

MAKING LIFE BETTER

CORPORATE RESPONSIBILITY 2010



STATE STREET®



FOR MORE THAN 200 YEARS, STATE STR

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 overview of our 2010 Corporate Responsibility efforts will show you 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.

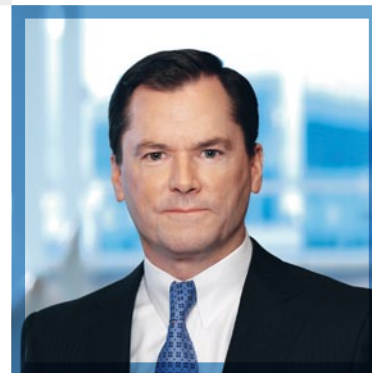
STATE STREET HAS BEEN COMMITTED TO BUILDING A

BETTER
CORPORATE RESPONSIBILITY 2010

WORLD.

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 (CR)
REMAINS UNWAVERING.**

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 CR's role as an integral part of State Street 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.

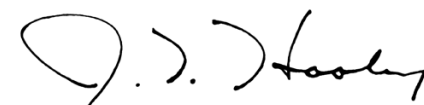
My vision for State Street includes becoming a leader in environmental, social and governance (ESG) issues. To help realize this vision, in 2010, we broadened the scope of our Executive Environmental Sustainability Committee to include all CR issues. The new Executive Corporate Responsibility Committee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

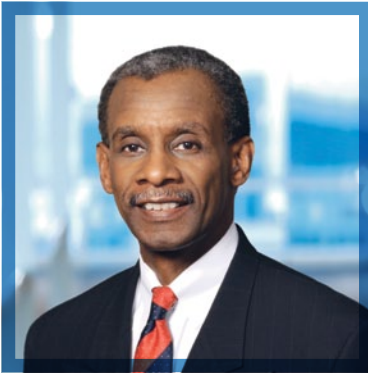
Our commitment to launching new products and services for our clients also extended to our continued focus on managing risk both for our clients and internally. In 2010, we made significant enhancements to our risk analytics and servicing tools for institutional investors. During the year, we also hired 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.





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

A **BETTER** WAY

IN EARLY 2010, WE TOOK AN IMPORTANT STEP IN THE EVOLUTION OF OUR CORPORATE RESPONSIBILITY EFFORTS BY GIVING OUR COMMUNITY AFFAIRS DIVISION 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 part of this effort, 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

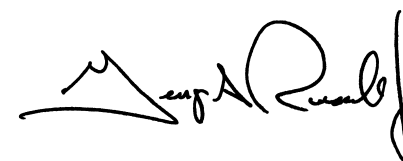
guidelines and long-term partnerships with the charities we support, our aim is to deepen our commitments in the area of education, with an emphasis on workforce development. In some locations, we have already reached our goal of having 70 percent of our grants go to these types of initiatives.

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 Europe, the Middle East and Africa, 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.

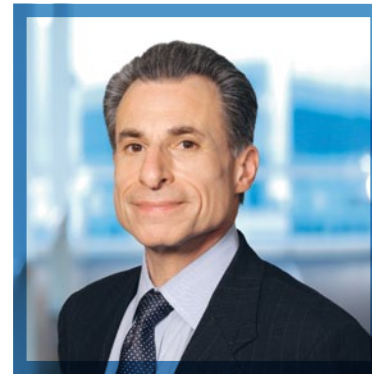
In 2010, our volunteer program, State Street Global Outreach, celebrated its 10th anniversary, with employees volunteering more hours than ever before. The program is an important aspect of our company-wide employee engagement efforts. Members of our employee networks often participate in volunteer activities 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.



FORWARD

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.



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

A **BETTER** INFRASTRUCTURE

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 in that respect, 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 division?

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.

STRUCTURE

State Street's financial objective is to create value for our shareholders by seeking to deliver consistent profitability and maintaining a disciplined expense culture. Corporate governance is a key to these efforts and is part of the fabric of our company. Practicing sound governance is everyone's responsibility, from the board of directors to the newest employee, and we are very proud of our long-standing reputation for quality, integrity and consistency.

BETTER GOVERNANCE



In 2010, State Street was able to close 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' 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 multi-year 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 our "Lean methodology" that establishes centers of excellence to better align our core functions with clients' needs. Our 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 staff reductions, which began in December 2010 and will conclude 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, our clients, shareholders and employees, and to do so fairly and transparently.

The program will also focus on a buildout 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, continue to strengthen and grow.

5
years

consecutively listed on the
Dow Jones Sustainability Indexes



Importantly, 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.

Corporate Responsibility Governance

Established in 2007, our CR Working Group provides a framework 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 lacked a cohesive and comprehensive strategy to tie it more clearly to the company's business plans. The result of the subcommittee's work was the

establishment of an Executive CR Committee. This committee will encompass the Executive Environmental Sustainability Committee, which was established in 2008, and will report annually to our Management Committee and board of directors.

Managing Risk

State Street's strong risk management culture is led by our new chief risk officer, Andrew Kuritzkes, who was appointed in 2010. As a member of the Management Committee, State Street's most senior strategy and policy-making team, the chief risk officer reports directly to the CEO and has independent responsibility to report into the board's Risk and Capital Committee. Risk managers are embedded in business units and in regional locations, maintaining an appropriate balance between facilitating strategic business growth and providing independent risk mitigation support.

In 2010, we also developed a new risk management vision statement and a three-year road map for more effective alignment of risk management and business activities, especially in light of current and anticipated global growth. Recognizing that our reputation is fundamental to State Street's business, we created a Country Reputation Risk Index to complement our existing country risk tools.



7
years

reporting in accordance with
the Global Reporting Initiative

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. Our broad and integrated range of financial services spans the investment spectrum, including investment management, investment research and trading, and investment servicing. Our products and services can help clients manage uncertainty, act on growth opportunities, enhance the value of their services and optimize cost structures.

A BETTER BUSINESS



in assets
under management*



in assets under custody
and administration*



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 efforts are supported by our Corporate Compliance division, which seeks to cultivate a culture in which compliance is an integral part of our business environment. In 2010, we appointed an ethics officer to enhance corporate-wide business ethics standards. Among other things, the ethics officer administers our Anti-Corruption Policy, issued in 2010, which builds on the principles set out in the Standard of Conduct and establishes standards for conducting business with government officials.

Helping Clients Invest Responsibly

We assist some of our investment servicing clients with meeting their own CR objectives by analyzing their investments based on environmental, social and governance (ESG) compliance and risk criteria. 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. We continue to work with leading global vendors to develop other reporting and advocacy services to deliver ESG metrics and services. In the UK, for example, we have teamed up with F&C Investments 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.

For our investment management clients, we have developed ESG investment opportunities and increasingly add ESG factors into our existing quantitative strategies. At year-end 2010, we were managing \$118.4 billion in assets incorporating ESG factors. 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.

In 2009, we launched a US Community Investing Index Strategy, the only offering in the industry 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. Initially offered on a separate-account basis, we made it available on a commingled basis late in 2010. 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.

Building on a 2008 SSgA study that investigated the ESG ratings of 11 different commercial providers, we released an updated version that examines ESG in bear markets. The results were published in a new Vision Focus report entitled "Sustainable Investing: Positioning for Long-Term Success." The study found that in general, high-scoring ESG companies suffered less during the 2008–2009 downturn, and that the level of protection enjoyed by companies with strong ESG practices increased at the same time that the largest market declines occurred. The report also indicated that the global financial crisis contributed to greater awareness of ESG issues by spotlighting the need for more stringent corporate governance and disclosure requirements to help protect the interests of investors.

\$91
million

in total spending with US minority
and women-owned suppliers



\$118
billion

in assets under management
incorporating ESG factors*

In 2010, our revised Environmental Management System (EMS) enabled us to complete our first comprehensive, global environmental risk and performance evaluation. With the expiration of our initial five-year environmental sustainability (ES) goals for US operations, we developed a new set of key performance indicators and established related global 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 we performed environmental risk assessments in key locations. We occupied new, green-certified buildings in Hangzhou, China, and Sydney, Australia. 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. We amended our Corporate ES Policy Statement to make it ISO 14001 compliant and to better reflect our environmental performance commitment.

A BETTER ENVIRONM

8,450
kWh

electricity consumption
per person

220
pounds

recycled paper
per person

809
cu ft

water consumption
per person

ENT



Addressing Climate Change

With input from the Executive CR Committee, our Office of Environmental Sustainability assesses State Street's risks and opportunities due to climate change and other environmental issues, and develops action plans to address them. In 2010, our ES Working Group developed a corporate statement on climate change as a complement to our ES Policy Statement. This statement was approved by our Executive ES Committee, as well as by our CEO, Jay Hooley.

State Street is committed to reducing its impacts from energy consumption 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. In the Asia-Pacific region, we are evolving our renewable energy strategy.

CO₂ Emissions by Region

metric tons per person



Raising Environmental Awareness

State Street's commitment to leadership in environmental sustainability includes participation in public forums related to environmental issues. Building on our experience in employee engagement on environmental issues, we contributed to a United Nations Environmental Programme Finance Initiative 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 in our headquarters location, collaborate on solutions to environmental challenges and gain insights into what may be on the legislative horizon.

Raising environmental awareness among employees is a top priority of our ES Office. In 2010, we conducted an employee survey to gather opinions and identify engagement opportunities on ES. We held the first employee awareness Sustainability Week in North America using the model established in the UK and Ireland in 2007, and we formed volunteer employee sustainability teams in London and Edinburgh. 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.

5.5
MT

carbon emissions
per person

3.3
MT

carbon emissions per person
with savings from renewable
energy purchases

40%

carbon emissions savings from
renewable energy purchases with
respect to electricity consumption



ENVIRONMENTAL SUSTAINABILITY KEY PERFORMANCE INDICATORS AND THREE-YEAR GOALS

2011-2013

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)

We recognize that highly skilled, productive employees are essential to our success. 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 a work environment that promotes a diverse array of people, ideas and job skills.

A BETTER CULTURE

26

countries of operation



Global Inclusion

To ensure that our employees have the opportunity to do their best work in an environment where they feel valued and engaged, we launched our company-wide Global Inclusion initiative in 2004. 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 and support an organizational infrastructure that offers expanded forums for discussion and education. In support of these objectives, we launched a global mentoring platform and established an EVP/SVP mentoring program, introduced a Global Inclusion Speaker Series, sponsored 402 employee-run Global Inclusion events, held Employee Awareness Fairs in nine locations and distributed Spot Awards recognizing and rewarding the efforts of 59 Global Inclusion “champions.”

Employee Engagement

At State Street, we value the opinion of all our stakeholders. We consider our employees to be among our most important stakeholders, and as part of our Global Opinion Exchange, 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 — Always Finding Better Ways, Stronger Together and Global Force, Local Citizen. And, for the first time, a CR question was included in our Employee Engagement survey, with State Street’s CR commitment receiving one of the highest scores. We also conducted a survey in 2010 that focused on values and our Performance Planning and Review process, with the aim of improving our goal-setting process.

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. In 2010, we experienced growth through the establishment of new networks as well as adding chapters of existing networks in other locations, especially outside the US. By the end of 2010, 51 networks/chapters were in existence.



28,000

employees worldwide

51

employee networks
and chapters



6,300

employee responses
to values survey

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 vehicles, including manager talking points, newsletters and Town Hall meetings. In April 2010, we completed the acquisition of Jersey-based Marrant International Finance Administration, adding approximately 650 employees in locations including Dublin, New York and Singapore. Our acquisition in May 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, which contributed to our strong results in 2010 by helping to increase our servicing fee revenue, create new cross-sell opportunities and position us as the number one servicer of alternative assets globally.

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. Our 2010 Employee Engagement Survey results showed that flexible work arrangements are well received at State Street, 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 identify positions that would lend themselves well to these arrangements and to offer that option to employees. By the end of 2010, more than 1,300 flexible work arrangements were formally in place. Survey results indicated that employees with the strongest perceptions of flexible work arrangements are the most loyal, committed and hard-working.

At State Street, we believe the success of our business is linked to the well-being of the communities in which we live and work. We engage our communities through strategic grantmaking focused on education and workforce development initiatives, and we encourage our employees' charitable activities through our Global Outreach employee volunteer program and our Matching Gift Program. Around the globe, 35 State Street Community Support Committees are responsible for developing relationships with their respective community leaders and organizations with the support of our Corporate Citizenship department.

A BETTER COMMUN

\$17.8
million

State Street
Foundation grants

\$2.0
million

employee
matching gifts

78,400

employee
volunteer hours

60

participants in "State Street
on Board" program

ITY



The State Street Foundation

The State Street Foundation is our charitable grantmaking arm and is funded annually by the company. Since its inception in 1977, the Foundation has made grants totaling \$183 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. The Foundation also

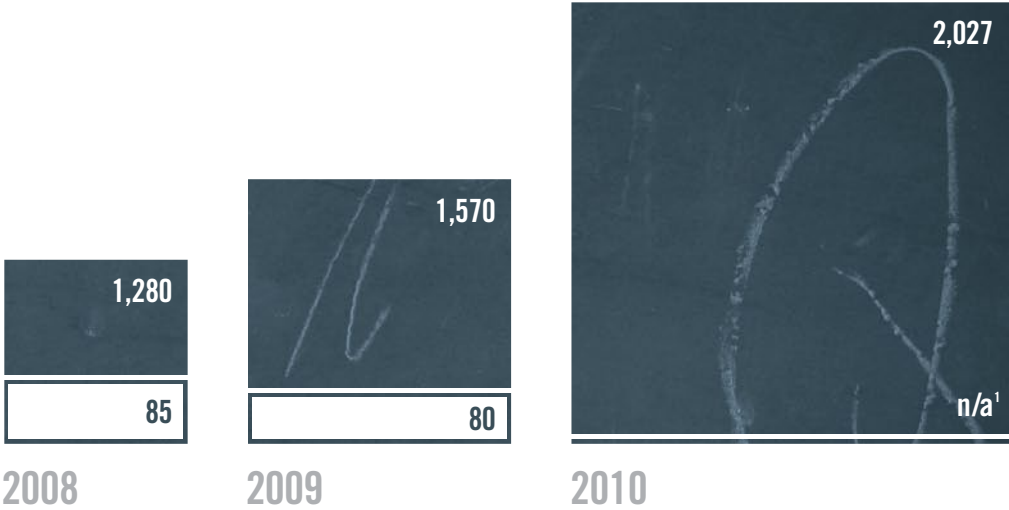
maintains funding flexibility to respond to rapidly changing community needs. The level of support may differ slightly in geographic regions to reflect the varying needs of our communities.

Employee Giving

Our 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 (CollectMore), and matches for fulfilled pledges raised by an individual employee for an organized fundraising event (DoMore). 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 in the world they sit.

Matching Gift Program / US\$ thousands

■ Foundation
□ Corporation



Employee Contributions / 2008 to 2010



Average Match Per Gift / 2008 to 2010 / in US\$

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

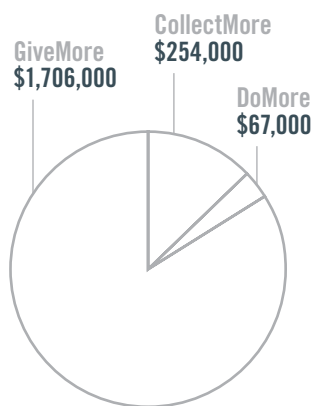
We began exploring the concept of a global workplace giving campaign in 2009 to unite colleagues around the world on one social issue through financial and volunteer contributions. In a survey conducted to explore the social issues most important to State Street employees, education emerged as the dominant issue among our employees around the world. Nearly 1,000 employees have signed on to help implement the campaign, which will be launched in 2011.

State Street Global Outreach™

In 2010, State Street Global Outreach™, our company-wide volunteer program, celebrated its 10th anniversary. The program offers a menu of five service models, including mentoring, consulting, building, serving and giving. 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 for executives interested in serving on nonprofit boards. 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.



2010 Foundation and Corporate Matches by Component

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	\$1,700,000
Cumulative volunteer hours (since 2001)			430,400
Cumulative volunteer projects (since 2001)			15,600

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

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Visit www.statestreet.com/cr to view State Street's full 2010 Corporate Responsibility Report. For more information on State Street's CR efforts, contact Richard Pearl at rwpearl@statestreet.com.

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