Shareholders

- Annual meeting
- Shareholder resolutions
- SRI/ESG analyst calls

Clients

- Client relationship management meetings
- Forums/workshops
- Vision Series (thought leadership)

**STATE STREET****Employees**

- Employee networks
- Engagement surveys
- CR & ES working groups

Community

- Partnerships with global NGOs
- Foundation conferences with charitable partners
- Community support program committees

CORPORATE RESPONSIBILITY POLICY STATEMENTS

State Street's Corporate Responsibility Policy Statement is an umbrella statement that outlines our multipronged approach to CR. Other policy statements outline our CR commitment in specific, CR-related areas.



Corporate Responsibility Policy Statement

State Street's strong commitment to social and environmental responsibility and our belief in giving back to the communities in which we live and work are critical to our long-term success. We recognize that sustainable growth comes from operating with absolute integrity and in a way that respects our shareholders, clients, employees, communities and the environment. We are committed to the principles of sound governance and to helping our clients succeed. We are dedicated to ensuring a global and inclusive workplace where employees feel engaged and valued. We believe we have a responsibility to enrich our communities and to be a leader in environmental sustainability, both in the way we carry out our operations and in the products and services we offer.

ABOUT THIS REPORT

State Street's annual Corporate Responsibility (CR) Report reflects our firm belief that being a responsible citizen contributes to our success as a business and is essential to our long-term sustainability. It also illustrates our commitment to increased transparency and goal-setting to further our progress in this area.

This report covers State Street's global activities and performance relative to CR for calendar year 2010 (our 2009 report was published in July 2010). The report includes information on all of our wholly owned subsidiaries but excludes suppliers and joint ventures, unless specifically mentioned.

State Street has not adopted a one-report approach that combines financial and CR reporting. Nevertheless, we recognize that both financial success and strong CR performance are necessary for our company's long-term

sustainability. Our CR Report has consistently linked our success as a business and as a responsible corporate citizen, and includes information related to both. Where possible, we have included discussions of trade-offs made to balance business needs with our CR goals. From the beginning, we adopted a report structure that recognizes that all stakeholders, including shareholders, have a vested interest in the full spectrum of our performance. Our CR Overview is distributed in printed form each year to attendees at our Annual Meeting. In addition, the elevation

of CR oversight to more senior levels of the corporation reflects a more holistic approach to combining financial and CR performance.

The report's environmental data encompasses reporting from all regions where we operate, including our owned and leased facilities in North America, Asia Pacific and the Europe, Middle East and Africa region. Where actual data from owned or sub-metered facilities is unavailable, estimated usage in these locations is based on a United States Environmental Protection Agency (EPA) formula.

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Throughout the report, any restatements of environmental data are footnoted with an explanation of the reason for restatement. In general, the reason for restatement is improved reporting accuracy as our data collection systems mature.

Income tax information is reported as tax expense this year, as opposed to tax paid, to be consistent with our 10-K filing.

STRUCTURE AND CONTENT OF THE REPORT

In addition to a statement from State Street's Chairman, President and Chief Executive Officer, Joseph L. Hooley, a Q&A with the head of our newly established Executive Corporate Responsibility Committee, and a letter from our director of Corporate Citizenship, the report has five main sections. "Governance" describes how we ensure the safety of our investors' assets through corporate governance, risk management and CR governance, and how we serve our shareholders. "Business" focuses on our culture of compliance in serving clients, how we help our clients invest responsibly and how we do business with suppliers. "Environment" describes the environmental impact of our daily operations. "Employees" reports on our commitment to our employees and how we strive to be an employer of choice. "Community" highlights our active engagement in the communities where we do business.

This report adheres to Global Reporting Initiative (GRI) principles and criteria, a comprehensive set of guidelines that helps us report on issues material to both State Street and its stakeholders, and makes our reporting more trans-

parent. This report is based on Version 3.0 of the GRI guidelines, as well as the GRI Financial Services Sector Supplement. We declare ourselves at the B+ application level for the GRI.

As a leading provider of financial services to institutional investors around the world, we help our clients carry out their global investment strategies. Because of the nature of our business and the locations in which we operate, some GRI indicators are not applicable and are not included in this report. To determine applicability, State Street's CR team, which was involved in the development of the GRI Financial Services Sector Supplement, reviews the indicators and assesses the extent to which State Street's business or operations aligns. Since we are a financial services company that does not manufacture products or function as a retail bank, we have determined that the following indicators are not applicable: EN1-2, EN6, EN9-10, EN15, EN21, EN24, EN25-27, PR1-3, FS3, FS7-8, and FS13-16. Data is unavailable for EN29.

No global management system is in place for the full range of corporate responsibility issues, although we have made significant strides in creating a comprehensive system. Building on the work of our CR Working Group, we established an Executive Environmental Sustainability Committee in 2008, which is now being incorporated into a new Executive CR Committee. Our Corporate Citizenship department champions improved CR reporting and spearheads the information-gathering effort, soliciting input and data from all levels of the corporation around the world. We utilize a Web-based service to enhance and centralize

our information-gathering process, helping us increase the transparency of, and accountability for, our reporting. While we have made every effort to respond to all relevant GRI guidelines, in some cases a lack of relevant data, regulatory restrictions, or competitive or legal considerations have precluded us from doing so. Responsibility for the reliability and accuracy of the information provided rests with the business units that generate it.

For the fourth year in a row, we engaged an independent firm — Det Norske Veritas (DNV) — to assure and verify the information contained in the report and to provide a third-party check of State Street's GRI application level. Headquartered in Oslo, Norway, DNV is an independent foundation whose objective is safeguarding life, property and the environment. Its core competence is identifying, assessing and advising on risk management, with an aim toward improving business performance. DNV has no other business relationship with State Street. Its assurance statement appears on page 77 of this report.

DETERMINING MATERIALITY

We look at three categories when considering the material factors to include in our CR Report: 1) constant factors relevant to our business and industry that are viewed as material regardless of the current internal and external environment; 2) factors that may vary based on the environment during a particular reporting year and may overlap in importance to external and internal stakeholders; and 3) additional factors deemed important by management or our CR groups in a particular year. These categories are

CR 2010 ABOUT THIS REPORT

based, in part, on a two-day materiality workshop facilitated by DNV in early 2009 that engaged a cross section of our employees to verify the perceptions and concerns of State Street internal stakeholders with respect to CR issues.

In 2009, we selected a set of key performance indicators (KPIs) that we consider most material to our stakeholders when evaluating our CR performance. The KPIs are highlighted in our reporting and provide a way for readers to gauge our progress. In 2010, the CR Report team reviewed the KPIs and revised them slightly to reflect current trends. For more information on State Street's CR initiatives or reporting, contact Richard Pearl at rwpearl@statestreet.com. To comment on our CR Report, please click [here](#).

STATE STREET'S 2010 SUSTAINABILITY HONORS

- Listed as No. 35 out of 500 publicly traded companies and No. 2 in financial services in *Newsweek's* Green Rankings 2010
- Featured for the first time on the Carbon Disclosure Project's S&P 500 Leadership Index
- For the fifth year in a row, listed on the Dow Jones Sustainability World and North America indexes, as one of only three US-based financial services firms featured on both indices in 2010
- Ranked No. 14 on Justmeans Global 1000 Sustainability Leaders
- Listed as No. 98 out of 350 companies on the Maplecroft Climate Innovation Index
- Ranked No. 3 out of 12 in *Computerworld's* Top Green-IT Organizations
- Named one of *InfoWorld's* Green 15
- In *Waters* magazine's American Financial Technology Awards, recognized for having the best IT team and the best data center initiative
- ENERGY STAR Low Carbon IT Campaign Recognition
- Listed as No. 22 on the EPA's Green Power Partners list
- Ranked No. 91 on *Corporate Responsibility Officer* magazine's list of the 100 Best Corporate Citizens
- Winner of The Ad Club's Rosoff Award for the Diversity Initiative (internal) category
- Ranked among *Computerworld's* 100 Best Places to Work in IT
- For the fourth consecutive year, received the top rating of 100 percent in the Human Rights Campaign's annual Corporate Equality Index for policies and practices pertinent to the gay, lesbian, bisexual and transgender (GLBT) community
- Received the Employer of Choice for Women award from Australia's Equal Opportunity for Women in the Workplace Agency

How We Define Materiality

Constant

- Governance
- Ethics
- Risk and compliance
- Fiduciary trust / responsibility
- Quality of data and IT systems (includes data privacy)
- Intellectual capital / growing talent
- Community investment / philanthropy

Variable Depending on Environment

- Labor relations
- Environmental performance
- Diversity
- Transparency
- Government relations

Variable Based on Management Determination

- Employee inclusion
- Proxy voting
- Executive compensation
- Global mindset



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Sustainability Snapshot

Information in bold indicates a Key Performance Indicator

	2009	2010	
Governance			
Operating-basis income from continuing operations per diluted share	\$3.32	\$3.40	up 2%
Business			
Total operating-basis revenue (billions)	\$8.1	\$8.7	up 7%
By business line – Generally Accepted Accounting Principles (GAAP)			
Investment Servicing	\$7.5	\$8.2	up 9%
Investment Management	\$1.1	\$1.1	no change
Non-US revenue	31%	42%	up 11%
Operating-basis net income available to common shareholders (billions)	\$1.6	\$1.7	up 6%
Number of countries with State Street offices	26	26	no change
Assets under custody and administration (trillions)	\$18.8	\$21.5	up 14%
Assets under management (trillions)	\$1.9	\$2.0	up 5%
ESG investment strategies			
Assets under management (billions)	\$85.5	\$119.0	up 39%
Number of accounts (approximate)	100	160	up 60%
Total spending with suppliers and third parties (billions)	\$1.35	\$1.92	up 42%
Employees			
Number of employees worldwide	27,310	28,600	up 5%
Global payroll (including incentive compensation, billions)	\$3.0	\$3.5	up 17%
Employee Engagement Survey			
Employee participation	72%	68%	down 4%
Year-end review completed	96%	95%	down 1%
Voluntary turnover rate	5.8%	11.5%	up 5.7%

Sustainability Snapshot (continued)

Information in bold indicates a Key Performance Indicator

	2009	2010	
Environment			
Indirect energy consumption (gigawatt-hour) ¹	252	256	up 2%
Indirect energy consumption per person (kilowatt-hour) ¹	8,720	8,450	down 3%
Renewable energy purchased (gigawatt-hour)	63.5	110.0	up 73%
Gas consumption (therms)	1,062,000	971,000	down 9%
Gas consumption per person (therms)	84	71	down 15%
Oil consumption (gallons)	63,000	32,000	down 49%
Oil consumption per person (gallons)	2.5	1.1	down 56%
Direct CO₂ emissions from operations (metric tons)	6,481	5,683	down 12%
Indirect CO₂ emissions from operations (metric tons)^{2,3,4}	138,400	141,072	up 2%
CO ₂ emissions per person (metric tons) ^{2,4}	5.1	4.8	down 6%
Water consumption (cubic feet in millions)	12.4	13.8	up 11%
Water consumption per person (cubic feet)	796	809	up 2%
Recycled paper per person (pounds)	240	220	down 8%
Reclaimed IT equipment (pieces)	8,300	8,400	up 1%
Total waste (tons)	2,029	1,533	down 24%
Total waste per person (pounds)	265	165	down 38%
Community			
Community Reinvestment Act rating	Outstanding	Outstanding ⁵	no change
Investment in small business growth capital (millions)	\$2.0	\$4.0	100%
Total current tax expense benefit (millions)	271	(714)	
United Way contributions			
Employee (millions)	\$2.3	\$2.2	down 4%
Foundation (millions)	\$2.4	\$2.2	down 8%
State Street Foundation philanthropic gifts (millions)	\$15.8	\$17.8	up 13%
Foundation-directed grants	\$14.2	\$15.8	up 11%
Foundation match of employee gifts	\$1.6	\$2.0	up 25%
Number of employee gifts matched	3,600	4,800	up 33%
Contributions as a percent of net income before tax	0.7	1.2	up 71%
State Street Global Outreach™ program			
Number of volunteer service hours	72,000	78,000	up 8%
Volunteer hours per person	2.6	2.7	up 4%
Savings to our charitable partners ⁶	\$1,458,000	\$1,635,000	up 12%

¹Includes estimated kwh based on benchmark from the US Environmental Protection Agency.²Includes estimated carbon emissions based on a benchmark from the US Environmental Protection Agency.³Excludes renewable energy credit purchase.⁴Scope 1 and 2 only.⁵CRA reviews are conducted every two years; the 2010 rating is a carryover from the 2009 exam.⁶Independent Sector value of volunteer time (www.independentsector.org).

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STATE STREET
HAS EMPLOYED THE
GRI REPORTING
FRAMEWORK SINCE
2004

*Refers to GRI Indicators that are partially reported.

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*Refers to GRI Indicators that are partially reported.

A BETTER VISION



JOSEPH (JAY) L. HOOLEY
CHAIRMAN, PRESIDENT AND
CHIEF EXECUTIVE OFFICER

AS THE GLOBAL ECONOMY GRADUALLY REBOUNDS, AND WE LOOK AT THE CHALLENGES AND OPPORTUNITIES THAT ARE EMERGING IN THE NEW FINANCIAL SERVICES AND REGULATORY ENVIRONMENT, STATE STREET'S COMMITMENT TO CORPORATE RESPONSIBILITY REMAINS UNCHANGED.

During 2010, we continued to drive growth in our core business lines; we launched our plan to transform our operating and technology environment; and we took decisive action to further strengthen our capital position in anticipation of new regulatory requirements. Throughout the past year, we have also taken important steps to further ensure Corporate Responsibility's (CR) role as an integral part of State Street's business strategy and DNA. We have embedded citizenship into our corporate values — Always Finding Better Ways, Stronger Together and Global Force, Local Citizen — and positioned State Street for accelerated and environmentally

sustainable growth. Collectively, these efforts will help to create value for our shareholders, clients, employees and the communities in which we live and work, as well as ensure State Street's continued success.

My vision for State Street includes becoming a leader in environmental, social and governance (ESG) issues. To help realize this vision, in 2010, we broadened the scope of our Executive Environmental Sustainability Committee to include all CR issues. The new Executive Corporate Responsibility Committee further elevates the visibility of our ESG work within the company and is accountable to


our Management Committee — State Street's most senior strategy and policy-making team — as well as to our board of directors. The committee is tasked with ensuring that CR permeates every level of our business strategy, including the products and solutions we develop for our clients. That work helped lead to the announcement in early 2011 of our partnership with F&C Investments to provide an ESG reporting service that enables investors to meet their stewardship goals. The committee also recently approved a set of global environmental sustainability goals aimed at targeting performance improvements in greenhouse gas emissions, water consumption, waste and recycling.

Our commitment to launching new products and services for our clients also extended to our continued focus on managing risk both for our clients and internally. In 2010, we made significant enhancements to our risk analytics and servicing tools for institutional investors. During the year, we also hired a new chief risk officer to continue to move our risk management efforts forward, and we appointed a dedicated ethics officer to continue providing support for our ethics standards and practices.

I'm very proud that in 2010, our employees volunteered more than 78,000 hours of time to nonprofit organizations. Our State Street Foundation also made \$17.8 million in grants throughout the year to nonprofit organizations around the world, including \$2 million in employee matching gifts and \$1 million in disaster relief funding, including \$400,000 to Oxfam America's Haiti Earthquake Response Fund.

As a result of our many initiatives, our strong engagement with our global community and our focus on environmental sustainability, for the fifth year in a row, State Street qualified for both the World and North America Dow Jones Sustainability Indexes (DJSI), which track the financial performance of leading sustainability-driven companies. State Street is one of only two US-based financial services firms listed in both indexes for five consecutive years. We also scored, for the fourth consecutive year, a perfect 100 percent on the Human Rights Campaign's Corporate Equality Index, which rates employers annually on their treatment of gay, lesbian, bisexual and transgender (GLBT) employees, consumers and investors. And, we were in the top 100 of *Newsweek's* list of America's 500 largest publicly traded companies as measured by environmental impact, strategy, policy, management, reputation and overall performance.

At State Street, our reputation for being a responsible, trusted partner is one of our most valuable assets. I know that I speak for all of our more than 28,000 employees when I say that we are very proud of our accomplishments in making the communities in which we live and work a better place for everyone. I'm very excited about the future and look forward to State Street continuing to be an industry leader and at the forefront of corporate responsibility.



A BETTER WAY FORWARD



GEORGE A. RUSSELL JR.
EXECUTIVE VICE PRESIDENT
DIRECTOR OF
CORPORATE CITIZENSHIP
PRESIDENT OF
STATE STREET FOUNDATION, INC.

IN EARLY 2010, WE TOOK AN IMPORTANT STEP IN THE EVOLUTION OF OUR CORPORATE RESPONSIBILITY EFFORTS BY GIVING OUR COMMUNITY AFFAIRS DEPARTMENT A NEW NAME: **CORPORATE CITIZENSHIP.**

This change reflects our evolution from focusing on philanthropy and community investing in our headquarters city of Boston to a much broader mandate that underpins our effort to embed our strong commitment to CR throughout our global operations. As a result, we have spearheaded a more transparent and codified approach to what were already robust CR efforts at State Street. An important aspect of the new approach has been the elevation of CR-related issues to the most senior levels of our organization by incorporating our Executive Environmental Sustainability Committee into our newly formed Executive Corporate Responsibility Committee.

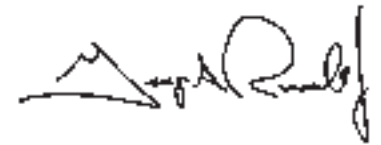
At the same time, we remain committed to providing financial and volunteer support to many communities around the world. In 2010, we continued the evolution of the State Street Foundation's grantmaking programs. Through enhanced grantmaking guidelines and long-term partnerships with the charities we support, our aim is to deepen our commitments in the area of education, with an emphasis on workforce development. In some locations, we have already reached our goal of having 70 percent of our grants go to these types of initiatives.

We are also taking a more metrics-driven approach to help us measure the impact of our grant funding. Throughout the year, we engaged third-party grant administrators to ease the significant administrative burden on our volunteer Community Support Committees in the Asia-Pacific region as well as in EMEA, to free up committee time for identifying and developing relationships with appropriate community partners.

We also continued the evolution of employee giving programs. Building on our long tradition as a leading supporter of the United Way campaigns in North America, we are in the final stages of developing a Global Giving Campaign. The goal of the campaign is to unite all State Street employees around the world to make a powerful impact on a single issue. In employee surveys, education emerged as the single common issue of greatest concern. As a result, we are now developing regional approaches and identifying partner organizations, with the aim of launching this program in late 2011. Our Matching Gift Program is also now available to all employees, no matter where they are located.

In 2010, our volunteer program, State Street Global Outreach, celebrated its 10th anniversary, with employees volunteering a total of more than 78,000 hours. The program is an important aspect of our company-wide employee engagement efforts. Members of our employee networks often participate in volunteer activities as a group, and they are a valuable source of ideas for innovative projects.

Across the board, our stakeholders are increasingly asking what we stand for. We believe we've made significant strides in 2010 to streamline our efforts and clearly articulate our goals. We are very proud of our strong track record of corporate citizenship, but we know there is always room to do better. Our goal is to continuously improve our CR performance and to tell our story transparently so that all of our stakeholders know exactly what we stand for.



A BETTER INFRASTRUCTURE



PATRICK CENTANNI
EXECUTIVE VICE PRESIDENT
MANAGER OF STATE STREET
GLOBAL SERVICES' GLOBAL PRODUCT
MANAGEMENT DIVISION
HEAD OF THE EXECUTIVE CORPORATE
RESPONSIBILITY COMMITTEE

In late 2010, State Street established an Executive Corporate Responsibility Committee, headed by Patrick Centanni, executive vice president and manager of State Street Global Services' Global Product Management division. With the retirement in early 2011 of Joseph Chow, who had been serving as head of the Executive Environmental Sustainability Committee, that group's work was incorporated into the new CR Committee. Here, Mr. Centanni talks about his vision for CR at State Street going forward.

Q: Prior to your appointment as head of the CR Committee, what was your involvement with CR at State Street?

A: I've been involved with the CR Working Group since its inception in 2007 and served on the subcommittee that looked at CR governance and process. Our primary concern was the lack of a global infrastructure to expand our CR efforts worldwide. State Street's Global Inclusion initiative provided us with a good model for pulling together the various pieces of CR so that we could begin to think about them holistically as an organization. We met with all of our top-level executives to educate them

about our current CR efforts and to get their input on how to move forward. We're fortunate that State Street is already doing most of the CR work, so not a lot of resources were required to put this plan into action. Our biggest challenge was structuring the program to ensure that it receives attention at the highest levels of the organization. Although we had a very good environmental sustainability (ES) governance structure, we were aware that our competitors had already incorporated social and governance factors into their structures.

Q: What kind of feedback did you get at the executive level?

A: We found a high level of interest in CR issues. One of the major messages that came across was that they didn't want to create an overly bureaucratic structure for CR. Our governance already has a strong oversight framework in place. It became clear that our role would not be to propose policy but to provide internal and external feedback on the existing oversight structure, as well as increase awareness about issues relating to environmental and social responsibility.

Q: The result was the creation of the Executive CR Committee that you now lead. What does that committee look like? How many members does it have, and who are they?

A: Although we're in the very early stages of the committee's development, I can tell you that we won't be dismantling the ES Committee. We'll be adding people to reflect the broader charter and will have a total of between 10 and 12 members. And, I'm not necessarily looking for people to be on this committee based on seniority, but rather based on their commitment to CR issues and willingness to be strong advocates.

Q: Have you set any early goals for the committee?

A: Currently, we've set three-year environmental goals, and we'll be developing long-term goals in other areas. Initially, we'll be focused on how to establish a structure that helps us keep on top of global trends, connect the various parts of the company and take advantage of our employees' and clients' considerable knowledge and interest. I really see this group as a communications channel.

Q: What will be the relationship between the committee and the board of directors?

A: Although the board does not have official oversight of CR activities, it will continue to get the same kinds of annual updates that the ES Committee began two years ago. Looking ahead, we expect to report in a more integrated fashion on all of the ways State Street strives to be a good corporate citizen.

Q: Do you see any synergies between your role on this committee and your role as manager of Global Services' Global Product Management?

A: For me, that was one of the most appealing aspects of assuming responsibility for the CR Committee. Our goal is to create products that reflect our corporate values and enable our clients to do the same. We work closely with our clients to make that happen. Plus, our employees are incredibly committed to our clients and are a terrific source of creative ideas for products that meet client needs. I'm increasingly drawn to the idea of using social networking tools to create a global network of collaboration between our employees, our clients, regulatory agencies and other interested parties to identify product needs and opportunities. Some of that dialogue will be driven by CR sensibilities. The logical next step is to use the same tools for a broader spectrum of CR issues. Importantly, we don't want CR to be the domain of a few committee members. Instead, our goal is to deputize everyone in our CR efforts because you never know where the next good idea may come from.

BETTER GOVERNANCE

State Street's financial objective is to create value for our shareholders. We seek to deliver consistent profitability highlighted by a disciplined expense culture. We manage the risks inherent in our business with systems, procedures and oversight that ensure transparency and long-term sustainability.



The way we conduct business not only underscores our long-standing reputation for quality, integrity and consistency, it also impacts those who rely on us to fully comply with laws that regulate our company. Our adherence to these standards is reflected in our established corporate governance approach and in the work we do every day across all business operations. Corporate governance is part of the very fabric of our company, and practicing sound governance is everyone's responsibility, from the board of directors to the newest employee.

BUILDING TRUST

In 2010, State Street took steps toward closing the chapter on many of the challenges associated with the global financial crisis. We announced a settlement related to legal exposure due to State Street Global Advisors' (SSgA) fixed-income losses in 2007. We made a one-time cash contribution to the SSgA lending funds to restore the net asset value to \$1, and separated our agency lending collateral pools to improve our clients' access to liquidity.

POSITIONING FOR THE FUTURE

Throughout 2010, State Street capitalized on opportunities to make strategic acquisitions. We successfully completed the acquisitions of Mourant International Finance Administration and Intesa Sanpaolo's securities servicing business, both of which helped contribute to our strong results. We also announced the acquisition of Bank of Ireland Asset Management (BIAM), which we expect will enhance SSgA's active fundamental equity offerings. We completed the acquisition of BIAM in early January 2011.

State Street also announced a planned multiyear program designed to enhance service excellence and innovation, deliver increased efficiencies in our operating model, and position the company for accelerated growth. The program includes enhancements to business operations and information technology, and targeted cost initiatives, including a reduction in force and actions to reduce real estate occupancy costs.

Under the program, State Street is further broadening its "Lean methodology" that establishes centers of excellence to better align its core functions with client needs. Its centers of excellence cross business lines and multiple regions to streamline decision-making and management oversight, as well as reduce risk.

The targeted cost initiatives of this program include consolidating our real estate portfolio and targeted staff reductions, which began in December 2010 and will be substantially completed by the end of 2011. This reduction will impact approximately 1,400 employees or 5 percent of State Street's workforce. The decision to take this step was not one that we took lightly. Our focus is on ensuring our future growth. The overriding principle governing our actions is to make decisions for the greater good of State Street, its clients, shareholders and employees, and to do so fairly and transparently.

The program will also focus on a build-out of our already strong technology platforms, increased investment in innovation and new product development to meet our clients' evolving needs. The overall transformation program will ensure that the quality and value of our service, and our relationship with clients, continues to strengthen and grow.

State Street is also focused on risk and launched significant enhancements to our risk analytics and servicing tools for institutional investors, available on our online client information delivery platform, my.statestreet.com. The new offerings include portfolio reallocation tools, economic stress tests, expanded investment coverage and more comprehensive views of investments across the risk, performance, alternatives and compliance spectrums.

BOARD OF DIRECTORS OVERSIGHT

The composition of the State Street Board of Directors reflects a globally diverse range of experiences and market knowledge. Additional information relative to corporate governance, including governance guidelines, Standards of Conduct and biographical information on directors, can be found [here](#).

2010 BOARD OF DIRECTORS PROFILE**Board Membership (subject to annual re-election)¹**

- Women: 2
- Minorities: 1
- Foreign nationals: 3
- Total number of directors: 13*

Permanent Committees

- Examining and Audit²
- Nominating and Corporate Governance³
- Executive Compensation³
- Risk and Capital Compliance⁴
- Executive Committee⁴

*Does not include Ronald E. Logue, State Street's former chairman and CEO, who retired as a director as of January 1, 2011.

¹12 independent directors.

²All members are independent and financially literate under NYSE standards.

³All members are independent.

⁴May include non-independent directors who also serve as officers of the corporation.

Building on our long-standing Standard of Conduct for employees and Code of Ethics for senior financial officers, our Standard of Conduct for directors promotes honest and ethical conduct, as well as the avoidance of conflicts of interest. The board insists directors, officers and employees adhere to the applicable code of conduct and act ethically and with integrity at all times. Board members are required to avoid any business activity, employment or professional service that competes with State Street or conflicts with State Street's interests. They are also expected to manage their personal finances responsibly, including complying with applicable law concerning personal trading in securities, as well as the standards described in the State Street Securities Trading Policy.

Any situation that presents a conflict or the appearance of a conflict with State Street must be disclosed to the corporation's chief legal officer or general counsel. Board members who change their principal business affiliation are required to offer to tender their resignation for evaluation by the board's Nominating and Corporate Governance Committee, which then recommends to the board whether to accept the offer. Members are also required to notify the chair of the Nominating and Corporate Governance Committee prior to accepting an invitation to serve on another public company board so that a determination can be made as to whether the new directorship would compromise the member's independence under board guidelines. Service on boards

and/or committees of other organizations must comply with the corporation's conflict-of-interest policy as outlined in the Standard of Conduct.

The Nominating and Corporate Governance Committee is responsible for reviewing with the board the requisite skills and characteristics of prospective board members, and the composition and size of the board as a whole. This assessment includes qualification of independence, as well as consideration of diversity, skills and experience in the context of the board's needs. The committee recommends nominees to the board and considers those recommended by shareholders, upon timely written notice under the bylaws. Each director's independence is determined annually by the board.

The board conducts an annual self-evaluation to assess whether it and its committees are functioning effectively. The Nominating and Corporate Governance Committee receives comments from all directors and assesses the board's performance, with particular focus on the board's contribution to the corporation and areas for improvement. The committee's report is reviewed and discussed by the full board. The committee also assesses and reports on whether each of the committees of the board has a functioning self-evaluation process. Board members engage in ongoing communication with senior management and have full access to all employees.

With facilitation from an independent third-party provider, employees can report any concerns about business conduct, accounting practices, internal accounting controls or auditing matters to the lead director of the board. State Street prohibits any retaliatory action against any employee for good faith reporting of suspected violations of law or company policy.

For more information on State Street board committee charters, please click [here](#).

INCENTIVE COMPENSATION

The board's Executive Compensation Committee is responsible for setting incentive compensation based in part on achievement of financial goals, State Street's overall performance, corporate governance and social factors. Incentive plans are funded against net income before taxes and incentive compensation.

Incentive compensation awards for the chairman and chief executive officer are based on the board's assessment of State Street's overall performance, including measurement against financial and non-financial goals. Regarding equity

incentives, the value of stock appreciation rights and stock awards is driven by stock price, while the value of performance awards is driven by the achievement of multiyear return-on-equity goals, as well as stock price.

Under US Securities and Exchange Commission (SEC) rules, State Street is required to report the annual and long-term compensation of the five highest-paid executives. For these executives, the severance period is 52 weeks (including a two-week notice period) of base salary, plus four weeks of base salary per completed year of service up to a maximum of 104 weeks of base salary. Only one member of the board of directors was an employee of State Street in 2010, excluding Ronald Logue, who retired as CEO effective March 1, 2010, and he did not receive any compensation for serving on the board. Non-management directors receive compensation based on their board service.

The Executive Compensation Committee, in consultation with its independent compensation consultant, Hewitt-Aon Associates, and the chief executive officer and chief operating officer, considers and reviews compensation trends, risks and available relevant market data, along with individual and business performance, when determining

incentive compensation levels. In addition, the committee reviews our general compensation programs in light of issued and proposed regulatory guidance on the alignment of incentive compensation and risk management, including proposed guidance issued by the US Federal Reserve and other global regulatory bodies.

For the other current named executive officers, on average, approximately 19 percent of the total 2010 incentive compensation award was paid in the form of non-deferred cash. The remaining approximately 81 percent was in the form of deferred elements: approximately 57 percent in the form of performance-based restricted stock units and approximately 24 percent in the form of deferred cash. More information on board and executive compensation is available in State Street's proxy filing [here](#).

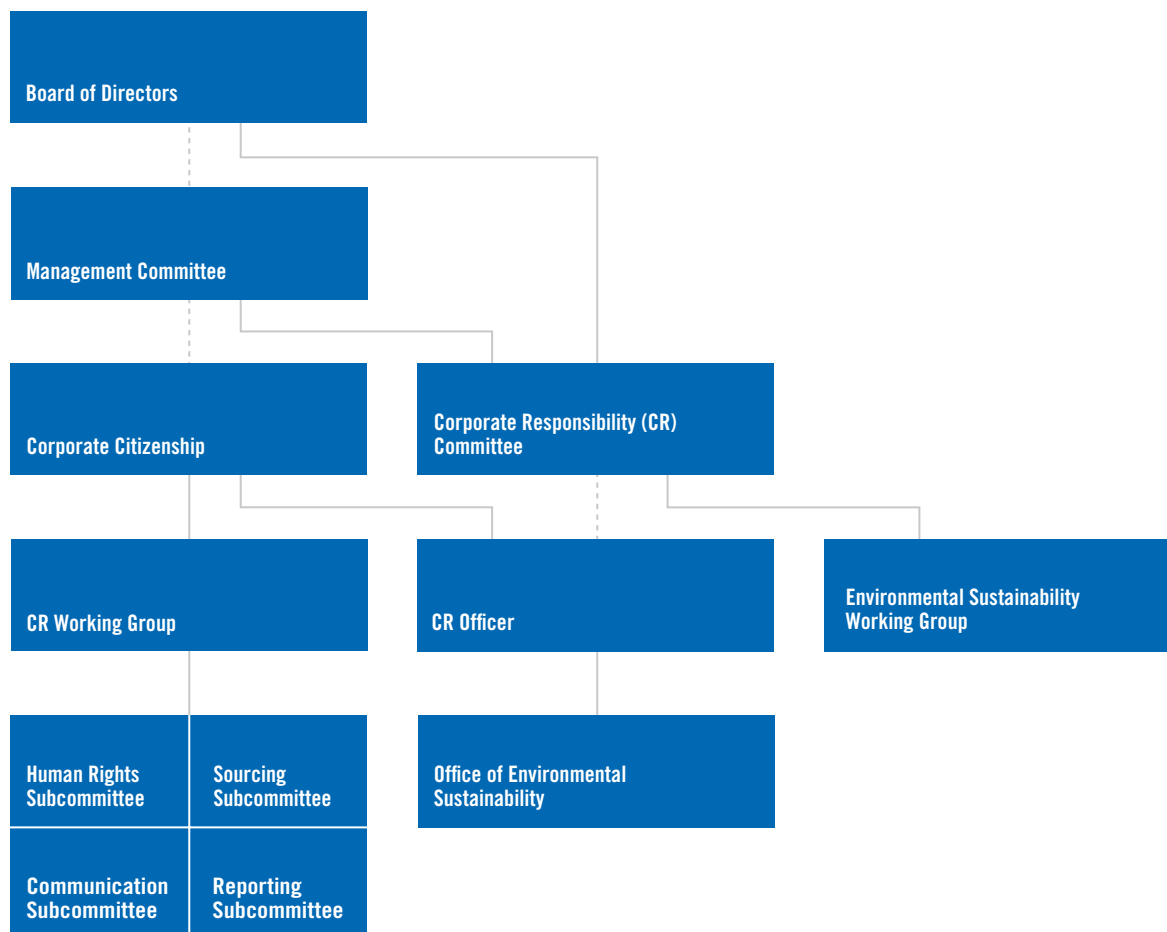
CR GOVERNANCE

Established in 2007, our CR Working Group provides a system for assessing and managing sustainability issues within the company. The working group consists of more than 40 members who represent State Street's business units, corporate functions and geographic regions. In 2010, the working group's Strategy and Governance Subcommittee commissioned a benchmark assessment of CR governance at other global companies and surveyed the most senior State Street executives about their top CR priorities, with the aim of recommending a formal CR governance structure. The subcommittee concluded that State Street has all of the components of a strong CR program, but lacks a cohesive and comprehensive strategy to tie it more clearly to the company's business plans. As a result of the subcommittee's work, we established the Executive CR Committee. (For details about the committee, please see the Q&A with Patrick Centanni on page 19.)

Also during 2010, we engaged a group of students from Boston University's Master of Business Administration program to develop a CR reporting manual that codifies and standardizes our CR reporting. The manual will help us to report more efficiently in the future.

Our Executive Environmental Sustainability Committee, established in 2008 and recently merged into the Executive CR Committee, gave high-level attention to the risks posed by climate change and other environmental factors, and reported annually to our Management Committee and board of directors.

CR Governance Structure at State Street



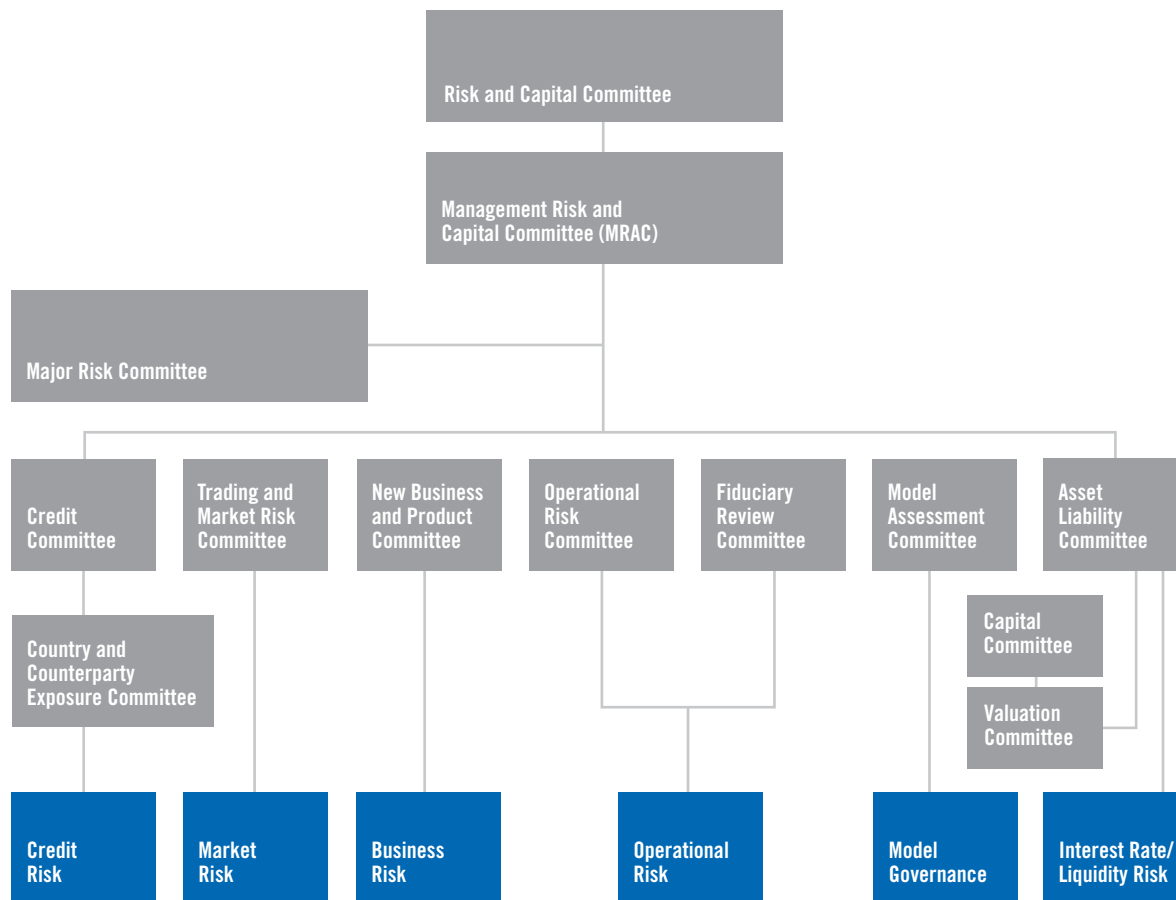
RISK MANAGEMENT

State Street has a robust risk management culture led by our chief risk officer, Andrew Kuritzkes, who was appointed in 2010. As a member of the Management Committee, the chief risk officer reports directly to the chief executive officer and has independent responsibility to report into the board's Risk and Capital Committee. The Enterprise Risk Management division at State Street includes risk management functions that are business and regional, as well as strategic and operational. Our ongoing challenge is determining an acceptable level of risk in the context of State Street's revenue-driven business strategies.

In 2010, we also developed a new risk management vision statement and a three-year roadmap for more effective alignment of risk management and business activities, especially in light of current and anticipated global growth. We are taking a more decentralized approach to business risk oversight that embeds risk managers in business units and in regional locations, maintaining an appropriate balance between partnering to facilitate strategic business growth and providing independent risk mitigation support. Oversight of strategic risk includes credit and operational risk, risk analytics, fiduciary risk, sovereign risk, corporate insurance, and risk management services that support data management, business solutions, reporting, documentation and regulatory analysis.

Recognizing that our reputation is fundamental to State Street's business, we developed a Country Reputation Risk Index in 2010 to complement our existing country risk tools. Specifically, we were concerned about the risk to

Risk Governance / Evolving Corporate Oversight and Organization



State Street's reputation when operating in countries with poor reputations. Other motivating factors for developing the index included increased global interest in CR issues, our expanding global presence and peer best practices. We built the index using a broad spectrum of indicators, workshops and interviews with key internal resources such as Investor Relations. Based on the risk factors identified, countries are categorized as very low, low, medium, medium-high and high risk. Currently, less than 2 percent of our business comes from countries in the high-risk category, but medium-high and high-risk countries represent some of the largest growth opportunities.

Country Reputation Risk Factors

- Money laundering
- Corruption
- Human rights
- Peace and conflict
- Environmental performance
- Intellectual property
- Civil liberties

The nature of State Street's business makes operational risk a key consideration. In our high-volume investment servicing business — custody and related ancillary services — each transaction represents risk. The rules and procedures we have developed are designed to provide checks and balances among the people, processes and technology

required to conduct our business effectively. We expend considerable monetary and human resources to ensure that State Street complies with all appropriate rules and procedures. We identify important trends and anticipate their short- and long-term effects.

GOVERNMENT RELATIONS

State Street participates in public policy dialogue around the world, primarily supporting policies that encourage expanding retirement and savings vehicles, recognizing the unique position and needs of institutional investors, enhancing market structure through efficiency and innovation, reducing cost and risk in the clearing and settlement of securities, improving access to global markets for institutional investors and service providers, and promoting effective regulation of global markets.

Our Regulatory, Industry and Government Affairs group tracks proposed global legislative and regulatory changes, and coordinates State Street's responses to these proposals. We file official comments with regulators in a variety of jurisdictions through both the formal legislative process and less formal consultation with regulators and legislators. In the US, the Dodd-Frank Wall Street Reform and Consumer Protection Act was signed into law in July 2010, and its implementation has moved to the regulatory process. The legislation requires regulators to undertake more than 250 rulemakings, which will be issued over a period ranging from a matter of months to several years. A number of these rulemakings will affect State Street, and we have

established an internal framework to assess and prioritize these issues, and engage with regulators as necessary. Some of the key rulemakings for State Street relate to systemically important institutions, the so-called "Volcker Rule" and the comprehensive regulation of derivatives transactions. At this stage, we do not expect many of the rules to have a significant negative impact on our current activities, and certain rules may present opportunities for State Street, although the impact cannot be determined until the various rulemakings have been concluded.

In Europe, our government relations activities are registered with the European Commission. Our direct participation with government entities is primarily in the form of responses to requests for consultation. In addition, we are active members of trade association working groups that develop responses to proposed legislation and rulemaking. During 2010, our focus was the European Commission's Alternative Investment Fund Managers Directive (AIFMD), which was enacted in November and creates a regulatory and supervisory framework for alternative investment fund managers. In 2011, we expect to be actively engaged in rulemaking consultation related to the Directive.

In the Asia-Pacific region, we engage with governments and regulators directly and through industry and other associations. We respond to requests for input for formal consultations and are often called on to help governments and regulators across the region access information about trends and practices in other markets as they seek to develop their financial systems. We work to develop more

effective financial markets in the region by participating in such organizations as the US National Center for Asia-Pacific Economic Cooperation. Through our membership in the Asian Corporate Governance Association, we encourage improved corporate governance in countries within the region. We also liaise with regional CR organizations such as the Association for Sustainable and Responsible Investment in Asia to follow CR development in their area.

State Street executives make periodic, voluntary contributions of personal funds to two US political action committees (PACs) — one federal and one in Massachusetts. Under the State Street Bank and Trust Company Voluntary Political Action Committees, campaign contributions are not made outside the US. During 2010, contributions from the PACs totaled \$7,550, and no in-kind contributions were made. Full information on our campaign finance reports and data is available at www.fec.gov and www.mass.gov/ocpf.

Except in rare instances, it is our policy that no corporate funds are to be used for political contributions, either directly or indirectly, and all must be approved by the chief executive officer in advance. In 2010, we made a \$10,000 contribution in support of affordable housing laws as part of a Massachusetts ballot initiative.

BUSINESS CONTINUITY

Our global continuity program is designed to ensure timely, secure recovery of our data, data processing systems, data communications, facilities, business functions and employees. The program policy, reviewed and approved annually by the board's Examining and Audit Committee, applies to all State Street and client data. Reporting to the head of our Service Delivery Management Group, the Global Continuity Services division is responsible for developing and maintaining the policy and associated program.

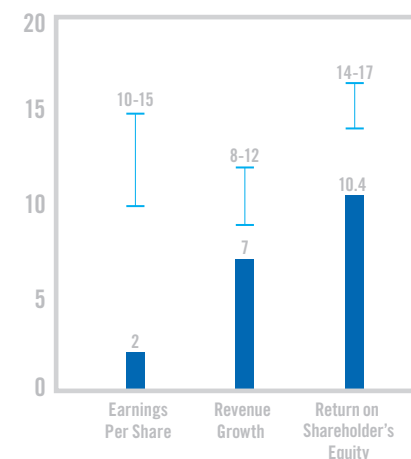
Risk assessment, business disruption prevention, avoidance and recovery are critical components of the planning process. In the event of a natural disaster or other widespread emergency, our position as a leading financial services company necessitates our ability to recover business and technology functions quickly. To that end, we maintain multiple data centers in geographically diverse areas in the US. Designed to meet the same security standards that the US State Department requires for American embassies, these data centers house backup systems for each primary facility infrastructure component and are designed to operate independently from external power sources for extended periods of time. In addition, each business unit is charged with developing a continuity plan for its operations and supporting technologies.

SERVING OUR SHAREHOLDERS

State Street creates value for shareholders by consistently delivering strong financial performance. Overall for 2010, we added \$1.14 trillion in assets to be serviced and won \$160 billion in new business in asset management. Institutional investors hold approximately 85 percent of State Street's stock with the remainder held by individual investors.

2010 Financial Performance

■ 2010 Performance / percent
□ Long-Term Goals / percent



Note: 2010 operating earnings exclude discount accretion revenue related to the consolidation of conduit securities in May 2009.

In accordance with SEC regulations, we provide quarterly and annual reports of financial results, and our senior executives brief securities analysts regularly. Shareholders and other interested parties can make inquiries to our lead director. Our Investor Relations group updates senior management quarterly on shareholder concerns. Typical questions concern stock performance and market analysis.

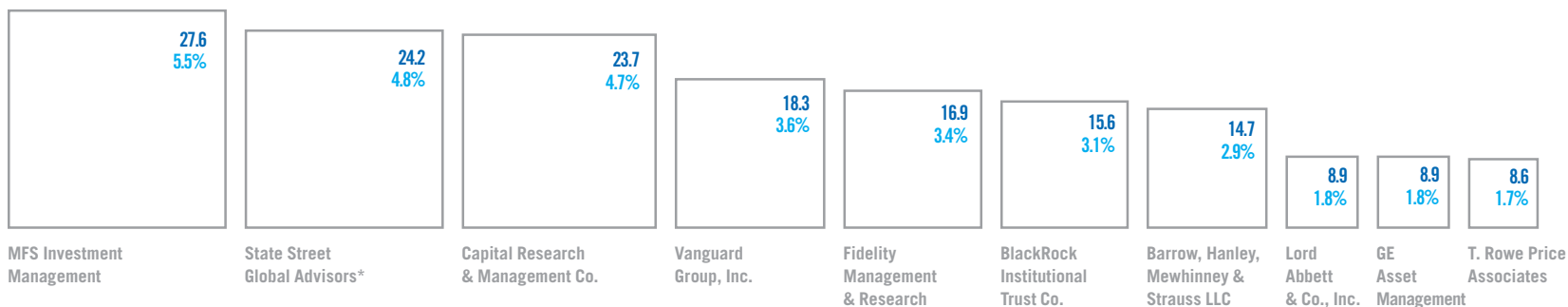
With investors increasingly concerned about CR issues, strong performance as a responsible company and excellent financial results make our stock particularly attractive.

We are proud to be included in a variety of indices with a corporate responsibility mandate:

- Calvert Social Index
- Dow Jones Sustainability Indexes
 - Global
 - North America
- ECPI Ethical Index Global
- FTSE4Good US Index
- FTSE ISS Corporate Governance Index
- MSCI ESG Indices
 - World ESG Index
 - North America ESG Index
- USA ESG Index
- USA Large Cap ESG Index
- USA IMI ESG Index
- USA Broad ESG Index
- USA ESG Select Index
- KLD 400 Social Index
- USA Catholic Values Index
- Faithshares Christian Values Index
- Faithshares Baptist Values Index
- Faithshares Methodist Values Index
- Faithshares Lutheran Values Index

State Street's Largest Shareholders / as of December 31, 2010

■ Number of shares / millions
■ Total shares outstanding / percent



[Click for a list of State Street's 10 largest shareholders for 2009–2010](#)

*Includes approximately 5 million shares in the State Street Salary Savings program.

A BETTER BUSINESS

State Street's clients are among the largest institutions in the world, including governments, corporations, insurance companies, mutual funds, hedge funds, investment managers, central banks and monetary authorities, endowments and foundations, nonprofit organizations, health care institutions, and unions.



JOSEPH C. ANTONELLIS
VICE CHAIRMAN
HEAD OF ALL EUROPE AND ASIA-
PACIFIC GLOBAL SERVICES
INCLUDING ALTERNATIVE
INVESTMENT SOLUTIONS AND
GLOBAL MARKETS



CORPORATE RESPONSIBILITY IS A BUSINESS NECESSITY

A Q&A WITH JOSEPH ANTONELLIS

Q: How important are State Street's CR activities to your business?

A: They are critical. Especially in Europe, clients and potential clients are extremely concerned about CR and incorporate those concerns in their requests for proposal. Our clients, especially government agencies and central banks, want to know what we're doing in all aspects of CR. Although CR doesn't necessarily win you the business, without a strong commitment and robust program, you're not even in the running. Also, it's an important factor in recruiting and retaining employees — people like working for a company they can be proud of.

Q: Beyond that, what are the benefits of State Street's CR activities?

A: Reputation is all-important in our business. As a company headquartered in the US, having a track record of good corporate citizenship helps put us on an equal footing with our locally headquartered competitors outside the States. Moreover, it gives us credibility in the event that we encounter a hiccup.

Q: What kinds of "hiccups"?

A: Interestingly, because of the nature of our business — providing services to institutional investors — it sometimes lends itself to misunderstandings about the role we play. For example, as custodian, we are listed as the nominee for many of our clients for proxy voting purposes. That gives the mistaken impression that State Street owns large amounts

of stock in companies that might not appeal to CR activists and others. We make every effort to engage directly with those parties to give them a better understanding of what we do for our clients and, just as importantly, who we are as a corporate citizen. We have a good story to tell, and they usually go away with a more favorable impression once we've had the conversation.

Q: In State Street's investment servicing business, what kinds of products are you developing to help your clients fulfill their CR mandates?

A: We're basically providers of information for our clients. The more compliance and risk information we can give them, the better they'll understand their portfolios and how their investments are being managed. The challenge is to deliver the information in a format that works for them. We're in ongoing communication with our clients about how we can make that happen, and we have expanded our offering of products and services that we expect will be of growing interest. Another example is our collaboration in the UK with F&C Investments to provide information that helps our clients ensure they're investing in companies with good ESG practices.

Our broad and integrated range of financial services spans the investment spectrum, including investment management, investment research and trading, and investment servicing — with investment servicing accounting for 88 percent of our total revenue in 2010 and investment management services representing 12 percent. Our products and services can help clients manage uncertainty, act on growth opportunities and enhance the value of their services.

Because of the close relationships we have developed with our clients, we understand the tremendous role CR plays in the competitive bidding process. We help some of our investment servicing clients meet their own CR objectives by analyzing their investments based on ESG, compliance and risk criteria. For our investment management clients, we have developed ESG investment opportunities and increasingly incorporate ESG factors in our existing quantitative strategies. We also extend the reach of our CR commitment by setting CR standards for our strategic sourcing practices.

COMPLIANCE RISK MANAGEMENT

The increased scrutiny in today's business climate requires a compliance program that ensures absolute adherence to current laws and regulations. At the same time, companies must conduct global business activities and functions while anticipating regulatory changes. The board of directors and senior managers promote a culture of compliance across the organization, ensuring that compliance is the responsibility of every State Street employee. These executives are supported by our Corporate Compliance division, which seeks to cultivate a culture in which compliance is

an integral part of our business environment. The program includes promoting compliance with applicable and relevant legal and regulatory requirements, implementing policies and procedures across our business operations, and establishing, monitoring and overseeing an integrated framework of compliance controls. Components of our compliance program include identifying applicable laws

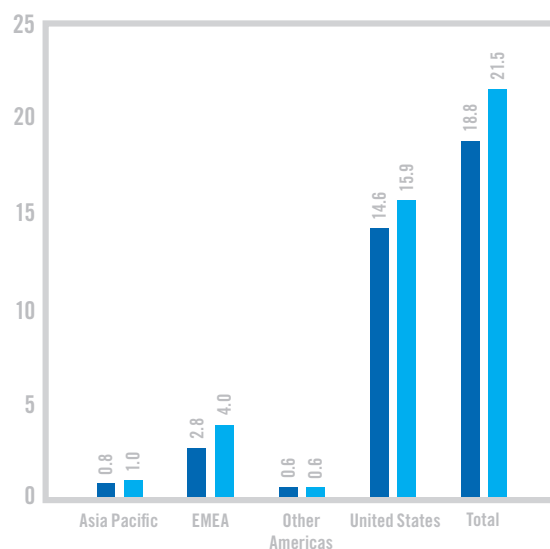
and regulations, monitoring and testing for compliance, reporting of issues, compliance gaps and program results, as well as training employees.

In 2009, we determined that adherence to ethics standards would be enhanced by the appointment of an ethics officer. Among other duties the ethics officer

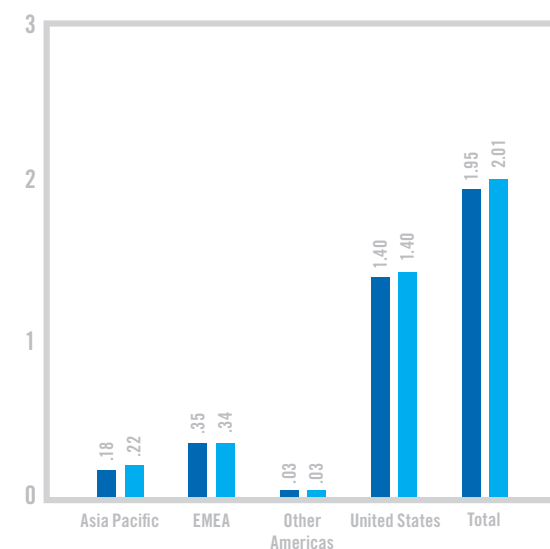
Geographic Breakdown of Assets

■ 2009
■ 2010

While global investing offers significant opportunities for enhanced returns, our clients' assets invested in certain parts of the world may represent increased environmental or social risk.



Assets Under Custody and Administration / \$ trillions



Assets Under Management / \$ trillions

administers our Anti-Corruption Policy, which builds on the principles set out in the Standard of Conduct for employees and establishes standards for conducting business with government officials. The standards are based on the requirements of anti-bribery laws in the countries where State Street operates. The policy includes requirements for the pre-approval of gifts and entertainment to government officials, guidance regarding the use of intermediaries (e.g., consultants, agents, distributors), enhanced due diligence related to mergers, acquisitions and oversight of joint ventures, guidance and due diligence related to charitable contributions, and training requirements for certain personnel who may have contact with government officials. During 2010, the Ethics Officer conducted training and information sessions in State Street offices in the EMEA and Asia-Pacific regions that service clients in countries with higher levels of corruption risk to explain how to comply with the Anti-Corruption Policy.

In 2010, State Street's Compliance and Ethics Committee approved a Political Activities Policy to supplement and expand upon provisions in the Standard of Conduct. Specifically, the Political Activities Policy requires that all executive vice presidents and employees soliciting business with governmental entities in the United States pre-clear their personal political contributions through the Ethics Office. In accordance with the Standard of Conduct, any political contributions using corporate funds must be approved by the chief executive officer.

Business and corporate functional areas are required to implement risk management programs that are linked to

our strategic plan and provide for risk assessment in multiple categories of risk, including compliance with laws and regulations.

The Standard of Conduct includes policies that respect the local laws, customs and business practices where we do business while embracing certain fundamental values embodied in a set of standards that remains constant. We respect the confidentiality of our clients and have safeguards in place to protect their information. Our Standard of Conduct provides clear guidelines in treating client-related and State Street information as private and confidential. We adhere to high standards in maintaining our books and records, and our values include standards pertaining to gifts and entertainment, business dealings, appropriate use of corporate resources, business conflicts, political affairs, personal trading in securities, and professional conduct and workplace environment. The Standard of Conduct also provides contact information for employees who wish to report possible violations of laws or company policies, anonymously, if they so choose.

The Standard of Conduct content is reviewed annually by the board of directors, and changes are made as warranted. Standard of Conduct training highlights questions related to key provisions and provides any updates to the Standard of Conduct in the prior year. All employees are required to provide annual certification of their review of and compliance with the Standard of Conduct. Our online certification tool introduced in 2009 improved reporting and accountability — in 2010, 99.9 percent of all employees provided certification.

Anti-money laundering policies, approved by the board, set forth a framework for ensuring that State Street is not used to facilitate money laundering, or the financing of terrorist or other illegal activities. These include our Anti-Money Laundering Policy, Bank Secrecy Act Policy and Guidelines, Know Your Customer Guidelines, and Global Suspicious Transaction Reporting Guidelines. Periodic training is provided to relevant employees and includes an overview of current regulatory requirements as well as detailed employee responsibilities. Additional training is provided to employees in business areas that represent higher risk.

Our Monitoring and Testing Program establishes a corporate-wide compliance framework with standard procedures for identifying applicable laws and regulations, assessing risks and conducting tests. These standards provide a comprehensive, consistent approach to managing compliance risks. The program uses a compliance risk assessment model, a uniform method for determining the likelihood and consequences of compliance risks across the corporation. Use of the model is critical because it provides evidence that our regulatory compliance risks are being identified, reviewed thoroughly and addressed globally.

Suspected incidents of unlawful activities, such as money laundering, employee fraud and computer intrusion, are investigated internally, and where appropriate, a Suspicious Activity Report is filed with the Financial Crimes Enforcement Network or the relevant regulatory or law enforcement authority outside the US. During 2010, State Street was not a party to any legal proceedings involving

allegations of anti-competitive behavior or anti-trust and monopoly practices. Additionally, State Street has not identified any substantiated complaints regarding breaches of client privacy or losses of client data.

We foster an environment of timely and open communication and escalation of compliance-related matters. Program activities include designation of business-aligned and topical compliance staff, training and education, effective communication of compliance requirements, monitoring of applicable laws and regulations, assessment of compliance risk, monitoring and testing of controls, assessment of the effectiveness of the compliance programs, remediation of compliance issues, and management reporting.

INDUSTRY LEADERSHIP

State Street participates in a variety of industry organizations around the world, advocating for adherence to industry best practices and encouraging the highest ethical standards by all industry participants. Where applicable and possible, we seek to be active participants or signatories and fulfill the requirements for membership in good standing. When appropriate, we pay membership fees or sponsor events. Our involvement includes, but is not limited to:

In the US American Bankers Association, ABA Securities Association (Board Member), American Benefits Council (Board Member), Association of Global Custodians, Associated Industries of Massachusetts, Boston College Center for Corporate Citizenship (Leadership Forum Member), Boston Municipal Research Bureau, The Conference Board Center for Corporate Citizenship

and Sustainability (Founding Member), Ceres, Council of Institutional Investors, Financial Services Forum, Financial Services Roundtable, Greater Boston Chamber of Commerce (Board Member), International Corporate Governance Network, International Swaps and Derivatives Association, Investment Company Institute, Investor Network on Climate Risk, Managed Funds Association, Massachusetts Bankers Association, Securities Industry and Financial Markets Association

Outside the US Alternative Investment Management Association, American Chamber of Commerce Beijing and Shanghai, American Chamber of Commerce Japan, Asia Securities Industry and Financial Markets Association (Board Member), Asian Corporate Governance Network, Association of British Insurers, The Aspen Institute Business and Society Program, British American Business Inc. (Board Member), British Bankers Association, Canadian Bankers Association, Canadian Coalition for Good Governance, ESG Research Australia, European Parliamentary Financial Services Forum, Forum of European Asset Managers, French Asset Management Association, German Bankers Association, Global Reporting Initiative, Institute of International Finance, International Bankers Association, Investor Network on Climate Risk, Irish Funds Industry Association, Luxembourg Bankers Association, United Nations Environment Programme Finance Initiative (Steering Committee and North American Task Force Co-Chair)

State Street is also a member of CSR Europe, which focuses on the region's sustainability issues. It supports laboratories on initiatives such as the European Alliance

on Skills for Employability. Another CSR Europe laboratory in which State Street has participated is an evaluation of companies based on non-financial data. In 2010, we invited CSR Europe to review our 2009 CR Report and received valuable feedback and insight for future reporting.

HELPING CLIENTS INVEST RESPONSIBLY

With heightened awareness around ESG issues, investors are increasingly focused on investing responsibly. In our investment servicing business, we help our institutional clients analyze their investments by providing tools and basic information about their investments. Specifically, our compliance capability enables clients to review their involvement with environmental performance factors, as well as a variety of social and governance criteria. The monitoring of prescribed investment limits, excluded asset lists and self-imposed investment restrictions are examples of the features our clients can utilize within our compliance tools. We currently provide these analytics for 10 clients on approximately \$250 billion in assets.

Our Corporate Governance DashboardSM enables corporate governance professionals to centrally manage key class action and proxy information using our online client information delivery platform, my.statestreet.com. In 2010, we made significant enhancements to the risk analytics and servicing tools available on the platform. Our new offerings include portfolio reallocation tools, economic stress tests and expanded investment coverage, and more comprehensive views of investments across the risk, performance, alternatives and compliance spectrums.

State Street also continues to work with leading global vendors to develop other reporting and advocacy services to deliver ESG metrics and services. For example, we have teamed up with F&C Investments, a diversified investment management group, to provide an ESG reporting service that provides the information our clients need to ensure they are investing in companies that demonstrate a global commitment to ESG practices.

SSgA introduced its first institutional socially screened portfolio in 1986. Currently, we manage more than 100 separate accounts and more than a dozen commingled vehicles, according to one or more ESG criteria. At year-end 2010, we were managing \$119.0 billion in assets incorporating ESG factors. Client accounts that have undergone human rights screening totaled 41 in 2010, representing 33 percent of our total ESG accounts. Collectively, these investments span the range of ESG investment approaches, including negative and positive screening, best-in-class sustainability and ESG factor integration, and the risk/return spectrum. This approach underscores the breadth and depth of SSgA's capabilities, as well as the varied ESG criteria and approaches of our global client base. Because the needs of our clients vary significantly, we consider ourselves a "quiet leader" in ESG investing.

Our ESG team maintains active industry connections to stay abreast of best practices and supports internal employee competency with respect to ESG policies and procedures. For non-ESG funds, no policies with specific environmental

and social components are in place; however, Australia and other regional active equity teams have begun adding ESG factors into certain existing quantitative models, an indication that ESG investing is becoming more mainstream. Our Global Enhanced Equity team has also added an ESG risk overlay to the investment process for global, regional, UK and emerging market portfolios.

SSgA's US Community Investing Index strategy is the industry's only offering that seeks to match the returns and characteristics of the US Community Investing Index™ (USCII), which screens positively for companies with strong track records in community investing. The USCII's composition and tight historical tracking to the S&P 500 make this offering an attractive option for a wide range of institutional investors seeking a passively managed ESG-related solution with low-cost implementation. Initially offered only on a separate account basis, we made it available on a commingled basis late in 2010 to make it accessible to a greater number of clients. We also launched a suite of products aimed at the Dutch institutional market, including a screened index equity strategy that excludes cluster munitions, land mines and labor issues. In 2011, we expect to introduce a Sustainable European Corporate Credit fixed-income strategy that provides exposure to top-ranked companies and uses a combination of negative and positive screens. We also plan to introduce a "green" bond strategy that will leverage public financing with private investment, enabling our clients to invest in green debt instruments.

We recognize that consideration of ESG-related risks and opportunities is becoming a more common aspect of investment practice. Increasingly, we see investors linking sustainability performance to long-term financial performance and portfolio risk mitigation. The practice of incorporating ESG factors into investment decisions has been largely based on the logical argument that a corporation should benefit from superior performance if it is well governed and operates in a manner that is environmentally friendly and socially responsible.

In our view, multiple long-term catalysts drive sustainability action. Long-standing secular trends, such as the surge in the world's population, scarcity of natural resources and effects of climate change, have given rise to a sea change in how much of the globe conducts business. In addition, the recent financial crisis has brought a renewed focus on the need for good corporate governance as a fundamental component of reputation and risk management. As a result, companies are responding not only to increased ESG pressure from investors and other stakeholders, but also to opportunity stemming from enhanced ESG performance and overall corporate sustainability.

SSgA's active and enhanced equity investment philosophy is based on a set of four core beliefs. First, we believe that active management is possible and can outperform passive benchmarks. Inefficiencies exist in the global equity markets driven by the behavioral biases of traditional investors, which lead to subpar trading activities that cause

securities to deviate from their intrinsic value. Second, we believe that a quantitative investment process is the best way to exploit these inefficiencies and generate consistent excess returns. This process allows us to form repeatable investment opinions on a broad universe of stocks and provides a way to build portfolios systematically. Third, we believe that having a worldwide portfolio management team with global presence and local insight is a key component of our process. Finally, we believe that innovative research is critical to having successful models in the future. Because the behavioral biases previously mentioned are deeply grounded in human nature, we think the market inefficiencies (i.e., the factors in our model) may need to change over time. Moreover, dynamic market conditions necessitate continual research to evolve and enhance the models we use to select stocks and build portfolios. For that reason, we believe it is critical to invest significantly in a quantitative research effort.

A core strength of SSgA's research capability is our Advanced Research Center (ARC). The ARC is staffed with a significant number of high-level quantitative researchers, many of whom have a doctorate or other advanced degree. Portfolio managers and their counterparts in the ARC work collaboratively in the ongoing effort to enhance the efficacy of the quantitative models we use to exploit the inefficiencies we observe in the market.

Our investment process begins and ends with research. At the beginning of each year, a robust research agenda is established containing the items the team feels are impor-

tant for further study. Exploration of the use of ESG factors in our alpha models is an ongoing area of exploration.

In a far-reaching study that SSgA concluded in late 2008, our findings suggested that while ESG ratings had variable predictive power overall, a forecasting ability was observed in pockets of the universe. Additionally, in some instances, predictive power actually tended to strengthen over time. This predictability suggests that ESG-related matters have gradually become part of the investment landscape over time and that ESG factors may increasingly become a source of alpha for investment purposes in the future. While careful use of ESG factors shows promise, it requires an investment view of how things will change going forward to justify good expected returns.

One shortcoming of SSgA's broad empirical analysis of 2008 (highlighted in last year's CR Report) was that it coincided with a long bull-market run. The global financial crisis that since unfolded provided an opportunity to examine the relationship between ESG ratings and equity prices in a significant bear-market period, and new facts are beginning to emerge. As highlighted in the State Street Vision Focus paper, ["Sustainable Investing: Positioning for Long-Term Success"](#), we have observed some preliminary evidence suggesting that, generally speaking, high-ranking ESG equities enjoyed less downside movement during the down markets. This research initiative is in advanced stages and is scheduled to be published in 2011.

Leveraging statistical results and best practices from our 2008 study, several investment teams, with support from the ARC, advanced their understanding of ESG-aware

investing in 2010. While the approaches and results generally varied, we explored methods to provide a meaningful exposure to ESG signals through both portfolio construction and as alpha factors.

Our Global Quantitative Equity Group conducted research on ESG factors and their applicability to international and global quantitative equity portfolios. The team is exploring an enhanced, integrated ESG process that won't compromise core requirements of our base, globally developed market model. We believe that the proposed model may represent a more robust approach to capturing potential alpha while limiting future risk from ESG factors or events. We also believe that the ESG model may be positioned to capture these exposures more fluidly over time should the macro environment change to be more constructive to stock-level ESG performance.

Also in 2010, in conjunction with the ARC, the Global Enhanced Equity Group developed an ESG stock selection model. Across a testing period of January 2003 to December 2009, the model shows strong risk-adjusted results at all return horizons, particularly longer time periods. On average, the ESG alpha model has the same or marginally greater predictive powers than the base model. When introducing ESG into the model, the proposed portfolio was able to gain meaningful exposure to the ESG alpha factor, and its inclusion did not negatively affect the exposure to other alpha factors, which highlights the uncorrelated nature of the ESG components. Our work on these and other initiatives will evolve contingent on investor demand and other factors.

State Street participates in a variety of initiatives focused on environmental issues, including the United Nations Environment Programme Finance Initiative (UNEP FI), Columbia University's Global Roundtable on Climate Change and the Investor Network on Climate Risk (a Ceres organization). Since 2003, we have been a signatory to the Carbon Disclosure Project, a group of 534 institutional investors that seeks disclosure by more than 3,000 of the world's largest publicly traded corporations of their greenhouse gas emissions.

For more information on State Street sustainable investing, please click [here](#).

PROXY VOTING AND ISSUER ENGAGEMENT

Each year, State Street votes approximately 14,000 proxies in 70 different markets around the world on behalf of our clients. As an active shareholder, our role is to ensure that corporate policies serve the best interests of the corporation's investor-owners. Some of our clients with separately managed funds maintain control of their proxy voting, serving as their own fiduciaries, and we vote proxies based on their instructions. We have the capacity to facilitate custom voting on behalf of clients' separate accounts, in which case we utilize either the baseline ESG voting policy provided by Integrated System Solutions (ISS) or coordinate with clients and ISS to develop customized proxy voting guidelines.

For our commingled funds, where we are the fiduciary, we vote on behalf of multiple clients. Our obligation as a fiduciary

is to vote in the best economic interest of our clients, who are the fund shareholders. Currently, all pooled funds for which SSgA acts as trustee vote according to SSgA's proxy voting guidelines because investors in a bank collective trust or SSgA commingled vehicle cannot be subjected to another investor's voting policy, nor can SSgA transfer discretionary voting rights to any one fund participant. In cases of ESG-related issues without a clear financial benefit to investors or a reasonable ability to measure the potential costs, our default policy, adopted in 2010, is to abstain. We continue to refine our voting process, and we engage actively with issuers and other stakeholders to inform our policy. Our voting guidelines and results are available to clients. They are generally not in the public domain except as legally required. Voting audits are performed on a consistent basis to monitor the votes cast and assess their consistency with our voting policy.

SSgA regularly engages with companies to discuss a variety of corporate governance issues, with the goal of providing insight on the principles and practices that drive our voting decisions. Through our discussions with boards and management, we seek to strengthen the quality of corporate governance as a means to protect and enhance shareholder value. During our discussions, we focus on the attributes and practices that we believe enhance the quality of corporate governance at companies. Some engagement topics include takeover defenses, merger transactions, proxy contests, board elections, executive compensation,

equity compensation plans, environmental proposals and other issues of interest to shareholders.

We engage with companies throughout the year and believe that direct communication with independent directors is key to helping companies more clearly understand shareholder concerns. We encourage issuers to find ways to increase the amount of direct communication board members have with shareholders. In addition to our contact with executive board members, direct communication with independent, non-executive directors is critical to helping companies more clearly understand shareholder concerns. As part of our overall governance practice, we extend the willingness to discuss these issues with other constituents in the process; these include clients, other shareholders, outside organizations and advocacy groups, and advisory firms, all in an effort to make the most informed governance decisions possible.

The SSgA governance team is dedicated to governance research, analysis, engagement and voting. The team consists of four governance professionals who actively carry out all engagement activities. There is no fixed set of priorities that dictate engagement practices. Instead, we view engagement opportunities as fact- and circumstance-based. Historically, although our engagement practices were carried out on a consistent basis, we did not necessarily formalize these events. We are currently looking to enhance and track engagement activity with issuers to better gauge our effectiveness and the impact these activities have on shareholder value.

MARKETING COMMUNICATIONS

State Street's marketing communications — from our website to sales collateral and press releases — promote our brand to key stakeholders. In addition to marketing our products and services, many of our communications emphasize high-quality thought leadership rather than promotional content, and help to shape the way State Street is perceived in the marketplace.

Importantly, virtually all of our marketing communications undergo a rigorous legal and compliance review. A small portion of our marketing materials is regulated by the Financial Industry Regulation Authority (FINRA) and the SEC, and by the Marketing in Financial Instruments Directive (MiFID) in Europe. These materials are reviewed and approved by State Street's Legal and Compliance divisions, consistent with those regulations. Upon completion, any such materials are filed with the appropriate regulator. Marketing communications that fall outside FINRA, SEC and MiFID regulations, such as product brochures and advertisements, are reviewed by Legal and Compliance. To date, we have not identified any incidents of noncompliance with regulations and/or voluntary codes concerning marketing communications.

Our materials are also reviewed by local experts for cultural translation. This corporate priority is supported by the Global Marketing team, a group with diverse disciplines that spans all of the regions in which we do business.

ENGAGING WITH CLIENTS

We use a variety of communication methods to support our client relationships. For example, we hold annual face-to-face meetings with clients to formally review our service levels and receive ongoing feedback via direct contact and monthly reports. Across North America, State Street sends annual service evaluation surveys to every client to assess satisfaction with our core and value-added services, technology, contribution to client goals and how well we have met client requirements. An independent market research firm is commissioned to conduct these surveys.

State Street managers receive client survey responses as soon as possible after they are completed, allowing them to provide a rapid response to service issues. In addition, State Street's business support units create and distribute custom reports of survey data from an online database, enabling managers to view results by client segments and to identify trends.

State Street was ranked No. 1 by institutional investors and No. 1 in Asia in *Global Custodian* magazine's 2010 Global Custody survey. In *Global Investor/ISF* magazine's 2010 Beneficial Owners Survey on securities lending, State Street ranked No. 1 among custodians.

We also host conferences and forums with our largest clients to share information about our services, learn about their emerging needs and concerns, and explore important industry topics. We host our signature Vision conferences highlighting current trends important to our clients, and publish our Vision series of white papers and reports that

provides institutional investors around the world with our research, insights and expertise on important industry topics.

To ensure client needs are being met, we provide dedicated relationship teams with multiple methods to communicate, including our internal Global Marketing Support Center website. To further advance internal education efforts, State Street's Relationship Management group conducts an annual program that educates employees about selected client organizations. The program includes market trend discussions that feature our clients' challenges and how State Street helps address them, as well as ongoing efforts to engage employees and clients in community outreach projects.

The State Street brand is designed to simplify and unify our communications internally and externally, as well as to create connectivity between our core competencies — Global Advisors, Global Markets and Global Services. While there are important business and regulatory reasons for our competencies to have clear lines of delineation and independence, our clients consider our ability to provide them with an integrated array of services as one of our greatest competitive advantages. Engagement with our clients, employees and other key stakeholders is fundamental to our brand development and refinement.

Internally, State Street strives to update employees with industry and client news. In addition to our employee publications, *State Street World* and *State Street Digest*, we publish valuable industry data, as well as information about our products, services and organizational structure in a variety of other media, including the company's intranet. We also hold Town Hall meetings that feature presentations by

executive management, including the chief executive officer and chief financial officer. Employees are encouraged to submit questions anonymously via the State Street intranet or during the live broadcast. Town Hall meetings are held quarterly and at various times to accommodate employees in all global locations.

COLLABORATING WITH STRATEGIC PARTNERS

We believe relationships with our strategic partners should be mutually beneficial, and expect any vendor or third party we do business with to conduct business in a responsible manner.

We review our procurement and global realty supplier databases at least monthly against applicable sanctions and anti-money laundering lists issued by regulatory authorities. To date, no suppliers have been identified as unacceptable.

Procurement guidelines ensure a fair and equitable bidding process where appropriate. We have no policy stipulating use of local suppliers, but we actively spend with local, regional and global suppliers consistent with our bidding process. The proportion of our procurement budget spent with local suppliers at significant locations across State Street's worldwide operations is 95 percent. No discrimination is allowed in the selection of suppliers; they are covered under State Street's Equal Employment Opportunity Policy Statement.

Recognizing that the lack of an official green procurement policy represented a gap in State Street's overall sustainability program, we developed a policy statement that emphasizes environmentally friendly purchasing and

outlines Global Procurement Services' practices in support of the policy. Going forward, we expect to develop specific programs consistent with the new policy.

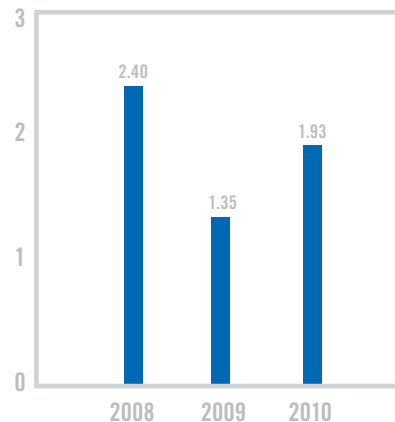
Our US Supplier Diversity Program is an example of doing good business while strengthening local communities. Established in 1983, the program provides opportunities for minority- and women-owned businesses to establish

mutually profitable relationships with State Street. The Global Procurement Services division oversees the Supplier Diversity Program.

Oversight for both procurement and global realty is centralized in one division, the head of which serves on the Executive Corporate Responsibility Committee. This arrangement will allow for greater focus on State Street's environmental impact within the supply chain.

Supplier and Third-Party Spending

Total Spending / all locations / \$ billions



Supplier Diversity Program / US only / \$ millions

\$91
MILLION
COMBINED SUPPLIER
DIVERSITY PROGRAM¹

\$28.5
MILLION
WOMEN-OWNED
SUPPLIERS

\$87.3
MILLION
MINORITY-OWNED
SUPPLIERS

[Click for more detailed information, including a breakdown of spending by location.](#)

¹Combined supplier diversity total accounts for overlap between women- and minority-owned business spend

A BETTER ENVIRONMENT

State Street strives to be an environmental leader among our industry peers. We believe our environmental practices have a direct effect on our ability to attract and retain clients, our efforts to operate more cost-effectively and our long-term sustainability.



JOSEPH W. CHOW
EXECUTIVE VICE PRESIDENT
CHAIRMAN OF THE
ENVIRONMENTAL
SUSTAINABILITY COMMITTEE



LETTER FROM THE CHAIRMAN OF THE ENVIRONMENTAL SUSTAINABILITY COMMITTEE

During 2010, we made significant progress across the environmental sustainability (ES) framework developed and employed during the last three years. In the area of operations and resource management, we focused on more comprehensive data collection and risk assessment, especially in our key global locations. Our revised Environmental Management System (EMS) enabled us to capture our first comprehensive, global environmental footprint. With the expiration of our initial five-year ES goals, we established a new set of key performance indicators and introduced related three-year goals. To make year-end reporting more efficient and timely, we initiated mid-year ES data verification with our outside verification company. We completed a water risk-mapping exercise for all of our offices and performed environmental risk assessments in key locations. We occupied a new, green-certified building in Sydney, Australia, and our new premises in Hangzhou, China, have been aligned to achieve LEED gold certification. In the UK, we evaluated and began environmental certification of our sites. We also undertook a variety of projects to improve energy efficiency and reduce resource usage and, where appropriate and available, to increase the use of renewable resources.

In the area of products, services and investments, we partnered with a global investment manager/consultant to provide an ESG reporting service to our custody clients using research on more than 6,000 companies. We continued to explore and invest in renewable energy projects for our tax-advantaged investment portfolio. Our Vision paper on [“Sustainable Investing: Positioning for Long-Term Success”](#) enhanced State Street’s position as a thought leader.

In the area of communications and employee involvement, we conducted the first employee awareness Sustainability Week in North America and formed volunteer ES teams in London and Edinburgh. We amended our Corporate ES Policy Statement to make it compliant with ISO 14001 (a globally recognized standard for environmental risk and performance management) to better reflect our environmental performance commitment. As an extension of the policy statement, we developed a Corporate Climate Change Statement.

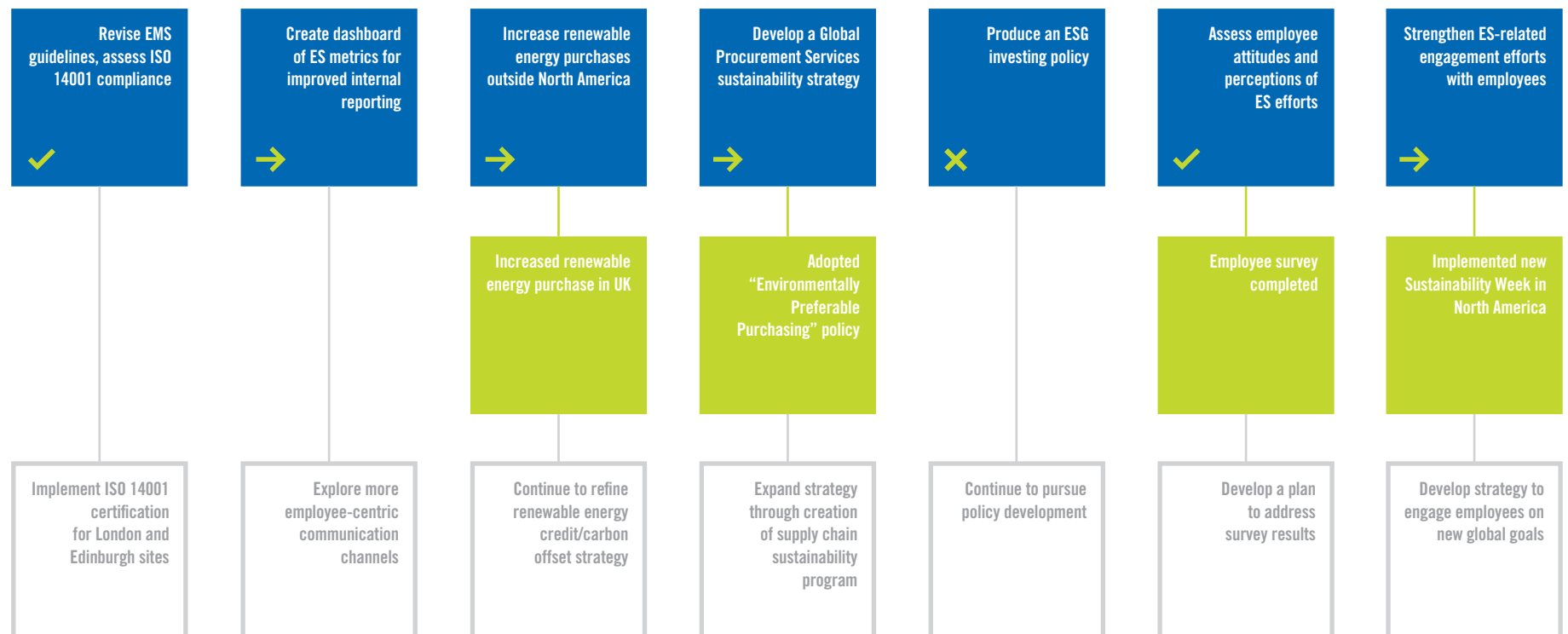
Finally, in the area of governance, infrastructure and organization, ES was an integral part of an evaluation of State Street’s corporate responsibility governance structure. The decision to fold the Executive ES Committee into the newly formed Executive CR Committee will provide an even greater level of integration in fostering State Street’s long-term sustainability.

As I move into retirement, I am proud to have spearheaded the effort to take a more “big-picture” approach to ES at State Street that provides senior management oversight and board of directors involvement. I have great confidence that State Street’s commitment to ES will remain intact and grow even stronger in the years ahead.

Progress on Action Items

■ 2010 Action Item
 ■ Progress Status
 ■ 2011 Action Item

✓ Completed → In Progress ✗ Not Complete



State Street looks creatively at all the ways we can improve our physical surroundings, taking actions that minimize negative impacts and maximize positive ones. As an example, the company employs a formal Environmental Management System (EMS) globally that tracks and monitors our environmental performance from an operations perspective.

State Street has developed clear goals to manage our environmental impact and regularly measures our progress against these goals. Recognizing the potential threat of climate change, we have also made it a corporate imperative to increase our efforts to reduce the use of fossil fuels. More broadly, and consistent with our commitment to

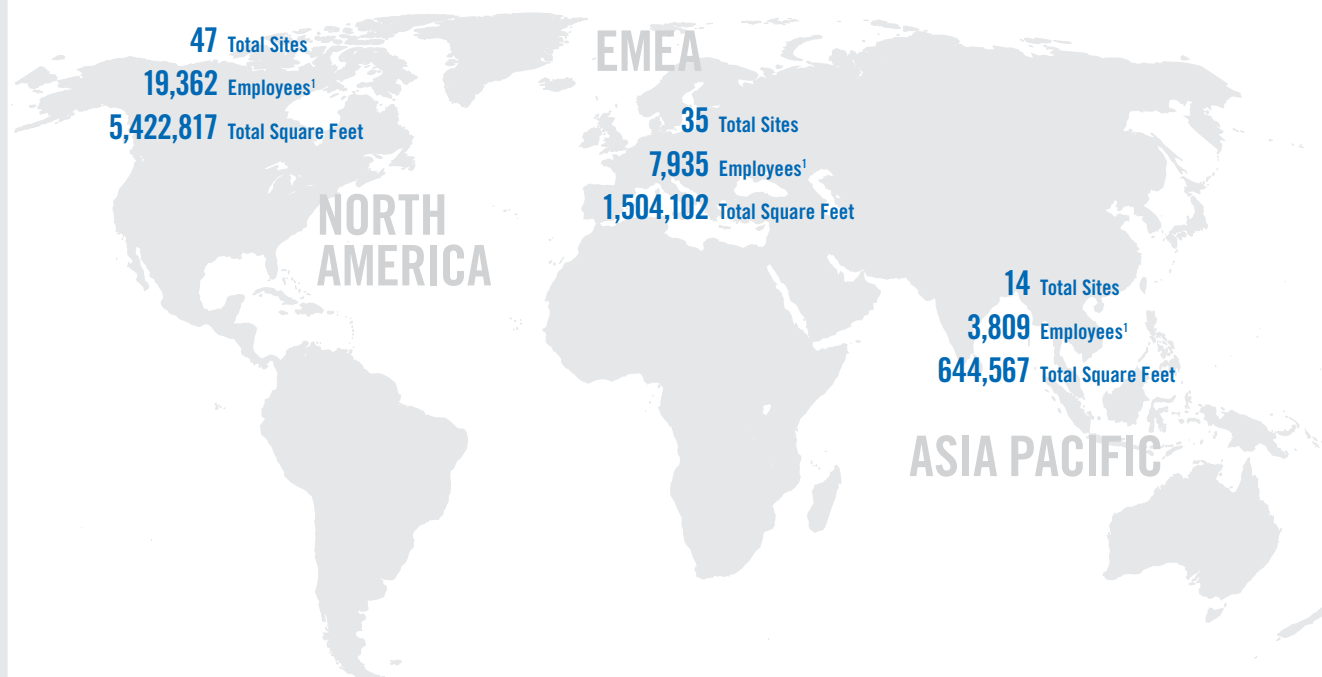
leadership, we promote awareness of environmental and climate issues with our employees and other stakeholders, while also taking an active part in the public dialogue on issues of environmental sustainability.

Real Estate Portfolio / as of December 31, 2010

96
TOTAL SITES

31,106
EMPLOYEES¹

7.57
MILLION SQUARE FEET



¹ Based on total annual average, including temporary workers and contractors.

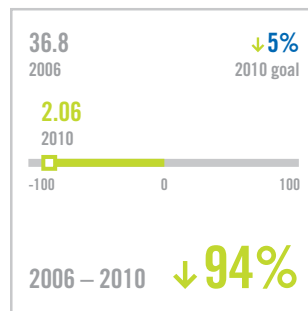
ES GOVERNANCE

Reporting to the Management Committee and board of directors, the Executive ES Committee oversaw State Street's ES strategy — ensuring that goals were set and progress was made toward those goals. The ES Working Group and the Office of ES, which reports to the CR officer, supported the committee's work. Beginning in 2011, the committee will be folded into the newly formed Executive CR Committee.

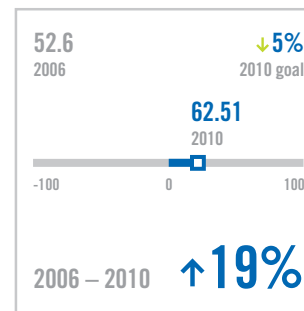
In 2006, we established environmental goals for our Massachusetts operations to be achieved by 2010. Our progress is shown to the right.

The achievement of the Massachusetts goals was impacted by a number of factors, including commodity price changes, which caused one key location to switch from oil to natural gas. This change caused a dramatic drop in oil use and a corresponding increase in natural gas use, which explains the achievement of one goal and not the other. The overall usage of electricity also increased based on data center loads rising and the upward adjustment of the EPA energy intensity factor in the 2009 and 2010 reporting years. The carbon numbers were impacted by the increased electricity consumption as well. The increase in paper recycled is attributed to increased engagement efforts with employees to encourage recycling.

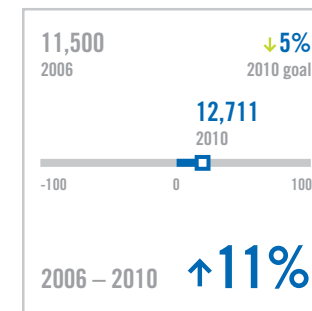
Progress Toward Goals / Massachusetts / per person



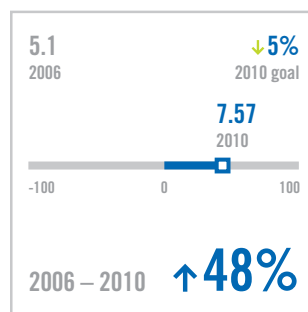
Oil / gallons¹



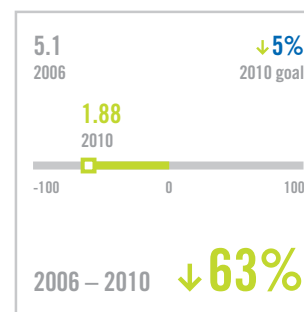
Gas / therms



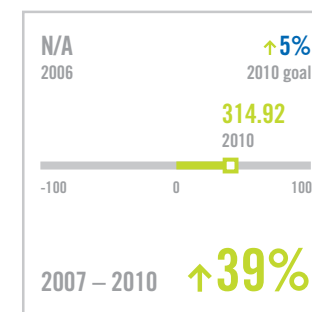
Electricity / kilowatt-hours³



CO₂ / metric tons²
emissions from oil, gas and electric consumption



CO₂ / metric tons²
emissions from oil, gas and electric consumption with renewable energy



Paper recycled / pounds⁴

¹ 2006 consumption calculated based on total oil purchased; 2009 consumption calculated based on generator run time.

² 2006 data restated in metric tons.

³ Eastern Massachusetts locations with actual utility bills including data centers.

⁴ 2007 value is 215 pounds per person.

In 2010, we revised our ES key performance indicators (KPIs) and established related three-year goals for our global operations. The development of these new global environmental goals was approved by the Executive ES Committee and presented to the Management Committee and board of directors. After an extensive analysis of operations, as well as benchmarking, we determined that it is better to implement intensity-based goals as opposed to goals based on absolute numbers due to the non-static nature of the company's business.

OUR OPERATIONS AND THE ENVIRONMENT

State Street's EMS manual provides a template for environmental management throughout all functional areas of our company. Our Global Realty Services division, in conjunction with our property management partners across North America and the Asia-Pacific and EMEA regions, implements the EMS program in our offices. We use an electronic reporting system to validate all utility information. We began our efforts to create a baseline for the program in Eastern Massachusetts, where 72 percent of our North American employees (45 percent of all employees worldwide) are housed and where we have the biggest "footprint."

We have subsequently expanded the program to include our operations in the rest of the world. Recent revisions to the manual reflect the global nature of our operations and make us consistent with ISO 14001 standards. In its current form, the document has moved from a singular focus on implementation to one that includes performance management, risk identification and risk mitigation. In 2010, we initiated a mid-year ES data review, an important step that allows a more timely year-end verification and report assurance process.

In 2010, we began an environmental risk assessment for key global locations, which included completing an overall risk evaluation, identifying key legal requirements and establishing training requirements according to the EMS for key locations in London, Hangzhou and Boston. We also began the ISO 14001 certification process for our UK sites.

In Quincy, Massachusetts, State Street has two properties adjacent to biodiverse lands. Our snow removal process allows for all snow to be plowed away from the surrounding wetlands, waterways, salt marshes, mudflats and shellfish beds. The environmental data for these areas is generally not available.

In 2010, State Street had no instances of noncompliance with environmental laws or regulations and incurred no significant fines for these issues.

We chose to report in five areas we believe have the most significant environmental impacts from our operations on a per-square-foot and per-person basis: direct energy (oil and gas), indirect energy (electric) and travel, water usage, waste, and paper recycling.

Environmental Sustainability Key Performance Indicators and Three-Year Goals

carbon dioxide
(CO₂) emissions

↓ 10%

water usage

↓ 3%

waste disposal

↓ 5%

recycling
diversion rate

↑ 5%

Key Assumptions

- 2009 baseline year
- Timeline 2011 – 2013
- All goals are based on intensity versus absolute targets
- Intensity denominator is based on employees (e.g., carbon emissions per person)

Strategy, Principles and Objectives

Strategy

ALWAYS FINDING
BETTER WAYS

GLOBAL FORCE,
LOCAL CITIZEN

STRONGER
TOGETHER

Principles

**Incorporate
Stakeholder
Interests**

**Manage
Sustainability
Comprehensively**

**Establish
Measurable
ES Goals**

Objectives

- Improve ES-related disclosure
- Participate in public policy dialogue and support policies that are believed to be effective in addressing ES
- Engage employees on sustainability

- Incorporate ES into multi-year strategic planning process
- Further reduce impact of operations
- Develop products and services to help clients manage environmental risks and seize new business opportunities

- Develop comprehensive internal metrics
- Utilize key external criteria to monitor and review ES progress
- Verify and report progress in meeting our goals
- Benchmark against world-class organizations

2010 Actions

- First employee ES survey to gauge interest and priorities launched
- Participated in UNEP FI working paper on employee engagement
- Participated in review of Climate Implementation Plan through Environmental League of Massachusetts
- Conducted first Environmental Sustainability Week in North America

- Initial risk evaluations completed for key global locations
- Waste incineration implemented for London office
- Expanded overnight PC power down program
- Implemented ESG reporting service option for my.statestreet.com clients

- Established new ES KPI's with 3-year goals
- Initiated mid-year ES data verification
- Obtained first comprehensive global footprint from ES data

Environmental data for State Street's data centers is reported separately to more accurately depict our per-square foot and per-person consumption. The US Department of Energy has shown that data center spaces can consume 10 to 20 times as much electricity as standard office spaces.

Sub-metering and sole tenancy allow us to track actual usage in several locations. For some leased space in Asia Pacific, EMEA, and North America, we estimate energy usage in locations based on an EPA formula. Total actual and estimated usage are based on this standard for 2010 equate to 256 million kilowatt-hours, representing 96 sites.

The following chart shows the percentage of square footage, as a proportion of the total real estate portfolio, that is reported on in the report. The square footage that is not reported is generally not available.

ENERGY EFFICIENCY

During 2010, energy efficiency initiatives represented an estimated annual calculated savings of \$1.3 million from reducing consumption of more than 11 million kilowatt-hours of electricity, more than 44,000 therms of natural gas and 780,000 gallons of water. Carbon emission savings from these projects totaled 3,800 metric tons.

In Eastern Massachusetts, we have primarily focused on our Boston headquarters; in 2010, we shifted our efforts to other buildings in North America. Specifically, we completed lighting retrofits at the North Quincy, Massachusetts, and Princeton, New Jersey, locations, and converted the cooling system at one of our data centers to significantly reduce cooling costs.

In 2010, we expanded the PC Power Management System, which manages employee PCs centrally, automatically shutting them down when they are not in use and bringing them back up when needed. Launched in 2009, the system covers 30,000 PCs around the world and, when fully deployed in 2011, State Street estimates that the program will reduce annual greenhouse gas emissions by more than 6,000 metric tons.

Total Real Estate Portfolio Reporting Coverage

percent

	Asia Pacific	EMEA	North America
Oil usage	40%	78%	86%
Natural gas usage	0%	39%	54%
Electricity usage (actual) ¹	74%	95%	78%
Electricity usage (estimated) ²	26%	5%	22%
Water usage	25%	57%	64%
Waste	26%	87%	63%
Paper recycling (deskside)	26%	42%	63%
Paper recycling (shredding)	26%	75%	98%
Composting	17%	0%	57%
Bottle/can recycling	26%	63%	71%

¹This represents the percentage of square feet where actual utility bills are provided.

²This represents the percentage of square feet where electricity usage is estimated based on the EPA energy intensity factor. CO₂ emissions are also calculated based on the estimated kilowatt-hours.

In collaboration with a volunteer student team from Brandeis University and using the Global Water Tool, State Street completed a site-specific water risk-mapping exercise for all of our global locations in 2010. As a result of that research and analysis, we determined that 25 of the 60 cities in which State Street operates face some level of risk related to access to clean water or improved sanitation, with potential impacts to costs, supply chain and business. State Street operations and property management have already begun to adapt to these regulatory and cost pressures. To learn more about the Global Water Tool, click [here](#).

INFORMATION TECHNOLOGY INFRASTRUCTURE

State Street's Global Infrastructure Services (GIS) group provides information technology infrastructure services to business units and clients worldwide. The group comprises three regional support teams and several enterprise service teams that deliver data center, hardware management, software management, networking communications and end-user computing support. We report separately on data center environmental information because data centers consume significantly more electricity than standard office spaces. As previously noted, our "green" efforts have dramatically decreased energy consumed by our data center technology, and we have introduced cutting-edge technology and strategies so that we continue to achieve results and reduce our footprint.

Through a major efficiency initiative implemented over several years, GIS has significantly reduced energy costs and carbon emissions by virtualizing 40 percent of our servers. In 2010, we increased virtualization with the initial launch of cloud computing where users access applications and programs via a Web browser as if they were installed locally on their own computers. In contrast to a distributed environment, cloud computing centralizes functionality to produce greater efficiency, redundancy and flexibility, reducing overhead from a system and processing perspective.

Other green initiatives during 2010 included efforts to improve air circulation and reduce the necessary cooling (\$140,000 in annual savings), ultrasonic humidification to reduce humidification energy consumption (\$119,000 in annual savings) and a "Green Your Files" initiative that promotes deletion of unnecessary files through a special employee communications program.

GREEN BUILDINGS

In recent years, State Street has made a strong commitment to green buildings. In developing two new facilities in London and Dublin, State Street and the building developers achieved ratings of "excellent" and "very good" respectively, according to the Building Research Establishment Environmental Assessment method (BREEAM). In Hangzhou, we occupied new space that is on track to achieve gold level certification in Leadership in Energy and Environmental Design (LEED). Our new office in Sydney achieved a five-star rating from the Green Building Council of Australia's Green Star system and a 4.5 rating from the National Australian Built Environment Rating System (NABERS). We are also evaluating LEED certification in key US locations. Leasing green-certified office space has become more challenging and more expensive as the demand has grown and building owners recognize their increased marketability.

Green Building Certification Systems

BREEAM

UK, Europe

Voluntary measurement rating for green buildings that was established in the United Kingdom by the British Research Establishment

Green Star

Australia

Launched by the Green Building Council of Australia, this system considers and measures a broad range of practices for reducing the environmental impact of buildings and showcases innovation in sustainable building practices, while considering occupant health, productivity and cost savings.

NABERS

Energy Rating

Australia

Rates buildings on the basis of their measured operational impacts on the environment and provides a simple indication of how well the impacts are being managed relative to peers and neighbors

LEEDChina, Europe,
India,
North America

Building Council (USGBC), provides third-party verification that a building or community was designed and built using strategies aimed at improving performance across all the metrics that matter most: energy savings, water efficiency, CO₂ emissions reduction, improved indoor environmental quality, and stewardship of resources and sensitivity to their impacts.

Green Building Summary

London



Dublin



Hangzhou



Sydney



UNITED KINGDOM

20 Churchill Place, Canary Wharf, London

- Opened in December 2009
- Capacity: 2,038
- BREEAM rating of Excellent

IRELAND

78A Sir John Rogerson's Quay, Dublin

- Opened in November 2009
- Capacity: 1,354
- BREEAM rating of Very Good

CHINA

Tian Tang Building, Hangzhou

- Opened in October 2010
- Capacity: currently 1,250, expanding to 2,000 by 2012
- Gold LEED accreditation design for fit-out (final assessment due June 2011)

AUSTRALIA

420 George Street, Sydney

- Opened in October 2010
- Capacity: 950
- 5 Star Green Building Council and 4.5 Star NABERS rated development

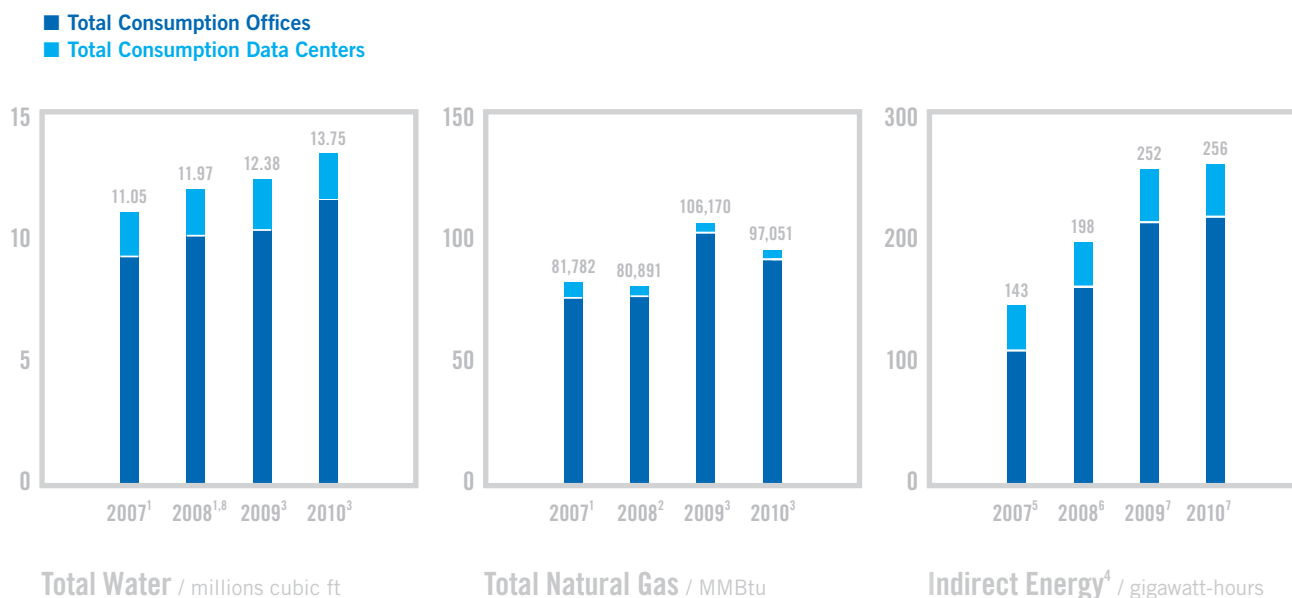
ADDRESSING CLIMATE CHANGE

With input from the Executive ES Committee, our Office of ES assesses State Street's risks and opportunities due to climate change and is responsible for reviewing and developing action plans to address climate change, as well as other environmental risks and opportunities. Although not

currently subject to regulatory requirements in our global headquarters in the United States, State Street is subject to the UK CRC Energy Efficiency Scheme, and is monitoring other regulatory developments worldwide. In addition, our ES Working Group monitors current trends relative to climate change, including potential regulation. These actions, as well as our revised EMS manual, have prepared

State Street for any legislative changes affecting the US financial services industry. Other climate change-related risks include supply chain issues, access to energy, and owned-asset exposure and reputational risk. Reputational risk is especially significant, as client demand for products and services that address climate change rises. Should we not be able to meet this demand, our reputation as

Water, Gas and Indirect Energy Consumption / 2007–2010



¹North America.

²North America and EMEA.

³North America, EMEA and Asia Pacific.

⁴Includes electric utility and delivered heat effective 2009.

⁵North America actual sites.

⁶North America actual and estimated sites; EMEA actual sites.

⁷North America and Asia Pacific actual and estimated sites; EMEA actual sites.

⁸2008 data restated to allow for more detailed breakdown.

Click in each chart above for more details, including per person and square feet data.

a leading provider of financial services could be compromised, affecting our ability to attract and retain business and to be perceived as an employer of choice.

In 2010, our ES Working Group determined it was necessary to adopt a precautionary approach to potential risks associated with climate change and create a statement to express the company's position. As a result, the Executive ES Committee developed a corporate statement on climate change as a complement to our ES Policy Statement. The Executive ES Committee, as well as our Chairman, President and CEO, Jay Hooley, approved this statement.

Headquartered in a coastal region of the US, State Street is exposed to physical risks from climate change should sea levels rise significantly in the Atlantic Ocean. We also operate major offices in other coastal cities. We are not, however, dependent on operating in a particular physical location and can operate remotely from anywhere in the world. Moreover, our data centers have multiple backups to protect client and financial market data.

State Street is committed to reducing environmental waste by displacing non-renewable sources from the electric grid with renewable equivalents to further reduce our carbon footprint. Energy consumed through a renewable source, such as wind power, equates to less environmental waste. In 2010, the percentage of renewable energy purchased in direct-metered buildings in North America was 56 percent, and we made our 2010 goal of 20 percent renewable energy sourcing in EMEA.

Total Direct and Indirect Carbon Emissions by Weight

metric tons

Year	CO ₂ Direct Scope 1	CO ₂ Indirect Scope 2 (Actual)	CO ₂ Indirect Scope 2 (Estimated)	CO ₂ Indirect Scope 3 (Travel)	Total Carbon Emissions	Per Person Scope 1 and 2 (Total)	Per Person (Office)
2007 ¹	4,601	102,798	N/A	17,727	125,126	8.7	N/A
2008 ²	4,768	131,501	17,032	13,792	167,095	5.8	N/A
2009 ³	6,481	122,883	15,553	11,022	155,939	5.1	4.3
2010 ³	5,683	132,255	8,816	20,855	167,610	4.8	4.1

¹North America actual.

²North America actual and estimated and EMEA actual.

³North America and Asia Pacific actual and estimated; EMEA actual. Methodology change in 2009 and 2010. See page 54 for more detail.

Estimated Carbon Emissions from Business Travel¹

emissions / metric tons

	2009 Miles	2009 Emissions	2010 Miles	2010 Emissions
Air	55,749,800	10,714	71,422,772	19,948
Car ²	515,000	203	1,621,778	684
Rail	864,000	105	1,276,388	223

¹World Resources Institute (2008). Greenhouse Gas (GHG) Protocol tool for mobile combustion. Version 4.0. For 2010, includes additional travel agency data from Japan, Singapore and Hong Kong. Data prior to 2010 includes travel agency data from North America, EMEA and Australia for air only.

²US only for 2009. For 2010, includes fleet car mileage in Germany and car service miles for the UK and US.

State Street actively pursues investments in renewable energy projects eligible for federal tax benefits (production tax credits or investment tax credits). Without such financing, many of these projects would not be economically viable. In 2010, we invested in two wind farm projects in North Dakota with a capacity of 169 MWh.

We are also exploring ways to reduce travel while maintaining the communication essential for doing business effectively. One example is our investment in video and audio teleconferencing equipment over the past several years, which has totaled nearly \$4 million since 2006 and includes an automated tracking system to monitor use of teleconferences, as well as a self-reporting tool for users to indicate when a videoconference replaces travel. New technology deployed in 2010 provides the ability to conduct video conferences directly from a PC. In addition to conference room systems, we now have 250 video conference users with desktop capability. In 2010, employees averaged 2,200 conferences per month, 68 percent of which were used in lieu of travel.

In addition, we have an ongoing program to encourage environmentally friendly commuting, including making bicycle racks and shower facilities available to employees. In 2010, we upgraded bicycle racks and related facilities in our Boston, Hangzhou, Sydney and Edinburgh buildings.

Flexible work arrangements provide significant opportunity to reduce employee commuting. Employees who participate in State Street's Flexible Work Program are asked to voluntarily report commuting miles avoided as a result of their participation. In 2010, we launched a new tool

for tracking this information. In 2011, we plan to require all participating employees to record their flexible work arrangement information, with the ultimate goal of reporting all reduced commuting miles and measuring the resulting positive environmental impact. For 2010, information on 520 new flex work arrangements represented a reduction in employee travel by a combined total of more than 34,000 miles per week.

WASTE AND RECYCLING INITIATIVES

State Street tracks recycled paper waste across many of our global locations. In 2010, our program to reclaim most individual printers used by employees in favor of network and shared printers expanded to our London locations, where we reclaimed 2,785 printers. For the US, the purchase of recycled paper as a percentage of total paper weight in 2010 was 25 percent compared to 19 percent in 2009, an increase of 31 percent. For 2010, global locations reported recycled paper purchases as a percentage of total paper weight at 39 percent. In Australia, we have moved away from the use of virgin timber paper to paper approved by the Forest Stewardship Council. Our printer optimization efforts continued with an initiative in Hong Kong that involves using energy-efficient network printers and double-sided printing as the default setting.

Bottle and can recycling is available throughout most of State Street's global offices, but tracking and monitoring of this waste is only available in select locations. In 2010, we implemented a waste-to-energy program at our London

facility, designed to reduce the waste that goes to landfill and the associated landfill gases. The waste is collected by a company that turns it into energy for the local community. During the five months the program was in operation, we reduced the waste sent to landfills to zero and provided power to 2,722 homes for one day. Voluntary battery recycling programs are also offered to employees in the Hangzhou and Bangalore offices, although metrics are not currently collected or estimated.

We continued to reclaim toner cartridges in the US in 2010, with the recycling of 7,635 cartridges. Canada and Europe utilize local copier and printer suppliers to reclaim used cartridges; tracking is unavailable in these locations at this time. We also continued our IT equipment recycling initiatives in 2010, recycling more than 8,400 pieces of IT equipment (171,600 pounds) in North America and Europe. Late in the year, we selected a new global provider of IT equipment recycling and implemented a program to provide a consistent level of service and reporting across all State Street offices.

Our program to recycle organic waste includes all cafeterias located in Massachusetts and Kansas City. Wet and dry food waste is hauled to a composting yard and turned into nutrient-rich, organic compost that is sold to local businesses for landscaping projects. Last year, we recycled nearly 376 tons of food waste for composting in North America as part of this program. In Sydney, we composted 68 tons of organic waste.

In 2007, State Street began an initiative to implement green cleaning programs and associated equipment and materials in the properties where State Street directly manages cleaning services. In our North American locations, we use restroom paper products that meet or exceed the EPA Comprehensive Procurement Guideline Standards with regard to recycled content and Green Seal-certified hand soap products.

The vendor for managing hazardous waste removal for State Street's North American operations utilizes reputable disposal, recycling and remediation companies. It has developed the most current and cost-effective procedures for cleanups, maintenance and handling of hazardous and non-hazardous waste disposal. During 2010, State Street experienced no spills or incidents reportable to the EPA or other relevant local authority in our operations worldwide, and we did not have any reported fines for noncompliance with environmental laws and regulations.

PUBLIC ADVOCACY

State Street's commitment to leadership in ES includes participation in public forums related to environmental issues. Building on our experience in employee engagement on environmental issues, we contributed to a UNEP FI working paper on that subject in 2010. We also participated in an effort led by the Environmental League of Massachusetts and the Barr Foundation to review a Commonwealth of Massachusetts draft Climate Implementation Plan. As part of that effort, the project team examined initiatives related to energy efficiency, transportation and public engagement, giving us the opportunity to engage in thought leadership at our headquarters, collaborate on solutions to environmental challenges and gain insights into what may be on the legislative horizon. A member of our GIS group serves on the advisory board of the Green Data Center Alliance, an independent foundation that seeks to define an industry standard for the evaluation of energy efficiencies inside the data center envelope. In 2010, the Alliance published the Data Center Energy Efficiency Framework, which provides comprehensive guidance for data center power reduction techniques.

Total Waste by Method of Disposal

tons

	Composting	Paper and Cardboard	Commingled	Total Recycling	Trash	Diversion Rate (%) ⁴
2007 ¹	n/a	1,340	n/a	1,340	1,703	44.0
2008 ²	12	1,576	9	1,597	1,728	48.0
2009 ³	462	2,415	102	2,979	2,029	59.5
2010 ³	444	2,280	146	2,960	1,533	65.9

pounds

	Recycled Waste Per Person	Recycled Waste Per Square Foot	Trash Per Person	Trash Per Square Foot
2007 ¹	217	n/a	279	n/a
2008 ²	230	n/a	249	n/a
2009 ³	389	1.42	265	.96
2010 ³	318	1.29	165	.67

¹North America actual sites.

²North America and EMEA.

³North America, EMEA and Asia Pacific.

⁴Percentage of waste diverted from landfills.

2010 DATA CALCULATION SOURCES AND METHODOLOGY

Scope 1 and Scope 2 carbon emissions are calculated by first measuring our direct and indirect energy usage based on billing and meter reads. For those locations not directly metered, we have used the EPA-determined energy intensity factor for commercial offices: [US Energy Information Agency CBECS Data Source — energy intensity per square foot](#).

State Street's property managers track run time and equipment data on all generators included in the emissions calculations. The emissions are based on the loading of

the generator and the resulting fuel used to operate the generator. Natural gas carbon emission factors were based on the therm usage. The resulting fuel and therm consumption was entered into the [World Resources Institute \(2008\) Greenhouse Gas \(GHG\) Protocol tool for stationary combustion \(Version 4.0\)](#) to calculate emissions.

The emissions generated from use of electricity in North America were based on carbon factors. The factors used for generated emissions from the use of electricity in the US were based on the following source: [EPA EGrid](#).

The factors used for generated emissions from the use of electricity in Canada were based on the following [sources](#):

Ontario, Canada, Environment Canada

Ontario Electric Intensity Table:

220 grams CO₂E/kwh converts to .485016 lbs/kwh

Quebec, Canada, Environment Canada

Quebec Electric Intensity Table:

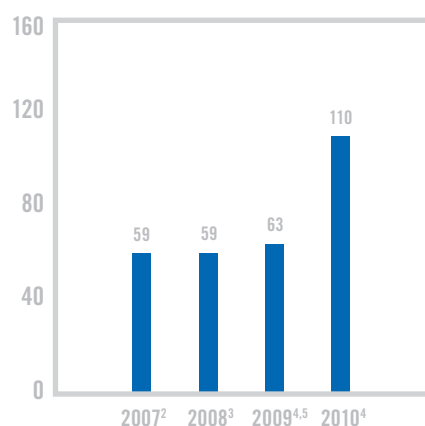
9.1 grams CO₂E/kwh converts to .020062 lbs/kwh

The factors used for generated emissions from the use of electricity in the Asia-Pacific and EMEA regions were based on the following source using the factor for each country: World Resources Institute (2008) [GHG Protocol tool for stationary combustion \(Version 4.0\)](#)

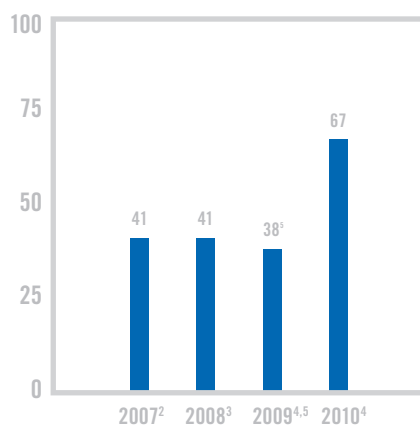
Waste and recycling vendors provide monthly counts of containers picked up and the associated estimated weight or volume per container. The weights are based on industry standards based on the type of material and average loaded capacity or actual measured levels when available.

State Street has relied on its travel agents to provide air mileage data and in some cases the mileage data provided may be based on different data measurement techniques from region to region.

Renewable Energy Purchases / Actual and Estimated Sites¹



Total Renewable Purchase / kilowatt-hours (millions)



Carbon Emissions Saved from Renewable Energy Purchase / metric tons (thousands)

¹Includes electric utility and delivered heat effective 2009.

²North America direct billed sites only.

³North America direct billed and estimated sites; EMEA actual sites.

⁴North America and Asia Pacific direct billed and estimated sites; EMEA controlled sites.

⁵Change in 2009 emission factors based on source of renewable energy purchase.

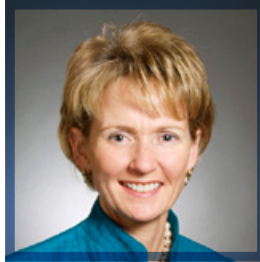
CR 2010

A BETTER CULTURE

We recognize that highly skilled, productive employees are essential to our success. Our management approach is to foster a culture that enables all employees to have fulfilling and rewarding careers.



ALISON QUIRK
EXECUTIVE VICE PRESIDENT
HEAD OF GLOBAL
HUMAN RESOURCES



ENGAGEMENT, INCLUSION AND DEVELOPMENT

A Q&A WITH ALISON QUIRK

You've been at State Street since 2001. How would you describe your overall approach to human resources?

A: Our overriding goal is to help State Street's businesses succeed. How we do that varies. We are building HR programs, processes and infrastructure that is supportive of our business goals. We constantly need to keep pace with where the business is headed in the future and ensure that we are keeping pace in an efficient and effective manner.

Q: In recent years, significant efforts have been put into employee engagement. Why is that important and what do you hope to accomplish?

A: We believe that committed employees and effective managers are key to our success. Employees join companies, but they often leave because of their managers. Employee engagement surveys, which we conduct about every 15 months, give us an idea of how our employees feel about working for State Street, their business units and their managers. The surveys measure employees' rational commitment, which is indicative of their intent to stay with the company, and emotional commitment, which tells us what kind of effort they're willing to make in their jobs. The feedback we get helps us determine whether the factors identified as key to our business success are understood and embraced by our employees. For example, in the last survey we identified that the level of "commitment to client service" was unclear to employees. We responded by modifying our Performance, Planning and Review process to make client service a more prominent aspect of everyone's performance plan and assessment. And, of course, we get an idea of how employees are responding to their managers, all with the aim of continuous improvement.

Q: So, utilizing surveys is a way that you are measuring your impact on engagement?

A: That's a big part of it because we believe employee input is so valuable. We conducted a special values survey that helped inform the development of the new State Street values statement. In previous surveys, employees indicated a strong preference for flexible work arrangements. Since its introduction, our Flexible Work Program has scored very high marks as a driver of employee intent to stay with the company. But, we want employees to feel engaged in a variety of ways. First and foremost, a positive relationship between managers and their employees is essential to engagement. Our many employee networks and Global Outreach volunteer program, not to mention our ongoing communications program, are also important ways that employees get to know one another, build networks and feel more connected to the company.

Q: What is your approach to professional development?

A: We have a robust global curriculum that combines online and classroom training to give employees opportunities to improve their skills as well as their knowledge of our industry. At more senior levels, we provide development plans tailored to the individual. To ensure that we're developing the talent we need at more senior levels, we use a Talent Review process with the business units to determine their future business needs and how they relate to the talent currently available. We look at the staff, identify gaps and develop a plan to fill the gaps.

Q: How does State Street's commitment to diversity intersect with your talent development efforts?

A: We believe we're a better company when we take advantage of the talents and creativity of a broad variety of people. We're working now on a plan to increase diversity at senior levels of the company. For example, once we identify the drivers for reaching senior management levels, we need to ensure that an array of promising candidates, including women, minorities and non-US employees, have the opportunity to develop those skills and experience. If profit-and-loss experience is seen as a key driver for success, we need to expand the pool of people who get that opportunity. Accomplishing this requires a level of sharp focus and accountability.

Q: Finally, can you comment on State Street's approach to compensation?

A: Our approach to compensation can best be described as "pay for performance." We provide total compensation consistent with market rates in our industry. Our pool for incentive payments is based on company, business unit and individual performance, both qualitative and quantitative. Everyone in the company is eligible for incentive payments. At senior levels, a large portion of compensation is paid in company stock, so the level of compensation is tied very closely to the long-term performance of the company. Balancing risk and reward principles also plays a role in our approach to compensation. We engage in a review process to ensure that our incentive compensation plans are consistent with risk mitigation principles as set forth by applicable regulators with authority over State Street

In all of our locations, we aim to be an employer of choice by offering competitive compensation and benefits, personal and professional development opportunities, and an environment that promotes a diverse array of people, ideas and job skills. Because we operate in countries with a variety of cultural norms, our Corporate Human Rights Statement emphasizes our commitment to respect the dignity of all our employees. Our policies and practices are designed to fully meet applicable employment and labor laws, and our long-term sustainability depends on our ability to attract and retain talented, dedicated employees.

GLOBAL INCLUSION

Diversity and inclusion are fundamental, strategic imperatives at State Street. Knowing that our strength comes from the variety of ideas and perspectives in our global workforce, we strive to be a company where all employees are engaged and valued. At every level of our organization, diversity emerges from human differences — including age, ethnicity, gender, physical and mental ability, race, sexual orientation, spiritual practices, and family status — and is representative of the communities in which we operate. Individually and collectively, our differences make us stronger, and they have a measurable impact on our organization's performance by:

- Creating a more rewarding work environment for all employees
- Enabling us to attract and retain an increasingly diverse workforce

- Engaging qualified employees from all types of backgrounds
- Enhancing personal and professional development
- Encouraging creativity and diversity of thought
- Increasing employee pride, commitment and contributions

Our company-wide Global Inclusion initiative aims to ensure that our employees have the opportunity to do their best work in an environment where they feel valued and engaged. Country-specific implementation plans based on Global Inclusion's overall priorities acknowledge geographic and cultural differences throughout the company. The head of Global Inclusion supports an expanding infrastructure that drives a global approach to our priorities and areas

of focus. A committee of senior executives oversees the strategy for Global Inclusion and drives accountability across business groups and employee functions. Global Inclusion objectives for 2010 focused on providing leaders with opportunities and tools to:

- Inspire employee engagement
- Improve peer-to-peer communication
- Enhance employee confidence in State Street as an employer of choice
- Support an organizational infrastructure that offers expanded forums for discussion and education

To achieve these objectives, Global Inclusion focused on three major priorities, as shown below.

How to Achieve Objectives by Focusing on Three Major Priorities

Priority	Actions Taken / Results
Establish a culture of mentoring by expanding mentoring opportunities for all employees	<ul style="list-style-type: none"> • Launched a Global Mentoring platform; 1,879 employees currently participating, some in country-to-country relationships • Established an executive vice president/senior vice president mentoring program
Enhance middle management skills as they relate to Global Inclusion and employee engagement	<ul style="list-style-type: none"> • Introduced Global Inclusion Speaker Series, hosting six sessions on employee engagement best practices with more than 950 participants
Continue to build internal and external awareness of Global Inclusion	<ul style="list-style-type: none"> • Increased employee networks/chapters to 51 globally • Sponsored 402 employee-run Global Inclusion events with more than 25,000 participants • Subsidized the attendance of more than 1,000 women from State Street at the Massachusetts Conference for Women, sponsored in part by State Street • Held Employee Awareness Fairs in nine locations with more than 2,000 employees attending • Recognized and rewarded the efforts of 59 Global Inclusion "champions" with Spot Awards

Our commitment to diversity and inclusion is underpinned by a variety of other practices. Our corporate and local policies and our Standard of Conduct provide guidelines for how business is to be conducted and how employees are to conduct themselves. We have equal employment opportunity and non-discrimination policies in place in most locations; noncompliance is grounds for disciplinary action. These policies are available to employees via the State Street intranet at all times. Policies may also be distributed to employees annually; in the US these include Discrimination/Harassment, Equal Employment Opportunity/Affirmative Action, and Hours of Work/Overtime.

Sexual harassment and discrimination are not tolerated in our workplace. We offer training on policies and practices concerning diversity in the workplace, sexual harassment and human resource laws. From time to time, claims are filed with a governmental agency or court by current or former employees, alleging discrimination. The fact that such claims have been filed does not indicate that a finding of discrimination has been made. Although State Street does not currently collate information regarding claims made or legal proceedings commenced on a global level, a review of our files indicated that four claims were filed and are pending with the US Equal Employment Opportunity Commission or US State Fair Employment Practices agencies in 2010. State Street's Affirmative Action program is also subject to ad hoc review by the US Department of Labor.

Employees of State Street's Global Security division receive yearly corporate communications about equal employment opportunity, affirmative action, discrimination/harassment, sexual harassment, and drugs and alcohol, and they are

expected to be familiar with all State Street policies and guidelines. Of all of the current Global Security personnel and security vendor personnel in all State Street locations, 71 percent have received human rights training.

FLEXIBLE WORK PROGRAM

In 2009, we formalized our Flexible Work Program and launched an extensive communications campaign to educate employees about the benefits and mechanics of the program. Among the recognized benefits of flex work arrangements are:

- Improved employee engagement and retention, productivity, and recruitment
- Cost savings through reduced employee turnover and long-term real estate and technology costs
- Environmental sustainability
- Business continuity

Our 2010 Employee Engagement Survey results showed that flexible work arrangements are being well received, with 67 percent of the 19,200 respondents indicating they had some type of flexibility in their schedules, compared with 38 percent in 2009. There is still significant opportunity for growth, with 59 percent of responding employees expressing interest in working remotely three or more days per week. Recognizing that some employees may be reluctant to approach their managers about flexible arrangements, we have adopted an approach that encourages managers to assess the roles in their organizations against

the formal types of flex work to enable a proactive approach. By the end of 2010, more than 1,300 flexible work arrangements were formally in place, including more than 880 in North America, 59 in the EMEA region and 150 in the Asia-Pacific region. Survey results indicated that employees with the strongest perceptions of flexible work arrangements are the most loyal, committed and hard-working.

EMPLOYEE ENGAGEMENT

At State Street, we consider our employees to be among our most important stakeholders. As such, two-way communication is vital to ensuring that employees are well informed about corporate strategies and initiatives and that the company is attuned to employees' ideas and concerns. Increasingly, CR messaging and issues are incorporated in our ongoing communications channels, including *State Street World*, an employee publication with global and regional editions, quarterly Town Hall meetings with senior management, and communications kiosks deployed globally.

As part of our Global Opinion Exchange, employee surveys are a valuable tool for gauging employee attitudes. The surveys we conducted in 2006 and 2009 helped us identify areas of strength and opportunities for improvement. In 2010, a values survey played a key role in helping us develop our new corporate values (see page 15). For the first time, we included a CR question in our survey, with State Street's CR commitment receiving a score of 4.12 out of 5. We also conducted a survey focused on values and our Performance Planning and Review (PPR) process, with the aim of improving our goal-setting process.

THE PROFESSIONAL WOMEN'S NETWORK AT STATE STREET

Launched in Massachusetts in 1999, the Professional Women's Network is one of State Street's oldest employee networks. In its early days, the network was a small group of women who met monthly over a "brown bag" lunch to explore mentoring and networking opportunities. Today, it is a highly visible group of more than 1,000 women focused on advancing women's initiatives across the company, supporting the design of a global infrastructure to connect all of the local chapters, and growing both professionally and personally. Meetings held quarterly feature senior female executives who speak about leadership and opportunities for career advancement, as well as other speakers who inform participants about major corporate initiatives. In 2010, the network conducted a panel discussion broadcast via audio and video in North America and EMEA, with more than 450 women participating. A video of the event enabled chapters in other locations to hold events in their own time zones. According to Pamela Paton, senior vice president and network chair, "One of our goals is to increase our visibility with executive management so they will recognize the commitment, talent and strength that State Street women represent. After all, we all have the same goal — to make State Street better."

Employee networks are an important and growing element in our employee engagement efforts. We sponsor networks that focus on career and educational advancement, as well as the concerns and interests of our employees, including disability awareness, issues facing working parents, professional women and the experiences of African-American, Asian, Christian, GLBT, Jewish, Latino and Muslim employees. During 2010, we grew by adding chapters of existing networks in other locations, particularly outside the US. By the end of 2010, there were 51 networks/chapters globally.

Our Global Inclusion initiative includes a "Voices of Inclusion" program in which members of our top senior management group meet with employees to engage in dialogue about life at State Street. In 2010, we also launched a global mentoring software tool to match mentors with employees seeking mentoring. By year-end, 1,879 employees had participated in mentoring relationships of various durations.

Raising environmental awareness among employees is a top priority of our Office of ES. In 2010, we conducted an employee survey to gather opinions and identify engagement opportunities on ES. We held the first Sustainability Week in North America. Modeled on similar events held in the EMEA region for the past three years, activities included panel discussions with State Street executives and outside subject matter experts, speakers, vendor fairs, film screenings and volunteer events. Throughout the week, hundreds of people participated in 18 events at our locations in Boston, North Quincy, Irvine, Sacramento, Kansas City, Toronto and Montreal. In London and Edinburgh, we

formed employee sustainability teams that engaged in volunteer activities such as green gardens. An employee team created and helped manage a farmers' market that operated during the summer and early fall seasons in North Quincy, and ran a multiweek kickball tournament to raise funds for animal rescue and relief efforts in the US Gulf Coast region affected by the Gulf oil spill. During 2010, regional employee ES teams around the globe devoted 556 hours to planning and executing sustainability-related events, including speakers and panel discussions, team planning meetings, employee engagement fairs and other events. We also created an online ES training module to educate and inform employees about ES issues and make suggestions about how to participate in sustainability initiatives.

MANAGING CHANGE

Continuing to deliver superior service to our clients is State Street's top priority when we acquire a company or business. To ensure that new employees have access to the information they need to understand State Street and to succeed in their roles within the company, we provide welcome kits and a variety of employee communications

Worldwide Voluntary Employee Turnover

	2009	2010 ¹
Total	5.85%	11.50%

¹State Street no longer tracks voluntary employee turnover by region.

vehicles, including manager talking points, newsletters and Town Hall meetings. In April 2010, we completed the acquisition of Jersey-based Moutant International Finance Administration, adding approximately 650 employees in locations including Dublin, New York and Singapore. Our acquisition in May 2010 of Intesa Sanpaolo's securities services business added another 529 employees in Italy and Luxembourg. We successfully retained the vast majority of the employees from both of these acquisitions.

In the event of a company-initiated change in operations including a restructuring, outsourcing of operations, closure, expansion, new opening, sale of all or part of the organization, or merger in which employees are severed, our goal is to limit the impact on our business as much as is practical. We consolidate management functions and eliminate redundancies, targeting areas where we can consolidate positions and gain more efficiency without compromising our client service and support. In 2010, we announced plans for a multiyear program designed to enhance service excellence and innovation, deliver increased efficiencies in our operating model and position us for accelerated growth. In addition to enhancements to business operations and information technology, the program encompasses targeted cost initiatives, including consolidating our real estate portfolio and employee reductions that will conclude by the end of 2011. This reduction will impact approximately 1,400 employees, or 5 percent of State Street's workforce. Employee reductions are never taken lightly, and we have invested significant resources to ensure that our process is fair. We are committed to supporting the employees who leave State Street as a result of a reduction in force,

State Street Worldwide Workforce¹

	2008 ²	2009	2010
Non-managers	20,954	20,574	21,343
Managers	7,435	7,014	7,308
Total workforce	28,389	27,588	28,651
Asia Pacific	N/A	2,581	2,809
Europe, Middle East and Africa	N/A	6,778	8,353
North America	N/A	18,229	17,489
Full-time employees	27,658	26,834	27,629
Part-time employees	731	754	1,022

¹As of December 31, 2010. Based on year-end totals; does not include temporary workers.

²2008 employee statistics by region are unavailable due to a change in reporting methodology.

Composition of State Street Workforce

Title	2009 Females as % of Global Total	2009 Minorities as % of US Total	2010 Females as % of Global Total	2010 Minorities as % of US Total
All titles	44.1%	24.8%	44.9%	24.6%
Vice president and above	29.6%	12.7%	29.0%	13.2%
Below vice president	46.7%	27.4%	47.8%	27.4%

partnering with premier outplacement service providers. Severance benefits depend on an employee's grade level and length of service with the company, and minimum notice periods may be extended due to regulatory requirements, such as the Worker Adjustment and Retraining Notification Act.

State Street addresses employee turnover through a number of levers designed to attract and retain key talent in our organization. We follow a strategy that offers competitive compensation levels to our employees, with a focus on total compensation, not just base salary. All employees are eligible for an annual incentive award in addition to their base pay, allowing managers to differentiate employee compensation based on performance.

DEVELOPING OUR TALENT PIPELINE

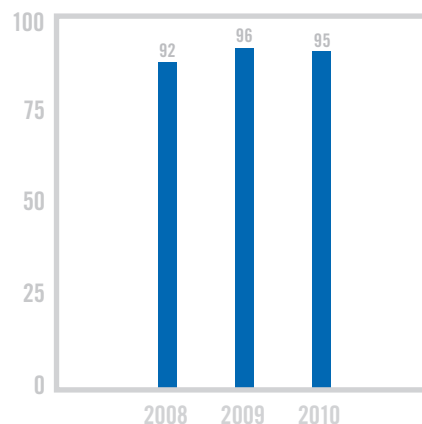
To ensure we are attracting and developing quality employees, State Street offers a comprehensive program for recognizing, rewarding and encouraging talented individuals through our annual Performance Planning and Review (PPR) process. Every year, each business unit sets goals for employee development, and employees work with their managers to develop individual performance plans. Employees receive mid-year and end-of-year reviews on progress toward their goals, and compensation is linked directly to the individual's performance review. Every PPR is required to include a Global Inclusion goal. In 2010, we conducted a Global Opinion Exchange survey on our PPR process with the aim of improving our goal-setting process. More than 6,000 employees responded to the survey, representing a 22 percent participation rate. The survey

found that most respondents considered the priorities and leadership behaviors used as a framework for goal-setting easy to understand but difficult to use as a framework for setting their individual goals. Respondents also indicated a desire to see the corporate performance goals earlier in the year. As a result of this feedback, the 2011 goals were distributed to all employees in December 2010.

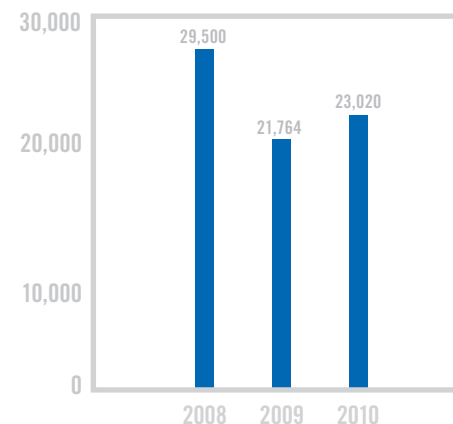
Our talent development programs focus on creating and shaping a performance-based culture built on strong leadership, excellent management practices and global mindset.

We believe that building the management and leadership capabilities of all State Street employees improves organizational and business performance, fosters a passion for the business that encourages people to give their best, and creates a fulfilling workplace. Senior business leaders and Global Human Resources business partners are encouraged to think strategically about learning and development, talent management and organizational change. Our development philosophy emphasizes a 70-20-10 blended approach in which 70 percent of learning comes

Worldwide Employee Development and Performance



Formal Performance Appraisal and Review / performance of employees



Classroom and Online Training¹ / courses completed

¹Includes classroom (approximately 10%) and online (approximately 90%) courses. Most classroom courses are four hours long; a few run eight hours (one day) or 16 hours (two days).

from experience, 20 percent comes from others and 10 percent from formal education. We provide a wide range of development offerings to enable employees at all levels and in all locations to achieve their personal and professional development goals.

Our Global Curriculum is a learning and development program that offers employees and managers access to targeted and relevant training that is consistent across all State Street locations. The curriculum consists of online courses available in multiple languages and instructor-led classes across a wide range of disciplines and topics. Targeted development opportunities are offered to key performers. State Street also provides an educational assistance program, which helps employees obtain continuing education and business-specific and technical skills training.

In 2010, we piloted Management Development Programs to provide targeted opportunities to improve manager effectiveness in support of inclusion goals. The first track, called the Manager's Journey, is a skills-based foundational program for new or transferred managers, and features learning through collaboration, networking and experiential learning, as well as through classroom and online courses. The program's second track, called Transitioning to Strategic Management and also piloted in 2010, is aimed at experienced managers. This track fosters the transition from manager to leader through extended action learning, mentoring experience and education to enhance the six key behaviors — talent differentiators — that drive State Street's leadership practices and are considered critical to meeting our business priorities. Successful pilots were

conducted in Boston, London, Dublin, Sydney, Hong Kong and Hangzhou, with more than 330 managers participating. The third track will offer tailored learning for executive development to provide key resources to senior leaders. We expect to introduce the Management Development Program globally in 2011. Also in 2010, we introduced a required course designed to give Global Human Resources employees a broad overview of the financial services industry and improve their business and financial acumen.

EMPLOYEE CONTRACTUAL RELATIONSHIPS

State Street complies with the applicable employment, labor and employee privacy laws where we do business. We have no formal global policy for granting preference to local residents when hiring in significant locations of operations, but our priority is to hire indigenous talent and promote from within as soon as is feasible. As an example of local hiring practices for senior managers (vice president and above), in 2010 several were hired in Australia (3), Germany (5) and the People's Republic of China (10), only one of whom was an expatriate.

Due to the nature of our business and reliance on skilled, professional workers, we have identified no operations with significant risks associated with freedom of association or forced or child labor. We are committed to adhering to local laws regarding the freedom of association and collective employee action. Our Standard of Conduct applies to all employees globally. Employees are encouraged to raise concerns through avenues identified in the Standard of Conduct. Employees also have the opportunity to engage in global networking events to facilitate engagement among

employees. No specific information is available on whether the company has taken measures such as staff councils, extended engagement with international trade unions or labor rights training to ensure employee participation in decision-making within the company in countries where no independent labor union may be established or where freedom of association is prohibited by law. We have had no incidents of violations involving the rights of indigenous people.

All employees are expected to adhere to our Standard of Conduct. We have adopted employment-related policies applicable to one or more business units within a geographic area and, in some cases, may have also entered into contractual relationships with worker representatives regarding workplace rules. Specific employment-related appeals processes exist, and any employee may raise an issue with any member of management or a member of the Global Human Resources team. We provide all employees with a reporting system that allows them to formally raise these concerns. Some of our country-specific contractual relationships are described here.

Asia Pacific No collective bargaining agreements/trade unions.

Austria Collective bargaining agreement for banks covers 100 percent of the employees.

Belgium No staff delegation is required because fewer than 50 people are employed. We are bound by the rules of the "commission paritaire 310" for companies performing banking services.

France The Banking Collective and Software and Computing Services Agreements cover 100 percent of employees. Negotiations are conducted with union representatives and a Workers' Council. Monthly Workers' Council/management meetings are held, and a health and security council representing all employees meets four times per year.

Germany Works Council is implemented at employee request; there is a nine-member council in Frankfurt and no council in Cologne or Munich. A committee with representatives from TUV (organization for occupational safety), Global Realty Services, management and a doctor specializing in occupational health meets twice per year on occupational health and safety issues. TUV holds regular information sessions on topics related to occupational health and safety. Eye tests and flu vaccinations are provided.

Ireland No collective bargaining or labor agreements in place.

Italy Local employee representatives are involved with two major unions; local agreement supplements National Collective Bargaining. Health and safety practices comply with local laws. We consult trade unions on health and safety issues. Specific agreements cover issues such as use of video cameras and attendance systems.

Luxembourg The Collective Labour Agreement for the Banking Sector covers 85 percent of employees. All employees are represented by staff delegation comprising members of the lead banking sector union (Association Luxembourgeoise des Employes de Banque et Assurance). A Joint Works Council has representatives from manage-

ment and non-management teams, and continually reviews health and safety issues. A full-time, trained health and safety representative advises senior management on health and safety matters, supervises security equipment, organizes related training sessions, and liaises with governmental authorities. A safety representative works closely with the staff delegation's appointed safety delegate who inspects working conditions, makes proposals on risk prevention, performs a consultative role in assessing health and safety risks, and implements actions with health and safety implications.

Netherlands Employees are covered under the Collective Labor Agreement, represented by the Union and Works Council.

North America No collective bargaining agreements/trade unions.

Poland No collective bargaining agreements or trade unions. A health and safety committee includes employee representatives, a certified health and safety specialist, and a doctor specializing in occupational health and safety issues. A human resources representative meets with the committee on a quarterly basis. Regular health and safety training is delivered to employees in compliance with local law. Annual vaccinations and eye tests are provided.

South Africa No collective bargaining agreements.

Switzerland Staff delegation is not required. We are bound by the rules of the Swiss Code of Obligation, as well as the Swiss Employment law.

United Kingdom There are no collective bargaining agreements or trade unions. Employee information and consultation committees are established as required. The UK health and safety board, which includes employee and management representatives, meets regularly to ensure consistency and compliance with relevant legislative provisions. Regular health and safety training is delivered to staff in compliance with local law. Annual vaccinations and eye tests are provided.

COMPENSATION AND BENEFITS

Our compensation and benefits practices, as well as personal and professional development opportunities, help State Street attract and retain the best employees. These employees contribute to our success while striving to achieve their individual performance goals. For information about State Street's executive incentive compensation, please see page 24. State Street's entry-level wages are generally above minimum wage standards across our operations. As such, this is not a material risk for the company.

Our compensation philosophy is focused on pay for performance and, as such, incentive compensation is an important component of our total compensation program. It is our goal to ensure that State Street's total compensation levels (the value of base salary, benefits and incentives) and practices (the mix of base salary, benefits and incentive values, and the design of each program) are competitive with prevailing market practices in our relevant talent markets, and in compliance with all applicable laws and regulations. Additionally, our shareholders expect to see a

strong positive relationship between how State Street's pay levels and practices are positioned relative to market practices and how we perform. That is one of the main reasons we deliver part of incentive awards to our more senior employees, in most countries, in the form of deferred State Street equity, the value of which will reflect shareholders' assessment of our performance over time.

We also take relevant laws and regulations into consideration. Governments in the US, Europe and the Asia-Pacific region are enacting legislation and have empowered their regulators to ensure that compensation practices in financial services companies are not a contributing factor in future financial crises. While the details of new laws and regulations are in varying stages of development and will inevitably differ from country to country, two broad themes have emerged: a sharp focus on the alignment between risk-taking behavior and different forms of compensation, and enhanced governance over compensation by senior management and boards of directors.

In 2010, State Street moved to a standard, 40-hour work week in the US, reversing a long-standing practice of using different standard schedules that led to inconsistent policy interpretation and workforce management practices. This change positions us better to implement manager-approved flexible work arrangements and gives us a stronger basis for consistent full time-equivalent metrics to achieve more precise workforce budgeting, reporting and planning practices.

We recognize that the ratio of wages for males and females in the company is of interest to our stakeholders and material to our business. However, we do not report a female's basic salary as a percentage to a male's because a simple across-the-board analysis of an organization of State Street's size and multiple business line complexity would not accurately compare similar positions or capture all elements of a total compensation program.

State Street provides a variety of programs, resources and benefits that support our employees as they encounter challenges in their work and personal lives and in caring for themselves and others. Our flexible benefits program in the US includes medical and life insurance, as well as flexible spending accounts for health care and dependent care.

Our Benefits and Work/Life program is designed to help employees balance the requirements of their work and personal lives. The company funds retirement programs, held and maintained separately from corporate resources where permissible, including a 401(k) plan featuring a company match. As of December 31, 2010, defined benefit plan liabilities met by State Street's general resources were estimated at \$279 million. For the \$865 million of liabilities for pension plans with separate funds, the majority of which are for US plans, there were \$884 million of assets and \$19 million of funded status surplus. For funded plans with assets not fully covering liabilities, there were \$57 million of liabilities, \$50 million of assets and \$7 million of unfunded status deficit. The plans are funded as required in each local jurisdiction to meet or exceed minimum funding requirements.

Temporary employees and regular employees in the US who work fewer than 20 hours per week are not eligible for benefits. Regular part-time employees who work between 20 and 28 hours per week are eligible for benefits with some limitations; those working more than 29 hours or more are eligible for full benefits. Benefits provided to full-time and most eligible part-time employees in the US include (subject to applicable terms and eligibility requirements) life insurance, health insurance, medical care for families, accident insurance, disability/invalidity insurance, pension plans/retirement provision, maternity and/or paternity leave, child care, employee assistance program, job security initiatives for redeployment, flexible work schemes, death benefits, healthy living programs, private rooms for new mothers, adoption assistance and a home buyers program. Information on State Street benefits may be found at www.statestreet.com/careers.

VOLUNTEERISM AT WORK

We believe employees are drawn to companies that have a commitment to community service and provide opportunities for personal involvement in making the world a better place. Volunteerism is an important aspect of work/life balance at State Street. As a company that strives to be an employer of choice, we have made volunteerism an important part of our corporate identity. Consistent with that philosophy, volunteer activities are included in the development goals section of our PPR process.

We provide a number of outlets for employees to volunteer their time, talent and passion to make a difference in the lives of others. State Street Global Outreach™, our volunteer program that is available in 35 State Street offices in 23 countries, offers employees at least two paid days a year to participate in the program or their personal volunteer endeavors. Employees may also take advantage of our volunteer flextime policy for ongoing projects during the workday, such as school-based mentoring opportunities. An important aspect of the program is participation by managers, who are urged to volunteer with their employees. In Massachusetts, Global Outreach includes the Spirit of State Street Alumni Volunteer Program, connecting retired and former employees with one another and with current employees by providing meaningful opportunities for community service. We also give employees ways to make financial contributions to their communities. (For further details, see page 70.)

WORKPLACE COMFORT AND SAFETY

When a State Street employee in the US or Europe requests an ergonomic evaluation of their workspace, an ergonomic expert completes a comprehensive onsite review of the employee's workstation and a written report of suggestions, which may include, among others, a drop-down keyboard tray, wrist rest or headphones. Based on the report, we work with the employee to provide the necessary equipment for their workstation.

Based on the workers' compensation modification developed by the National Council on Compensation Insurance and applicable to all US employers, State Street's experience modification score is 0.55, which means our experience is better than average and our company is a good risk with low frequency and severity of claims.

State Street employees are expected to self-report their time out of the office due to illness, bereavement and vacation. As this data is voluntarily submitted, we do not report on absenteeism globally.

BEING PREPARED

State Street follows the phased-based approach of pandemic planning as outlined by the World Health Organization. The company is leveraging its strong incident management and business continuity components of the overall global continuity program to respond to an infectious disease outbreak.

State Street's Infectious Disease Preparedness and Response Plan (IDPRP) is built around three key elements: incident management and communication, business continuity, and employee health and safety. We created the IDPRP for the safety and well-being of State Street employees, their families and local communities — to decrease employee stress levels both before and during a pandemic event, to sustain business activities and operations, and to preserve our reputation with clients and regulators amid the growing presence of various influenza strains around the globe.

A BETTER COMMUNITY

State Street is committed to increasing the economic well-being of communities where we operate, especially by helping to equip the disadvantaged with the resources to succeed.

A man with short dark hair, wearing a dark suit, light blue shirt, and patterned tie, is smiling and holding a large blue t-shirt in front of him. The t-shirt has the word "VOLUNTEER" printed in white capital letters. He is standing in front of a chalkboard and a wooden shelf. The background is a solid light blue color.

VOLUNTEER

State Street provides monetary support through the State Street Foundation and a variety of community investment initiatives and corporate donations. Recognizing that our employees are a valuable resource in their communities, we encourage, support and celebrate their volunteer efforts. Our offices around the world take responsibility for developing relationships with their respective community leaders and organizations and, with the support of headquarters' resources, initiate programs appropriate for their locales. We take pride in our tradition of community support and believe our efforts help to create a safer, stronger, more vibrant world.

STATE STREET FOUNDATION, INC.

In 1977, State Street established the State Street Foundation, a tax-exempt organization, to provide support for the less advantaged in the communities where we operate. In 2007, the foundation was incorporated to enhance our ability to make grants to qualified non-US nonprofit and charitable organizations; its financial statements are independently audited. Although we do not follow a formulaic approach to fund the foundation, our goal is to direct at least 1 percent of State Street's pretax profits to the foundation, and we have achieved that goal over the past three years. In 2010, State Street contributed \$19 million to the foundation, providing funding for our strategic grantmaking, disaster relief and employee workplace giving programs, including Global Giving and Matching Gift.

STRATEGIC GRANTMAKING

Since its inception in 1977, the State Street Foundation has made grants totaling \$183 million. In 2010, grants totaled \$17.8 million.

Revised in 2009, our mission and vision statements for the Strategic Grantmaking Program reflect an evolving global focus on education and workforce development, with the ultimate goal of directing 70 percent of our grants to these kinds of initiatives and programs. Special attention is given to educational programs as they relate to three areas: employability, job readiness and life skills related to career development, and career pathways and sector partnerships. A secondary focus, which we expect ultimately to account for a small percentage of our grants, is providing limited support for organizations and programs that deliver critical support services necessary to achieve individual and regional economic development and funding flexibility to respond to rapidly changing community needs. Grant support is focused on supporting disadvantaged groups, including low-income populations, the undereducated and the unemployed/underemployed. The level of support may differ slightly in geographic regions to reflect the varying needs of our communities. We have enhanced our grant-making guidelines to reflect this more focused approach, and we are working with a consultant to develop a plan for evaluating our grantmaking activities, to be implemented in 2011.

STRATEGIC GRANTMAKING MISSION

The mission of the State Street Foundation's strategic grantmaking program is to contribute to the sustainability of communities where State Street operates, primarily by investing in education and workforce development for disadvantaged populations. The foundation also provides grants to organizations and programs that deliver critical services to people along the path to economic self-sufficiency.

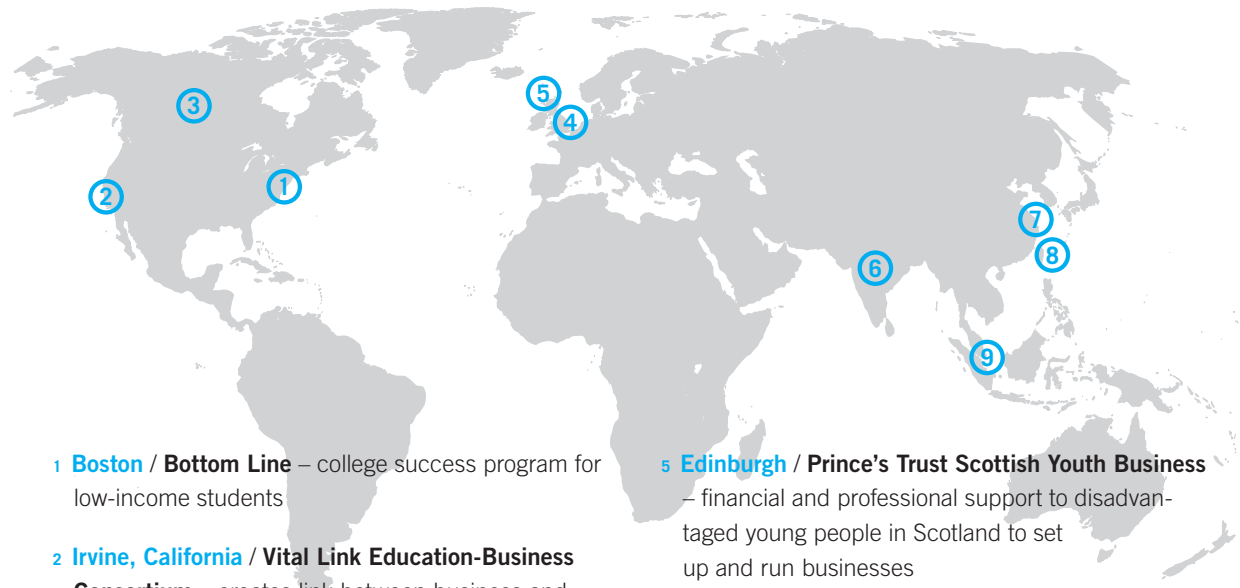
STRATEGIC GRANTMAKING VISION

The State Street Foundation believes that increasing an individual's ability to earn and maintain a living contributes to the overall health and well-being of our communities around the world. By investing resources in this way, the foundation strives to resolve issues of skill shortages, regional competitiveness and income disparity between those with and without education and job skills. We collaborate with peers, educational institutions and charitable organizations to help ensure that populations where we operate are economically thriving and that a pipeline of entry- and intermediate-level talent is available to meet employer needs in our local communities

We employ a decentralized model for investing through the State Street Foundation. Around the globe, 35 State Street community support committees evaluate and recommend funding for organizations making a difference in their communities. We also support teams in North America and the Asia-Pacific and EMEA regions that address community issues from a regional level, including grant-making and event support decisions. In locations outside Massachusetts, these committees are volunteer-based.

In 2010, we increased our operational efficiency in two ways. Recognizing the significant administrative burden on our community support committees in the Asia-Pacific and EMEA regions, we engaged third-party grant administrators in those regions and the Cayman Islands to free up committee time for identifying appropriate community partners and making well-considered decisions about grant recipients. The third-party intermediaries also provide local expertise and support that enable committees to be more proactive in identifying potential new grant recipients. In the US, we partnered with an intermediary to help community support committees understand the local context for workforce development and to compile a directory of appropriate local charities working in our focus area. The second improvement was the introduction of an online grant application tool in the US that streamlines the administrative process for grant applicants.

Grants Examples / Worldwide



1 Boston / Bottom Line – college success program for low-income students

2 Irvine, California / Vital Link Education-Business Consortium – creates link between business and education to prepare students for successful transition to meaningful employment

3 Montreal, Toronto and Vancouver / Leave Out Violence (LOVE) – multimedia training program to enhance educational and employment opportunities

4 London / City Gateway Women's Project – catering/hospitality, child care and teaching assistant vocational training program for vulnerable women

5 Edinburgh / Prince's Trust Scottish Youth Business – financial and professional support to disadvantaged young people in Scotland to set up and run businesses

6 Bangalore / The Akshaya Foundation – library programs in 35 schools to encourage children to read and improve literacy skills

7 Hangzhou / Hangzhou Municipal Charity Federation – training migrant workers for nursing assistant jobs

8 Taipei / Eden Social Welfare Foundation – vocational training for people with disabilities

9 Singapore / National Council of Social Service – services for children and adults with cerebral palsy

For many years, the State Street Foundation has provided financial support to organizations serving at-risk youth. Since 2007, we have chosen to focus on youth violence as a major hindrance to employability in the Boston area. We announced in 2008 a pledge of \$1 million for efforts to prevent youth violence and promote peace in Boston's neighborhoods. We subsequently enlisted the input of an advisory committee comprising community leaders and youth violence prevention experts and commissioned research on ways to collaboratively move the needle on this critical issue. The Youth Violence Prevention (YVP) Funder Learning Collaborative was officially launched at a symposium in June 2009, which highlighted the importance of all private and public funders working together and using a common public-health framework to support programs and services that address youth violence over the long term.

Youth violence is a complex challenge, and research shows that a spectrum of strategies is an effective contributor to prevention. The YVP Funder Learning Collaborative operates through working groups of interested funders with common goals to share knowledge, learn more about the issue, explore unmet needs and gaps, and identify opportunities to strategically align funding to address these needs and gaps. The Collaborative has working groups, each co-chaired by a public and private funder, that focus on family support and mental health, youth workforce development and education, and youth development and mentoring. In 2010, a summer employment initiative that involved members of all three working groups proved a compelling example of the power of aligning funding for greater impact. By targeting two of Boston's highest-crime,

highest-poverty neighborhoods with intentional outreach to youth not typically connected to employment opportunities, the program helped bridge the jobs-funding gap by providing \$700,000 in funds, as well as providing an opportunity to evaluate its impact on violence prevention. Youth involved in the program showed an increase in protective factors and social bonds, as well as a decrease in risk factors and deviant behaviors associated with future potential for criminality.

Also in 2010, we completed a five-year collaboration in the EMEA region with Microsoft-Europe, Cisco Systems, Randstadt and three other organizations as sponsors of the European Alliance on Skills for Employability, whose goal was to help the European Union realize its mandate to provide technology training to 20 million additional workers by 2010. State Street's community support committees across Europe devote portions of their annual site budgets, as well as funds from a regional budget, to support the Alliance's work in Belgium, France, Germany, Luxembourg, Poland and the UK. State Street and the other members are exploring ways to continue the Alliance's progress beyond 2010 and to create best-practice models that can be used throughout Europe to build skills.

As part of the Strategic Grantmaking Program, we maintain a Disaster Relief Emergency Assistance Fund to provide grants in response to large-scale disasters around the world that have a significant, lasting impact and require a concerted relief and rebuilding effort. In 2010, the State Street Foundation donated \$400,000 to Oxfam America's Haiti Earthquake Response Fund and matched employee

donations of \$100,000. We also made a grant of \$500,000 to the American Red Cross Annual Disaster Giving Program, which includes support for domestic disaster relief services, the Red Cross International Response Fund and support for the American Red Cross of Eastern Massachusetts.

EMPLOYEE WORKPLACE GIVING PROGRAMS

Over the years, State Street employees have demonstrated a remarkable capacity and willingness to give back to their communities. We value their commitment, and we seek to engage and unite them around their passions through our Matching Gift Program and Global Giving Campaign.

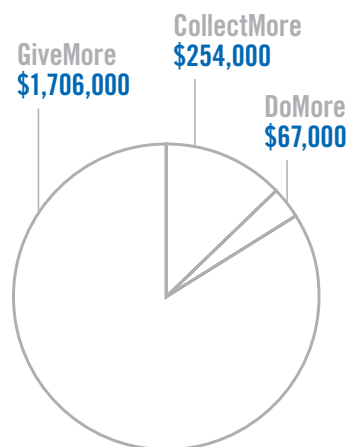
The Matching Gift Program goes beyond the traditional practice of matching financial contributions to charitable organizations or educational institutions (GiveMore), and includes monetary grants that match volunteer efforts with charitable nonprofit organizations (DoMore) and matches for fulfilled pledges raised by an individual employee for an organized fundraising event (CollectMore). We also match gifts to all qualified US charitable organizations and equivalent non-US organizations, giving employees even more options to give back to their communities. The program is available to all employees, no matter where they sit.

In 2009, we began exploring the concept of a global workplace giving campaign designed to unite colleagues around the world on one social issue through financial and volunteer contributions. We conducted an employee survey to explore the social issues most important to them, so as to design a campaign that aligns with employee interests and offers the flexibility to direct money to the causes

and social issues that are personally important. Education emerged as the dominant issue among our employees. Nearly 1,000 employees have signed on to help implement the campaign, which will be launched in 2011 and will have a three-year focus on education, with regional areas of emphasis based on survey results.

State Street is a long-time supporter of the United Way in North America, and we are exploring ways to continue our support of its activities in the new campaign. In 2010, State Street's corporate United Way gift of \$2.2 million combined with employee contributions of \$2.2 million to total \$4.4 million, marking our 19th year as the largest corporate contributor to the United Way of Massachusetts Bay and number one in all of New England for the 10th straight year.

2010 Matching Gift Program by Component



STATE STREET GLOBAL OUTREACH™

Increasingly, providing support to our communities requires developing broad, creative solutions. When we partner with an organization, we try to capture the whole picture of its needs, recognizing that volunteer efforts may mitigate some of the need for financial support. In 2010, State Street Global Outreach, our company-wide volunteer program, celebrated its 10th anniversary. The program is designed to help create stronger communities while advancing business goals by building strong client relationships through joint volunteer efforts and by fostering teamwork among our employees. It is currently available in 35 State Street offices in 23 countries and to alumni in Massachusetts. Community needs are identified by the Global Outreach team or the local community support committee.

The program offers a menu of five service models, including mentoring, consulting, building, serving and giving.

- Mentoring involves ongoing, one-on-one guidance to an adult or child.
- Consulting projects offer employee skills and expertise to help nonprofit organizations meet specific challenges.
- Building entails one-day projects such as planting a community garden or building a playground.
- Serving programs feed hungry families at shelters or soup kitchens.
- Giving involves running collection drives, such as for local food banks, toy collection programs, gently used clothing and more.

Matching Gift Program

	2008	2009	2010
Foundation matching funds	\$1,280,000	\$1,570,000	\$2,027,000
Corporation matching funds	\$85,000	\$80,000	N/A ¹
Total	\$1,365,000	\$1,650,000	\$2,027,000
Average match per gift	\$455	\$458	\$414
Number of employee contributions	3,000	3,600	4,900

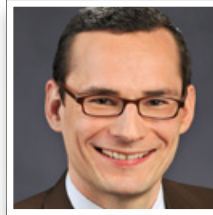
¹In 2008 and 2009, State Street partially matched employee gifts outside the US in addition to matches from the State Street Foundation. In 2010, we made the Matching Gift Program available to all employees worldwide, and no corporate matches were made.

In 2009, we added an ES project indicator to our online project setup form so as to begin tracking metrics around sustainability-focused volunteer events. In keeping with State Street's Global Inclusion initiative, employee networks around the world are encouraged to incorporate volunteerism into their activities.

An emerging area of interest is skills-based volunteerism, in which an employee uses either work-related or personal skills to help a nonprofit organization, and skills-building volunteerism, in which an employee develops a skill set through volunteerism. Skills-building volunteerism is an effective way to help employees meet their performance goals by developing skills identified as talent differentiators, such as public speaking.

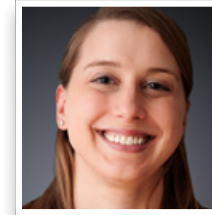
In 2010, we launched a "State Street on Board" program in Massachusetts, which provides training to executives interested in serving on nonprofit boards. Training topics include fundraising, board dynamics and legal issues. Upon completing the program, executives have the opportunity to be matched with a nonprofit board consistent with their interests. Approximately 60 executives participated in the program during the year.

State Street Global Outreach in Action



Florian Sprater
Global Services, Munich

Florian Sprater has been with State Street for three years. Looking for volunteer opportunities at State Street, he has found Global Outreach to be a valuable way to remind himself of the challenges other people face in their lives and to give back to his community. The opportunity to have two days off each year for community service is an important incentive for him to be involved, and visiting nonprofit organizations enables him to see the world from a different angle. As a volunteer member of his local community support committee, Florian publishes a Corporate Citizenship newsletter, with the aim of giving employees an integrated look at the many ways State Street serves the community. He believes that State Street's commitment to the community sets it apart from other companies in Germany. "I'm really proud that my company supports the community and is key to the success of some important nonprofit organizations. Most companies in Germany support the arts. State Street's focus on education and the disadvantaged is unusual, and I think it's one reason people want to work here. It's really satisfying to see how we can make a difference."



Kristine Kaktins
Global Security, Boston

Kristine Kaktins has been with State Street since 2003 and serves as division liaison to the Global Inclusion initiative, in addition to her Global Outreach activities. When she joined the company, her manager encouraged her to participate in Global Outreach, and she served on a team that volunteered at Community Servings, which provides meals to people who are homebound with acute, life-threatening diseases. For the past six years, she has served as a Global Outreach ambassador, meeting with other employees and encouraging them to participate in the program. She also serves as the co-chair of the Massachusetts Global Outreach Working Group. Through Global Outreach, she feels more connected to State Street. "In my day-to-day work, I have limited contact with people outside my small work group, and I sometimes feel a little isolated. By volunteering at Community Servings, I have an opportunity to learn about the challenges their clients face, meet new people and give back to my community. Through my work as an ambassador, I've had the opportunity to learn more about State Street's business through interactions with employees in other areas and to educate people about my division and my role. Global Outreach is a great program that makes it easy — there's no reason not to volunteer."

State Street Global Outreach

	2008	2009	2010
Number of offices participating on an ongoing basis	30	34	35
Total projects	3,800	3,900	4,900
Total volunteer hours	60,000	72,000	78,400
Savings to our charitable partners ¹	\$1,200,000	\$1,500,000	\$1,600,000
Cumulative volunteer hours since 2001			430,400
Cumulative projects since 2001			15,600

¹Savings to charitable partners based on a factor provided by the Independent Sector: www.independentsector.org.

OUTSTANDING VOLUNTEER EFFORTS

To encourage broader volunteer participation by employees around the globe, we have a decentralized process for recognizing outstanding volunteer efforts. Three regional selection committees select recipients of the Chairman's Award and recommend their top candidates for other awards. Awards for 2010 were given in the following categories:

- Chairman's Award for Exceptional Volunteerism¹
(Asia Pacific, EMEA and North America)
- Golden Gloves Award²
- Manager of the Year³
- Office of the Year³

- Spirit of State Street Alumni Award⁴
- United Way HERO Award⁴
- Volunteer of the Year³
- Volunteer Team of the Year¹

¹ Combines individual recognition with a \$10,000 grant to the charitable organization(s) of winner's choice.

² Presented to the winner of a food-sorting competition at the Greater Boston Food Bank.

³ Combines individual recognition with a \$5,000 grant to the charitable organization(s) of winner's choice.

⁴ Combines individual recognition with a \$2,500 grant to the charitable organization(s) of winner's choice.

CORPORATE SUPPORT FOR THE COMMUNITY

Although commercial lending and project finance fall outside our core business strategy, we have made a corporate commitment to support initiatives that strengthen the economic fiber and cultural vitality of our communities. We place particular emphasis on Massachusetts, where we have many legacy relationships with community investing organizations focused on affordable housing and small business.

During the past 20 years, we have invested nearly \$117 million in low-income housing tax credits with the Massachusetts Housing Investment Corporation (MHIC), a financial intermediary that helps community-based developers and nonprofit organizations finance high-quality affordable housing projects by pooling financial resources provided by Massachusetts financial institutions. This public/private partnership has provided more than \$691 million in investments to help finance the creation of more than 7,600 affordable housing units. In 2010, we invested an additional \$12 million in Massachusetts affordable housing projects. We have also invested \$14 million in New Markets Tax Credit funds organized by MHIC, which provide financing for mixed-use developments that combine much-needed commercial and retail space in many markets in conjunction with affordable housing. More than 1 million square feet of commercial facilities in urban centers have been produced through this program. State Street also holds a \$4.8 million investment in MHIC's affordable housing loan fund.

A LEGACY RELATIONSHIP THAT CONTINUES TO EVOLVE

The Private Industry Council (PIC) was founded in 1979 to engage the Boston-area business community in the development of job training and employment opportunities for city residents. From the beginning, State Street has been an active partner with PIC, including executive involvement, funding support and participation in a program that introduces some 4,000 public high school students to the world of work and career opportunities every summer. We are the largest employer of interns in the PIC Summer Jobs Program. The interns' supervisors and managers play an important mentoring role, and State Street holds onsite classes for students who are struggling academically. In 2010, we provided summer employment to 192 high school students, with associated salaries, benefits and expenses totaling \$548,000.

State Street is a lead investor in a credit enhancement fund, managed by nonprofit Boston Community Capital, whose sole purpose is to facilitate alternative energy use, especially solar for hot water and electricity generation and conservation improvements at 750 units in existing Massachusetts affordable housing developments. To date, the fund has installed solar panels capable of generating 1.9 megawatts of solar power. State Street's \$5 million investment leveraged more than \$17 million in other public and private funds for these investments. In 2010, work continued on 10 additional solar projects in Boston and surrounding cities, representing approximately 1,122 kilowatts of solar power.

Since 1998, State Street has invested more than \$28.5 million in small-scale venture capital funds to fuel economic growth and job creation in underserved US markets. Our 2010 small business investment totaled \$4 million. We also hold \$5 million in community development investments, primarily in Community Development Finance Institutions.

State Street has invested in three global microfinance funds that provide debt capital to specialized institutions which offer credit to entrepreneurs in developing countries that are underserved by the traditional banking system. In 2009, we made a \$2.9 million investment in the FINCA

Microfinance Fund, which provides loans to small-scale entrepreneurs and individuals in developing countries so they can create jobs, build assets and improve the standard of living. We also made a \$500,000 commitment to Blue Orchard Microfinance Securities I, which provides loans to nearly 1.9 million people, primarily in Latin America, \$125,000 of which has been repaid. The Global Commercial Microfinance Consortium, a landmark \$75 million fund, included a \$4 million State Street investment, all of which has been repaid.

Our Strategic Grantmaking Program provides support for PIC's Pathways through College program, which provides transition coaching for Boston public school graduates attending local community colleges. In 2010, PIC served as an intermediary agency for a summer employment pilot initiative that provided additional summer job opportunities for youth in high-risk neighborhoods as part of the YVP Funders Learning Collaborative. We also provided an additional grant for PIC's Academic Persistence through Employment program that extends and expands upon the lessons learned during the 2010 summer employment pilot. Through this long-standing collaboration, State Street and PIC are making a difference in the lives of Boston's at-risk youth.

Property, payroll, sales, capital and income taxes are vital revenue sources on which governments rely to fund infrastructure, education, health care and other essential community services. State Street is committed to fully complying with all relevant tax laws and regulations, and

always acting with the highest level of integrity. Property, payroll, transfer, value-added, sales and other indirect taxes are expenses included in the calculations of operating-basis income in the Sustainability Snapshot section of this report. State Street's consolidated income tax expenses for the years ended December 31 are listed below:

Income Taxes¹

\$ millions

	2008	2009	2010
US federal	1,065	75	(885)
US state	299	39	15
Non-US	309	157	156
Total current expense (benefit)	1,673	271	(714) ²

¹Current tax expenses, consistent with 10-K filings.

²State Street's 2010 tax benefit is attributable to losses in its securities portfolio

HIGH MARKS FOR MEETING COMMUNITY NEEDS

Classified as a "wholesale bank" under the Community Reinvestment Act (CRA) regulations in the US, State Street is evaluated every two years on its record of meeting the needs of the communities in which it operates, particularly in low- and moderate-income neighborhoods, by the Federal Reserve Bank of Boston (the Federal Reserve) and the Commonwealth of Massachusetts Division of Banks (the State). Both the Federal Reserve and the State rates State Street's CRA performance as "outstanding" — a rating affirmed by the Federal Reserve and the State in early 2009. Our reputation as a responsible corporate citizen, supported by independent assessment such as the CRA rating, is important to our long-term success, as it affects our ability to make acquisitions that strengthen our market position and to open additional offices.

STATE STREET LEADERS IN THE COMMUNITY

State Street's long tradition of community involvement is exemplified in the many executives around the world who donate their time as board members for charitable organizations. To further institutionalize senior executive nonprofit board membership, we launched "State Street on Board" in 2010, a matching and training program for vice presidents and above. Initially introduced in Massachusetts, the program is expected to expand beyond our headquarters over the next few years as the program and our global presence grow. The program is administered by the Boston Arts and Business Council, which has customized its matching and training program to include board memberships on community organizations within the State Street Foundation's strategic focus.

Below is a sample of State Street senior executives involved as board members of charitable organizations in 2010:

Joseph L. Hooley, Chairman, President and Chief Executive Officer
Boys and Girls Club of Boston

Joseph C. Antonellis, Vice Chairman
Boston Partners in Education, Chairman

James C. Caccivio Jr., Executive Vice President
Knitting for Angels, Advisor

Jeffrey N. Carp, Executive Vice President
Habitat for Humanity of Greater Boston
Project Bread – The Walk for Hunger

Joseph Chow, Executive Vice President
Greater Boston Chamber of Commerce

Donald Conover, Executive Vice President
Metropolitan Boston Housing Partnership
Initiative for a New Economy
Earthwatch Institute

Jeff D. Conway, Executive Vice President
YMCA of Greater Boston

Maureen P. Corcoran, Executive Vice President
William T. Blackwell Charitable Foundation

Gary E. Enos, Executive Vice President
William T. Blackwell Charitable Foundation, President
Mutual Funds Against Cancer Expect Miracles Foundation

Stefan M. Gavell, Executive Vice President
Boston Symphony Orchestra
Business Partners Committee

Alan D. Greene, Executive Vice President
Urban League of Eastern Massachusetts

Hannah Grove, Executive Vice President
Women's Lunch Place

Jamie Kase, Executive Vice President
United Cerebral Palsy of New York

John L. Klinck Jr., Executive Vice President
Boy Scouts of America – Boston Minuteman Council
Boston Symphony Orchestra
Courageous Sailing

Alistair Lowe, Executive Vice President
New England Aquarium

Madge M. Meyer, Executive Vice President
Asian American Civic Association

James S. Phalen, Executive Vice President
Boston Medical Center

David C. Phelan, Executive Vice President
New England Legal Foundation

David W. Puth, Executive Vice President
The Institute of Contemporary Art
Robin Hood Foundation

Alison A. Quirk, Executive Vice President
Boston Ballet
Massachusetts Conference for Women
United Way of Massachusetts Bay

Dennis Ross, Executive Vice President
Massachusetts Taxpayers Foundation

George A. Russell Jr., Executive Vice President
Massachusetts Math and Science Initiative
Tufts Health Plan Foundation

William Slattery, Executive Vice President
NCI Progressions Programme Advisory Council, Chair

K.K. Tse, Executive Vice President
Oxfam Hong Kong, Chair

DNV ASSURANCE STATEMENT

Det Norske Veritas Limited (DNV) has been commissioned by the management of State Street Corporation (State Street) to carry out an assurance engagement in connection with its 2010 Corporate Responsibility Report (the CR report) in its online downloadable format. This engagement focused on qualitative and quantitative information provided in the report and underlying management and reporting processes. It was carried out against the principles and requirements established in the AA1000 Assurance Standard (2008) (AA1000AS 2008).

This Assurance Statement is aimed at the readers of the report. State Street is responsible for the collection, analysis, aggregation and presentation of all information within the report. DNV's responsibility regarding this assurance engagement is to the management of State Street only and in accordance with the terms of reference agreed upon with them. DNV disclaims any liability or responsibility to a third party for decisions, whether investment or otherwise, based on this assurance statement.

SCOPE OF ASSURANCE

The scope of DNV's assurance engagement, as agreed upon with State Street, included verifying the content, focus and quality of the information presented in the report, which covers calendar year 2010, and assessing the underlying data management and reporting processes. In particular, this assurance engagement included:

- Reviewing the CR and Environmental Sustainability (ES) policies, initiatives, practices and performance described in the report
- Reviewing the processes for defining the boundaries, focus and content of the report
- Verifying the reliability (accuracy and completeness) of information relating to State Street's CR and ES management approach and achievements
- Verifying the reliability of specified 2010 ES performance data included in the environmental section of the report, namely: indirect and direct CO₂ emissions from opera-



CR 2010 DNV ASSURANCE STATEMENT

tions; CO₂ emissions from business travel; indirect and direct energy and water consumption; recycling and waste data; and associated normalized (per-person and per square-foot) metrics across all locations and regions included in the report.

- Reviewing and assessing the processes and tools for collecting, aggregating, analyzing and reporting quantitative and qualitative CR and ES information from all three regions (Asia Pacific; North America; and Europe, the Middle East and Africa)
- Evaluating the adherence to the Accountability Principles of Materiality, Inclusivity and Responsiveness established in the AA1000APS 2008
- Evaluating the adherence to the principles set out in the GRI 2006 Sustainability Reporting Guidelines Version 3.0 (GRI G3), and verifying State Street's declared GRI Application Level

LIMITATIONS

This assurance engagement included an assessment of the quality of qualitative and quantitative information specified above and assertions made in the report. It did not include an assessment of the adequacy or effectiveness of State Street's strategy or management of CR and ES issues. Furthermore, DNV has not verified the reliability of quantitative information other than the above-specified ES performance data. This engagement excluded financial

data (e.g., financial savings from energy efficiency, the activities and performance of the State Street Foundation), as well as CR and Sustainability management, and performance and reporting practices by State Street's suppliers and other third parties mentioned in the report.

VERIFICATION METHODOLOGY

This engagement was carried out between September 2010 and May 2011 by a multi-disciplinary team of suitably qualified and experienced DNV sustainability professionals. It was undertaken in line with the DNV Protocol for Verification of Sustainability Reports, which is based on the GRI G3 and the AA1000AS 2008. All elements of this assurance engagement were carried out in accordance with the requirements of AA1000AS 2008, type 2, for a moderate level of assurance.

Onsite verification work was conducted from State Street's North American headquarters in Boston and its European headquarters in London. Additional desktop verification work was performed from DNV offices.

The report has been evaluated against the following criteria:

- Adherence to the principles of materiality, inclusivity and responsiveness, as well as reliability of specified sustainability performance information as set out in AA1000AS 2008
- Adherence to the additional principles of comparability and neutrality as set out in DNV's Protocol

- Alignment with the GRI G3 and its principles, including the financial sector supplement
- Throughout this assurance engagement, DNV has taken a risk-based approach, meaning that we concentrated our verification efforts on the issues of greatest material relevance to State Street's business and its stakeholders. As part of the assurance engagement, DNV has challenged the sustainability-related statements and assertions made in the report. We also assessed the robustness of the underlying data management processes, focusing on quality controls, and the reliability of selected data samples that formed the basis for this report. In carrying out this assurance engagement, we have undertaken the following tasks:

1. Conducted interviews with more than 30 senior State Street representatives (globally) from different divisions and functions, including Corporate Citizenship, Global Procurement, Global Human Resources, Global Inclusion, Legal, Compliance, Global Realty Services, State Street Global Advisors' ESG (Environment, Social and Governance) Investment Team, Corporate Travel and Global Marketing. In addition, DNV engaged extensively with facilities managers CB Richard Ellis and Serco for the verification of quantitative environmental data for North American, European and Asia-Pacific operations.

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2. Reviewed and examined relevant internal documentation and information related to the activities of the divisions and functions listed above, made available to DNV by State Street upon request. In addition, DNV reviewed a selection of internal communications, stakeholder engagement reports and external media reports relating to State Street's CR management and performance.
3. Attended the Ceres stakeholder engagement call, consisting of a panel of external experts who contribute their comments and feedback on the CR report to State Street.
4. Undertook a five-day site visit to State Street's global headquarters in Boston and a three-day site visit to State Street's regional headquarters for Europe, the Middle East and Africa region in London. During these site visits senior company representatives from the functions listed above were interviewed and data management processes and practices were reviewed.
5. Conducted detailed verification of selected ES data and underlying data management processes, focusing on the reliability of the above-specified ES performance data reported by State Street, in accordance with the requirements of AA1000AS 2008 and GRI G3 reporting guidelines. The assessment of reliability of data and information was based on explicit assertions regarding sustainability performance on material

issues. The verification included a review of completeness, comparability and accuracy, and of the methods, practices and tools used in the collection, aggregation, analysis, internal quality control and reporting of data and information as it is transferred and managed at different levels of the organization (office, country, region and group). DNV's assessment also included high-level trend analysis, identification and analysis of causes of significant changes in performance in comparison with 2009, a review of data traceability, testing of calculations, and a thorough review of ES data sets at different stages in data flows, from source to group level.

6. For the first time, DNV took a two-phased approach to the verification of State Street's ES data, with a mid-year ES data verification engagement taking place from September through November to review the first six months of ES data collected by State Street for the 2010 CR report. The data verification for the last six months of ES data for 2010 was then completed as part of the traditional CR report verification in early 2011. This process provided State Street with more time to address any ES data issues and removed some of the time pressure on State Street's internal resources during the CR reporting season.

CONCLUSIONS & RECOMMENDATIONS

In DNV's opinion, based on the work carried out, State Street's 2010 CR report provides a reliable and fair representation of the company's CR and sustainability-related strategies, management approach and performance. The following conclusions and recommendations can be made regarding the report's adherence to the principles within the scope of this assurance engagement:

Materiality: State Street is an active member of UNEPFI and regularly engages with membership organizations described in the CR report, as well as with SRI rating agencies to identify and better understand the CR and sustainability issues most material to its organization and the wider financial sector.

Now that the coverage of State Street's CR report is global and with the establishment of the Executive CR Committee, State Street should continue to assess the materiality of its management approach to CR and of the related information disclosed in the CR report, particularly in light of the expectations of external stakeholders and report readers. As a financial institution, the nature of State Street's core business activities, including institutional asset management and investor services, may have important material sustainability impacts that should be further assessed, measured and managed. In this respect, the additional information provided in this year's report on Proxy Voting and Issuer Engagement is a welcome development. While

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we commend the progress that State Street has made in this area over the years, we encourage State Street to continue to expand its approach to ESG products and services, as well as to develop specific KPIs to show impacts as well as progress in this area.

As described in the report, State Street has developed an “Environmentally Friendly Purchasing” policy; while this is a step in the right direction, there is room for improvement. We recommend that State Street expand the policy to cover a wider scope of sustainability issues and further develop its approach to sustainable procurement and associated reporting by implementing sustainability criteria in its supplier selection, management and monitoring processes.

Responsiveness: The report contains a number of examples of how State Street responds to stakeholders and is accountable to them. State Streets’ four key stakeholder groups provide regular input through internal and external consultation initiatives described in the CR report, and State Street uses this feedback to shape its CR programs and associated reporting and communication. DNV attended the Ceres stakeholder engagement teleconference this year and found State Street open to stakeholder comments and suggestions. The CR report provides a table showcasing specific feedback from the call along with State Street’s response and where to find more detail within the report. State Street is to be commended for enhancing the amount of stakeholder feedback included in the 2010 report as compared to prior reporting, as well as for communicating the feedback in an open and transparent manner.

Neutrality: In DNV’s opinion, the information contained in the 2010 CR report is presented in a neutral and transparent manner. Overall the report provides a balanced account of the organization’s performance and environmental sustainability indicators, and the data reported is presented in a factual and unbiased manner. However, the transparency of information provided in certain parts of the report could be enhanced, for example, by providing data on the ratio of wages for male and female employees in the employee section of the report. In addition, greater discussion of the challenges faced by State Street in the implementation of its sustainability programs may be welcomed by stakeholders.

Comparability and Clarity: State Street has significantly enhanced its reporting of ES data and other information through the use of innovative bar charts, graphs and design features that show performance over time. This enhancement makes the information disclosed in the report easier to read and understand and enhances its comparability and clarity. However, the comparability of certain ES data is affected by changes in data calculation methodologies, estimation techniques and conversion factors year on year. With the adoption of three-year ES goals, we recommend that State Street maintain consistency in the aforementioned parameters or, if changes are necessary, that it restate historic data to ensure that it is comparable. This approach will also enable State Street to accurately track its performance and determine whether its ES goals have been attained.

Reliability: While DNV identified certain potentially material errors in the ES data verified in accordance with AA1000AS 2008, these have been corrected by State Street, demonstrating its commitment to reporting reliable data. Nevertheless, there is scope for establishing improved global data management and reporting processes within the organization to reduce the potential for errors or omissions in the future. While DNV commends State Street for developing a CR Reporting manual, we recommend including specific guidance on ES data collection and aggregation therein as well as developing a more systematic and consistent approach to ES data management, and collection across regions. Commendably, in 2010, State Street implemented periodic monitoring processes to review and improve the reliability of the ES data collected, and introduced a mid-year verification process. These efforts have contributed to the improved accuracy of ES data.

Due to the global scope of the report, State Street aims to cover all office locations subject to the company’s control or significant influence. However, for certain ES KPIs data is not available across all geographic locations and offices, which affects the completeness of the data as well as the comparability of the data year over year. The reasons behind exclusions are generally explained in the report and percentage coverage per impact area (i.e., electricity, water, waste) is indicated. DNV recommends that State Street continue its efforts to expand the number of locations covered in the report, particularly in relation to indirect energy, water consumption, and waste management and recycling, as this will further enhance the completeness of ES data and KPIs reported on a global basis.

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The majority of energy data is based on actual usage; the rest is estimated using a US Environmental Protection Agency formula, and further detail is provided in the environmental section of the report. We continue to encourage State Street to progressively improve sub-metering arrangements and engage with landlords to gain access to more accurate and complete consumption information, thereby reducing the reliance on estimates and enabling State Street to better manage its energy use in these locations.

The accuracy and completeness of waste management and recycling information continues to be a challenge for State Street. While we recognize that this is a challenge facing many others in the service industry, we recommend that State Street put standard procedures in place for collection, estimation, aggregation and reporting of waste management data across offices as well as implement periodic checks and audit suppliers to ensure the reliability of the data.

GRI G3 APPLICATION LEVEL

In DNV's opinion, the report meets the content and quality requirements of the GRI G3. Among the different levels defined by the GRI, both State Street and DNV confirm that the GRI Application Level B+ has been met. DNV has adopted a robust approach in applying the GRI application level check, including the use of related GRI guidelines. In cases where DNV considered that a given GRI indicator was partially met or not met, we have asked State Street to indicate this in its GRI table.

DNV'S INDEPENDENCE

DNV states its independence and impartiality with regard to this assurance engagement. In 2010, DNV did not work with State Street or any of its stakeholders on any engagements that could compromise the independence or impartiality of our findings, conclusions and recommendations. Moreover, DNV was not involved in the preparation of any text or data provided in the report, with the exception of this assurance statement.

For Det Norske Veritas Ltd.

Signed:



Nili Safavi, Lead Verifier

Signed:



Mariel Ramos, Verifier

London, April 2011

APPENDIX

This appendix provides printable versions of the pop-up graphics found in our 2010 Corporate Responsibility report.



Stakeholder Feedback Considered in Preparing this Report

Feedback	Source	State Street Response
Provide a sense of our chief executive officer's sustainability vision and how it is integrated with business strategy.	Ceres stakeholder group	See "Letter from the Chief Executive Officer" on page 15.
Consider plans for establishing formal board oversight for sustainability.	Ceres stakeholder group	State Street's board of directors oversees governance issues.
Executive CR Committee should prioritize development of a strategy to integrate sustainability across State Street's products, services and asset classes.	Ceres stakeholder group	A committee is now being formed; priorities will be set in 2011.
Publicly disclose State Street's record in voting its proxies on key sustainability issues.	Ceres stakeholder group	Our voting guidelines and results are available to clients; they are generally not in the public domain except as legally required.
Consider providing integrated reporting.	Ceres stakeholder group	We have no plans for integrated reporting at this time; see page 25 to learn how we link sustainability with business priorities and performance.
Clarify the meaning of material issues.	Ceres stakeholder group	See page 9 to learn how we determine materiality for CR reporting.
Discuss State Street's thinking on the financial reform regulations being considered in the US and internationally.	Ceres stakeholder group	We discuss these issues on page 27.
Explain rationale for setting intensity versus absolute emissions reduction target.	Ceres stakeholder group	Learn more about the rationale on page 45.
Describe efforts on data center efficiencies.	Ceres stakeholder group	See page 48 for a discussion of these efforts.
Provide more details on corporate commitment to diversity.	Ceres stakeholder group	We outline these details on page 58 and in a Q&A with the head of Global Human Resources on page 56.
Clarify the formula for determining contributions to the State Street Foundation.	Ceres stakeholder group	Our approach to funding the foundation is on page 68.
Maintain the highest levels of ethics and corporate responsibility should be included corporate values.	Employees	These topics are included in our new corporate values, described on page 5.
Expand opportunities for flexible work arrangements.	Employees	We continue to expand our Flexible Work Program; see page 59.

CORPORATE ENVIRONMENTAL SUSTAINABILITY POLICY STATEMENT

State Street is 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. Environmental sustainability at State Street means conducting our business in a manner that acknowledges, measures and takes responsibility for our direct and indirect impact on the environment. This means that we will conserve energy, dispose of waste responsibly, and reduce pollutants and other by-products our activities may generate. It requires that we abide by all relevant laws and regulations, and seek continued improvement in reducing our environmental impact. By conducting our business in this manner, we align our long-term success with the earth's ecological well-being and create enduring benefits for our shareholders, clients, employees, and the communities in which we live and work.

CORPORATE CLIMATE CHANGE STATEMENT

State Street is committed to being a leader in environmental sustainability. In line with that commitment, we believe it is appropriate to recognize, evaluate and address the potential risks presented by climate change, as they may relate to the operation of our business and affect our core constituencies: shareholders, clients, employees, and the communities in which we live and work.

State Street has developed clear goals to manage the effect of our operations on the environment, with particular regard to the risks of climate change. We regularly measure our progress against these goals. More broadly, and consistent with our commitment to leadership, we promote awareness of environmental and climate issues with our employees and other stakeholders, while also taking an active part in the public dialogue on issues of environmental sustainability.

CORPORATE PROCUREMENT STATEMENT

Environmentally Preferable Purchasing

- Environmentally preferable purchasing is the method wherein environmental and social considerations are weighted along with price, availability and performance criteria during the procurement process.
- The goal of this policy is to reduce the adverse environmental impact of our purchasing decisions by buying goods and services from vendors who share our commitment to the environment.

It is our policy to:

- Institute practices that reduce waste within the supply chain.
- Purchase products that minimize environmental impacts throughout the product's life cycle.
- Purchase products that include recycled content, are durable and long-lasting, conserve energy and water whenever practicable, and are cost-effective, but without reducing safety or quality.

CORPORATE HUMAN RIGHTS STATEMENT

State Street is committed to providing a work environment that emphasizes respect for the dignity of all our employees. We maintain policies designed to comply with local laws concerning employment and individuals' rights in every country in which we operate. Our commitment to an inclusive, safe and ethical workplace is included within the provisions of our Standard of Conduct for employees and across our human resources policies. We do not tolerate corruption, discrimination, harassment, or forced or child labor in any form. We support fundamental principles of human rights, such as those adopted in the United Nations' Universal Declaration of Human Rights. We believe that upholding these principles is an important component of our culture and values.

Materiality Matrix

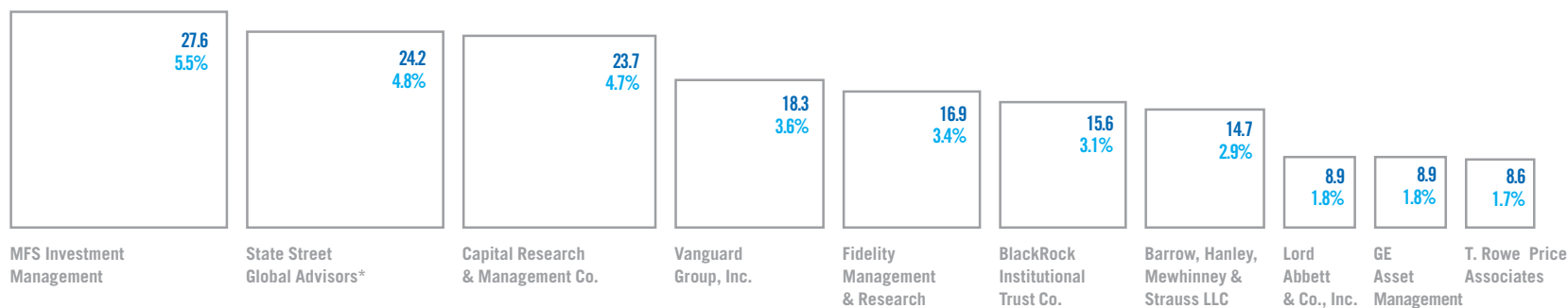
■ Governance ■ Business ■ Environment ■ Employee ■ Community



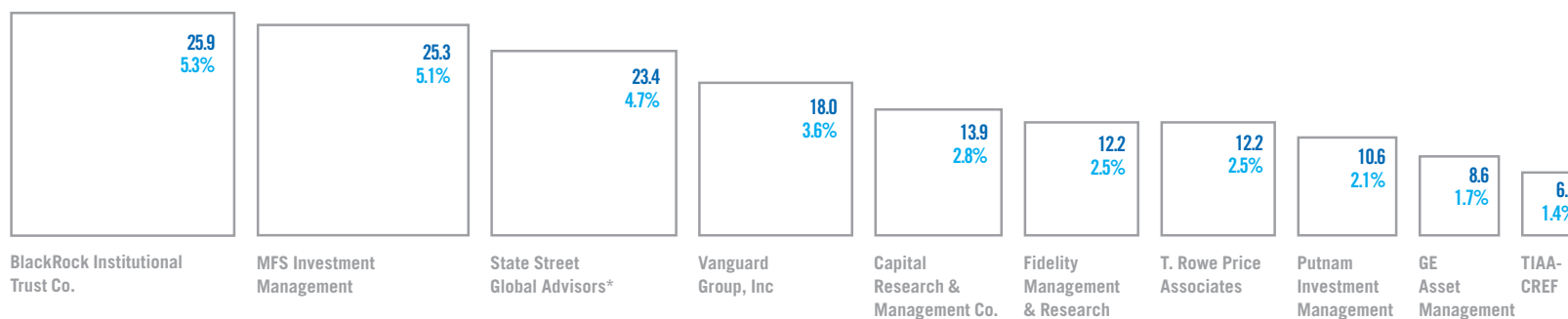
State Street's Largest Shareholders / 2009 – 2010

■ Number of shares / millions
■ Total shares outstanding / percent

2010



2009



*Includes approximately 5 million shares in the State Street Salary Savings program.

Supplier and Third-Party Spending

\$ millions

	2008	2009	2010
Austria	1	1	1
Canada	82	63	54
Germany	62	55	49
Ireland	115	91	40
Italy	5	3	2
United Kingdom	241	124	122
United States	1,897	1,013	1,658
Total	2,403	1,350	1,925

Water, Gas and Indirect Energy Consumption / page 50

Water Consumption

cubic feet

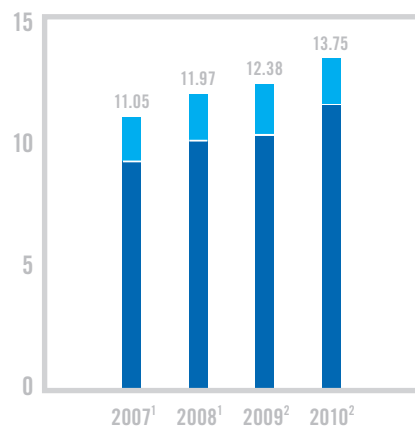
	Office Consumption	Data Center Consumption	Total Consumption	Per Person (Office)	Per Person (Data Center)	Per Square Foot (Office)	Per Square Foot (Data Center)
2007 ¹	9,260,326	1,793,972	11,054,298	787	26,382	n/a	n/a
2008 ^{1,3}	10,102,658	1,867,326	11,969,984	802	29,177	n/a	n/a
2009 ²	10,330,530	2,053,525	12,384,055	666	34,806	2.5	8.9
2010 ²	11,590,253	2,167,076	13,757,329	684	34,489	2.8	9.4

■ Total Consumption Offices / millions cubic feet

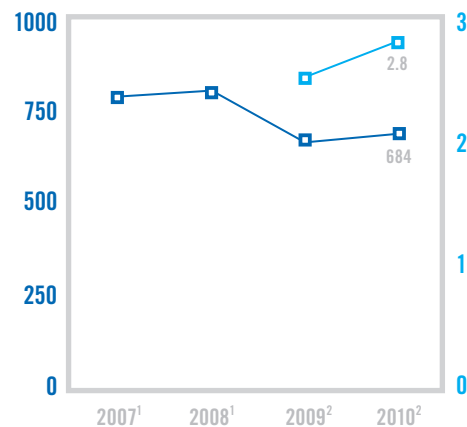
■ Total Consumption Data Centers / millions cubic feet

■ Per Person

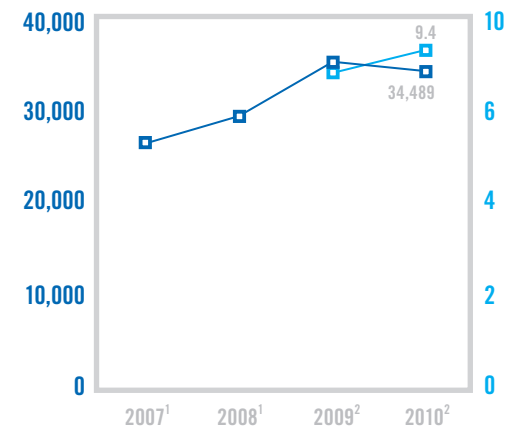
■ Per Square Foot



Total



Offices



Data Centers

¹North America.²North America, EMEA and Asia Pacific.³2008 data restated to allow for more detailed breakdown.

Natural Gas Usage – Direct Energy in Millions of British Thermal Units (MMBtu)

MMBtu

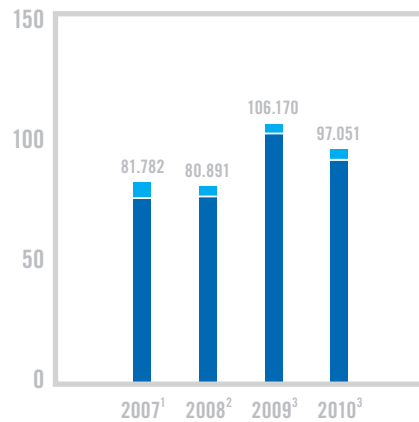
	Office Natural Gas Usage	Data Center Natural Gas Usage	Total Usage	Per Person (Office)	Per Person (Data Center)	Per Square Foot (Office)	Per Square Foot (Data Center)
2007 ¹	75,600	6,182	81,782	7.65	206.08	n/a	n/a
2008 ²	76,143	4,748	80,891	6.30	169.58	n/a	n/a
2009 ³	102,114	4,056	106,170	8.14	144.84	.0296	.0294
2010 ³	93,065	3,986	97,051	6.82	102.20	.0277	.0289

■ Total Consumption Offices / MMBtu

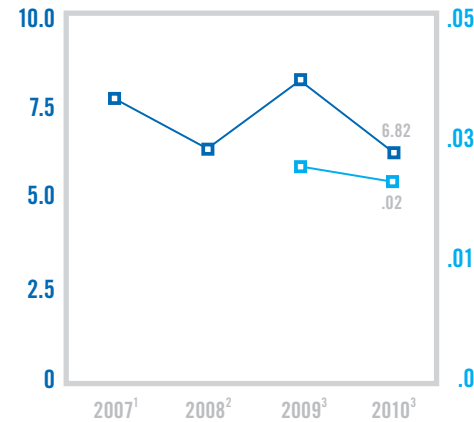
■ Total Consumption Data Centers / MMBtu

□ Per Person

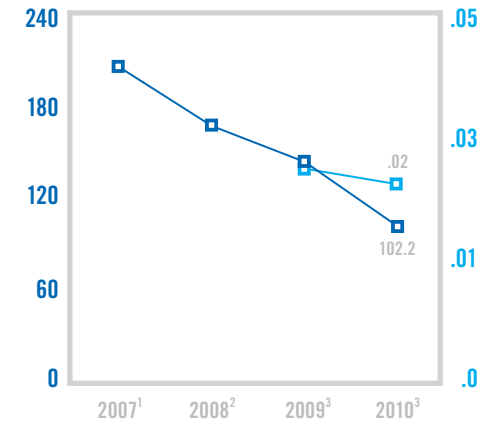
□ Per Square Foot



Total



Offices



Data Centers

¹North America.²North America and EMEA.³North America, EMEA and Asia Pacific.

Indirect Energy Consumption – Actual and Estimated Sites¹

gigawatt-hours, except as noted

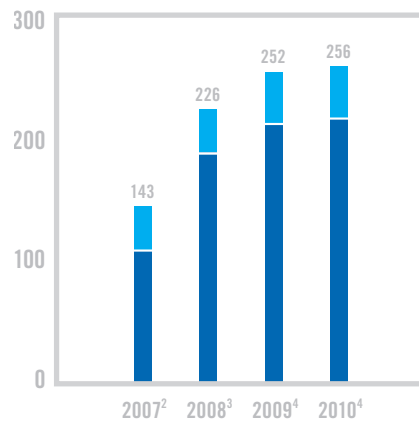
	Office Consumption	Data Center Consumption	Total Consumption	Per Person (Office)	Per Person (Data Center)	Per Square Foot (Office) kwh	Per Square Foot (Data Center) kwh
2007 ²	107	36	143	9	529	n/a	n/a
2008 ³	189	37	226	7	576	n/a	n/a
2009 ⁴	212	40	252	7	675	30	173
2010 ⁴	215	41	256	7	653	30	178

■ Total Consumption Offices / gigawatt-hours

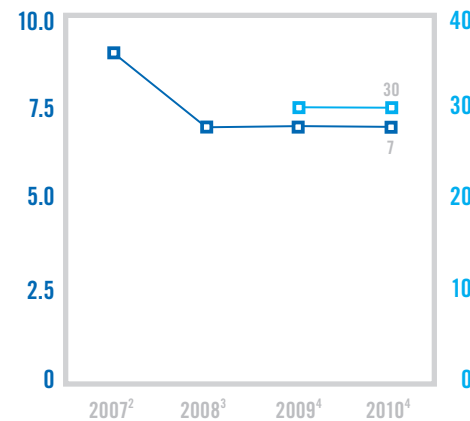
■ Total Consumption Data Centers / gigawatt-hours

□ Per Person

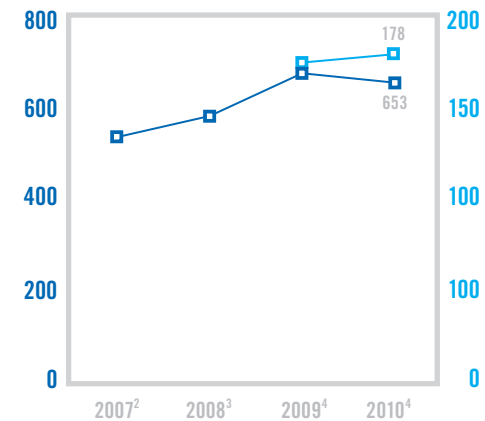
□ Per Square Foot



Total



Offices



Data Centers

¹Includes electric utility and delivered heat effective 2009.²North America actual sites.³North America actual and estimated sites; EMEA actual sites.⁴North America and Asia Pacific actual and estimated sites; EMEA actual sites.

State Street Corporation (NYSE: STT) is one of the world's leading providers of financial services to institutional investors, including investment servicing, investment management, and investment research and trading. With \$22.6 trillion in assets under custody and administration, and \$2.1 trillion* in assets under management at March 31, 2011, State Street operates in 26 countries and more than 100 geographic markets worldwide. For more information, visit State Street's website at www.statestreet.com.

*This AUM includes the assets of the SPDR Gold Trust (approx. \$56 billion as of March 31, 2011), for which State Street Global Markets, LLC, an affiliate of State Street Global Advisors serves as the marketing agent.



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