



# Sustainability Bond Report

October 30, 2023

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# Introduction

**In October 2022, State Street Corporation (“State Street, the “Company” or “we”) published a Sustainability Bond Framework (the “Framework”) to enable its issuance of Green Bonds, Social Bonds, and Sustainability Bonds.**

Green Bonds are bonds where the proceeds of the issuance, or an equivalent amount, will be allocated to or used to finance or refinance projects with environmental benefits (“Green Projects”), and Social Bonds are bonds where the proceeds of the issuance, or an equivalent amount, will be allocated to or used to finance or refinance projects with positive social outcomes (“Social Projects”). Sustainability Bonds are bonds where the proceeds of the issuance, or an equivalent amount, will be allocated to or used to finance or refinance a combination of both Green and Social Projects. Green, Social, and Sustainability Bonds will be, and those issued to date have been, aligned with the International Capital Market Association (ICMA) Green Bond Principles (GBP), Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG), respectively.

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

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

Bond issuances under the Framework may support one or more of eight **UN Sustainable Development Goals** that State Street has identified as areas where we can be most impactful, including:



In this report, we share how State Street allocated an amount equivalent to \$365.8 million, a portion of the \$498 million of net proceeds from its inaugural Sustainability Bond issuance in November 2022 (the “2022 Sustainability Offering”), to meet the criteria of the Framework. As of September 30, 2023, approximately \$132.2 million of net proceeds from the 2022 Sustainability Offering are yet to be allocated to eligible Green and Social Projects as defined in the Framework. This report also includes impact metrics as described in the Framework for each Project Group as we have deemed appropriate.

	<b>Project Group</b>	<b>Allocated Amount</b>
<b>Green Projects</b>	Green Building	\$80,023,983
	Renewable Energy	\$82,617,214
<b>Social Projects</b>	Affordable Housing	\$155,770,805
	Socio-economic Advancement & Employment	\$47,430,503
	<b>Total Allocated Proceeds<sup>1</sup></b>	<b>\$365,842,505</b>
	<b>Unallocated Proceeds</b>	<b>\$132,208,520</b>
	<b>Net Bond Proceeds</b>	<b>\$498,051,025</b>

<sup>1</sup> An amount equivalent to the net bond proceeds from the 2022 Sustainability Offering allocated as of September 30, 2023

# Green Projects

At State Street, we understand the importance of building in an environmentally efficient manner to support a more sustainable future. State Street has made meaningful investments in sustainable real estate and in connection with the physical spaces the bank occupies. By prioritizing sustainable properties, we can reduce our environmental footprint while also contributing to more sustainable cities and communities. We have allocated \$75 million to green building investments, along with more than \$5 million in expenditures related to the footprint of the physical spaces we occupy.

Recognizing the need to combat climate-related risks and the long-term impact of greenhouse gas emissions, State Street has allocated a portion of the net proceeds from its 2022 Sustainability Offering to contribute to advancing the transition to renewable energy through strategic investments in wind and solar projects. We have allocated approximately \$83 million to three such projects, which collectively produce a total energy output of 217k MWh, annually.

### Green Building

Project	LEED Certification Level	Investment Amount
Project 1	Gold	\$75,000,000
Project 2	Platinum	\$5,023,983
<b>Total</b>		<b>\$80,023,983</b>

### Renewable Energy

Project	Energy Generated (MWh) <sup>2</sup>	Allocated Amount
Project 1	140,244	\$41,971,514
Project 2	69,000	\$31,686,000
Project 3	7,853	\$8,959,700
<b>Total</b>	<b>217,097</b>	<b>\$82,617,214</b>

<sup>2</sup> Represents total annual energy output by the project

**\$80M**

allocated to green building

**\$83M**

allocated to renewable energy

# Social Projects

State Street recognizes that quality housing is a fundamental need and cornerstone of thriving communities and we have committed to actively investing in a broad range of affordable housing projects. We have allocated approximately \$156 million across seven affordable multifamily apartment funds comprised of housing assets eligible for Low Income Housing Tax Credits, resulting in a total of 15,064 total housing units.

As a financial services leader with a global footprint, we also have a responsibility to set an example by our actions and behaviors. Our 10 Actions to Address Racism and Inequality were launched in June 2020, and we continue our efforts to integrate the Actions into our culture and to make progress toward achieving their goals across our operations, in our interactions with clients and stakeholders, and in society as a whole. With this strong foundation, we are committed to supporting socio-economic advancement and employment for underserved populations. We have allocated approximately \$47 million in proceeds across our supplier diversity program and a number of Inclusion, Diversity and Equity program partnerships.

# \$156M

allocated across seven affordable multifamily apartment funds

## Affordable Housing

Affordable Rental Development Fund	Units Funded <sup>3</sup>	Allocated Amount
Fund 1	2,993	\$18,850,342
Fund 2	1,857	\$14,215,232
Fund 3	1,679	\$10,955,579
Fund 4	2,038	\$48,328,247
Fund 5	1,118	\$17,722,746
Fund 6	3,981	\$18,261,216
Fund 7	1,398	\$27,437,443
<b>Total</b>	<b>15,064</b>	<b>\$155,770,805</b>

## Socio-economic Advancement & Employment

Project Group	Diversity Lens	Number of Partnerships	Allocated Amount
<b>Global Supplier Diversity</b>	Gender	1	46,430,503
	Disability Inclusion	2	26,800
<b>Global Inclusion, Diversity and Equity</b>	Gender	4	578,000
	LGBTQ+ Identity	2	25,000
	Race & Ethnicity	7	370,200
<b>Total</b>		<b>16</b>	<b>\$47,430,503</b>

<sup>3</sup> Represents total housing units created or renovated and owned by the fund and not the portion funded by State Street

## Project Highlights

# Colorado State University

Pueblo, CO

State Street provided financing toward a renewable project at Colorado State University's Pueblo campus. The project is a 7 MW solar and 1 MW battery storage site located on the north side of the campus, spanning 23 acres. This solar-plus-storage system directly powers the campus's academic facilities and is part of the University's microgrid system. The project was energized in October of 2021 and, since becoming operational, CSU Pueblo states it is the first



campus in Colorado to reach net zero efficiency. The University has a 25-year power purchase agreement with the project company and uses tier-1 equipment manufacturers like JA Solar modules, SMA inverters, and LG Chem battery cells.

# Blackstone and McKinley Apartments

Fresno, CA

State Street provided financing toward Blackstone and McKinley Apartments located in Fresno, California. This project is the new construction of an 88 unit mixed-use affordable housing development and redevelopment of a full city block in Fresno, California. The project serves households earning between 30% and 60% of the area median income and includes commercial spaces leased to a nonprofit providing medical, dental, and behavioral care and to the City of



Fresno for use as the city's first senior center. The building will be eligible for LEED Gold certification and is built to Net Zero Standards with solar arrays generating enough renewable energy to offset the building demand. This transit oriented development project is also strategically located on the Blackstone Bus Rapid Transit corridor that provides residents access to Downtown and the High Speed Rail Station.

# Management Assertion

**October 30, 2023**

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

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

We assert that \$365,842,505 of the \$498,051,025 of net proceeds from the sale of the 2022 Sustainability Bonds was allocated as of September 30, 2023, to expenditures, investments and projects made by the Company or its subsidiaries after the issue date of the 2022 Sustainability Bonds or in the 36 months prior to the issue date of the 2022 Sustainability Bonds, for qualifying Eligible Green and Social Projects as defined in “Use of Proceeds” section of the Prospectus Supplement dated November 1, 2022.



## Eligible Green and Social Projects

### Eligible Green Projects

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

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

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

**Clean transportation:** Investments and financings in infrastructure and services related to clean transportation extended to “pure play” entities, defined as a borrower or entity where 90% of its activities are derived from the below criteria, or to assets which exclusively align with the below criteria:

- Electric transportation or other zero direct emissions transport; or
- Transportation which produces <50 gCO<sub>2</sub> per passenger-km before 2025 and 0 gCO<sub>2</sub> per passenger-km in 2025 and thereafter.

**Sustainable water and wastewater management:** Investments and financings in infrastructure and services related to sustainable water and wastewater treatment extended to “pure play” entities, defined as a borrower or entity for which 90% of its activities are derived from wastewater treatment, water supply and/or water distribution or in assets exclusively related to these activities. Eligible water and wastewater treatment projects will not support or be related to fossil fuel activities, in accordance with U.S. Environmental Protection Agency requirements.

## Eligible Social Projects

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

- Investments in an entity that finances, acquires, develops, rehabilitates, manages, sells, or rents housing primarily for low-and moderate-income individuals;
- Investments in a project that develops or operates transitional housing for the homeless;
- Investments in a project that develops or operates special needs housing for disabled or elderly low- and moderate-income individuals; or
- Investments in a project that qualifies for the Federal low-income housing tax credit.

**Target populations:** Individuals benefitting from federal public housing programs, including LIHTCs and PWIs, including but not limited to low-to-moderate- income individuals/ households/ communities and the homeless as defined by federal regulations.

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

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

### **Socioeconomic Advancement &**

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

- Expenditures for the procurement of products and services from certified or classified diverse suppliers and/or service providers;
- State Street Foundation grants aimed to support target populations with a focus on racial equity, social justice, education or workforce development;
- Deposits with certified Community Development Financial Institutions or Minority Depository Institutions as defined by the Federal Deposit Insurance Corporation aimed to support target population;
- Financings and investments of community-based Community Development Corporations and Community Development Financial Institutions, certified by the U.S. Department of the Treasury Community Development Financial Institutions Fund aimed to support target populations; or
- All other inclusion, diversity and equity strategic initiatives aiming to support our 10 Actions to Address Racism and Inequality with a focus on external partnerships that enable and accelerate learning and development programs, anti-racism training and education, financial access, diverse recruiting and professional opportunities for target populations.

**Target population:** Underrepresented populations and communities including women, ethnic/racial minority groups, LGBTQ+ community, veterans and people with disabilities.

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### **Management of State Street Corporation**

# Third Party Attestation



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## Report of Independent Accountants

To the Management of State Street Corporation:

We have examined management's assertion, included in the accompanying report, the State Street Sustainability Bond Report, that the amount equal to \$365,842,505 of the net proceeds from the sale of \$500 million fixed-to-floating rate senior notes due 2026 (the "2022 Sustainability Bonds") issued by State Street Corporation (the "Company") was allocated as of September 30, 2023, to expenditures, investments and projects made by the Company or its subsidiaries after the issue date of the 2022 Sustainability Bonds or in the 36 months prior to the issue date of the 2022 Sustainability Bonds, for qualifying Eligible Green and Social Projects (as defined in "Use of Proceeds" section of the Prospectus Supplement dated November 1, 2022 for the 2022 Sustainability Bonds). The Company's management is responsible for the assertion, the selection of Eligible Green and Social Projects and the allocation of the net proceeds to Eligible Green and Social Projects. Our responsibility is to express an opinion on the assertion based on our examination.

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

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

Our examination was not conducted for the purpose of evaluating (i) whether funds in excess of the net proceeds were allocated to Eligible Green and Social Projects as of September 30, 2023, (ii) the amount allocated to each category of Eligible Green and Social Projects as of September 30, 2023, (iii) the environmental or social benefits of the Eligible Green and Social Projects, (iv) conformance of any Eligible Green and Social Projects with any third-party published principles, standards or frameworks, such as the Sustainability Bond Guidelines dated June 2021, published by the International Capital Market Association or (v) any information included in the Company's Sustainability Bond Report or on the Company's website, other than management's assertion. Accordingly, we do not express an opinion or any other form of assurance other than on management's assertion included in the State Street Sustainability Bond Report.

In our opinion, management's assertion, included in the State Street Sustainability Bond Report, that the amount equal to \$365,842,505 of the net proceeds from the sale of the 2022 Sustainability Bonds was allocated as of September 30, 2023 to qualifying Eligible Green and Social Projects, is fairly stated, in all material respects.

*Ernst + Young LLP*

Boston, MA  
October 30, 2023



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This report contains certain statements that may be deemed forward-looking statements. Please note that such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected.

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