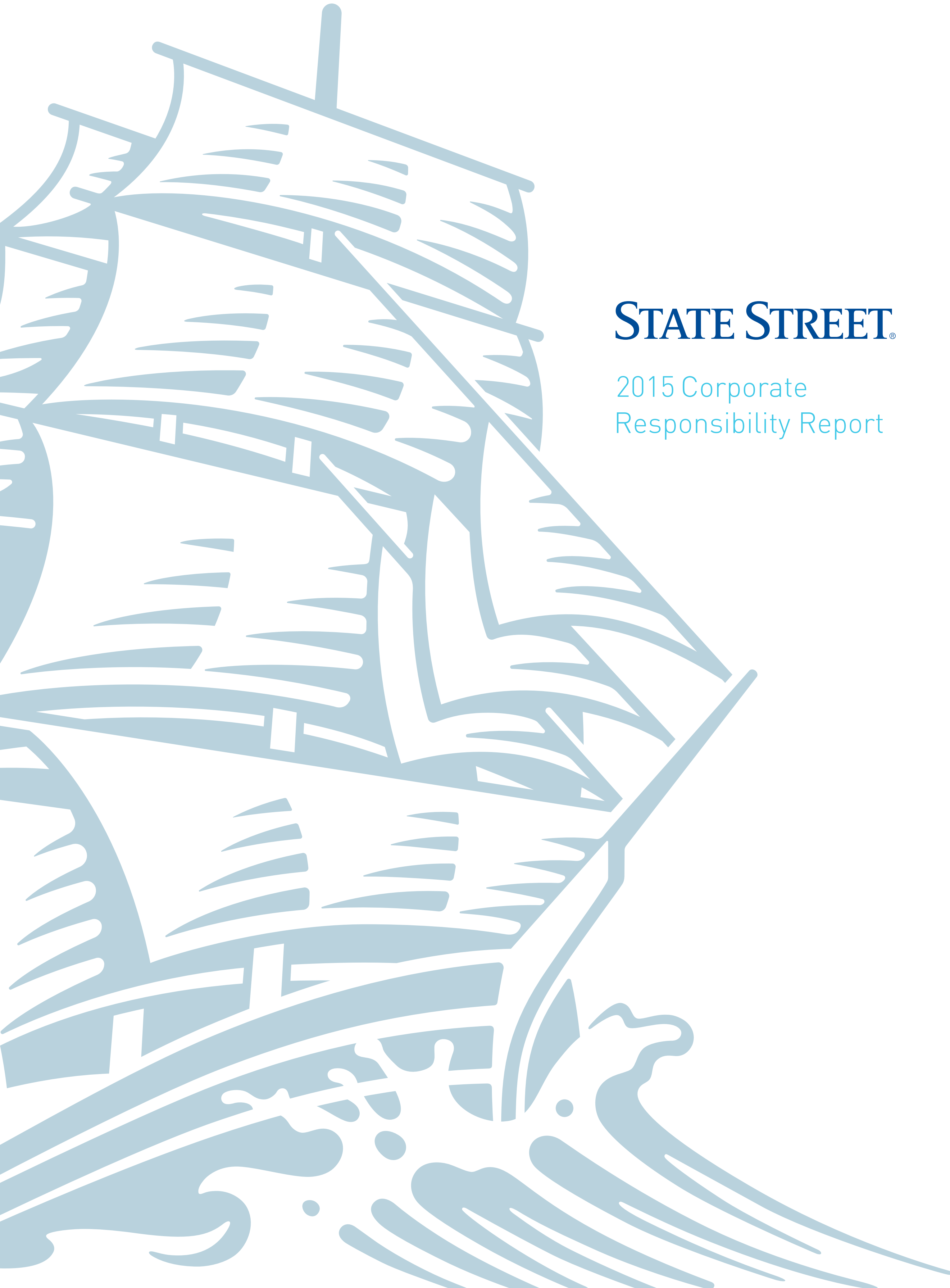

STATE STREET®

2015 Corporate Responsibility Report

Creating Change. Unlocking Value.

The lasting relationships we build with our employees, clients, shareholders and communities are the foundation of our business. We keep those relationships at the heart of everything we do through our commitment to corporate responsibility (CR). It's infused across our corporate strategy and values, and is an important part of our Way Ahead.

Corporate responsibility is our promise to all stakeholders. It means we conduct business in an ethical manner, work with our clients, employees and suppliers to create value for all involved, support the communities where we work and live, and protect the environment.

This report summarizes how we make sure we act as a responsible corporation. It discusses how we upheld this commitment in 2015 and how we'll continue this journey. All data within the report is as of December 31, 2015, unless otherwise noted.

You'll find links to our GRI Report in the appendix for more detailed information on our management approach and our performance over the past year.

2015 CR Report Snapshot

Economic	Governance	Employees	Communities	Environment
$1.17B Investment Management Revenue	1 Exchanges Listed On	32,356 Number of Employees	$22.7M Foundation Philanthropic Contributions	201,407 Tons Greenhouse Gas Emissions (CO2e)
$9.16B Investment Servicing Revenue	30 Countries with State Street Offices	23 Number of Employee Affinity Groups	$4.15M Foundation Matching Gifts	19.11M cubic feet Water Usage
$5.93B US Revenue	100+ Markets Served	100 Affinity Group Chapters Globally	116,384 Volunteer Hours	5,995.16 Short Tons Waste Tonnage
$4.42B Non-US Revenue	3 Women Board Members	93.20% Employees Completed PPR	165 Events Sponsored	↓17% Greenhouse Gas Emissions (Goal: 20%)
$168.40B ESG Assets Under Management	2 Non-US Board Members		2,222 Unique Organizations Served	↓17% Water (Goal: 20%)
	10 Independent Board Members		$719M Affordable Housing Investment	89% Waste Diversion Rate (Goal: 90%)
	$1.85M Direct Value Generated		$2M Small Business Investment	
			$24M CRA Investments	

All figures are as of December 31, 2015, unless otherwise noted.
For detailed computation please reference the Economic Performance section within the CR Report.

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Strategic Role of Corporate Responsibility

Letter from Jay Hooley, Chairman and CEO

Joseph L. Hooley is chairman and
chief executive officer of State Street Corporation

At State Street, corporate responsibility (CR) is firmly ingrained in our culture and business strategy. We know that making a positive impact on the world is not only the right thing to do, it's smart business. Being a responsible corporate citizen makes sense for all of our stakeholders — our employees, our clients, our shareholders and society at large.

Environmental Sustainability

Protecting the environment while supporting sustainable development is a major priority for us. In 2015, we continued to make substantial progress toward our goal to reduce our greenhouse gas (GHG) emissions and water use by 20 percent per person by 2020, compared to a 2012 baseline. At the end of the year, we had achieved a 17 percent reduction in both categories, while also closing in on our goal of drastically reducing waste sent to landfills.

We continue to manage the environmental impact of our operations, with 56 percent of our global square footage of office space now certified to ISO 14001 standards. Our investment in a wind power project near our new office in Gdansk, Poland, helped offset 26,000 metric tons of carbon impact, an amount equivalent to our 2014 business travel emissions. We also acquired 202 million kilowatt-hours of renewable energy certificates (RECs), representing 110 percent of the electricity we purchased in the US in 2015.

We are proud to be a leader in helping investors incorporate environmental, social and governance (ESG) factors into their investment decisions. We first started managing ESG portfolios in 1986 and as of the end of 2015 had more than $168.4 billion in ESG assets under management. In December 2015, we launched an exchange traded fund designed to help investors eliminate fossil fuel reserves from their portfolios while maintaining exposure to the core of the S&P 500 Index.

Investing in Our Communities

The strength of our business is directly linked to the well-being of the communities in which we operate. Our State Street Foundation provided $22.7 million to nonprofit organizations around the world in 2015, including matching employee contributions of $4.15 million to 2,222 charitable organizations. We encourage our employees to be active in our communities, and more than a fifth of them participated in company-sponsored volunteer activities during the year, devoting 116,000 hours of their time to charitable causes.

In June, we launched the Boston Workforce Investment Network, or Boston WINs, a four-year pilot program to boost education and job readiness for urban youth in our headquarters city. In an innovative approach to corporate philanthropy, our Foundation pledged to donate $20 million to five nonprofit organizations over four years and hire 1,000 young people who work with them to advance their education and job readiness. All five of these partner organizations have committed to working closely with each other and with State Street to pursue our shared objectives of providing education, training and meaningful career opportunities for Boston youth — and to regularly measure, assess and report our joint progress.

Diversity and Inclusion

Building a diverse workforce and an inclusive environment are essential elements of our culture. For us, diversity represents the variety of backgrounds, perspectives and experiences within our organization, while inclusion is about soliciting and respecting different perspectives to promote a culture of engagement, innovation and constructive debate and challenge.

Our workforce should mirror the clients and communities we serve, and we want our employees to be able to see themselves reflected in their leaders. To this end, we set a series of goals to increase the diversity of our middle management and leadership ranks by the end of 2017, and we will measure progress on diversity and inclusion as part of our annual performance reviews for all managers.

Risk Management

Our stakeholders expect us to serve them fairly and act appropriately in all we do, and doing so is an essential element of our values. In 2015, we launched a company-wide initiative to elevate risk excellence as a top priority. We strengthened our risk assessment and monitoring capabilities by investing in skilled people, technology and processes. We also rolled out a newly revised Standard of Conduct and Ethical Decision-Making Framework to all employees and stressed the importance of holding ourselves to the highest possible standards and challenging ourselves and each other to make sound decisions.

Committed to CR

As a signatory to the United Nations Global Compact, we're committed to advancing its 10 universal principles for responsible business, as well as the Sustainable Development Goals (SDGs) the UN issued in September 2015. These SDGs are aimed at addressing important ESG challenges, and several of them are closely aligned with our goals. We're pleased with the progress we've made advancing our CR agenda, but we recognize there's more to do. We will continue our work to be a responsible corporate citizen and make a more positive impact on the world.

Letter from Pat Centanni, Chairman of the Executive Corporate Responsibility Committee

Pat Centanni is an executive vice president and manager of State Street Global Realty, Procurement & Continuity Services. He will retire in June 2016 after more than 25 years at State Street.

Every year, I'm excited to see how we can continue to weave corporate responsibility (CR) further into our strategy. From the 2020 environmental goals we set in 2012 to the investments we made this year in our Boston WINs job-readiness program, we're preserving our promise of building a sustainable future.

Where We Are

As a solutions-focused company, we use the insights we gain from talking to our clients to develop solutions for their business. This includes helping them incorporate CR into their own business.

But our commitment to CR is more than just the solutions we offer to clients. It's also how we engage our employees to help them grow in their careers and stay connected to our goals. Our focus on CR helps employees know they work at a company whose values align to theirs. Suppliers are another way we can make a difference. Over the past few years, we've taken a close look at our supply chain and have started implementing procurement policies on social and environmental responsibility. Wherever we can, we look to work with partners that demonstrate socially responsible sourcing.

Where We're Going

As we look forward, we want to zero in on the most relevant CR topics and make sure top management is informed and can lead the charge. We need to clearly articulate what matters to our business and all stakeholders.

In 2016, we'll continue to promote ESG product and service opportunities through State Street Global Advisors (SSGA) initiatives and by working with our Global Strategy team to develop a corporate-wide approach. When it comes to the environment, we'll look for additional opportunities to lower our carbon footprint, water usage and waste amount so that we can reach our 2020 goals.

An important part of our Way Ahead is also setting new goals. As signatories to the UN Global Compact, we want to make sure our CR and community initiatives align with the UN's Sustainable Development Goals. We'll identify those most material to State Street to establish metrics and report on our progress. And while our human rights statement has served us well since we first issued it in 2008, we'll be updating it this year for greater clarity. Finally, we're also considering ways we can include CR in our employees' annual goals. I think this will truly help strengthen the belief that everyone can contribute to our goals of building a sustainable future.

CR Goals and Progress

Support environmental financial solutions by promoting and sponsoring reports and research that inform internal and external clients
In progress

Publish and implement energy and paper usage guidelines
Complete

Develop, publish and implement procurement policies promoting social and environmental responsibility
In progress

Publish metrics on community investments
Complete

Increase engagement on CR issues with senior management and clients
In progress

Seek approval for a corporate citizenship goal, subject to further developments with the performance, planning and review (PPR) tool
Deferred

Material corporate responsibility topics

Creating Focused Value

Our corporate responsibility (CR) initiatives and this report focus on the most relevant topics for our company and stakeholders. We update our list of material CR topics every two years based on guidelines from the Global Reporting Initiative (GRI). In 2015, our assessment, which is supported by the CR consultancy Sustainserv, began with a list of 32 CR topics. These were compiled from GRI, the ISO 26000 Guidance on Social Responsibility, the Sustainability Accounting Standards Board (SASB) and CR reports of other financial services companies.

A number of test questions helped us narrow this down to 15 topics that create the greatest value for our business and stakeholders. These questions addressed whether a topic presents significant risks or opportunities to our company, whether it is related to our values, or whether it has been raised by external partners or employees as impacting their interests.

Inviting Feedback

To determine the topics most important to our company, we engaged colleagues across business units and from our North America, Europe, Middle East and Africa (EMEA) and Asia-Pacific (APAC) operations. They completed an online survey based on our test questions and refined the results at an in-person workshop in Boston and online workshops in EMEA and APAC. To assess the topics in a holistic manner, the survey also looked at relevant impacts that could occur in our value chain.

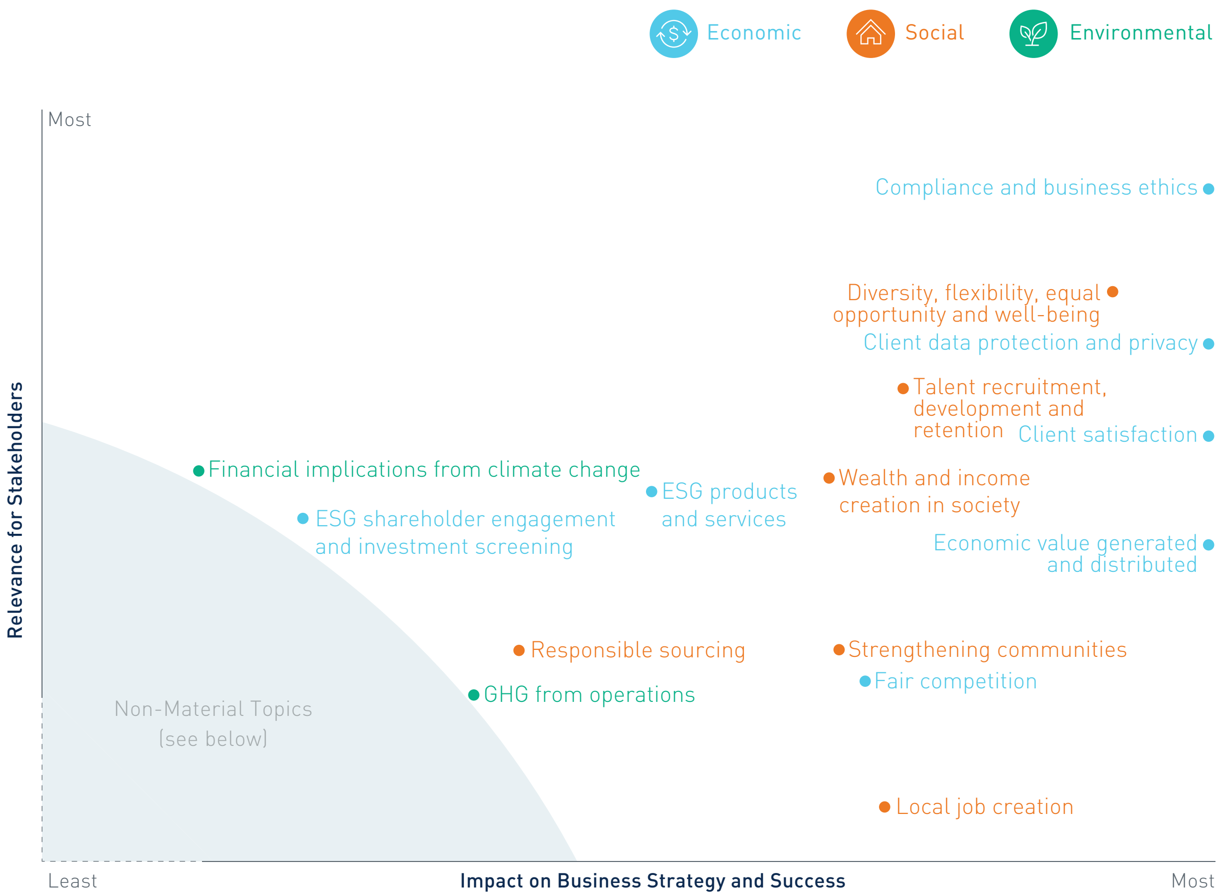
To identify the topics most relevant to our stakeholders, we invited a select group of clients, investors, suppliers, nongovernmental organizations (NGOs) and academics to complete an online survey, supplemented with a few follow-up interviews. In addition, we asked a small group of employees which topics they believed were most important and included their feedback in our final assessments.

Ongoing Observation

The chart below shows how relevant our 15 focus topics are for our business and stakeholders. It also lists the topics that fell outside of the materiality scope. While we're not specifically discussing these topics in this report, we'll continue to manage them appropriately and reassess their relevance for future reports.

We decided that some topics were not material on their own, but still contribute to our performance on other topics that are material. Examples include the impact of energy efficiency as well as business travel and commuting on our greenhouse gas emissions, and the impact of human rights policies and training on our responsible sourcing.

Materiality Matrix



Currently Non-Material Topics:

- ESG risk audits
- Human rights policy and training
- Health and safety
- Energy efficiency
- Employee benefits
- Public policy and advocacy
- Operational notice periods and collective bargaining
- Impacts from business travel and commuting
- Environmental compliance and expenditures
- Environmental and social grievance mechanisms
- Material use and waste management
- Human rights at risk from operations
- Environmental impact from product use, recycling and reclaiming
- Water use and discharge
- Government financial assistance
- Protecting consumers' health and safety
- Protecting biodiversity
- Other air emissions

Our approach and performance on these material topics are discussed in this report and in our online GRI Report, published on our website under Corporate Responsibility.

Europe, Middle East and Africa (EMEA) and Asia Pacific (APAC) perspectives

To ensure our CR reporting includes perspectives from all our global regions, we asked regional representatives to help select our most relevant CR topics (see pages 8-9). To avoid a North American bias, we also asked senior management from our regional teams for feedback on how we discuss the relevant topics in the report. While the different chapters throughout this report include regional considerations and examples, we summarize overarching comments from colleagues in EMEA and APAC here.

Increasing Demand for ESG Capabilities

ESG demand from clients in EMEA was significant in 2015, expressed for example in requests for proposals (RFPs) to conduct business. This aligns with findings from our global survey of 400 pension funds, which revealed that 83 percent anticipate a moderate or high level of interest in ESG investing over the next three years. Eighty percent of those in EMEA reported they were more likely to consider hiring a manager that has ESG capabilities compared with one that doesn't. Nordic pension funds are particularly active on ESG issues, with Norway's Government Pension Fund Global being one of the leaders in the field.

Strong Expectations for Governance

Since the financial crisis, many APAC regulators have focused on corporate governance. One expectation is for the head of a local legal entity to be fully accountable for local business dealings and decision making. This can have significant impact for multinational banks, such as State Street, that are vertically organized and have globally led systems, infrastructure and functional support. For example, we offshore a number of activities to centers of excellence to increase efficiency and effectiveness. We need to demonstrate to regulators that our local offices have sufficient oversight and decision rights in these arrangements.

Also, there is increased expectation from the European Central Bank as well as from the UK's Financial Conduct Authority (FCA) and Prudential Regulatory Authority (PRA) among others. They want State Street management in EMEA to have local decision-making authority, oversee local implementation of global strategy and have clear accountability. In the UK, the Senior Managers' Regime (SMR), expected to begin in early 2016, will result in far higher levels of personal accountability for senior executives of the London branches. All other UK-regulated firms are expected to be subject to similar requirements by 2018.

Data Protection Required by Regulators and Clients

Data governance and data confidentiality are important issues in EMEA. For example, Swiss banking laws limit our ability to share client data across our corporation or systems. Also, regulators across APAC are increasingly focused on customer data protection, privacy and cybersecurity issues, although rules and regulations vary from market to market. For example, in applying our global marketing automation and client relationship tools, we found that in one jurisdiction data has to be stored locally, while in another data encryption is required for data transfer. Customizing our solutions allows us to ensure local compliance.

Increasing Requirements on ESG Reporting

In the European Union, a directive is unfolding to make reporting on nonfinancial matters including human rights, employee-related issues, diversity and the environment mandatory for thousands of companies by 2018. There are also local disclosure requirements on specific ESG topics. For example, UK anti-slavery law requires employment-related disclosures, and the UK government is currently proposing mandatory gender pay disclosure for firms with more than 250 employees.

Recently, there have been a number of new requirements and consultation processes on ESG reporting in APAC. For example, the Hong Kong Stock Exchange conducted a consultation in 2015, which resulted in a requirement that each issuer must disclose ESG information annually. The Singapore Stock Exchange also held a consultation on ESG reporting in 2015 and published ESG disclosure rules for consultation in early 2016 as a result. Australia, South Korea, Malaysia, Taiwan and India have established or are developing requirements for disclosures regarding ESG issues.

Corporate strategy and corporate responsibility

Aligning Corporate Strategy and Responsibility

Inspired by the guiding principles of the integrated reporting framework published by the International Integrated Reporting Council (IIRC), our 2014 CR Report took the first step to show how CR issues are part of our business strategy. By exploring how material CR topics align with different parts of our strategy, we understood better how CR supports our strategic goals.

Focusing on the future

The Way Ahead is our strategy and road map for the future. Designed to move our business forward, it's focused on four strategic priorities that rest on a foundation of trust, culture, innovation and risk excellence:

- *Build on our strong core* by aligning solutions with client needs and continuing to innovate so that we're in a stronger position to capture value and improve efficiency.
- *Achieve a digital enterprise* by automating processes and digitizing much of how we do business to benefit our employees, clients and shareholders.
- *Maintain our capital strength* by prioritizing our strong capital position so that we can grow and deliver returns to our shareholders.
- *Pursue new opportunities* by focusing on prospects for growth that are informed by future trends.

Determining Areas of Impact

As part of our CR materiality assessment (see pages 8-9) and in CR working group meetings with global teams, we discussed how CR topics impact our strategy. To fully capture the complex connections between responsibility and business, this year we recorded both the primary impacts of CR topics to our strategy as well as secondary, but still meaningful, impacts.

The results are clear: all parts of our corporate strategy can be supported by our attention to relevant CR topics. Two of our priorities — Build on Our Strong Core and Pursue New Opportunities — as well as the foundation of talent, culture, innovation and risk excellence are particularly impacted by this focus.

We have initiatives and incentives in place for many strategically important CR issues, such as ethics, risk excellence, and diversity and inclusion. In addition, we'll continue to explore how our CR programs support how we execute our strategy. Clearly, there are ample opportunities for valuable connections that will drive long-term financial growth and help us continue to build trusted relationships with all stakeholders.

Materiality and The Way Ahead

Material CR Topics	Primary Impact	Secondary Impact
Client satisfaction		
Financial implications of climate change		
GHG from operations		
Local job creation		
Responsible sourcing		
Wealth and income creation in society		
Client data protection and privacy		
Economic value generated and distributed		
ESG products and services		
Compliance and business ethics		
Diversity, flexibility, equal opportunity and well-being		
ESG shareholder engagement and investment screening		
Fair competition		
Strengthening communities		
Talent recruitment, development and retention		

About The Way Ahead

The Way Ahead is our strategy and road map for the future. It's designed to move our business forward, bringing success to all of our stakeholders.

1 Build on Our Strong Core
2 Achieve a Digital Enterprise
3 Maintain Our Capital Strength
4 Pursue New Opportunities
5 Talent, Culture, Innovation and Risk Excellence

Compliance and business ethics

Building Trust

The financial crisis dramatically changed how clients, shareholders, employees and communities view corporate organizations. As a financial services provider, it's more important than ever that our stakeholders see us as a trusted partner. To earn, and keep, this trust, we must hold ourselves to the highest possible standards. All of our business units are responsible for complying with rules and regulations and adhering to our ethical requirements as a first line of defense. Our compliance teams and audit function are the second and third lines.

As part of an agreement reached in 2015 with US and Massachusetts banking regulators, we were required to implement enhancements to our anti-money laundering and Bank Secrecy Act compliance programs.

Because our reputation rests on the behavior of every employee, we revised our global Standard of Conduct to focus even more on conduct and culture in 2015. We also introduced a new Ethical Decision Making Framework and reinforced our managers' roles as the first line of defense.

Adding Staff and Training

In 2015, we expanded our Ethics Office from 11 to 33 members. By establishing new regional ethics leaders in EMEA and APAC, and adding to the overall strength of our team, we've enhanced our advice, counsel and monitoring activities company-wide.

The ethics team created and provided in-person Ethical Decision Making training to 364 executive vice presidents and senior vice presidents globally in 2015. These EVPs and SVPs then delivered in-person, leader-led training in Ethical Decision Making to more than 7,000 of our senior executives. And more than 1,400 assistant vice presidents and above completed equivalent Integrity at Work trainings in EMEA.

Strengthening Personal Accountability

Globally, all staff received online training in anti-bribery, conflict of interest and other Standard of Conduct matters. We increased the attention to on-time completion of training and in 2015 achieved 100 percent on-time completion of the Standard of Conduct training — a strong statement of acceptance of personal responsibility.

In 2015, we launched a program on risk excellence, including an emphasis on the importance of speaking up and dealing transparently with issues. Risk excellence is separately evaluated as part of our performance review process, and we've created incentives for self-reporting failures to follow our compliance policies. Through the end of 2015, 34 percent of all instances of noncompliance with ethics policies per month have been self-reported. This is just one way we've promoted risk excellence performance.

Risk excellence

How to Succeed in Business

Financial institutions traditionally see client service and business performance as the key components of success. We consider risk excellence an equally important part. At a time when financial institutions are dealing with increased regulatory scrutiny, risk excellence is a vital part of how well we support our clients.

Adoption of a Risk Aware Culture

Maintaining an ethical culture demands strong governance and leadership from top management. And because everyone must understand their role, we introduced risk excellence goals for every employee in 2015. The types of risks an employee might come across can vary quite a bit depending on their position, so these goals have been tailored to make sure they're applicable and achievable within the broader risk excellence framework.

Learning from Our Mistakes

In any service-based business, mistakes are made and incidents occur. We want to make sure we respond to these situations in a transparent, timely and effective way — every time. We expect personal accountability and reward employees who quickly identify, escalate and respond to incidents.

To gain insight and avoid repeating mistakes, we share lessons learned from handling incidence cases through our risk excellence governance. This can be challenging, as we often have to break silos across business and geographic lines. But the benefit is great: we improve our collective awareness of potential risks and solidify our risk awareness. This is essential for a business built on trust.

David Suetens

Executive Vice President and International Chief Risk Officer

Leading risk management for State Street in APAC and EMEA, David manages regulatory compliance and oversees the tools we use to ensure risk practices globally across the organization.

"It's our fundamental belief that over the long term, financial institutions that operate ethically and successfully manage risk excellence will distinguish themselves in the marketplace. Those that don't could face tremendous reputational risk, which may endanger their ability to remain in business."

Creating Value for Clients and Shareholders

Lasting, mutually beneficial relationships with both our clients and shareholders are at the foundation of our success. To meet our clients' emerging challenges, we continually look at how we support them and the solutions we offer. This includes financial products and services that embed environmental, social and governance (ESG) features in their design. When it comes to our shareholders, we maintain close relationships to make sure they understand our goals, how we plan to get there and our progress along the way.

Client experience and feedback

Staying in Touch

Our clients expect excellent service — every day. To deliver on that promise, we've worked for many years with National Quality Review (NQR) tools to see what our clients think about the quality of our work and where we can make improvements.

These surveys differ by region in terms of approach, areas measured and client feedback. For example, in EMEA the results showed that we continue to maintain our strong level of overall satisfaction. Clients highlighted regulatory change and tax reporting as areas where they would like to see even more insights from us.

Building Lasting Relationships

In 2014, we piloted a program with 10 of our largest global asset management clients who we support through our Global Relationship Management (GRM) team. In contrast to the NQR surveys, which are focused on general satisfaction levels, we opted to use the Net Promoter System (NPS) with these select clients. The NPS survey addresses three areas: commercial conditions, State Street as an organization and our service quality. Most importantly it asks if the client — based on their experience of working with us — would be willing to act as an advocate for our company. The bar is high: On a scale of 1 to 10, with 10 being the most positive, only a rating of 9 or 10 is counted as a positive result.

For clients who we surveyed for the second year using NPS, we saw clear improvements in overall scores, in the number of individual promoters (more than doubling) and the attributes we measured. Also, more people participated in the survey this year at each client. NPS can support our relationships with a wider group within a client's organization, often even engaging a client's entire C-suite. This helps us build lasting relationships and also fits well with our increasing focus on relationship governance. Together with the client, we're in a stronger position to pinpoint what they value most and create a continuous focus for dialogue and improvement. In 2015, we also included in the NPS pilot a number of strategic clients headquartered in Europe and Asia.

Valuing Thought Leadership

We've learned that once service quality is addressed, one of the next areas clients value is thought leadership. In surveys, clients have told us that they can't find the critical insights we offer anywhere else.

For example, they can tap into our experience with disruptive technologies from State Street Global Exchange (SSGX). Access to white papers on current industry challenges as well as future trends also gives our clients a stronger understanding of the markets they operate in. And with marketing automation and client relationship tools, we can see what information clients most actively use so that we can respond to their individual needs.

Where thought leadership is of interest to a client, we can invite them to talk with the authors of our white papers or to speak to other experts on our team. We also share insights into what has worked for us and for other clients regarding geographic expansion, product development and topics such as technology, regulation, risk and distribution. Also, our strong engagement in community and environmental protection is compelling to many clients who are developing their own responsibility programs. We've even seen an increase on these topics in RFPs.

Ethical marketing and fair competition

Building a Foundation of Trust

As a partner to some of the world's leading institutions, we must constantly earn their trust. Our commitment to honest and transparent operations is not only in the work we do for our clients and shareholders, it's part of how we market our services and communicate our mission to the public.

Our recently revised global Standard of Conduct clearly prohibits misrepresenting any material facts, and requires that employees understand and uphold the laws regarding cross-selling and bundling of products and services.

Marketing Ethically

In 2015, we launched a new multi-level compliance program. We made marketing compliance a key area for strengthening our risk excellence, and provided additional resources for achieving this compliance. The new resources included a stronger Compliance Oversight Program (COP) for ethical marketing and creating the new role of a Marketing Risk and Compliance Program Manager.

As part of the training on our new global Ethical Decision-Making Framework, we developed ethical dilemma scenarios and added them to the ethics training library for all businesses. Also, our new Global Marketing and Advertising Committee helps us uphold our transparent disclosures on the products and services we offer.

Avoiding Improper Gifts

While modest gifts and entertainment can help personalize business relationships, we strictly prohibit our employees from giving or receiving anything of value in exchange for or the perception of a specific business advantage.

We have a strict annual limit of US$250 for gifts given to an individual, and any gift or entertainment offered to a public employee or US union official requires prior approval. We train employees across the company to make sure they clearly understand their responsibility when entertaining clients or prospects.

Upholding Fair Competition

We want our clients to select their financial services providers in a transparent and efficient market environment. Our Standard of Conduct clearly prohibits all employees from engaging in any unfair competitive actions or misusing a client's confidential information.

Employees must get advance approval from our chief legal officer or general counsel before discussing pricing strategies with any competitors, or entering into agreements concerning market opportunities. Employees are only allowed to acquire competitive information and market data from public sources, and through lawful means.

Data protection and privacy

Using Smart Data Analytics to Our Advantage

Our clients navigate large volumes of data to make informed investment decisions. By capturing and analyzing data in a meaningful way, we help them assess risk and forecast performance. To make sure we're staying ahead of the curve when it comes to gathering and protecting data, we continue to evaluate and implement protection technologies across the company.

Carefully Managing Data

With a business based on trust, our clients must feel confident in our ability to keep data confidential and uphold their privacy. We have several programs in place to maintain strict protocols for how we handle data and manage our IT systems.

To handle data appropriately, our Information Security Controls require data to be classified as highly confidential, personal sensitive, confidential, limited access, company internal or general data. In late 2015, we introduced a pilot program with a new tool to automate this classification process, reducing the potential for misclassification and inadvertent data disclosure. Over the next two years, we plan to roll out other data protection tools that will deliver additional access management, encryption and revocation features corresponding to the associated classification levels.

Safeguarding Data from External Threats

Our Data Loss Protection Program includes technical tools and business processes that monitor and mitigate the risk of data leakage. For example, end-point protection software provides threat detection and analysis of activity. And our Shadow IT program detects communication to external sites and controls undesirable activity and data exfiltration.

ESG financial solutions

Several parts of our business incorporate ESG strategies in their work. We spoke with four executives from across the organization about the opportunities ESG financial solutions provide for our clients and our company.

Q: What is the role of ESG products and services at State Street?

McKnett: We're one of the big players in the ESG financial solutions space and have more than $168.4 billion in ESG assets under management (as of December 31, 2015). We run ESG investment portfolios for specific clients, create ESG-focused products and integrate ESG factors into broader investment practices. We also provide insights to the marketplace. For example, we led the industry collaborative Project Delphi that together with academic partners uncovers ESG impacts on investment portfolios. The first phase of the Delphi project wrapped up in December 2015 and the findings will be available in 2016.

We have 17 ESG products on the market right now. We first started managing ESG portfolios in 1986 and introduced our first fund in 1996. We launched the latest — a fossil fuel-free exchange traded fund (ETF) based on the S&P 500 Fossil Fuel Free Index — at the end of 2015.

Q: Why did you introduce the fossil-free fund?

McKnett: A year ago, we launched a low-carbon equity ETF. It was the first of its kind in the market and met clear client needs. But some investors, such as a number of university endowments, foundations and individuals that aim to divest from firms with fossil fuel reserves, want to go beyond low carbon.

Different investment styles work for different clients. In ESG financial services, negative screening to avoid unwanted exposure has been around for a long time. Positive selection to gain exposure to sustainability themes such as low carbon or green bonds was added later. There is also an increasing move toward using ESG factors to capture intangible, off-balance-sheet values in broader investment strategies.

Chris McKnett

is a managing director and head of ESG at State Street Global Advisors (SSGA). Within the chief investment officer's organization, his group focuses on helping institutional and other clients reflect their ESG views in their investments.

Jake Rosenfeld

is a senior vice president and senior tax counsel at State Street, and the head of tax-advantaged investments. These investments made on behalf of State Street include low-income housing and renewable energy projects.

Q: Are there other pieces to the ESG puzzle?

Batler: In municipal finance, our clients seek to fund infrastructure projects including Capital Improvement Plans (CIP) directly with us or via the public markets. An increasing number of public issuers' CIPs include infrastructure projects that address environmental or social issues. For example, the San Francisco Public Utility Commission has a CIP that includes construction of green infrastructure projects in the city and county.

Rosenfeld: Also, our own tax-advantaged investments help finance social issues such as low-income housing and environmental causes such as renewable energy. Energy is increasingly generated by privately financed providers that sell to public utilities. We can provide project financing to these generators in addition to our support for municipal utility clients. This lets us bridge both sides of the renewable energy equation.

McDivitt: Renewable energy certificates (RECs) can also help. We provide trading solutions for RECs that help clients monetize environmental attributes of renewable electricity generation separately from the electricity itself. RECs can be embedded into the overarching financing of a transaction for additional revenue. Combined Heat and Power (CHP) attached to a coal-fired power plant generates additional clean energy from the heat emitted at the plant. Every megawatt hour (MWh) of electricity from the CHP box is granted a REC, which can be monetized.

Q: What do you see on the horizon?

Batler: We need to check for new risk factors in municipal bonds. This goes beyond credit ratings and includes, for example, dependency on coal. There are also upcoming mandates to source certain amounts of the energy offered by some utilities from renewables. This will likely change which new energy facilities get built and the market demand for RECs or alternative energy.

Mark McDivitt

is a managing director and the head of US hedge fund sales focused on foreign exchange (FX) at State Street. His responsibilities include the execution of the company's renewable energy and carbon offset transactions.

Tim Batler

is a senior managing director and head of Municipal Finance. His team makes loans and backs bonds issued by municipal clients such as water and power utilities and transportation agencies to provide them with access to cost-effective financing either in the bank or municipal bond markets.

Rosenfeld: In December 2015, the US Congress extended tax credits for wind and solar projects for several years. We believe this extension, coupled with state renewables mandates and international initiatives such as the Paris Climate Change accord, will help spur a significant growth in the renewable sector. That will lead to a corresponding need for financing in the coming years.

McDivitt: Across the company, we're starting to hear clients ask for better coordinated ESG financial solutions. I would expect there to be more and more opportunities for our different groups to work together to meet their needs.

Q: If you could choose one thing you'd like to do, what would that be?

McDivitt: It would be very powerful to bring all our disciplines that can support ESG solutions together. Let's link our capabilities on environmental asset administration, portfolio risk analysis, low-risk trading and "green" investment management to figure out how to help our clients solve ESG issues.

We have a big chance here and a huge potential commercial opportunity. That being said, we also have the risk of missing the boat. We could lose out to competitors who are aggressively focusing on ESG capabilities if we're playing this too defensively.

McKnett: There are some questions on how ESG can be best monetized because it's a heterogeneous category. One area where we see clear emerging interest from clients is in viewing ESG factors and sustainability themes as long-term drivers of investment performance and a component of rigorous investment philosophy and process. Provided we have strong support from senior management and our board, we're in an excellent position to offer uniquely integrated ESG solutions.

Highlights of our ESG financial solutions

SSGA ESG Products

- Screened S&P 500® Index[1]
- S&P 500® ex-Tobacco Index[1]
- Screened Russell 3000® Index[1]
- US Community Investing Index™[1]
- S&P 500® Fossil Fuel Free Index[1]
- Screened MSCI ACWI ex-USA IMI Index[1]
- Screened MSCI North America Index[1]
- Screened MSCI Europe Index[1]
- Screened MSCI Pacific Index[1]
- World SRI Index Equity[1]
- MSCI ACWI Low Carbon Target Index[1]
- Global Green Bond Index[1]
- Socially Responsible US Credit Index[1]
- Euro Sustainable Corporate Bond Index[1]
- Emerging Markets SRI[2]
- Enhanced 4Good[2]
- Global Ethical[3]

[1] - indicates passive strategy

[2] - indicates active quantitative strategy

[3] - indicates active fundamental strategy

Project Delphi

An investor-led, collaborative initiative to enhance ESG integration in the asset management process, the framework of Project Delphi was developed after several years of research and collaborative work led by SSGA. The first version was completed in late 2015 and scheduled to be posted as an open-source framework in early 2016.

The framework was designed to give clear focus on the most meaningful ESG factors by industry classification. The number of factors is based on their materiality from an investment standpoint and therefore relatively small (on average 14.5 per sector).

The collaborative believes that Delphi is different from existing ESG guidelines because it is based on financial drivers, developed by investors for investors and is predictive of future performance.

Municipal Bonds

Our Municipal Finance group in the US makes loans and backs bonds issued by municipal clients such as water, sewer and power utilities, transportation agencies and housing authorities. Many of their capital improvement plans include provisions for more sustainable and affordable services.

As of fiscal year end 2015, we had provided credit enhancement to support:

- $1.51B in debt issued by water and sewer systems
- $1.71B in debt issued by transportation projects
- $997M in debt issued by public power utilities
- $448M in debt issued by airports
- $408M in debt issued by housing authorities
- $139M in debt issued by combined utilities

In addition, as of FYE 2015, we had made direct loans to three transportation authorities totaling $441M.

Because protection of the environment is closely linked to utilities' core operations, we include those issues in our risk analysis and due diligence processes. Current and emerging issues we look for include environmental litigation risk, cost of environmental regulatory compliance, future carbon tax and trade regulation, access to water, fish and wildlife protection and several others.

Carbon Offset and Renewable Energy Certificate (REC) Investments

Our Global Markets group executed the following transactions in 2015 to offset carbon emissions from our operations and business travel:

Offsets – We invested in three wind projects in northern Poland, with an offset volume of 26,000 metric tons of CO_2, as a Joint Implementation (JI) project. It is one of the few renewable energy projects in the country, and the electricity generated will displace power that would otherwise be sourced from conventional, coal-fired plants (90 percent of Poland's power is from fossil fuels). This purchase coincides with the opening of our new office in Gdansk, Poland.

RECs – We completed two transactions last year. The first was a wind project that had a REC volume of more than 201,000. The second was at a hydroelectric facility in Holyoke, Massachusetts, which was part of a downtown canal district revitalization project; it had a REC volume 1,000.

Tax Credit Investments

Our Tax Credit Investment (TCI) group made seven investments in 2015 totaling over $314M. Those investments were split between affordable housing (four commitments totaling $139M) and renewable energy (three commitments totaling over $175M). Two of the energy investments were for solar projects; the other was for a wind facility. The 2015 investments increased our cumulative TCI portfolio to over $2B in commitments, roughly equal between housing and energy.

Asset stewardship

More than $400 billion flowed into US-based passive funds in 2015. Unlike active managers who can sell companies when they disagree with management, passive managers represent near permanent capital that cannot vote with its feet — as long as a company is included in the index it remains in the portfolio. That's why we think passive managers have a clear responsibility to be long-term asset stewards for their clients and the overall health of companies, their stakeholders and economies around the world. Our strong engagement program across a range of important governance and sustainability issues is key to generating value over the long run.

Strategically Targeting Portfolio Companies

While ESG factors can impact the reputation of a company, and create significant operational risks and costs, well-developed corporate social responsibility programs can generate efficiencies, enhance productivity and mitigate risk. All of which impact shareholder value.

In 2014, we introduced new ESG portfolio screening tools to help actively identify companies for engagement and enhance oversight of ESG risk at portfolio companies. In 2015, we engaged a total of 636 global companies representing more than 45 percent of our assets on ESG issues.

Increasing Transparency on ESG Efforts to Clients

Annually, SSGA develops a series of strategic priorities that drive our engagement with portfolio companies based on developing macroeconomic conditions, emerging ESG trends and client feedback. A significant challenge for all passive index managers invested in thousands of listed companies globally is to provide active oversight of the company. A sector approach lets us take a deep dive into two to three sectors a year and proactively monitor and engage companies on matters such as long-term strategy, performance and ESG issues.

Rakhi Kumar
Head of Corporate Governance
at State Street Global Advisors

Rakhi develops and implements global proxy voting policies and guidelines at SSGA. She also manages our issuer engagement on ESG topics.

"While we have many strategies at SSGA, we mainly serve as long-term shareholders. We're effectively a source of permanent capital. And through that position, we have an obligation to make that responsible capital."

Reviewing global holdings within a sector lets us identify business and ESG trends impacting our holdings, and puts us in a stronger position to advise boards and management teams when they seek feedback or direction from large institutional investors. We also share our insights with clients through presentations and report our findings in our Annual Stewardship Report.

For 2015, SSGA's stewardship priorities included a sector focus on pharmaceutical companies, which have to navigate structural change in their sector due to an increase in mergers and acquisitions, and the consumer discretionary sector where macroeconomic and exchange-rate challenges impact business strategy. We worked with companies on board refreshment and diversity, cybersecurity threats and climate change as priority topics. In addition, we focused on US proxy access issues and worked on developing a stewardship program for our fixed income assets.

Contributing to ESG Best Practices

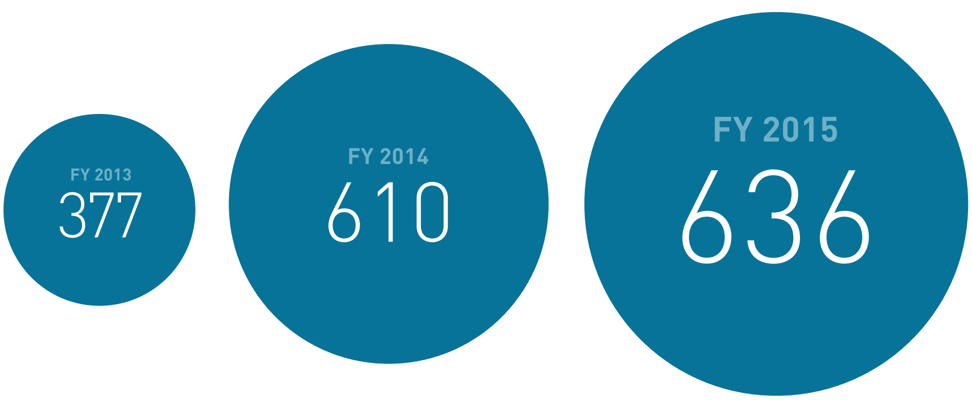
We've taken a leadership position in the market and share our lessons learned with the wider investment community through white papers available on our SSGA website. Our evolving approach to ESG has contributed to the development and broader acceptance of best practices.

One example is board refreshment — a key aspect of effective governance. In 2014, we were the first major investor to adopt a policy to address these practices at US portfolio companies. Through this policy, we've raised awareness about the need for the orderly succession of directors and fresh skills and expertise.

SSGA Asset Stewardship

	Meetings Voted	Management Proposals Voted	Shareholder Proposals Voted	Number of Countries
2013	14,022	122,199 (10.6% against management)	3,078 (10.4% against management)	68
2014	14,284	127,621 (11.0% against management)	3,219 (11.3% against management)	68
2015	15,471	140,313 (12.1% against management)	3,227 (13.6% against management)	81

2015 ESG Client Engagements



Economic performance

To create value for our shareholders, we're focused on generating consistent revenue growth and maintaining disciplined expenses. The economic success of our business also determines our ability to serve all stakeholders. With this in mind, we manage the risks inherent in our business with systems, procedures and oversight to maintain transparency and long-term sustainability.

Revenue Increase Despite Lower Global Interest Rates

Our total revenue in 2015 increased by one percent over 2014. This was mainly due to increases in our fee revenue, partially offset by a decline in net interest revenue.

Servicing and management fees were approximately 76 percent of our total fee revenue. The remainder was due to trading services, securities finance, and processing and other fees. In 2015, total fee revenue increased by three percent compared to 2014. In contrast, net interest revenue decreased by eight percent on a fully taxable-equivalent basis in 2015 compared to 2014. Contributing factors were our efforts to optimize our capital position to comply with evolving regulatory requirements on liquidity, lower yields on interest-earning assets and the effect of the stronger US dollar.

Increasing Expenses and New Cost Efficiency Program

Total expenses in 2015 increased by three percent compared to 2014, primarily driven by an increase in expenses due to more than $400 million in legal accruals, as well as higher information systems and communications costs to support new business and other expenses from professional services. This was partially offset by a $108 million decrease in acquisition and restructuring costs and $251 million from the effect of the stronger US dollar.

In October 2015, we announced the next phase of our multi-year transformation program, which we refer to as State Street Beacon. We expect to deliver cost efficiencies through changes in our operational processes and further digitize our processes and interfaces with clients. We expect State Street Beacon, which includes the targeted staff reductions that we announced with our third-quarter 2015 results, to generate approximately $550 million in estimated annualized pretax expense savings over the next five years, including approximately $75 million in 2016.

Dividend Increase and Stable Return on Equity

During 2015, we declared common stock dividends of $1.32 per share (2014: $1.16), totaling approximately $536 million. Return on average common shareholders' equity remained flat at 9.8 percent in 2015 compared to 2014. We purchased approximately 20.5 million shares of our common stock at an average per-share cost of $74.07 and an aggregate cost of approximately $1.52 billion.

Additional information with respect to our financial results, our common stock purchase program, stock dividends and the method used for computing earnings per share is provided in our 2015 annual report on Form 10-K.

Summary of Financial Results (Dollars in millions, except per share amounts)

	2015	2014
Revenue		
Fee revenue	$8,278	$8,010
Interest revenue	$2,488	$2,652
Interest expense	$400	$392
Net interest revenue	$2,088	$2,260
Gains (losses) related to investment securities, net	$(6)	$4
Total Revenue	$10,360	$10,274
Provision for loan losses	$12	$10
Expenses		
Operating costs	$3,989	$3,767
Compensation and employee benefits	$4,061	$4,060
Total Expenses	$8,050	$7,827
Income before income tax expense	**$2,298**	**$2,437**
Income tax expense	$318	$415
Net income	**$1,980**	**$2,022**
Preferred stock dividends and dividends & undistributed earnings allocated to participating securities	$(132)	$(64)
Net income available to common shareholders	**$1,848**	**$1,958**
Earnings per common share:		
Basic	$4.53	$4.62
Diluted	$4.47	$4.53
Average common shares outstanding (in thousands)		
Basic	407,856	424,223
Diluted	413,638	432,007
Cash dividends declared per common share	$1.32	$1.16
Return on average common equity	9.8%	9.8%

Engaging Employees and Suppliers

To keep our clients at the heart of everything we do, engaged employees, as well as experienced, knowledgeable suppliers, are essential to our continued success.

Our promise to maintain an environment where every employee feels valued and able to meet their full potential infuses our company values. It's also part of our commitment to inclusion, development and engagement, and corporate social responsibility. Hiring the right talent and supporting them in their professional development is key to our success. This includes cultivating employees from diverse backgrounds and nurturing the range of perspectives that keep us innovative and competitive.

We also make sure we work with high-quality suppliers that share our values and help us serve our clients well. Because we have a significant supplier base, our selection of suppliers that employ responsible business practices has an impact on local economies, environmental protection, the workforce in our supply chain and broader social issues.

Talent recruitment and retention

As the business world grows, companies are competing for the same skilled workers. To attract and keep the best candidates, we're developing a new recruitment branding campaign to refine our image and the message we're delivering to potential employees. With this new campaign, we explain how our more than 200-year-old custodian bank can offer opportunities that are interesting and rewarding.

Diversifying our Talent

A diverse workforce inspires innovation and creates better business results. In 2015 we hired 12 full-time employees — eight in North America, two in EMEA and two in APAC — to form a global diversity sourcing team to bring diverse talent into higher-level roles. All of the team members completed specialized recruitment training and received their Diversity Recruiting Certification. (For more on our initiatives to foster diversity, see pages 34-36.)

The Role of Recruitment Programs

Our employees help our company grow and stay innovative. Our hiring increased significantly in 2015 across strategic business areas including regulatory compliance, technology and analytics, showing our commitment to deliver on our corporate strategy (see pages 4-5).

Our Future Focus program in the US, which began in 2014, increased the rigor of our entry-level recruitment. In its first year, it brought 26 high-caliber candidates into the company and in 2015 more than 120 were hired through the program.

We also expanded our internship programs in 2015 to more than 1,100 participants. In EMEA, we offered a number of internship opportunities to help undergraduates prepare for a career in financial services and to strengthen our pipeline for future entry-level roles. In APAC, we offered university students from Nanyang Polytechnic in Singapore six-month internships. Polytechnic grants them academic credit for the experience, which speaks to the quality of our program.

The gap between open jobs and the talent we need to fill them will continue to be a challenge for us. Programs like Future Focus and our Boston Workforce Investment Network (WINs) initiative, which supports inner-city youth in education and job readiness (see pages 44-46), will help us close that gap. Continuing to craft our image as an exciting and fulfilling place to work and sharing our story will give us an edge in the race.

Training and professional development

By offering numerous avenues for professional development, our employees are able to deepen their skills, our clients receive even better service and our company continues to evolve.

Managers as Students

In 2015, we analyzed where our managers needed more support. As a result, we piloted our First Line Leader program for new managers in December 2015, and laid the groundwork to launch the program globally in 2016. We also updated our most popular management classes in 2015. Data showed that employees who took these classes had higher performance scores, higher rates of promotions and were more internally mobile.

Lastly, we launched an internal professional development program (PDP) in July 2015 that allows assistant vice presidents to enter a two-year job rotation. This program shows how diversity and mobility are important parts of State Street's future. Through an application process that included a series of interviews and a Hay Assessment, we selected 36 high-performing AVPs for this program and placed them in tactical areas of the business to strengthen their management skills.

Supporting the Virtual Learner

In today's digital culture, online learning is a great way to fit professional development into our busy lives. In 2015, we worked hard to evaluate all of our online offerings and make the most popular and relevant programs easy to access. We also reviewed and picked the topics for the online management program that were the best fit for our business needs.

For example, we published an online program in 2015 for all our global staff on risk excellence — one of our top corporate objectives this year. We're planning a major update in 2017 to make our learning systems more flexible and reach more employees.

Encouraging Collaboration

To encourage collaboration across the company, we created a cross-enterprise Learning Council this year. This council bridges all the groups in the company that support employee learning, so they can coordinate efforts and improve our educational opportunities. We also redesigned an internal site — "Managing My Team"— to help managers tap into the information they need, when they need it. Use of the site skyrocketed by 90 percent after the redesign.

Ada Kong
Assistant Vice President, Fund Administration Regulatory & Tax Services, Hangzhou

One of our high-performing AVPs participating in the internal PDP is Ada Kong. In 2015, Ada was assigned to our Sydney office as part of her PDP job rotations to work with our APAC Straight-Through-Processing Program team.

"During my PDP assignment, I've probably reached out to the greatest number of people I ever met within the organization to request information or share knowledge. When you're outside your comfort zone, it stretches you the most!"

Wage equity and flexible work options

Upholding Wage Equity and Equal Opportunity

The ratio of wages of our female employees compared to our male employees in the company is material to our business and of interest to our stakeholders. However, we do not report a female's basic salary as a percentage to a male's. 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.

Successful companies actively ensure that the visible and invisible barriers to advancement are identified and removed — including closing the gender wage gap. To that end, in 2013, we signed the Boston Women's Compact, which strives to make Greater Boston the premier place for working women in America. State Street is executing the objectives of the Compact in several ways: by setting organizational goals for diversity, by mentoring women in leadership roles, engaging them in our employee networks and through our flexible work initiative.

Increasing Engagement and Productivity

Highly skilled, productive employees are vital to our success. We believe that offering flexibility in how, when and where work gets done increases the engagement and productivity of our workforce. Flex work may include a consolidated schedule, as well as working remotely or at a satellite office. And job share opportunities allow more than one employee to share a position on an ongoing basis.

Providing Support and Guidance

Benefits from flexible work can include enhanced work-life balance and time and cost savings from commuting. The Flex Work Program is integrated with our business strategy and has developed into a proactive, manager-initiated program supported by tools, technologies and resources.

Our Flexible Work Employee Network is an inclusive collection of employees who voluntarily work together to support our global workforce around State Street's formal Flex Work Program. For example, the network provides career development guidance and support to Flex Community followers to help them in career advancement, internal mobility and becoming the voice of flex in their area. In 2015, our Flexible Work Employee Network was ranked No. 7 on the Top 25 Employee Resource Groups by the Association of Employee Resource Groups and Diversity Councils. This affirms the Network's commitment to best practices and organizational impact.

Diversity and inclusion

We spoke with Julie Haskell about the role diversity and inclusion play in staying competitive, and the strides we're making to enhance this aspect of our culture.

Q: How do you define diversity in the workplace?

Diversity refers to the visible and invisible traits that make us all unique. It's about the variety of different backgrounds, perspectives, experiences and worldviews within our organization. It's equally important, however, to promote an understanding of inclusion. Inclusion is created by a set of behaviors and how we feel at work. It's the act of soliciting and respecting diverse perspectives to promote engagement, innovation and constructive debate — all key to creating a risk excellence culture.

Diversity and inclusion are most valuable when present together. By itself, a diverse workforce doesn't change culture. Providing opportunities that let employees use their unique perspectives and backgrounds is how we create real business value. We want employees to recognize and embrace all dimensions of diversity, and then work to create an inclusive environment where everyone can perform at their best.

Q: Where do you see change?

In the short time since we embraced this definition of diversity, we've already seen positive outcomes. Here's just one example: We know that in some Asian cultures, certain forms of diversity are not usually expressed in public. In the past, very few of our Asian colleagues were willing to identify with the lesbian, gay, bisexual and transgender (LGBT) community during the annual Hong Kong Pride Parade. Last year, however, we were pleased to see more than 20 employees participate in the parade. The kickoff event of Hong Kong Pride and Friends Network attracted more than 70 attendees including senior management. Our message is being heard!

Julianne Haskell
Managing Director, Global Inclusion and Diversity

Julie leads our initiatives on inclusion, diversity and work-life balance. As part of this role, she oversees our employee resource groups, employee surveys and programs to meet our diversity and inclusion goals.

Q: What steps are being taken at State Street to support an inclusive and diverse workplace?

We want to create an environment where people of all backgrounds and experiences can succeed. Three key components of our effort are to:

- Establish our leaders as champions of diversity and inclusion and give them the tools and resources to help convey the importance and business value of a diverse workforce
- Ensure that we're building a sustainable pipeline of diverse talent for leadership positions
- Implement a clear standard to hold leaders accountable for creating a diverse workforce and behaving inclusively

One way we celebrate and support our differences is through employee networks. Open to all employees, these networks create volunteer, career development and cultural opportunities. State Street supports 23 employee-established networks and affinity groups with more than 100 chapters globally.

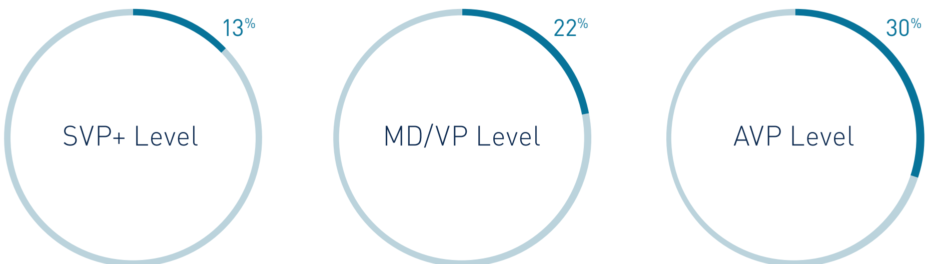
Q: What are your plans for maintaining diversity and inclusion over the long term?

Building a truly diverse and inclusive workforce is a journey for any company. Last year, we took a big step by introducing a three-year strategy to educate employees, shift behavior and embed these elements throughout the company.

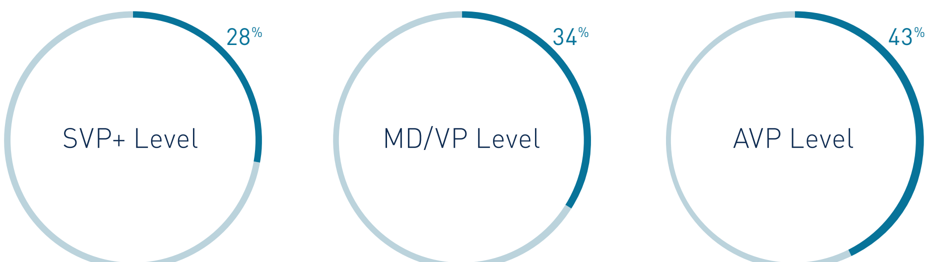
We've already made progress in 2015 by setting new goals, establishing an approach to report progress, sourcing diverse talent from within and improving leadership opportunities for internal talent. We'll continue to analyze the success of our diversity and inclusion efforts through our biennial employee opinion survey and by participating in external surveys that allow us to benchmark ourselves against our peers.

Diversity Goals

Employees of Color



Women Employees



Supplier assessment

Identifying the Best Partners

Our Global Procurement Services (GPS) team works tirelessly to identify high-quality, cost-effective, flexible suppliers that help us operate and serve our clients efficiently. In 2015, we spent about $3.9 billion globally on products and services including financial, IT, business and professional services, and market data, travel management and office support.

The team also sets procurement standards, identifies suitable suppliers, and negotiates favorable price and contract terms. It pinpoints the "best-in-class" processes, technology and tools that will help us reach our spending and risk management objectives. In addition, it selects suppliers that support our drive for social responsibility.

Striving for Responsibility

Wherever possible we choose to work with suppliers who offer products and services that will reduce our overall environmental footprint as part of our Environmentally Preferable Purchasing Program (EPPP). In cases where the eco-friendly solution is more costly, however, we have to manage trade-offs between environmental and economic goals.

In 2015, we expanded our EPPP goals related to our IT purchases and disposals. These goals include the prioritization of purchasing Energy STAR®-certified devices and working with vendors that have a product recycling or take-back program. The EPPP is currently focused on direct suppliers in North America and EMEA, and we hope to expand its scope in 2016. Going forward, we also want to explore including second-tier suppliers used by our major vendors. In addition, we screen new suppliers in North America for environmental and ethical aspects in our RFP process.

Exploring Local Sourcing

When scale and cost permit, we use local suppliers whenever we can. If our global business needs limit our options for local sourcing, we encourage our larger global suppliers to use local second-tier vendors if they can.

Starting in 2016, we plan to explore including local sourcing questions in our Global Procurement's RFP process. In addition, we plan to monitor which second-tier vendors our larger suppliers use. We'll also explore how local sourcing and our supplier diversity program — which measures and encourages sourcing from businesses owned by minorities, veterans and women — can support each other.

Supporting Communities and the Environment

Actively engaging our global communities is one of our fundamental values, and is one reason why our commitment to social and environmental responsibility is a cornerstone of our long-term success. Since 2014, we've been a signatory to the United Nations Global Compact — a global initiative uniting organizations to help build prosperous societies. These organizations believe responsible business practices create a stable, equitable and inclusive global market. With the same rigor we apply to our business, we use our resources — both human and financial — to support our communities. Not only are we committed to using these resources responsibly to protect the environment, we know we can use them to attract and retain clients and employees and reduce costs.

Prosperity and financial security

At the Center of the Global Economy

As of December 31, 2015, we had $28 trillion of assets under custody and administration and $2 trillion of assets under management.** Our position at the center of the world's financial markets comes with responsibility — something we never take lightly.

We help clients make the right connections, bringing opportunities into focus and paving the way ahead, whether they are based in the most established markets or in those just emerging. The E7, a group of seven emerging economies, will have close to 50 percent of global banking assets by 2050. It held less than 20 percent in 2013. To meet the demand fueled by this globalization, we're committed to global expansion and further integration of our products and services.

Enabling Graceful Retirement

Our strong pension fund services help many people around the world retire gracefully. Pension funds have often been expected to play a conservative role in the financial system as long-term investors. As the current investment climate leads them to consider new strategies to deliver value to their members, we help them navigate the challenges in the financial landscape and provide comprehensive investment management solutions, such as target-date funds.

Creating Local Jobs

With more than 32,000 employees globally, we help to create job opportunities in the communities where we live and work. The new staff we hire comes mostly from the local community. For example, at the level of senior vice president and above, 31 of the 35 new hires in 2015 were local. A significant number of local jobs will also become available through our Boston WINs project (see pages 44-46) over the upcoming years.

*** Assets under management include approximately $22 billion as of December 31, 2015, for which State Street Global Markets, LLC, an affiliate of SSGA, serves as the distribution agent.*

Strengthening communities

Fostering Employee Engagement

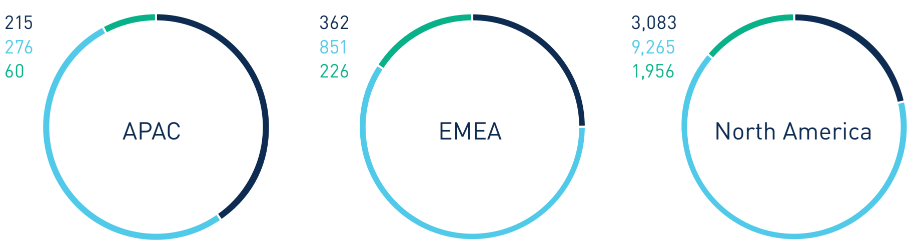
Through our employee engagement surveys, employees have told us they want to pursue projects that are meaningful to them. Two years ago, we transformed our global employee giving program from an annual "giving campaign" to an ongoing awareness and open-choice platform.

By encouraging our employees to work directly in their local communities on projects they're passionate about, we've transformed employee engagement. Together with the State Street Foundation, the charitable arm of our business, employee volunteering and giving are also supported by our Giving, Investing, Volunteering by Employees (G.I.V.E) initiative.

Matching Gifts

Number of Employees | Number of Gifts | Number of Recipients

By Region



$89K Employee Gifts
$107K State Street Match

$270K Employee Gifts
$411K State Street Match

$3,784K Employee Gifts
$3,635K State Street Match

Total of All Matching Gift Programs

3,660
Employees

10,392
Total Gifts

2,222
Recipients

$4,143K
Employee Gifts

$4,154K
State Street Match

G.I.V.E.-ing Back

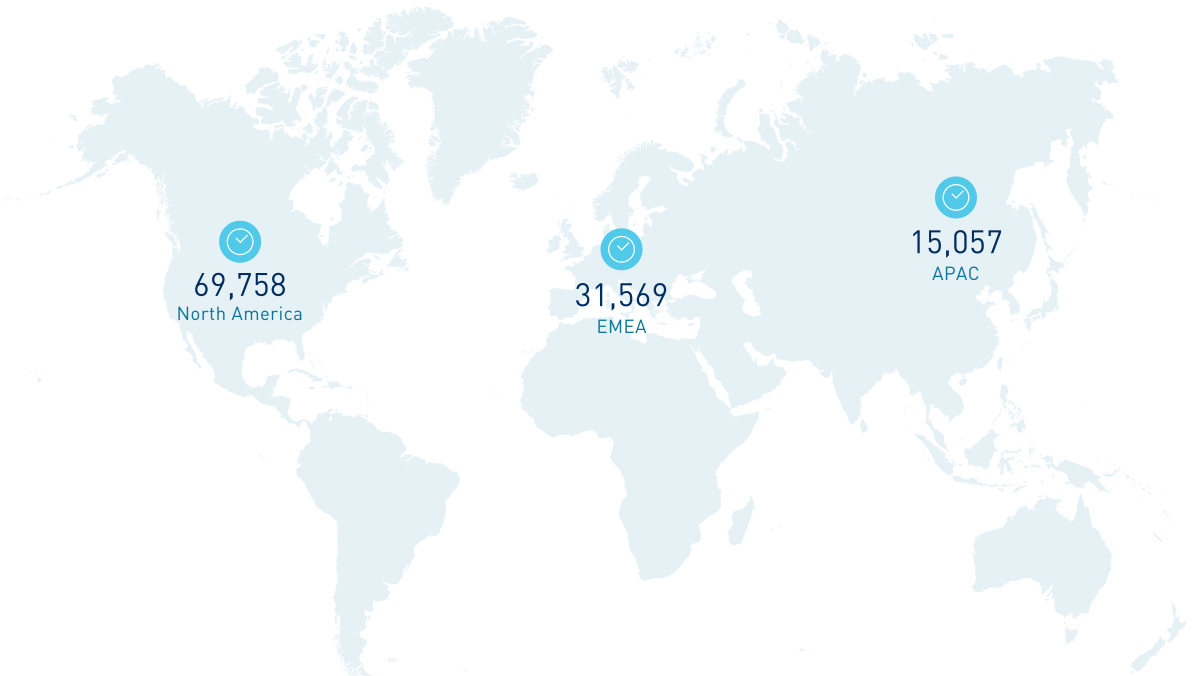
Our G.I.V.E. program lets employees choose the volunteering and fundraising opportunities most meaningful to them. It also provides matching gift programs, such as our DoMore grant, which monetizes volunteer hours to increase their impact.

To further inspire employees, we started the story-telling initiative "This Is Why I Give" that lets employees share stories from causes they support. In 2015, stories came from more than 150 events organized by our Corporate Citizenship team, our Community Support Program committees and our business teams. These inspirational events included collections for Syrian refugees in Ireland, Italy and Germany; "Chasing Ice" events to raise climate change awareness in Hong Kong, Singapore and Taipei; and volunteer recruitment events for our Boston WINs program in Massachusetts (see pages 44-46).

In 2015, the G.I.V.E. program logged a record 116,000 hours of volunteer service and generated $4.1 million in employee donations. The passion and engagement of our company and staff is also shown in the size of our corporate citizenship social media community, which increased by more than 60 percent in 2015 to more than 3,000 members.

Volunteer Hours

By Region



Leading from the Top

A culture of community engagement starts from the top. That's why we encourage all of our senior executives to serve on nonprofit boards, and offer grants and matching gifts to enrich their board service. Our newly launched Senior Vice President Community Leadership Program also supports leaders who have committed time and resources to serving on charitable boards. These programs not only uphold our commitment to charitable initiatives, they also help cultivate our staff's professional talents and growth.

Targeting Support for Education and Workforce Development

We make grants to nonprofits and NGOs in 20 of the countries where we operate through our charitable arm, the State Street Foundation. In 2015, the Foundation distributed $22.7 million in funding to nonprofit organizations. Of this, $10 million was in strategic grants for programs aligned with the Foundation's strategic focus of education and workforce development (see table below for regional breakdown). The remainder included $4.15 million in matching gifts for employee contributions (a 27 percent increase over 2014) and a significant investment in our Boston WINs initiative.

2015 Strategic Grantmaking by Region

APAC	$712,000
EMEA	$1,952,000
Massachusetts	$6,250,000
North America (excluding Massachusetts)	$1,466,000
Total	*$10,380,000*

State Street Foundation Impact

APAC | Massachusetts
EMEA | NA (Excluding Mass.)

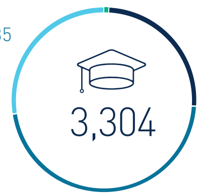
2015 Community Organization Impact

71
3,935
7,775
2,615

Students on track to attain a secondary school degree

→

36
829
1,535
904



Students who attained a secondary school degree

1,252
54
4,231
780

Participants on track to attain credentials

→

1,032
17
1,012
738

Participants who attained credentials

58
304
4,905
1,939

Participants who complete transitional employment

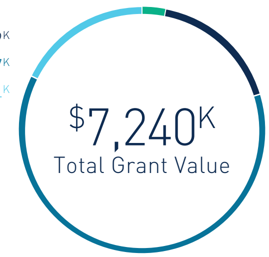
→

131
166
1,482
4,278

Participants placed in permanent jobs

Community Organization Totals

$240K
$1,239K
$4,487K
$1,274K



9
58
85
95

Boston WINs

We spoke with Mike Scannell about how this exciting new program will help prepare Boston youth for sustainable employment.

Q: What is Boston WINs and what led you to introduce this program?

We launched the Boston Workforce Investment Network (WINs) in June 2015 to support Boston youth in education and workforce preparation.

When I took on responsibility of Corporate Citizenship in early 2014, a new vision for the State Street Foundation, our charitable arm for over 37 years, was beginning to take shape. Our Chairman and CEO, Jay Hooley, challenged us to think differently about our approach to corporate philanthropy and to reconsider how we could deliver the greatest impact for each dollar invested. So I went back to our Foundation team and we got to work. We decided to focus our efforts on education and preparing disadvantaged young people for employment.

In a given year, we used to contribute hundreds of grants. Boston WINs helped us narrow our focus. It's an opportunity to be involved with our nonprofit partners over a longer term and accelerate our impact on education and workforce development. The ultimate goal is to increase the number of career-ready youth in Boston.

Q: How is Boston WINs structured?

Five nonprofit organizations targeting inner-city Boston youth are involved. We selected these organizations — Year Up, Bottom Line, Boston PIC, uAspire and College Advising Corps — after thorough due diligence. We wanted to engage organizations with strong leadership that shared our vision, who were willing to collaborate and could use our contributions in a meaningful way.

Michael Scannell
Senior Vice President, Human Resources

In addition to overseeing State Street's Corporate Citizenship, Talent Acquisition and Global Inclusion areas, Mike serves as the president of the State Street Foundation, our charitable arm.

With the right group of organizations, we knew we could offer more substantial contributions and provide a platform for improved collaboration that would offer greater value to the community. The program involves three main contributions from us: we provide $20 million over the next four years to our group of partner organizations; we pledge to hire 1,000 individuals served by these organizations over the same time; and we commit to staying involved. This includes having State Street leaders hold board of director positions, encouraging our employees to volunteer and offering a 2-to-1 match of employee donations to these organizations.

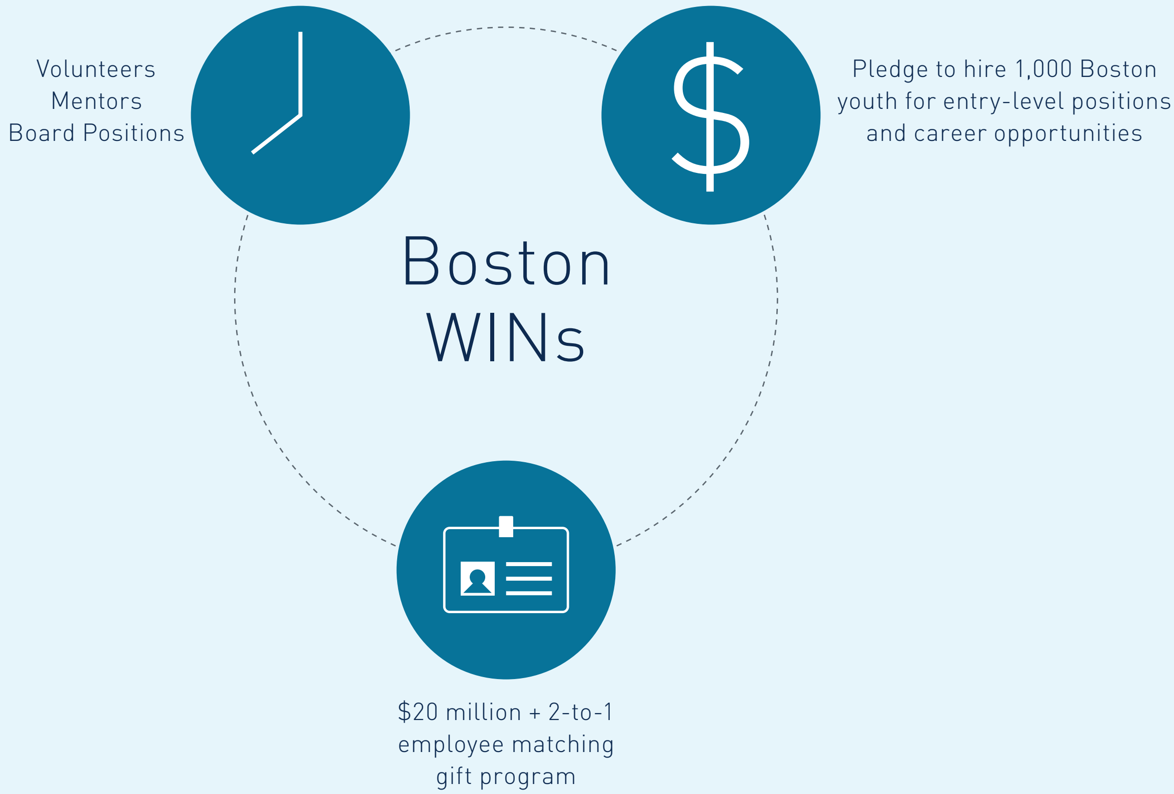
Q: What would make Boston WINs a success story?

We want to make a significant impact on education and career success for Boston youth with this game-changing corporate philanthropy initiative. To help us succeed, we're outlining our expectations and have engaged a network partner to help facilitate meetings so we can all remain in alignment and track outcomes.

As this program gets in full swing, we'll learn from the experience for engagements beyond the Boston area. Our hope is to take those lessons learned and use the blueprint of Boston WINs to potentially introduce a similar program in other parts of the world where we operate.

Boston WINs

Through our employees, Foundation and resources,
we've committed the following to the Boston WINs initiative:



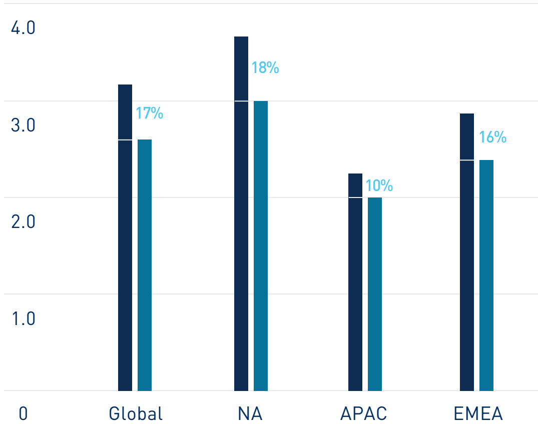
20/20 Goals

Emissions

tons

- 2012 Baseline
- 2015
- % Reduction

20% reduction in scope 1 + 2 utility emissions per employee at office sites with actual data

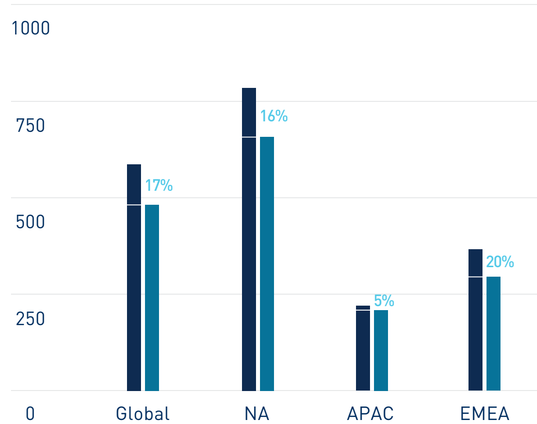


Water

cubic feet

- 2012 Baseline
- 2015
- % Reduction

20% reduction in water consumption per employee at office sites with actual data

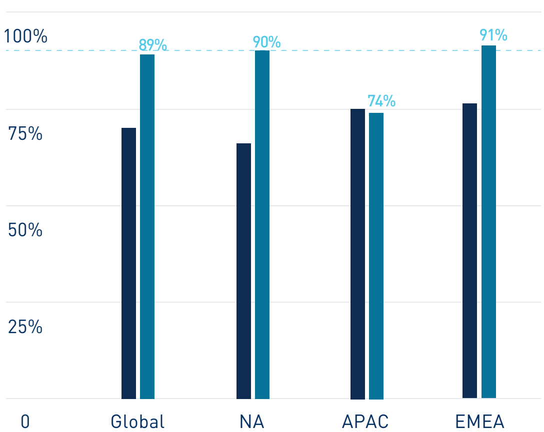


Waste

percent diverted

- 2012 Baseline
- 2015
- 2015 Diversion Rate %

"Zero-Waste" - 90% diversion from landfill of actual data site waste

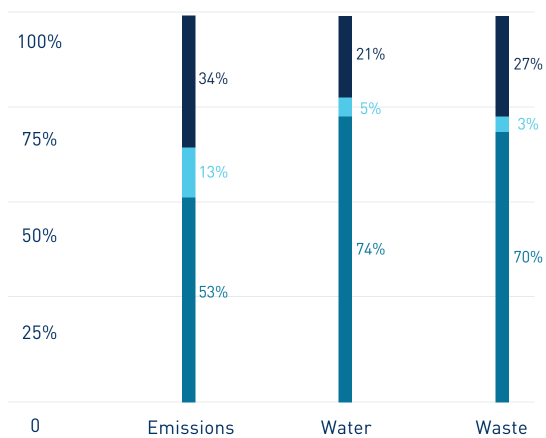


2015 Regional Footprint

by region

- EMEA
- APAC
- NA

Distribution of absolute consumption



Reducing for the Long Term

As part of our responsibility to protect social well-being and our planet, in 2013 we committed to reducing our greenhouse gas (GHG) emissions by 20 percent per person by 2020, compared to a 2012 baseline. In 2015, we continued to make substantial progress toward our goal. At the end of the year, we had achieved a 17 percent reduction in GHG emissions. This reduction was primarily due to our increased occupancy of more efficient office space, a favorable change in emissions factors used in calculations and an increase in the overall number of employees against which emissions are factored.

Our environmental data shows the main source of our GHG emissions is the energy we use in our operations, followed by emissions from employee commuting and business travel. By focusing on our operations, while supporting sustainable commuting options and flexible work solutions that reduce commuting, we're creating significant change that brings us ever closer to our goals. To further mitigate the impact of our global business travel, our investment in a wind power project near our new office in Gdansk, Poland, offset 26,000 metric tons of carbon impact from our 2014 business travel.

Making Progress, Creating Challenges

We've made great progress in the last few years in our energy efficiency. However, this has brought its challenges. To make further progress, we'll keep tabs on technology and infrastructure innovations to find new opportunities to reduce emissions.

Our new global energy policy will support us as well as new certifications to the global ISO 50001 energy management standard. In 2015, our offices in Dublin, Edinburgh and London were certified to this standard. As part of our global expansion, we opened a new office in Gdansk, Poland, in February 2016. We realize that using larger premises will also increase emissions. To mitigate the emissions from this additional office space, we chose an energy-efficient, LEED platinum precertified building. We also continued work on data center virtualization to avoid emissions increases as IT requirements grow. In response to a regulatory requirement defined in the European Energy Efficiency Directive, we also completed energy audits in seven EU office locations. Operations in the UK were covered by our ISO 50001 energy management certification.

Receiving Recognition for Our Efforts

In 2015, the US Environmental Protection Agency (EPA) recognized us as one of the nation's top 100 purchasers of Green Power for our purchase of 211 million kilowatt-hours (kWh) of green-e certified RECs covering State Street's 2014 purchased electricity in the US. To continue the program we purchased another 202 million kWh, representing 110 percent of purchased electricity in 2015.

We were also recognized in 2015 by CDP, a not-for-profit organization supporting environmental impact disclosures by major corporations, for achieving its A-level of GHG emissions performance. We were also included in CDP's leadership index for achieving a score of 99 out of 100 for our environmental disclosures.

Impacts of climate change

Strengthening Risk Excellence

We focus on managing risk in everything we do. As a signatory to the United Nations Global Compact, we're specifically committed to a precautionary approach to environmental challenges. Also, our ISO 14001 certification at 17 of our largest operations globally requires us to evaluate environmental risks over the long term.

In 2015, our Office of Environmental Sustainability developed an environmental risk excellence matrix that evaluated strategic and market risks, regulatory risks, reputational risks and physical risks. While climate change isn't a major risk to our operations right now, we identified certain risks and mitigation strategies primarily involving strategic and reputational risk. We'll continue to diligently monitor and evaluate these and the other risks we identified.

Turning Strategic and Market Risks into Opportunities

Many market players see carbon-related assets as an increasing risk factor for their investments. For example, fossil fuel assets could become "stranded" if new regulations prohibit their extraction. Or, if the cost of low-carbon substitutes declines, it could impact share values of companies that own them. Clients may seek new ways to protect themselves from such risks.

Our strong focus on environmental financial solutions turns these risks into opportunities. Products like our low-carbon exchange traded fund (ETF) and our new fossil fuel-free ETF, together with ESG screening strategies, give us a leading position in the market. For more information on our ESG financial solutions, see pages 20-24.

Mitigating Regulatory and Reputational Risks

Increasing global and regional climate regulations might require us to mitigate our greenhouse gas emissions even beyond our voluntary commitments. And clients, analysts and industry rankings may put more pressure on us to demonstrate climate leadership.

But we're prepared. We're committed to our 20 percent carbon reduction goal (see page 47) and continuously monitor our progress. Our ISO 14001 risk reviews and the work of our Regulatory, Industry and Government Affairs team keep us well informed on new regulations relevant to our business. Our public disclosures on corporate responsibility, including this report, make sure we tell a clear story on our sustainability initiatives.

Maintaining Business Continuity

A business continuity event — big or small — can impact any business with physical operations. Climate change can contribute to such physical risks, for example through more frequent severe weather events or sea level rise. As financial services centers around the world are often by or near the coastline, our peers and our own company may be impacted by these risks.

We assess and observe such risks in our ISO 14001 risk reviews and risk register. Our Global Continuity Services team leads our efforts to ensure continuity of our operations in the event of a business interruption. We're committed to protecting our clients from any service interruptions, including those related to climate change, in addition to taking responsibility for mitigating our own climate impacts.

Appendix

UN Global Compact alignment

In December 2014, we became a signatory to the United Nations Global Compact (UNGC), the world's largest corporate citizenship initiative, which that is based on 10 universal principles. This table shows where information on our approach to the UNGC principles can be found in this report.

Alignment with the UN Global Compact Principles		
UNGC Principle	**Reference**	**Commentary**
Human Rights		
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	Letter from Pat Centanni	We first introduced our human rights statement in 2008. In 2016, it will undergo review and revision to reaffirm our commitment to internationally proclaimed human rights.
Principle 2: Make sure that they are not complicit in human rights abuses	GRI Report, DMA Supplier Human Rights Assessment	We acknowledge our responsibility to work with vendors that share our values. As such, we are currently seeking ways to enhance our supplier assessment process to ensure the protection of human rights.
Labor		
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	GRI Report, G4-HR4	We are committed to adherence to local laws regarding the freedom of association and collective employee action.
Principle 4: The elimination of all forms of forced and compulsory labor	Asset Stewardship	In our business operations, we do not condone forced and compulsory labor. Through the investment portfolios under management by SSGA, we engage companies on issues related to human rights including labor rights.

Principle 5: The effective abolition of child labor	Asset Stewardship	In our business operations, we do not condone child labor. Through the investment portfolios under management by SSGA, we engage companies on issues related to human rights including child labor.
Principle 6: The elimination of discrimination in respect of employment and occupation	Diversity and Inclusion	We recognize the business value of a diverse workforce. In 2015, we launched a three-year strategy to embed diversity and inclusion into our culture through transparent goal-setting, accountability and training initiatives.
	Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges	Environmental Sustainability	In 2015, we continued to make substantial progress toward our 2020 environmental sustainability goals. We have also undertaken initiatives to offset the impact of our business operations, such as investment in wind power projects and the purchase of renewable energy certificates.
Principle 8: Undertake initiatives to promote greater environmental responsibility	ESG Financial Solutions Asset Stewardship	In response to client interest, we have undertaken environmental sustainability initiatives in our products and services. In 2015, we added a fossil fuel-free exchange traded fund to our line of ESG-focused products and increased our engagement with companies regarding climate change.
Principle 9: Encourage the development and diffusion of environmentally friendly technologies	Environmental Sustainability	By supporting flexible work arrangements we provide opportunities for enhanced work-life balance and decrease the environmental impact of employee commuting.

Anti-Corruption		
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	Compliance and Business Ethics	To maintain our reputation as a trusted partner, we launched a program dedicated to risk excellence, expanded our Ethics Office and strengthened our anti-money laundering programs in 2015. Globally, all of our staff receives online training in anti-bribery, conflict of interest and other Standard of Conduct matters.

Report structure and GRI links

Potential topics for inclusion in this report were compiled from established CR frameworks, including the G4 guidelines developed by the Global Reporting Initiative (GRI). Final topics were chosen based on a comprehensive materiality assessment (see pages 8-9). Our GRI Report provides additional detail on our management approaches and performance on the GRI aspects and indicators that correspond to our material CR topics. The table below shows where our material CR topics are covered in this report and includes active links to our GRI Report for further reference.

2015 CORPORATE RESPONSIBILITY REPORT			2015 GRI REPORT
	Report chapters addressing material CR topics	**Material CR topics covered**	**Material GRI G4 aspects** with active links to the GRI Report
Strategic Role of CR	Compliance and business ethics	Compliance and business ethics	Compliance
	Risk excellence		Anti-corruption
			(Product responsibility) compliance
			Product and service labeling
Creating Value for Clients and Shareholders	Client experience and feedback	Client satisfaction	
	Ethical marketing and fair competition	Fair competition	Anti-competitive behavior
			Marketing communications
	Data protection and privacy	Client data protection and privacy	Customer privacy
	ESG financial solutions	ESG products and services	Product portfolio
	Asset stewardship	ESG shareholder engagement and investment screening	Active ownership
	Economic performance	Economic value created and distributed	Economic performance
Engaging Employees and Suppliers	Talent recruitment and retention	Talent recruitment, development and retention	Employment
	Training and professional development		Training and education
	Wage equity and flexible work options	Diversity, flexibility, equal opportunity and well-being	Diversity and equal opportunity
	Diversity and inclusion		Equal remuneration for women and men
	Supplier assessment	Responsible sourcing	Procurement practices and supplier environmental assessment, assessment for labor practices, human rights assessment and assessment for impacts on society
Supporting Communities and the Environment	Prosperity and financial security	Wealth and income creation in society	Indirect economic impacts
		Local job creation	Market presence
	Strengthening communities	Strengthening communities	Local communities
	Boston WINs		
	Environmental sustainability	GHG from operations	Emissions
	Impacts of climate change	Financial implications of climate change	Financial implications and other risks and opportunities linked to climate change***

***This is at the GRI indicator level and included in the GRI G4 aspect Economic performance.

Assurance statement

2015 ERM CVS Assurance Statement

Independent Assurance Statement to State Street

ERM Certification and Verification Services (ERM CVS) was engaged by State Street to provide limited assurance in relation to State Street's 2015 corporate responsibility reporting as set out below.

Engagement Summary	
Scope of our assurance engagement	Selected information for the year 2015 in the State Street 2015 Corporate Responsibility Report (CR Report) and the 2015 State Street GRI G4 Report as follows: - Materiality assessment and stakeholder engagement as described on pages 8 to 9 in the CR Report and in G4-17 to G4-27 in the GRI G4 Report. - Disclosure of Management Approach (DMA) and the 2015 performance for the 15 material topics identified on page 9 which are reported in the CR Report and marked as "Included in ERM CVS assurance engagement" in the 2015 GRI G4 Report. - The 2015 data for the additional environmental targets (water and waste) as reported on pages 3 and 47 in the CR Report and related GRI indicators marked as "Included in ERM CVS assurance engagement" in the 2015 GRI G4 Report.
Reporting criteria	GRI G4 Reporting Guidelines.
Assurance Standard	ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised).
Assurance level	Limited assurance.
Respective responsibilities	State Street is responsible for preparing the information and data in the 2015 CR and GRI G4 Reports and for its correct presentation, including disclosure of the reporting criteria and boundary. ERM CVS' responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgment.

Our assurance activities

Our objective was to assess whether the selected information is reported in accordance with the principles of completeness, accuracy, consistency and balance as well as with GRI G4 indicator criteria. We planned and performed our work to obtain all the information and explanations that we believed were necessary to provide a basis for our assurance conclusions.

A global, multi-disciplinary team of corporate responsibility (CR) and assurance specialists performed the following activities:

- Attendance as observer at a materiality workshop in September 2015.
- An external factors review of media and Internet sources to understand potential material corporate responsibility issues for the 2015 State Street CR Report.
- Attendance and Q&A at the interviews undertaken by the report writers with key State Street management representatives.
- A review of documentation relating to State Street's stakeholder engagement and materiality assessment to ensure the list of material issues reflects the results of these processes.
- In order to collect further evidence, we also undertook interviews with key State Street managers representing the following offices: Global Human Resources, ESG Investing, CBRE Real Estate Services (for the GHG and environmental data), Corporate Social Responsibility, Procurement and Compliance & Ethics.
- Interviews with relevant staff to understand and evaluate the data management systems and processes (including IT systems and internal review processes) used for collecting and reporting the selected data;

- For the selected environmental data, interviews with the external consultant CBRE responsible for collecting and consolidating utility data across State Street's operations as well as a review of the completeness and accuracy of the data including unit and emission conversion factors for energy use and GHG emissions, the reasonableness of estimations and extrapolations and the accuracy of the consolidation.
- A check of the consistency of the financial data with State Street's 2015 10K submission for the relevant data.
- For the selected information, a review of the consistency of reporting in the CR Report with the information in the 2015 GRI G4 Report.

The limitations of our assurance engagement

For the financial data, we have restricted our work to checking consistency with the audited State Street Annual Report on Form 10K for the year ending December 31, 2015 for the relevant data. We have not assured personal views expressed in the letters and interviews incorporated in the CR Report. Our work was restricted to the 2015 reporting year, so no assurance is given on prior year data, or on future performance or expectations. The reliability of the assured data is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information.

Our conclusions

Based on our activities, nothing has come to our attention to indicate that the selected information in the State Street 2015 CR reporting, as described under the "Scope" above, is not fairly presented, in all material respects, with the reporting criteria.

Our observations

We have provided State Street with a separate, detailed management report. Without affecting the conclusions presented above, we have the following key observations:

- State Street has further developed its stakeholder engagement and materiality assessment during 2015. It has used these as a basis for building the CR Report around the 15 material CR topics identified in these processes, providing more focus for this year's CR Report. However, we note that the CR Report does not always include disclosure of the Management Approach (GRI DMA) and the 2015 performance (GRI indicators) for each material topic, so users need to reference the information in the State Street GRI G4 Report to obtain a more comprehensive picture. We therefore recommend that State Street considers publishing a fully standalone CR Report next year including the DMA elements and key annual performance for each material topic, in addition to insets with interviews or more qualitative information.
- While State Street has included more graphics in the CR Report this year, a number of key performance data are reported in the text and are for 2015 only, rather than in comparison to the prior years' performance. We recommend the consistent use of multi-year graphs for the presentation of key performance indicators for each material topic in next year's report to give the user a clear picture of performance over time.

JRogers

Jennifer Iansen-Rogers
Head of Report Assurance
April 29, 2016

ERMCVS
Informed Assured

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ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. The ERM CVS and ERM staff that have undertaken this engagement work have provided no consultancy related services to State Street in any respect.

SPDR S&P 500 Fossil Fuel Free ETF (SPYX) Fund Risk Information

Concentrated investments in a particular industry or sector may be more vulnerable to adverse changes in that industry or sector.

Equity securities may fluctuate in value in response to the activities of individual companies and general market and economic conditions.

No fossil fuel reserve ownership may have an adverse effect on a company's profitability and, in turn, the returns of the fund.

Passively managed funds hold a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. This may cause the fund to experience tracking errors relative to performance of the index.

ETFs trade like stocks, are subject to investment risk, fluctuate in market value and may trade at prices above or below the ETFs net asset value. Brokerage commissions and ETF expenses will reduce returns.

Before investing, consider the funds' investment objectives, risks, charges and expenses. To obtain a prospectus or summary prospectus which contains this and other information, call 1-866-787-2257, download a prospectus or summary prospectus now, or talk to your financial advisor. Read it carefully before investing.

Distributor of the Fund: State Street Global Markets, LLC, member FINRA, SIPC, a wholly owned subsidiary of State Street Corporation. References to State Street may include State Street Corporation and its affiliates. Certain State Street affiliates provide services and receive fees from the SPDR ETFs.

Not FDIC Insured • No Bank Guarantee • May Lose Value

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