

MAKING LIFE BETTER

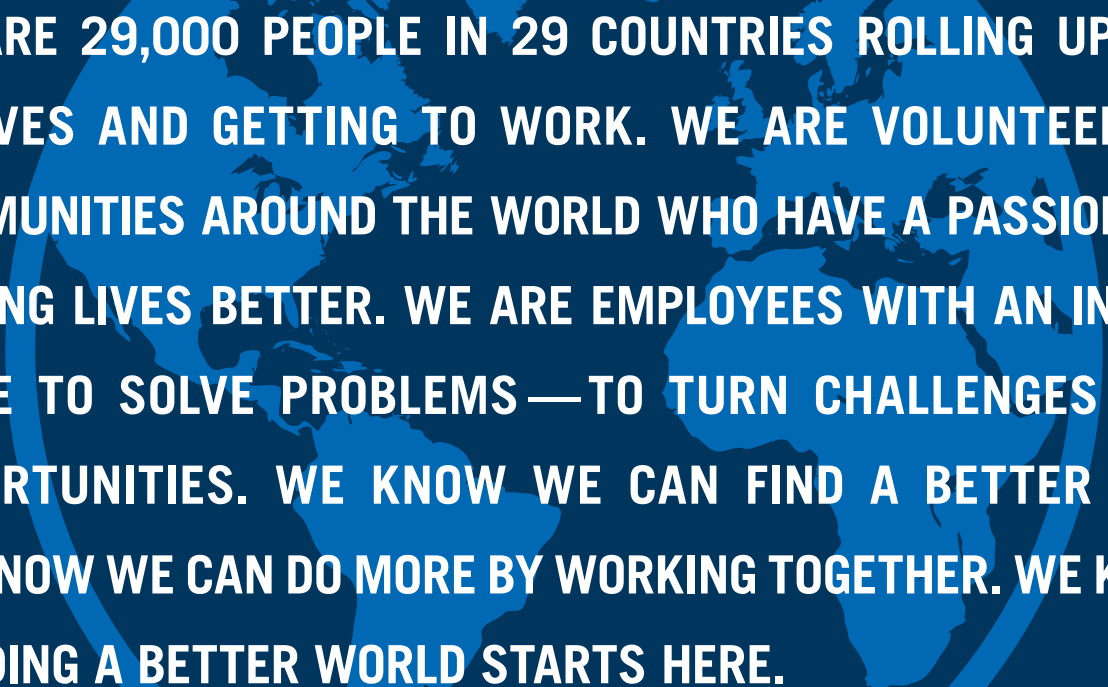


STATE STREET
CORPORATE RESPONSIBILITY
2011 OVERVIEW



**WE DO NOT INHERIT
THE EARTH FROM
OUR ANCESTORS.
WE BORROW IT FROM
OUR CHILDREN.**

Native American proverb



WE ARE 29,000 PEOPLE IN 29 COUNTRIES ROLLING UP OUR SLEEVES AND GETTING TO WORK. WE ARE VOLUNTEERS IN COMMUNITIES AROUND THE WORLD WHO HAVE A PASSION FOR MAKING LIVES BETTER. WE ARE EMPLOYEES WITH AN INNATE DRIVE TO SOLVE PROBLEMS—TO TURN CHALLENGES INTO OPPORTUNITIES. WE KNOW WE CAN FIND A BETTER WAY. WE KNOW WE CAN DO MORE BY WORKING TOGETHER. WE KNOW BUILDING A BETTER WORLD STARTS HERE.

At State Street, we understand that to be a global force and a local citizen, we must consider our decisions' widespread effects on our environments and our communities. Corporate responsibility (CR) continues to be a priority in all of the countries where we operate, and I am proud that despite an extremely challenging business climate in 2011, State Street remained focused on delivering long-term value to all of our stakeholders.

Throughout the year, we continued to deliver innovative solutions to clients through our multiyear business transformation program. CR plays a role in this program, which was built to transform both our own operating model, as well as the technology we develop for our clients. In our investment management business we launched a green bond investment strategy to give investors a way to direct fixed income investments to climate solutions. Our trading business, meanwhile, executed our first environmental currency portfolio transaction on our own behalf.

In addition to continuing to integrate environmental factors into our business products and services, we also made significant progress in our own environmental sustainability efforts. We have already exceeded two of the four multiyear goals we set for reduction of waste, water and carbon emissions, and are working to set more aggressive goals beginning in 2012. Also, several of our flagship buildings globally achieved ISO 14001 certification, which we are currently pursuing for our headquarters in Boston.

Our commitment to CR has also been recognized in the industry. Notably, our CR efforts were honored for the first time by the STOXX Global ESG Leaders Index Series. State Street was the only US-based financial services firm added to all four of the indices and for the second consecutive year, we were named

to the Carbon Disclosure Project's S&P 500 Leadership Index, a listing that recognizes both performance and commitment to transparent environmental reporting.

Perhaps most impressive is the dedication our employees have demonstrated to CR. During 2011, State Street employees volunteered more than 85,000 hours with nonprofit organizations, which resulted in \$1.85 million in savings to our charitable partners. Also, as part of our first annual Global Giving Campaign, one of our largest citizenship initiatives, employees and the State Street Foundation made \$3.5 million in employee gifts and matching proceeds toward partner organizations. I am pleased to see such active community outreach by our employees, as well as to support the causes that mean the most to them.

There is no doubt that 2011 was a challenging year. During these times of changing market conditions, we made important business decisions to help us maintain our strong industry position, but we never lost sight of our company's values — "Stronger Together," "Always Finding Better Ways" and "Global Force, Local Citizen."

As we face new challenges and opportunities, CR will remain a business imperative for State Street.



A handwritten signature in dark ink, appearing to read "J. L. Hooley". The signature is fluid and stylized, with a large loop at the beginning and a long, sweeping tail.

Joseph (Jay) L. Hooley
Chairman, President and
Chief Executive Officer

There is no doubt that corporate responsibility (CR) is growing in importance in every industry throughout the world. It's evidenced by how effectively companies engage their employees, in addition to ensuring they make a lasting impact on the world around them. It has been particularly noticeable in areas where there has been a push for greater focus on values as we continue to recover from a crippling global financial crisis.

The Executive Corporate Responsibility Committee at State Street hears this call loud and clear. Everything we've set out to accomplish is motivated by a sense of responsibility to do what is right for our constituents and society as a whole. When we formed the committee in late 2010, our intent was to further elevate the visibility of our CR efforts and be accountable to those at the highest levels of the organization. We are focused on continuing to stay abreast of global trends and taking advantage of our employees' and clients' considerable knowledge and interest in environmental, social and governance (ESG) issues.

In 2011, we met with our board of directors to express our deep interest in increasing engagement around CR in geographies where we operate that traditionally have been less involved. We feel it's very important to tap in to our human capital and nourish it to create synergy across the entire organization — generation after generation. The purpose of this type of engagement is to inspire business collaboration in each of our offices around the world.

The social media trend is also driving us to engage our stakeholders in this way. Increasingly, organizations are looking beyond ESG factors in the way they do business. Economic factors, such as the products they offer, are moving to the fore. To keep ahead of this trend, we create capabilities to help our clients achieve their goal of becoming more sustainable.



As an example, in 2011 we developed a mobile application for the iPad, called Springboard,SM to provide our clients with real-time access to essential portfolio and risk exposure data. We also partnered with F&C Investments in the UK to become the first custodian to offer F&C's ESG Reporting Service to clients. In addition, we launched a green bond strategy, purchased renewable energy credits and carbon offsets, and published the company's first environmental sustainability (ES) dashboard for employees to view corporate environmental performance. Moving forward, we anticipate more cross-organization collaboration on ESG opportunities in products and services.

Much of the committee's work in 2011 centered on framing key ESG issues and opportunities, and approving our 2012 ES action plan and three-year strategic plan. We're going to continue our momentum and focus on making progress in several areas, including expanding ES efforts through certification and evaluation of carbon neutrality and the United Nations Global Compact, as well as pursuing ways to involve our employees in more ESG opportunities. In addition, we will revisit our environmental goals to penetrate more evenly and deeply into all the regions where we operate.

A handwritten signature in black ink, appearing to read 'P. Centanni'.

Patrick Centanni
Executive Vice President
Chair of State Street's Executive
Corporate Responsibility Committee
Global Services Global Product Management



95% OF THE 250 LARGEST
companies in the world now
issue separate sustainability reports¹



75% OF CEOs
believe that more emphasis should be
placed on measuring and demonstrating
the non-financial value of the business²



48% OF BUSINESS LEADERS
say their company's board of directors
will become more international³



1,863

**COMPANIES REPORTED ON MATERIAL ISSUES AS
PART OF THE GLOBAL REPORTING INITIATIVE IN 2010,
A 23% INCREASE FROM THE PRIOR YEAR⁴**

ACCOUNTABILITY AND TRANSPARENCY

We are steadfast in conducting ourselves ethically, honestly and with integrity at all times, as well as ensuring transparency and long-term sustainability through our systems, procedures and oversight.



79% OF BUSINESS LEADERS

say that over the next 20 years
technology will significantly reduce
costs and improve efficiency⁵



66% OF BUSINESS LEADERS

say corporate environmental investments
return value over the long term⁶



1 IN 8 DOLLARS

under professional management
in the US is involved in sustainable
and responsible investing⁷

84%

**OF GLOBAL ORGANIZATIONS ARE OPTIMISTIC THAT
SUSTAINABILITY WILL BECOME PART OF CORE STRATEGIES
AND OPERATIONS IN THE NEXT FIVE YEARS⁸**

BUSINESS EXCELLENCE

Being viewed by our clients as the most reliable and responsible financial services provider drives the way we do business, the products and services we deliver, and the collaborations we foster.



780 MILLION PEOPLE

lack access to a safe
source of drinking water⁹



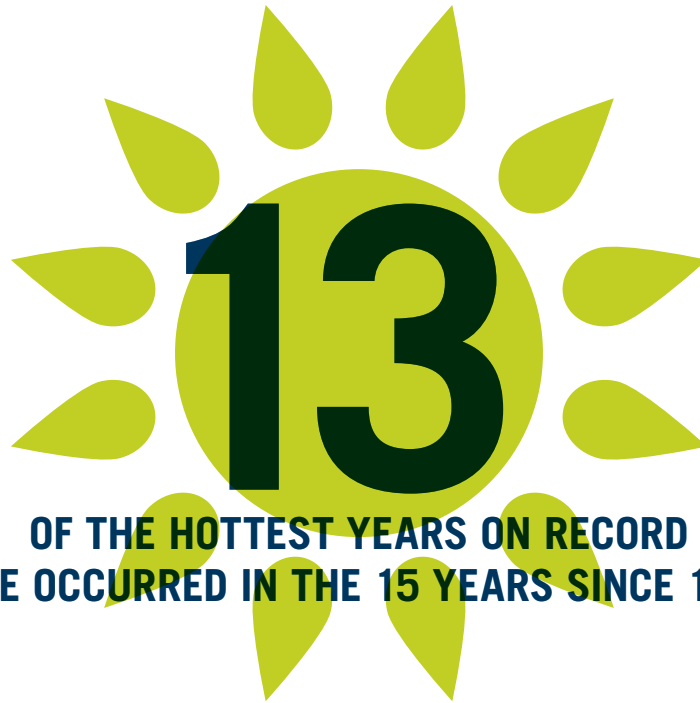
7,000 GALLONS

of water could be saved by
recycling one ton of paper¹⁰



MORE THAN HALF

of countries worldwide have
renewable energy policies¹¹



**OF THE HOTTEST YEARS ON RECORD
HAVE OCCURRED IN THE 15 YEARS SINCE 1997¹²**

ENVIRONMENTAL SUSTAINABILITY

Our environmental practices strive to significantly improve our ability to attract and retain clients, our efforts to operate more cost-effectively and our long-term sustainability.



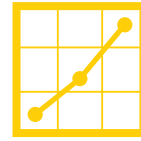
49% OF BUSINESS LEADERS

globally say a company's commitment to sustainability could affect their employment choices¹³



16% INCREASE

in employee performance through goal-setting¹⁴



3.9X GREATER GROWTH RATE

in earnings per share for companies with world-class employee engagement, compared with their low-scoring industry peers¹⁵



62%

**OF CONSUMERS GLOBALLY PREFER TO
WORK FOR COMPANIES THAT GIVE BACK TO SOCIETY¹⁶**

HUMAN CAPITAL

Our goal is to foster a culture that gives employees the freedom to build a rewarding career and develop invaluable skills along the way.



86% OF CONSUMERS

globally say companies should place at least equal weight on society's interests as on business' interests¹⁷



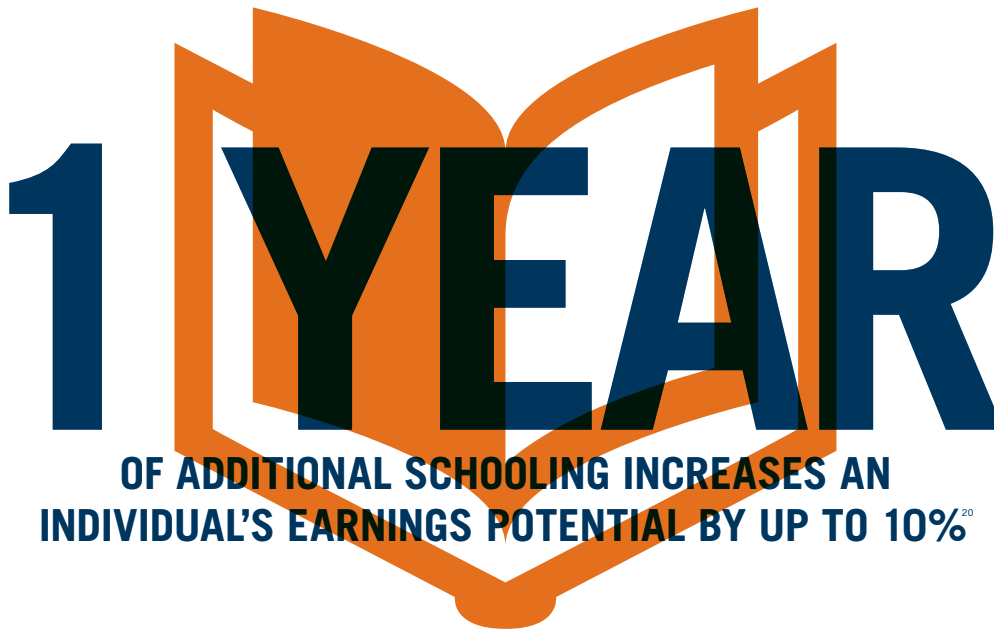
64% OF CONSUMERS

globally say corporations must go beyond donations and integrate good causes into their everyday business¹⁸



360° MANAGEMENT

of performance and reputation dimensions is increasingly required by companies¹⁹



CITIZENSHIP

Continually mobilizing our resources and our workforce to actively engage in the communities where we operate makes a greater impact on the world around us and improves our reputation.

George Russell is the executive vice president and director of Corporate Citizenship, as well as the president of the State Street Foundation. He leads a global team that spearheads the important task of increasing the company's involvement in community-related issues at every level of the organization. He spoke with us about the evolving role of corporate citizenship at State Street and its successes over the past year.

Q. Looking back on 2011, what do you view as the biggest accomplishment for State Street Corporate Citizenship?

A. I'd say our new Global Giving Campaign is at the top of the list. For years, State Street has held an annual campaign in North America to raise money for organizations that support the underserved in our communities. This was the first time we ever engaged in a global campaign. And, State Street is the only global company to launch a campaign of this scale and nature. What's also unique is that the campaign, which ran from October 1 to November 11, brought together nearly 30,000 employees to make a substantial impact on a single issue — education.

Q. Why focus on education?

A. With this campaign, we were looking to harness the passion and focus of our employees as an organization to create an even bigger impact on both local and global communities. In a company-wide survey, our employees chose to focus on education, which will continue to drive the campaign for the next two years. I believe we can unite around education because it affects each of us in personal ways. Whether our employees' particular interests are in the area of addressing poverty or another social need, or developing job skills, education is critical and will make a difference no matter where you are in the world.

Q. How did you do — what were the campaign results?

A. Our employees contributed \$1.3 million in gifts and volunteered 7,500 hours with our campaign partners. When I think about the startling fact that education accounts for only 2 percent of all humanitarian aid, I am proud of our contribution and our decision to focus on this issue. What's also impressive is that, considering we'd previously only offered these types of campaigns in North America, employees in the Europe, Middle East and Africa (EMEA) region contributed more volunteer hours in

this campaign than North America, and those in Asia Pacific contributed more money proportionally. Clearly, the momentum has begun.

Q. What successes can you point to for the State Street Foundation?

A. We are thrilled to report that we are beginning to build metrics around the impact we're making through the Foundation. To know where we stand, to be able to measure our impact, is the way to be best in class. Specifically, these metrics will help us to ensure that the grants we award to nonprofit organizations around the globe are helping us improve the lives of the disadvantaged through workforce development and education.

Q. How has Corporate Citizenship evolved over the past year?

A. As State Street continues to gain new business more rapidly outside the US, we are making our corporate citizenship efforts more global in scope. Through the Foundation, we're building on the amount of social investing outside the US, and allocating funds to our staff in the regions so they can award grants to organizations they think are important. As we expand our reach in the Asia-Pacific region, for example, we assigned a senior manager from Corporate Citizenship in Boston to Hong Kong to help facilitate this effort over the next two years. We've even established an international executive corporate citizenship advisory council to ensure our leadership is supporting our endeavors globally.

Q. What's on the horizon for 2012?

A. We're always taking steps to further align our strategy with our corporate value to be a "Global Force, Local Citizen." For 2012, we're specifically working toward refining some areas and building on the momentum of 2011. As examples, we're launching an online grant application in the US that will streamline the application process, as well as implementing a new rolling deadline to enable charities to apply based on their fiscal calendar. Charities will also begin using the Impact Framework and metrics to report back to the Foundation on the impact they've made. These improvements will allow us not only to be a more strategic grantmaker, but one that truly makes a greater impact on our communities, particularly in our focus area of education and workforce development.



\$98
MILLION IN SUPPLIER DIVERSITY SPENDING

\$1.4
TRILLION
NEW ASSETS
TO BE SERVED

583 CU FT
WATER CONSUMPTION
PER PERSON
(ACHIEVING REDUCTION GOAL)

#17
RANKED
OUT OF 176
ON THE GLOBAL CORPORATE
RENEWABLE ENERGY INDEX

3 ISO
14001
FIRST
OFFICES TO BE ISO
14001 CERTIFIED
(LONDON, EDINBURGH, DUBLIN)

27%
MINORITIES AS
A PERCENTAGE
OF TOTAL
US EMPLOYEES

1,800
EMPLOYEES TRAINED
IN OVERCOMING CHALLENGES
VIA SELF-PACED LEARNING PROGRAM

6%
ESG ASSETS
AS PERCENTAGE
OF COMPANY TOTALS

\$108
BILLION
ESG-BASED ASSETS

149mt
CO₂ EMISSIONS
AVOIDED FROM
RENEWABLE
ENERGY PURCHASE

140000
MILES SAVED PER WEEK
VIA THE FLEXIBLE WORK PROGRAM*

4.56mt CO₂
EMISSIONS PER PERSON
10,000 TONS FROM OUR 3-YEAR GOAL
ACHIEVED IN THE FIRST YEAR

968
EMPLOYEES
PARTICIPATING IN FORMAL
MENTORING RELATIONSHIPS

45%
FEMALES AS A
PERCENTAGE
OF GLOBAL TOTAL

600
GLOBAL MANAGERS
TRAINED IN
"UNCONSCIOUS BIAS"

6
YRS
ON THE DOW JONES
SUSTAINABILITY WORLD
AND NORTH AMERICAN INDICES

4+8
CLIENT ACCOUNTS
HAVE UNDERGONE
HUMAN RIGHTS
SCREENING

19%
DIVIDEND
PAYOUT RATIO

2 ELECTRIC VEHICLE CHARGING
STATIONS INSTALLED — OUR FIRST EVER
(BOSTON HEADQUARTERS)

144
POUNDS
TOTAL WASTE PER PERSON
(ACHIEVING REDUCTION GOAL)

20,256
PIECES
OF RECLAIMED
IT EQUIPMENT

59%
INCREASE
IN RENEWABLE
ENERGY
PURCHASED
OVER 2010

EPA
GREEN POWER
LEADERSHIP AWARD

30
EMPLOYEE
NETWORKS
100 CHAPTERS WORLDWIDE

\$1.85
MILLION
VALUE OF
VOLUNTEER TIME
TO NONPROFIT
ORGANIZATIONS

40
GLOBAL MEMBERS
OF STATE STREET'S
CR WORKING GROUP

4
ALL FOUR OF THE STOXX
GLOBAL ESG LEADERS INDICES
(ENVIRONMENTAL, SOCIAL, GOVERNANCE
AND GLOBAL ESG LEADERS)

TOP 3
RANKED IN TOP THREE
FOR THIRD CONSECUTIVE YEAR
IN COMPUTERWORLD'S
TOP GREEN-IT ORGANIZATIONS

2010 2011
81 84
SCORES ON THE
CARBON DISCLOSURE PROJECT'S
LEADERSHIP INDEX;
SECOND YEAR IN A ROW LISTED

9
IN OVERALL WIND
POWER USE
RELATIVE TO
TOTAL ENERGY CONSUMPTION
ON THE GLOBAL CORPORATE
RENEWABLE ENERGY INDEX

29
COUNTRIES
WHERE
STATE STREET
OPERATES

85,000
HOURS
VOLUNTEER TIME
TO NONPROFIT
ORGANIZATIONS

5,500
VOLUNTEER
PROJECTS
CONDUCTED

8 YRS
REPORTING IN ACCORDANCE
WITH THE GLOBAL
REPORTING INITIATIVE

5 YRS
OF HAVING ANNUAL CR REPORT
INDEPENDENTLY VERIFIED

2
YEARS ON BUSINESS IN THE
COMMUNITY'S CORPORATE
RESPONSIBILITY INDEX

\$20.5
MILLION
FOUNDATION GRANTS

\$3.5 MILLION
EMPLOYEE MATCHING
GIFTS AND PROCEEDS
RAISED THROUGH THE
MATCHING GIFT PROGRAM AND
GLOBAL GIVING CAMPAIGN

MAKING LIFE
BETTER

ACCOUNTABILITY AND TRANSPARENCY
BUSINESS EXCELLENCE
ENVIRONMENTAL SUSTAINABILITY
HUMAN CAPITAL
CITIZENSHIP

*Using a new tool launched in 2011, employees self-identified how many miles they saved each week. **Metric tons



STATE STREET

We understand that what we do today will have a tremendous impact on the future — the future of the institutional investors we serve, our employees, and the communities in which we live and work. That's why State Street is always finding ways to make the world better through our corporate responsibility efforts. Whether it's creating a better workplace for our employees, ensuring better outcomes for our clients or strengthening the economic well-being of the communities around us, we are confident in our ability to help lay the groundwork for a better tomorrow. [Learn more at www.statestreet.com/better](http://www.statestreet.com/better).

This overview is printed on Neenah ENVIRONMENT® PC 100 White, a 100% post-consumer recycled paper made from sustainable raw materials free of chlorine chemistry. The entire ENVIRONMENT® family of papers is manufactured Carbon Neutral Plus, with 100% renewable green electricity, and is Green Seal and Green-e certified.



STATE STREET®

State Street Corporation
State Street Financial Center
One Lincoln Street
Boston, Massachusetts 02111-2900
+1 617 786 3000

www.statestreet.com

NYSE ticker symbol: STT

(1) KPMG International Survey of Corporate Responsibility Reporting 2011. (2) Chartered Global Management Accountant study, "Rebooting Business: Valuing the Human Dimension," December 2011. (3) Economist Intelligence Unit report, "Global Firms in 2020: The Next Decade of Change for Organizations and Workers," September 2010. (4) Global Reporting Initiative, Global Reports List, March 2011. (5) Economist Intelligence Unit report, "Global Firms in 2020: The Next Decade of Change for Organizations and Workers," September 2010. (6) Boston College Center for Corporate Citizenship: The State of Corporate Citizenship 2012. (7) PricewaterhouseCoopers, "Do Investors Care About Sustainability?" March 2012. (8) Business for Social Responsibility/GlobeScan State of Sustainable Business Poll 2011. (9) WHO/UNICEF Joint Monitoring Programme (JMP) for Water Supply and Sanitation, 2012. (10) US Environmental Protection Agency, 2012. (11) Dr. Andrew Steer, The World Bank Group, February 2011. (12) UN World Meteorological Organization, November 2011. (13) MIT Sloan Management Review/Boston Consulting Group, Third Annual Sustainability Global Executive Survey, September 2011. (14) National Business Research Institute. (15) Gallup Study, "Employee Engagement: What's Your Engagement Ratio?" 2010. (16) Nielsen Global Survey of Corporate Citizenship, March 2012. (17) Edelman Good Purpose Study, 2010. (18) Edelman Good Purpose Study, 2010. (19) Raitel, Wilczynski, Schloderer and Schwaiger, "The Value-Relevance of Corporate Reputation During the Financial Crisis," 2010. (20) UNESCO EFA Monitoring Report, 2011; CIA World Factbook, 2011.