



Sustainability Bond Report

November 2024

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Introduction

In October 2022, State Street Corporation (“State Street”, the “Company” or “we”) published a [Sustainability Bond Framework](#) (the “Framework”) to enable its issuance of Green Bonds, Social Bonds, and Sustainability Bonds. Green Bonds are bonds where the proceeds of the issuance, or an equivalent amount, will be allocated to or used to finance or refinance projects with environmental benefits (“Green Projects”), and Social Bonds are bonds where the proceeds of the issuance, or an equivalent amount, will be allocated to or used to finance or refinance projects with positive social outcomes (“Social Projects” and, together with Green Projects, the “Project Groups”). Sustainability Bonds are bonds where the proceeds of the issuance, or an equivalent amount, will be allocated to or used to finance or refinance a combination of both Green and Social Projects. Green, Social, and Sustainability Bonds will be, and those issued to date have been, aligned with the International Capital Market Association (ICMA) Green Bond Principles (GBP), Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG), respectively.

The uses of proceeds as described in the Framework consist of environmental, social, and governance (“ESG”) expenditures, investments, and projects executed by multiple teams across State Street, including, but not limited to the following groups: Global Realty, Tax-Advantaged Investments, Global Credit Finance, Global Inclusion Diversity Equity, Global Supplier Diversity, Global Treasury, and Corporate Citizenship.

Proceeds from bond issuances may be allocated to projects or assets funded by State Street up to 36 months prior to the date of the relevant issuance. State Street aims to allocate an amount equal to the net proceeds raised within 24 months following the issuance date of each bond issuance.

Issuances under the Framework may support one or more of eight **United Nations Sustainable Development Goals (SDGs)** that State Street has identified as areas where we can be most impactful, including:



In this report, we share how State Street allocated an amount equivalent to the approximately \$498 million of net proceeds from its inaugural Sustainability Bond issuance in November 2022 (the “2022 Sustainability Offering”), to meet the criteria of the Framework.

This report also includes certain impact metrics as described in the Framework for each Project Group.

Project group	2023 allocation (\$)	2024 allocation (\$)	Total allocation (\$)
Green buildings	80,023,983	27,056,947	107,080,930
Green Projects			
Renewable energy	82,617,214	84,029,875 ¹	166,647,089
Affordable Housing	155,770,805	–	155,770,805
Social Projects			
Socioeconomic Advancement & Employment	47,430,503	21,121,698	68,552,201
Total Allocated Proceeds	365,842,505	132,208,520	498,051,025
Unallocated Proceeds	132,208,520	–	–
Net Bond Proceeds	–	–	498,051,025

Green Projects

At State Street, we understand the importance of building in an environmentally efficient manner to support a more sustainable future.

State Street has made meaningful investments in sustainable real estate, in connection with the physical spaces the bank occupies. By prioritizing sustainable properties, we can reduce our environmental footprint while also contributing to more sustainable cities and communities. Of the net proceeds from the 2022 Sustainability Offering, we have allocated an amount equivalent to \$75 million to green building investments, along with more than \$32 million in expenditures related to the footprint of the physical spaces we occupy.

Recognizing the potential to combat climate-related risks and the long-term impact of greenhouse gas emissions, State Street has allocated an amount equivalent to approximately \$167 million of the net proceeds from the 2022 Sustainability Offering to contribute to advancing the transition to renewable energy through strategic investments in wind and solar projects, which collectively produce a total energy output of 482,348 MWh, annually.



Green Building

Project	LEED certification level	2023 allocation (\$)	2024 allocation (\$)	Total allocation (\$)
Project 1	Gold	75,000,000	–	75,000,000
Project 2	Platinum	5,023,983	27,056,947	32,080,930
Total		80,023,983	27,056,947	107,080,930

Renewable Energy

Project	2023 Energy Generated (MWh) ²	2023 allocation (\$)	2024 YTD Energy Generated (MWh)	2024 allocation (\$)	Total allocation (\$)
Project 1	103,205	41,971,514	80,482	–	41,971,514
Project 2	68,596	31,686,000	50,442	–	31,686,000
Project 3	6,833	8,959,700	5,614	–	8,959,700
Project 4	–	–	345,810	84,029,875	84,029,875
Total	178,634	82,617,214	482,348	84,029,875	166,647,089

Social Projects

State Street recognizes that quality housing is a fundamental need and a cornerstone of thriving communities, and it actively invests in a broad range of affordable housing projects.

We have allocated an amount equivalent to approximately \$156 million of the net proceeds from the 2022 Sustainability Offering across seven affordable multifamily apartment funds comprised of housing assets eligible for Low Income Housing Tax Credits, resulting in a total of 15,064 total housing units.

As a financial services leader with a global footprint, we also have an opportunity to set an example by our actions and behaviors. Through our [10 Actions to Address Racism and Inequality](#) (the "Actions"), launched in June 2020, and the recommendations of the [Civil Rights Audit](#) (the "Recommendations"), published in 2023, we continue our efforts to integrate the Actions into our culture and to make progress toward implementing the

Recommendations across our operations, in our interactions with clients and stakeholders, and in society as a whole with the ultimate goal of helping remedy inequities in our communities.

In line with the Actions and the Recommendations, we are supporting socioeconomic advancement and employment for underserved populations. We have allocated an amount equivalent to approximately \$69 million of the net proceeds from the 2022 Sustainability Offering across our Supplier Diversity Program, strategic Inclusion, Diversity and Equity program partnerships, and State Street's Minority Depository Institutions (MDI) and Community Development Financial Institution (CDFI) Impact Deposit Placement Program.

\$156M

State Street has allocated from the 2022 Sustainability Offering across seven affordable multifamily apartment funds comprised of housing assets eligible for Low Income Housing Tax Credits.

Affordable Housing

Affordable rental development fund	Units funded ³	2023 allocation (\$)	2024 allocation (\$)	Total allocation (\$)
Fund 1	2,993	18,850,342	–	18,850,342
Fund 2	1,857	14,215,232	–	14,215,232
Fund 3	1,679	10,955,579	–	10,955,579
Fund 4	2,038	48,328,247	–	48,328,247
Fund 5	1,118	17,722,746	–	17,722,746
Fund 6	3,981	18,261,216	–	18,261,216
Fund 7	1,398	27,437,443	–	27,437,443
Total	15,064	155,770,805	–	155,770,805

Socioeconomic Advancement & Employment

Project	Target populations ⁴	Number of partnerships	2023 allocation (\$)	2024 allocation (\$)	Total allocation (\$)
Global Supplier Diversity	Gender	1	46,430,503	1,096,698	47,527,201
Global Inclusion, Diversity and Equity Partnerships	Disability Inclusion	2	26,800	–	26,800
	Gender	4	578,000	–	578,000
	LGBTQ+ Identity	2	25,000	–	25,000
	Race & Ethnicity	8	370,200	25,000	370,200
Impact Deposit Program	Race & Ethnicity	2	–	20,000,000	20,000,000
Total		19	47,430,503	21,121,698	68,552,201

Project Highlights

MDI & CDFI Impact Deposit Program⁵

In February 2024, State Street announced a \$100 million program to provide low-cost, stable deposit funding to minority depository institutions (“MDIs”)⁶ and Community Development Financial Institutions (“CDFIs”)⁷ to encourage economic growth in communities across the United States. This allocation represents a “Social project” under the Framework pursuant to SDGs 5 and 10.



In 2020, State Street announced its [10 Actions to Address Racism and Inequality](#), a 10-point action plan with the ultimate goal of helping to address inequities in our communities. This MDI & CDFI Impact Deposit Program integrates with this action plan and The Recommendations from the [Civil Rights Audit](#), published in 2023. The funding program also aligns with State Street’s workplace initiatives, including its recognition as the first Global Systemically Important Financial Institution (GSIFI) to achieve the [Management Leadership for Tomorrow \(MLT\) Black Equity and Hispanic Equity at Work Bronze Certifications](#), a designation for employers who have demonstrated a systematic, results-oriented approach to Black and Hispanic equity in the workplace.

Indiana Crossroads Wind Farm II

In December 2023, State Street allocated an amount equivalent to approximately \$84 million of the net proceeds from the 2022 Sustainability Offering towards the continued development of EDP Renewables North America (EDPR NA)’s Indiana Crossroads Wind Farm II. The project, now named the Sweet Acres Wind Farm, consists of 42 wind turbines in White County, a rural area northwest of Indianapolis.



Operational since December 2023, Sweet Acres Wind Farm is expected to generate the annual energy consumption of more than 68,200 Indiana homes, according to EDPR NA. This allocation represents a “Green Project” under the Framework. Pursuant to the SDGs 7 and 13, this allocation contributes to energy diversification and economic development in the State of Indiana and White County.

Management Assertion

November 7, 2024

We, as members of management of State Street Corporation (the “Company”), are responsible for allocating an amount equal to the net proceeds from the sale of the Company’s fixed-to-floating rate senior notes due 2026 (the “2022 Sustainability Bonds”) to finance or refinance, in whole or in part, one or more Eligible Green and Social Projects (as defined below). We are also responsible for the assertion, the selection of Eligible Green and Social Projects and the allocation of the net proceeds to Eligible Green and Social Projects.

We have obtained a Second-Party Opinion from an outside party, a provider of ESG and corporate governance research and ratings to investors, concluding that the Eligible Green and Social Projects are in compliance with the Sustainability Bond Guidelines dated June 2021, published by the International Capital Market Association.

We assert that all of the \$498,051,025 of net proceeds from the sale of the 2022 Sustainability Bonds was fully allocated as of September 30, 2024, to expenditures made by the Company or its subsidiaries after the issue date of the 2022 Sustainability Bonds or in the 36 months prior to the issue date of the 2022 Sustainability Bonds, for qualifying Eligible Green and Social Projects (as defined below).

Eligible green and social projects

Eligible green projects

Green buildings: Investments, expenditures and financings related to new or existing construction or renovation of commercial buildings that meet third-party recognized sustainable standards or certifications, specifically buildings that have received Leadership in Energy and Environmental Design Gold and above, Building Research Establishment Environmental Assessment Method Excellent or better or Energy Star 85+. Expenditures may include lease payments on new or existing buildings that have received or are expected to receive one of the above certifications where we are the primary (anchor) tenant and/or the building was constructed at our request.

Renewable energy: Investments and financings, including tax equity, related to the generation and storage of energy from renewable sources, including wind and solar power (photovoltaic solar).

Environmental infrastructure & services: Investments and financings, including funded loans, which promote or enhance access to environmental infrastructure and services, including clean transportation and sustainable water and wastewater management.

- **Clean transportation:** Investments and financings in infrastructure and services related to clean transportation extended to “pure play” entities, defined as a borrower or entity where 90% of its activities are derived from the below criteria, or to assets which exclusively align with the below criteria:
 - Electric transportation or other zero direct emissions transport; or
 - Transportation which produces <50 gCO₂ per passenger-km before 2025 and 0 gCO₂ per passenger-km in 2025 and thereafter.
- **Sustainable water and wastewater management:** Investments and financings in infrastructure and services related to sustainable water and wastewater treatment extended to “pure play” entities, defined as a borrower or entity where 90% of its activities are derived from wastewater treatment, water supply and/or water distribution or in assets exclusively related to these activities. Eligible water and wastewater treatment projects will not support or be related to fossil fuel activities, in accordance with U.S. Environmental Protection Agency requirements.

Eligible social projects

Affordable housing: Investments and financings in properties that qualify for nationally recognized affordable housing programs, including (i) properties that qualify for federal Low Income Housing Tax Credits (“LIHTC”) under Section 42 of the Internal Revenue Code of 1986 and (ii) properties that qualify as Public Welfare Investments (“PWI”) by the Federal Reserve under 12 U.S.C. 24, including:

- Investments in an entity that finances, acquires, develops, rehabilitates, manages, sells, or rents housing primarily for low-and moderate-income individuals;
- Investments in a project that develops or operates transitional housing for the homeless;
- Investments in a project that develops or operates special needs housing for disabled or elderly low- and moderate-income individuals; or
- Investments in a project that qualifies for the Federal low-income housing tax credit.
- Target populations: Individuals benefitting from federal public housing programs, including LIHTCs and PWIs, including but not limited to low-to-moderate- income individuals/households/communities and the homeless as defined by federal regulations.



Essential services: Investments and financings, including funded loans, which promote or enhance access to essential services, including education and healthcare. Examples include, but are not limited to, construction, maintenance and acquisition of facilities and equipment for or that enhance access to:

- Public pre-K, elementary education, and secondary education; or
- Public not-for-profit healthcare systems and higher education. For these types of projects we will prioritize investments and financings for healthcare systems that have programs to promote the health and well-being of underserved individuals and communities, particularly those with limited access to healthcare, and public higher education systems that have programs and policies to promote access and affordability.

Socioeconomic advancement &

Employment: Expenditures may include, but are not limited to:

- Expenditures for the procurement of products and services from certified or classified diverse suppliers and/or service providers;
- State Street Foundation grants aimed to support target populations with a focus on racial equity, social justice, education, or workforce development;

- Deposit placements with certified Community Development Financial Institutions or Minority Depository Institutions as defined by the Federal Deposit Insurance Corporation aimed to support target populations;
- Financings and investments of community-based Community Development Corporations and Community Development Financial Institutions, certified by the U.S. Department of the Treasury Community Development Financial Institutions Fund aimed to support target populations; or
- All other inclusion, diversity and equity strategic initiatives aiming to support our 10 Actions to Address Racism and Inequality with a focus on external partnerships that enable and accelerate learning and development programs, anti-racism training and education, financial access, diverse recruiting, and professional opportunities for target populations.
- **Target population:** Underrepresented populations and communities including women, ethnic/racial minority groups, LGBTQ+ community, veterans, and people with disabilities.

Management of State Street Corporation

Third-Party Attestation



**Building a better
working world**

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Report of Independent Accountants

To the Management of State Street Corporation:

We have examined management’s assertion, included in the accompanying report, the State Street Sustainability Bond Report, that the amount equal to the net proceeds from the issuance of \$500 million fixed-to-floating rate senior notes due 2026 (the “2022 Sustainability Bonds”) issued by State Street Corporation (the “Company”) was fully allocated as of September 30, 2024, to expenditures, investments and projects made by the Company or its subsidiaries after the issue date of the 2022 Sustainability Bonds or in the 36 months prior to the issue date of the 2022 Sustainability Bonds, for qualifying Eligible Green and Social Projects (as defined in “Use of Proceeds” section of the Prospectus Supplement dated November 1, 2022 for the 2022 Sustainability Bonds). The Company’s management is responsible for the assertion, and having a reasonable basis for its assertion, the selection of Eligible Green and Social Projects and the allocation of the net proceeds to Eligible Green and Social Projects. Our responsibility is to express an opinion on the assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (“AICPA”). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management’s assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management’s assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management’s assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the Company and to meet our other ethical responsibilities, as applicable for examination engagements set forth in the Preface: Applicable to All Members and Part 1 – Members in Public Practice of the Code of Professional Conduct established by the AICPA.

Our examination was not conducted for the purpose of evaluating (i) whether funds in excess of the net proceeds were allocated to Eligible Green and Social Projects as of September 30, 2024, (ii) the amount allocated to each category of Eligible Green and Social Projects as of September 30, 2024, (iii) the environmental or social benefits of the Eligible Green and Social Projects, (iv) conformance of any Eligible Green and Social Projects with any third-party published principles, standards or frameworks, such as the Sustainability Bond Guidelines dated June 2021, published by the International Capital Market Association or (v) any information included in the Company’s Sustainability Bond Report or on the Company’s website, other than management’s assertion. Accordingly, we do not express an opinion or any other form of assurance other than on management’s assertion included in the State Street Sustainability Bond Report.

In our opinion, management's assertion, included in the State Street Sustainability Bond Report, that the amount equal to the net proceeds from the sale of the 2022 Sustainability Bonds was fully allocated as of September 30, 2024 to qualifying Eligible Green and Social Projects, is fairly stated, in all material respects.

Ernst + Young LLP

Boston, MA
November 7, 2024

Endnotes

1. This allocation was made on December 28, 2023 and is counted in the 2024 allocation cycle, which runs from October 1, 2023 to September 30, 2024.
2. Represents total annual energy output by the project at allocation.
3. Represents total housing units created or renovated and owned by the fund.
4. Underrepresented populations and communities including women, ethnic/racial minority groups, LGBTQ+ community, veterans, and people with disabilities.
5. [State Street Announces \\$100 Million Program for Minority Depository Institutions and Community Development Financial Institutions | State Street Bank and Trust Company](#)
6. [FDIC: Minority Depository Institutions Program](#)
7. [FDIC: What is a CDFI?](#)



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