UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

March 28, 2025

Lillian Brown
Wilmer Cutler Pickering Hale and Dorr LLP

Re: State Street Corporation (the "Company")
Incoming letter dated January 12, 2025

Dear Lillian Brown:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by Paul Rissman for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal requests the board of directors issue a report disclosing whether and how the Company addresses transition of workers and fairness to communities in its transition finance strategy.

We are unable to concur in your view that the Company may exclude the Proposal under Rule 14a-8(i)(5).

We are unable to concur in your view that the Company may exclude the Proposal under Rule 14a-8(i)(7). Under the approach described in Staff Legal Bulletin No. 14M (Feb. 12, 2025), the Company has not explained whether the policy issue raised by the Proposal is significant to the Company. Therefore, in our view, the Company has not demonstrated that the Proposal relates to its ordinary business operations. In addition, in our view, the Proposal does not seek to micromanage the Company.

Copies of all of the correspondence on which this response is based will be made available on our website at https://www.sec.gov/corpfin/2024-2025-shareholder-proposals-no-action.

Sincerely,

Rule 14a-8 Review Team

cc: Paul Rissman

WILMERHALE

Lillian Brown

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+1 202 663 6363 (f)
lillian.brown@wilmerhale.com

January 12, 2025

Via Online Shareholder Proposal Form

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, NE
Washington, DC 20549

Re: State Street Corporation
Exclusion of Shareholder Proposal of Paul Rissman

Ladies and Gentlemen:

We are writing on behalf of our client, State Street Corporation (the "Company"), to inform you of the Company's intention to exclude from its proxy statement and proxy for its 2025 annual meeting of shareholders (the "Proxy Materials") the enclosed shareholder proposal and supporting statement (collectively, the "Proposal") submitted by Paul Rissman (the "Proponent"). The Proposal requests that the Company "issue a report disclosing whether and how the Company addresses transition of workers and fairness to communities in its transition finance strategy."

The Company believes it may properly exclude the Proposal from its Proxy Materials for the reasons discussed below. The Company respectfully requests that the staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission" or "SEC") advise the Company that it will not recommend any enforcement action to the Commission if the Company excludes the Proposal from its Proxy Materials.

Pursuant to Exchange Act Rule 14a-8(j) and Staff Legal Bulletin No. 14D (November 7, 2008) ("SLB 14D"), the Company is submitting electronically to the Commission this letter, and the Proposal and related correspondence (attached as Exhibit A to this letter), and is concurrently sending a copy to the Proponent.

I. The Proposal

On November 29, 2024, the Company received a proposal from the Proponent, which states in relevant part as follows:

> **Resolved**: Shareholders request the Board of Directors of State Street Corporation (STT) issue a report disclosing whether and how the Company addresses transition of workers and fairness to communities in its transition finance strategy. At the Board's discretion, proponent recommends the report cover the potential risks and opportunities related to STT's transition finance efforts affecting workers and communities.

II. Bases for Excluding the Proposal

The Company believes that the Proposal may be properly excluded from the Proxy Materials under Rule 14a-8(i)(5) because the Proposal relates to operations that are not economically significant or otherwise significantly related to the Company's business because the Company is not in the business of transition finance. Alternatively, and as described below, to the extent that the Proposal is viewed as pertaining to the stewardship efforts of the Company's asset management business, conducted by State Street Global Advisors ("SSGA"), and these efforts were viewed to include transition finance, the Proposal would be excludable under Rule 14a-8(i)(7) because the subject of the Proposal relates to the Company's ordinary business operations.[1]

III. Analysis

A. The Proposal May Be Excluded Pursuant to Rule 14a-8(i)(5) Because the Proposal Relates to Operations That Are Not Economically Significant or Otherwise Significantly Related to the Company's Business.

Rule 14a-8(i)(5) permits a company to exclude a proposal from its proxy materials "[i]f the proposal relates to operations which account for less than five percent of the company's total assets at the end of its most recent fiscal year, and for less than five percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business." Prior to adoption of this version of Rule 14a-8(i)(5), the rule provided that companies may omit any proposal that "deals with a matter that is not significantly related to the issuer's business." In 1982, the Commission noted that the Staff's practice had been to concur with exclusion of proposals bearing no economic relationship to a company's business, but that

[1] While we believe that the Proposal is properly excludable under either 14a-8(i)(5) or 14a-8(i)(7), we note that, as demonstrated within this submission, it is not entirely clear what this Proposal is seeking. Accordingly we believe that an alternative basis of exclusion is that the Proposal may be excluded under Rule 14a-8(i)(3) on the basis that it is so vague as to be false and misleading in violation of Rule 14a-9.

"where the proposal has reflected social or ethical issues, rather than economic concerns, raised by the issuer's business, and the issuer conducts any such business, no matter how small, the staff has not issued a no-action letter with respect to the omission of the proposal." Exchange Act Release No. 19135 (October 14, 1982). In proposing changes to the prior version of the rule, the Commission stated that this interpretation of the rule may have "unduly limit[ed] the exclusion," and proposed adopting the economic tests that appear in the rule today. *Id*. However, in Staff Legal Bulletin No. 14L (November 3, 2021) ("SLB 14L"), the Staff returned to its prior approach of interpreting Rule 14a-8(i)(5), noting that "proposals that raise issues of broad social or ethical concern related to the company's business may not be excluded, even if the relevant business falls below the economic thresholds of Rule 14a-8(i)(5)." While we believe SLB 14L, including this interpretation, warrants reconsideration, we also believe the Proposal is excludable even under this interpretation.

The Proposal requests a report from the "Board of Directors of State Street Corporation (STT)" on aspects of "its transition finance strategy"; however, the Company is not in the business of transition finance.[2] Consistent with the definition of transition finance included in the Proposal, the CFA Institute has defined transition finance as "any form of financial support that helps decarbonize high-emitting activities or enables the decarbonization of other economic activities."[3] The Company does not make loans or undertake to provide financial support in respect of transition finance activities, and therefore, the Company has no transition finance business. Accordingly, in addition to clearly meeting the economic tests set out in Rule 14a-8(i)(5), the Proposal does not raise issues of broad social or ethical concern "related to the Company's business" because the Company is not in the business of transition finance. Thus, the Proposal may be excluded even under the interpretation set out in SLB 14L, as that interpretation retains a requirement that the Proposal be "related" to a company's business.

Further, if the Proposal were interpreted to be applicable to SSGA's business,[4] the Proposal continues to fall short under Rule 14a-8(i)(5) because SSGA is not in the business of transition

[2] The Company is a financial holding company. Through its subsidiaries, the Company provides a broad range of financial products and services to institutional investors worldwide through two core business lines, investor servicing (the provision of custody and related services) and asset management. Neither of the Company's core business lines engage in transition finance nor provide traditional banking type loans to companies for purposes of transition finance. While the Company has issued Sustainability Bonds, where proceeds are allocated to finance or refinance projects with environmental benefits or positive social outcomes, these are not offered as a product or service and the amount associated with these issuances is de minimis as it relates to the Company's overall operations and balance sheet. Specifically, the Company has issued an aggregate of approximately $500 million of Sustainability Bonds as reported in the Company's November 2024 Sustainability Bond Report, as compared to total outstanding debt of $24.5 billion.

[3] https://www.cfainstitute.org/sites/default/files/-/media/documents/article/industry-research/transition-finance.pdf

[4] The Company's asset management business is conducted by SSGA. As discussed further, to the extent the Proposal relates to how the Company addresses transition of workers and fairness to communities in its asset stewardship and voting with respect to transition finance strategies of portfolio companies, the Proposal relates to the asset management business conducted by SSGA.

finance strategy and transition finance strategy is not otherwise significantly related to SSGA's business. SSGA provides a broad range of investment management strategies and products for SSGA's clients, including for equity, fixed income and cash assets, which may include sustainable investing.[5] SSGA's Asset Stewardship program focuses on three principles: effective board oversight, disclosure and shareholder protection. Through its publicly-available Global Proxy Voting and Engagement Policy, SSGA provides transparency regarding its disclosure expectations for companies that have adopted a climate transition plan;[6] however SSGA's index investment product offerings and this limited aspect of SSGA's broad asset stewardship program are not the same as being "in the business of transition finance strategy."

The disconnect between the topic of the Proposal and the business of the Company (or even SSGA's) is similar to prior instances in which the Staff concurred in exclusion of proposals pursuant to Rule 14a-8(i)(5). For example, in *Chubb Limited* (March 26, 2021), the Staff concurred in exclusion under Rule 14a-8(i)(5) of a proposal requesting a report on company policies regarding the company's insurance offerings with respect to the potential for police brutality and civil rights violations, where the company argued that "police brutality is not significantly related, or related at all, to [the company's] business".[7] *See also Dunkin' Brands Group, Inc.* (February 22, 2018) (concurring in exclusion under Rule 14a-8(i)(5) of a proposal regarding the environmental impacts of K-Cup Pods brand packaging, noting that the proposal's "significance to the [c]ompany's business is not apparent on its face" and the proponent has "not demonstrated that it is otherwise significantly related to the [c]ompany's business"). As in these instances, the Proposal addresses a topic that is not related to the Company's business (in that the Company is not in the business of transition finance). Thus, it is not necessary to reach the question of whether it raises "issues of broad social or ethical concern."

Accordingly, the Proposal may be excluded under Rule 14a-8(i)(5) because the Proposal relates to operations that are not economically significant or otherwise significantly related, or related at all, to the Company's business.

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[5] https://www.sec.gov/ix?doc=/Archives/edgar/data/93751/000009375124000498/stt-20231231.htm

[6] https://www.ssga.com/library-content/assets/pdf/global/asset-stewardship/proxy-voting-and-engagement-policy.pdf

[7] While we acknowledge that Chubb Limited was issued prior to the publication of SLB 14L and therefore included a board analysis, we believe it is still substantively instructive. We also note that the Staff has denied certain requests under Rule 14a-8(i)(5) where the company argued that the operations at issue in the proposal were not significantly related to the company's business, but where the company was affirmatively engaged in such operations. *See The Travelers Companies, Inc.* (April 1, 2022) (unable to concur in exclusion under Rule 14a-8(i)(5) of a proposal requesting a report on company policies regarding the company's insurance offerings with respect to police brutality where the company provided law enforcement liability coverage) and *CVS Health Corporation* (March 15, 2022) (unable to concur in exclusion under Rule 14a-8(i)(5) of a proposal "relate[d] to the [c]ompany's 'food beverage and candy business,' which is a part of the [c]ompany's [r]etail segment"). We believe those letters are distinguishable from the Proposal because in our case, the Proposal requests information related to a business in which the Company is not engaged at all.

B. The Proposal May Be Excluded Pursuant to Rule 14a-8(i)(7) Because the Subject Matter of the Proposal Directly Concerns the Company's Ordinary Business Operations.

To the extent the Proposal is viewed as pertaining to the stewardship efforts of SSGA and these efforts were further viewed to include the business of transition finance, Rule 14a-8(i)(7) permits a company to exclude a shareholder proposal if the proposal "deals with a matter relating to the company's ordinary business operations." The underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting." SEC Release No. 34-40018 (May 21, 1998) (the "1998 Release"). An exception to this principle may be made where a proposal focuses on significant policy issues (e.g., significant discrimination matters) that transcend the day-to-day business matters of the company. *See* 1998 Release.

As set out in the 1998 Release, there are two "central considerations" underlying the ordinary business exclusion. One consideration is that "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight." The other consideration is that a proposal should not "seek[] to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." The Proposal implicates the first of these considerations.

Framing a shareholder proposal in the form of a request for a report does not change the underlying nature of the proposal. The Commission has long held that the Staff evaluates proposals requesting dissemination of a report by considering the underlying subject matter of the proposal when applying Rule 14a-8(i)(7), and that such proposals are excludable when the substance is within the ordinary business of the company. *See* Release No. 34-20091 (August 16, 1983) ("[T]he staff will consider whether the subject matter of the special report or the committee involves a matter of ordinary business; where it does, the proposal will be excludable"). *See also Rite Aid Corp.* (April 17, 2018) (concurring in exclusion under Rule 14a-8(i)(7) of a proposal requesting a report on the feasibility of adopting company-wide goals for increasing energy efficiency and use of renewable energy, in which the Staff determined that the proposal focused "primarily on matters relating to the Company's ordinary business operations") and *Netflix, Inc.* (March 14, 2016) (concurring in exclusion under Rule 14a-8(i)(7) of a proposal requesting a report relating to the company's assessment and screening of "inaccurate portrayals of Native Americans, American Indians and other indigenous peoples," in which the Staff determined that the proposal related to the ordinary business matter of the "nature, presentation and content of programming and film production").

1. The Proposal may be excluded because it relates to the ordinary business matters of how the Company manages its day-to-day operations, specifically with regard to the Company's engagement and voting policies.

As discussed above, the core focus of the Proposal is aimed at the business of the Company and not SSGA's stewardship activities; however, even if one were to interpret the Proposal as seeking to address SSGA's stewardship efforts, it would be excludable pursuant to Rule 14a-8(i)(7). The focus of the requested report would properly be viewed as addressing the ordinary business matters of how the Company manages its day-to-day operations and, in particular, SSGA's engagement and voting polices.[8] The Staff has long concurred that proposals relating to a company's products and services are excludable under Rule 14a-8(i)(7), as they relate to ordinary business matters. For example, in both *Citigroup Inc.* (March 8, 2024) and *Bank of America Corporation* (February 29, 2024), the Staff concurred in exclusion under Rule 14a-8(i)(7) of a proposal that requested a report on the feasibility of offering customized proxy voting preferences for the company's clients that pursue voting strategies designed to push companies to address social and environmental externalities. *See also MetLife, Inc*. (April 24, 2023) (concurring in exclusion under Rule 14a-8(i)(7) of a proposal that related to the company's services, including its business practices and business relationships); *JPMorgan Chase & Co.* (March 21, 2023) (concurring in exclusion under Rule 14a-8(i)(7) of a proposal that related to the company's financial services and government requests to close customer accounts); *American Express Co.* (March 9, 2023) (concurring in exclusion under Rule 14a-8(i)(7) of a proposal that related to the company's credit card and electronic payment services); *JPMorgan Chase & Co.* (March 25, 2022) (concurring in exclusion under Rule 14a-8(i)(7) of a proposal that related to the company's underwriting services); and *Wells Fargo & Co.* (January 28, 2013, recon. denied March 4, 2013) (concurring in exclusion under Rule 14a-8(i)(7) of a proposal that concerned the social and financial impacts of the company's direct deposit advance lending services).

[8] The investment strategies offered by SSGA are client-driven, meaning that SSGA will manage products based on indexes selected by clients, or for which SSGA sees significant client interest. As an index manager, SSGA's role is to produce investment returns that mirror, as closely as possible, the return on the index selected by the client. Many of SSGA's products are managed to broad-based indexes, while others focus on sectors, and certain strategies focus on climate through investment in alternative energy sources, or avoiding investment in the energy sector. SSGA has adopted a Global Proxy Voting and Engagement Policy, available on its website, which governs SSGA's asset stewardship activities in respect of its companies held in its clients' portfolios. Among other topics, the Policy sets forth SSGA's disclosure expectations for companies that have adopted climate transition plans, which include disclosure of risks and opportunities related to the company's engagement with internal and external stakeholders. SSGA provides detailed reporting to its clients and the public regarding its asset stewardship activities, including through an annual Stewardship Report and quarterly Asset Stewardship Activity Reports. SSGA provides guidance, resources and recommendations to its portfolio companies that may relate to transition finance, but this is not financial support and is thus not transition finance. On its face, the Proposal involves a request that relates to a business that the Company is not engaged in. Were the Proposal viewed otherwise, the Company would argue that the request has already been substantially implemented through the policies discussed above.

As described herein, the Company provides investment management services to clients through investment products ranging from separate accounts and institutional funds to publicly offered mutual funds and exchange-traded funds. The strategies offered by SSGA are determined based on SSGA's assessment of client and market interest in a particular strategy and client instructions. SSGA's asset stewardship program and the policies under which it is implemented allow the program to effectively operate on a day-to-day basis; thus, a multitude of considerations are taken into account as part of the products and services offered by SSGA. Accordingly, to the extent the Proposal's focus on the Company's transition finance strategy is interpreted to relate to SSGA's product offering or asset stewardship program and not the Company's business (notwithstanding that the Proposal appears on its face to address the latter), the Proposal may still be excluded, in this case because it relates to the ordinary business matters of the Company's product offerings (as a result of SSGA's stewardship activities).

2. The Proposal does not transcend the Company's ordinary business operations.

As noted above, the 1998 Release provides that a proposal that would otherwise be excludable as related to ordinary business matters may not be excluded if it transcends the day-to-day business matters of a company. The Staff most recently discussed its interpretation of how the Staff will consider whether a proposal "transcends the day-to-day business matters" of a company in SLB 14L, noting that it is "realign[ing]" its approach to determining whether a proposal relates to ordinary business with the standards the Commission initially articulated in 1976 and reaffirmed in the 1998 Release. Under this realignment, the Staff will "no longer take a company-specific approach to evaluating the significance of a policy issue under Rule 14a-8(i)(7)" but rather will consider only "whether the proposal raises issues with a broad societal impact, such that they transcend the ordinary business of the company."[9] As noted, while we believe SLB 14L warrants reconsideration, we also believe the Proposal is excludable even under this interpretation.

Here, while the Proposal references how transition finance may impact human rights and environmental justice, its core focus is on the ordinary business matter of what the Company should consider in its offerings to clients. The Staff has long permitted exclusion of shareholder proposals where the proposal focuses on ordinary business matters notwithstanding that it references a potential significant policy issue. This approach predates the Rescinded SLBs and relies on a different analysis than that addressed by SLB 14L – it does not focus on whether a particular policy is broadly significant versus significant for a particular company, but rather on whether the Proposal is fundamentally about day-to-day operations versus any significant policy issue that may be referenced in the proposal. *See Broadridge Financial Solutions, Inc.* (September 16, 2022) (concurring in exclusion of a proposal requesting a report on the distribution of stock-based incentives throughout the company's workforce, including for the

[9] SLB 14L also explicitly rescinded prior Staff Legal Bulletins 14I, 14J and 14K, which set out a company-specific approach to the significant policy issue analysis (the "Rescinded SLBs").

purpose of combatting wealth inequality, as the proposal "relate[d] to, and [did] not transcend, ordinary business matters"); *Amazon.com, Inc.* (April 8, 2022) (same); *Repligen Corp.* (April 1, 2022) (same); *BlackRock, Inc.* (April 4, 2022) (concurring in exclusion of a proposal requesting a public report on the potential risks of omitting "viewpoint" and "ideology" from the company's EEO policy as the proposal "relate[d] to, but [did] not transcend, ordinary business matters"); *The Goldman Sachs Group, Inc.* (March 8, 2022, recon. denied March 21, 2022) (concurring in exclusion of a proposal requesting a study on the external costs created by the company's securities underwriting services as the proposal "relate[d] to, but [did] not transcend, ordinary business matters"); and *The TJX Companies, Inc.* (April 9, 2021) (concurring in exclusion of a proposal seeking information about the company's monitoring of supplier compliance with the company's policy that prohibited prison labor because the proposal "[did] not transcend the [c]ompany's ordinary business operations"). We are aware that in *Republic Services, Inc.* (March 27, 2024), the Staff did not allow the exclusion of a proposal under Rule 14a-8(i)(7) requesting "a report disclosing how [the company] is addressing the impact of its climate change strategy." In *Republic Services, Inc*., the company, which is a provider of environmental services including recycling and solid waste services, argued that the proposal focused on its business strategy regarding automation in recycling, which the company argued was not a significant policy issue. The Proposal in this case differs from *Republic Services, Inc.* in that SSGA's product offerings (sustainable investment strategies and asset stewardship, which are squarely within its ordinary business operations) are not fundamentally related to the policy issue (transition finance) referenced in the Proposal. Accordingly, the Company may exclude the Proposal under Rule 14a-8(i)(7) as it relates to the ordinary business of the Company.

IV. Conclusion

For the foregoing reasons, and consistent with the Staff's prior no-action letters, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its Proxy Materials under Rule 14a-8(i)(5) on the basis that the Proposal relates to operations that are not economically significant or otherwise significantly related to the Company's business because the Company is not in the business of transition finance. Alternatively, to the extent the Proposal is viewed as pertaining to the stewardship efforts of SSGA, and these efforts were viewed to include transition finance, the Proposal may be excluded under Rule 14a-8(i)(7) because the subject of the Proposal relates to the Company's ordinary business operations.

If the Staff has any questions with respect to the foregoing, or if for any reason the Staff does not agree that the Company may exclude the Proposal from its Proxy Materials, please do not hesitate to contact Jeremy Kream, Head of Legal, Corporate and Global Delivery, State Street

Corporation at JKream@StateStreet.com or Lillian Brown at lillian.brown@wilmerhale.com or (202) 663-6743. In addition, should the Proponent choose to submit any response or other correspondence to the Commission, we request that the Proponent concurrently submit that response or other correspondence to the Company, as required pursuant to Rule 14a-8(k) and SLB 14D, and copy the undersigned.

Best regards,

Lillian Brown

Enclosures

cc: Paul Rissman

EXHIBIT A

From: Paul Rissman <[redacted]>
Sent: Friday, November 29, 2024 10:12 AM
To: corporatesecretary <corporatesecretary@StateStreet.com>
Cc: Sanford Lewis <[redacted]>
Subject: [External] Submission of shareholder proposal

> You don't often get email from [redacted]. Learn why this is important

Dear Mr. Shelton,

This message is to inform you that I am filing the attached shareholder proposal concerning State Street's disclosure of its risks and opportunities stemming from human impacts of its low-carbon transition finance. Please acknowledge receipt.

Regards,
Paul Rissman
Co-founder
Rights CoLab
www.rightscolab.org

<State Street Shareholder Resolution Rissman 29.11.24.pdf>

November 29th, 2024

Via email

Office of the Secretary
State Street Corporation
One Congress Street
Boston, Massachusetts 02114
Attn: Mark Shelton

Re: Shareholder proposal for 2024 Annual Shareholder Meeting

Dear Mr. Shelton,

I am submitting the attached proposal (the "Proposal") pursuant to the Securities and Exchange Commission's Rule 14a-8 to be included in the proxy statement of State Street Corporation (the "Company") for its 2025 annual meeting of shareholders. I am the lead filer for the Proposal and may be joined by other shareholders as co-filers.

I have continuously beneficially owned, for at least three years as of the date hereof, at least $2000 worth of the Company's common stock. Verification of this ownership will be sent under separate cover. I intend to continue to hold such shares through the date of the Company's 2025 annual meeting of shareholders.

I am available to meet with the Company in via teleconference on December 16th or 17th at noon Eastern. Any co-filers have authorized me to conduct the initial engagement meeting, but may participate subject to their availability.

I can be contacted on [redacted] or by email at [redacted] to schedule a meeting. Please feel free to contact me with any questions.

Sincerely,
Paul Rissman

Resolved: Shareholders request the Board of Directors of State Street Corporation (STT) issue a report disclosing whether and how the Company addresses transition of workers and fairness to communities in its transition finance strategy. At the Board's discretion, proponent recommends the report cover the potential risks and opportunities related to STT's transition finance efforts affecting workers and communities.

Supporting Statement:

Our CEO has emphasized the importance of transition finance — financial support that helps decarbonize high-emitting activities or enables the decarbonization of other economic activities.[1] Managing the human element of this massive climate transition appears as important as technical innovation or development of new physical infrastructure.

Stranded human capital and human rights abuses can generate public resistance to the transition; in contrast, investment in the retraining of people, and demonstrating respect and partnership with communities can ease and accelerate the transition. Whether coal miners losing their jobs in Appalachia or land use and pollution conflict in communities targeted for lithium mining, climate transition faces backlash where the human element is ignored.[2] A study of the Environmental Justice Atlas database found that one quarter of projects opposed by environmental defenders were stopped through protest, litigation and other forms of popular mobilization.[3]

According to the World Economic Forum (WEF)[4] "[t]he green transition… could concentrate job creation in already tight labour markets… deepen[ing] unemployment in some regions while causing labour shortages in others…" WEF notes that this "could fuel social and political upheaval."

Thus, part of the work of transition finance is to support finance, public policy or other provisions for worker transition such as job retraining and skill development, income support in job transitions, creating new green jobs, and actively planning for economic diversification in affected communities.

The rights of communities are also at stake, such as in regions where mining of minerals critical to the green transition threatens human rights and the environment. Transition strategies must respect human rights, public health and the environment, or they risk community resistance and supply chain disruption.

A 2021 interview with STT's global head of asset stewardship noted that clarity of expectations around investees' climate transition plans, including how they take Just Transition into consideration, is an area where STT can improve.[5] Yet there is precious little in STT's disclosures on this topic, other than mention of a Just Transition engagement with 24 companies

[1] https://www.weforum.org/stories/2023/01/davos23-transition-finance-decarbonization/
[2] https://www.sciencedirect.com/science/article/abs/pii/S0301421518302301
[3] https://www.sciencedirect.com/science/article/pii/S0959378020301424?via%3Dihub
[4] https://intelligence.weforum.org/topics/a1Gb0000000pTDXEA2/key-issues/a1Gb00000015QJKEA2
[5] https://corpgov.law.harvard.edu/2021/12/07/engaging-with-state-street-global-advisors/

in 2022.[6] STT's 2023 Sustainability Report does not mention Just Transition, climate justice, or environmental justice.[7] This omission is doubly concerning as STT has reduced its support for environmental shareholder resolutions[8] and has terminated its membership in the stewardship coalition Climate Action 100+. STT's inadequate disclosure impairs investors' ability to understand how its transition finance plans safeguard shareholder returns.

[6] https://www.ssga.com/us/en/about-us/what-we-do/asset-stewardship/climate-stewardship
[7] https://www.statestreet.com/web/insights/articles/documents/state-street-sustainability-report.pdf
[8] https://www.ssga.com/us/en/about-us/what-we-do/asset-stewardship/climate-stewardship

Sanford Lewis & Associates

PO Box 231
Amherst, MA 01004-0231

413 549-7333

sanfordlewis@strategiccounsel.net

February 13, 2025
Via electronic mail

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Shareholder Proposal to State Street Corporation Regarding Transition Finance Strategy on Behalf of Paul Rissman

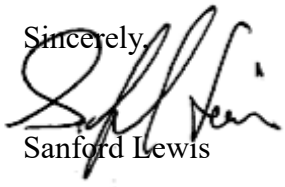
Ladies and Gentlemen:

Paul Rissman, (the "Proponent") is beneficial owner of common stock of State Street Corporation ("STT" or "the Company") and has submitted a shareholder proposal (the "Proposal") to the Company.

I have been asked by the Proponent to respond to the letter dated January 12, 2025 ("Company Letter") sent to the Securities and Exchange Commission by Lillian Brown, of Wilmer Cutler Pickering Hale and Dorr LLP, acting on behalf of the Company. In that letter, the Company contends that the Proposal may be excluded from the Company's 2025 proxy statement.

We have redacted personal information consistent with the Staff's guidance. A copy of this letter is being emailed concurrently to Lillian Brown. If you have any questions, please contact Sanford Lewis at 413-549-7333 or sanfordlewis@strategiccounsel.net.

Sincerely,



Sanford Lewis

Khadija Foda

Cc: Lillian Brown

State Street Corporation No Action Request

Response of Proponent Paul Rissman

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SUMMARY

The Proposal requests that the Board of Directors of State Street Corporation ("STT" or "the Company") issue a report disclosing whether and how the Company addresses transition of workers and fairness to communities in its transition finance strategy. At the Board's discretion, the proponent also recommends the report cover the potential risks and opportunities related to STT's transition finance efforts affecting workers and communities.

The Company Letter asserts that the Proposal is excludable under Rule 14a-8(i)(5) as relating to operations that are neither economically significant to the Company[1] nor otherwise significantly related to the Company's business. The Company Letter makes this assertion based on a hypertechnical argument that the Company does not engage in "transition finance." However, the Proposal discusses transition finance strategy in a form that is consistent with State Street's CEOs' statements about the company's own business operations, and that the investors of the company would recognize as an important part of the company's business model. The Proposal notes "Our CEO has emphasized the importance of transition finance — financial support that helps decarbonize high-emitting activities or enables the decarbonization of other economic activities.[2]"

The portions of the Company engaged in transition finance as defined by the Proposal may well exceed 5% of company assets or sales, especially when considering future growth prospects. The Company has not met its burden of proving that it does not meet this economic threshold.

However, even if the designated activities of the Company as described in this letter do not exceed the 5% financial threshold, the prominence of climate transition and risk in the stewardship activities of State Street Global Advisors (SSGA), and the prominent messaging and marketing including by the CEO on transition finance elevate the importance of these issues to the company and especially to its SSGA segment. Therefore it is certainly *otherwise* significantly related to the Company's business.

The background section of the Proposal sets forth the Proponent's concern that managing the human element of the massive effort of transition finance appears as important as technical innovation or development of new physical infrastructure and therefore asks the Company how its transition finance strategies address human and community impacts such as supporting coal miners in Appalachia and preventing pollution and community impact in lithium mining communities.

The Company Letter asserts that the request of the Proposal impermissibly attempts to dictate the products and services that the Company offers and therefore is excludable under Rule 14a-8(i)(7). However, the Proposal does not attempt to micromanage or dictate the products or

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[1] Economically insignificant as defined by the rule: less than five percent of the company's total assets at the end of its most recent fiscal year, and for less than five percent of its net earnings and gross sales for its most recent fiscal year.

[2] https://www.weforum.org/stories/2023/01/davos23-transition-finance-decarbonization/

services sold by the company, it merely asks for an investor-appropriate level of transparency into the Company's policies and practices. The Proposal notes that STT's current, inadequate disclosure regarding how its transition finance strategy addresses impacts on workers and communities impairs investors' ability to understand whether its transition finance strategies adequately safeguard shareholder returns.

The Proposal transcends ordinary business, does not micromanage, nor dictate products or services offered, and therefore is not excludable under Rule 14a-8(i)(7).

THE PROPOSAL

Resolved: Shareholders request the Board of Directors of State Street Corporation (STT) issue a report disclosing whether and how the Company addresses transition of workers and fairness to communities in its transition finance strategy. At the Board's discretion, proponent recommends the report cover the potential risks and opportunities related to STT's transition finance efforts affecting workers and communities.

Supporting Statement:

Our CEO has emphasized the importance of transition finance — financial support that helps decarbonize high-emitting activities or enables the decarbonization of other economic activities.[3] Managing the human element of this massive climate transition appears as important as technical innovation or development of new physical infrastructure.

Stranded human capital and human rights abuses can generate public resistance to the transition; in contrast, investment in the retraining of people, and demonstrating respect and partnership with communities can ease and accelerate the transition. Whether coal miners losing their jobs in Appalachia or land use and pollution conflict in communities targeted for lithium mining, climate transition faces backlash where the human element is ignored.[4] A study of the Environmental Justice Atlas database found that one quarter of projects opposed by environmental defenders were stopped through protest, litigation and other forms of popular mobilization.[5]

According to the World Economic Forum (WEF)[6] "[t]he green transition... could concentrate job creation in already tight labour markets... deepen[ing] unemployment in some regions while causing labour shortages in others..." WEF notes that this "could fuel social and political upheaval."

Thus, part of the work of transition finance is to support finance, public policy or other provisions for worker transition such as job retraining and skill development, income support in job transitions, creating new green jobs, and actively planning for economic diversification in affected communities.

The rights of communities are also at stake, such as in regions where mining of minerals critical to the green transition threatens human rights and the environment. Transition strategies must respect human rights, public health and the environment, or they risk community resistance and supply chain disruption.

A 2021 interview with STT's global head of asset stewardship noted that clarity of

[3] https://www.weforum.org/stories/2023/01/davos23-transition-finance-decarbonization/

[4] https://www.sciencedirect.com/science/article/abs/pii/S0301421518302301

[5] https://www.sciencedirect.com/science/article/pii/S0959378020301424?via%3Dihub

[6] https://intelligence.weforum.org/topics/a1Gb0000000pTDXEA2/key-issues/a1Gb00000015QJKEA2

expectations around investees' climate transition plans, including how they take Just Transition into consideration, is an area where STT can improve.[7] Yet there is precious little in STT's disclosures on this topic, other than mention of a Just Transition engagement with 24 companies in 2022.[8] STT's 2023 Sustainability Report does not mention Just Transition, climate justice, or environmental justice.[9] This omission is doubly concerning as STT has reduced its support for environmental shareholder resolutions[10] and has terminated its membership in the stewardship coalition Climate Action 100+. STT's inadequate disclosure impairs investors' ability to understand how its transition finance plans safeguard shareholder returns.

[7] https://corpgov.law.harvard.edu/2021/12/07/engaging-with-state-street-global-advisors/

[8] https://www.ssga.com/us/en/about-us/what-we-do/asset-stewardship/climate-stewardship

[9] https://www.statestreet.com/web/insights/articles/documents/state-street-sustainability-report.pdf

[10] https://www.ssga.com/us/en/about-us/what-we-do/asset-stewardship/climate-stewardship

ANALYSIS

I. The Proposal is not excludable under Rule 14a-8(i)(5) because the Company is engaged in the business of transition finance in various ways and the Proposal topic is significantly related to the Company's business.

Rule 14a-8(i)(5) provides that a shareholder proposal may be omitted from a proxy statement "[i]f the proposal relates to operations which account for less than 5% of the company's total assets at the end of its most recent fiscal year, and for less than 5% of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business."

The Company Letter asserts that the Proposal may be excluded under Rule 14a-8(i)(5) on the basis of an assertion that the Company is not in the business of "transition finance" and that, even if the Proposal seeking information on "transition finance strategy" were to be interpreted as applicable to the Company's State Street Global Advisors asset management subsidiary, that the topic of the proposal is still not economically significant or otherwise significantly related to STT's business. *See* Company Letter 2-4.

In light of the disclosures and activities of the Company documented below, the Proponent asserts that the Company has failed to meet its burden of showing that transition finance does not account for less than 5% of its total assets or less than 5% of its net earnings and gross sales.

However, regardless of whether the economic thresholds of Rule 14a-8(i)(5) are met, the Proposal still cannot be excluded on this basis because transition finance strategy is clearly significantly related to STT's business. *In a footnote,* footnote 4 of the Company Letter, the Company acknowledges that the Proposal is related to SSGA's asset management business through its stewardship and proxy voting:

> The Company's asset management business is conducted by SSGA. As discussed further, to the extent the Proposal relates to how the Company addresses transition of workers and fairness to communities in its asset stewardship and voting with respect to transition finance strategies of portfolio companies, the Proposal relates to the asset management business conducted by SSGA.[11]

However, the Company Letter tries to then assert in the main text that this connection to the Company's business is "not the same as being 'in the business of transition finance strategy.'" As will be shown below, the Proposal's subject matter implicates a wide array of STT's financial and asset management activities, and the public posture of the CEO and marketing of the

[11] In addition in its ordinary business argument that follows the Rule 14a-8(i)(5) argument, the Company Letter states that "the core focus of the proposal is aimed at the business of the Company" in seeming contradiction to the company's assertion that the company is not in the business of transition finance. Company Letter, page 6.

Company's transition finance strategies makes it clear that these are issues of large significance to the Company.

A. The Company is involved in the business of transition finance.

Review of company disclosures shows various ways that the Company is involved in the business of transition finance including in: investment servicing, investment management, and asset stewardship.

In fact, STT announces its significant role in transition finance, reporting in its 2023 Sustainability Report that:

> **As one of the world's leading financial services institutions, we work with industry and international partners broadly on big questions related to climate change and transition finance.** We do so in a spirit of collaboration and convening, learning and understanding, while motivated by the needs of our clients.
>
> For example, our involvement in the Sustainable Markets Initiative (SMI) spans its financial, real economy, and regional task forces, with a particular focus on asset owners and their investment needs. **We have made significant contributions to SMI's work, including viable transition finance structures and regenerative farming financing structures.**
>
> We also participate in the Investor Leadership Network (ILN), which focuses on facilitating the mobilization of capital in developing markets and emerging markets. Other notable sustainability-focused organizations with whom we engage include FCLTGlobal, which publishes research to encourage long-term investing and improve corporate governance.[12] (emphasis added)

Further, in discussing the energy transition, STT CEO Ron O'Hanley and Executive Vice President Jessica Donohue state *"[a]s a partner to our clients, our role is to help enable their climate transition and sustainability journey through our investment solutions, products and services, and research and thought leadership*."[13] For STT to then make its hypertechnical argument, in the Company Letter, that it "has no transition finance business" is hard to fathom.

STT does acknowledge in a footnote that, as part of its investment strategy offerings, certain strategies focus on climate through investment in alternative energy sources, or avoiding investment in the energy sector, but seeks to distance itself from these investment strategies by stating that they are *client-driven*. Company Letter at 6, fn 8 Just because clients may seek certain investment strategies that include transition finance, does *not* mean that STT, the supplier

[12] STT 2023 Sustainability Report

https://www.statestreet.com/web/insights/articles/documents/state-street-sustainability-report.pdf at 10.

[13] Id at 8.

of these strategies, can somehow claim to not be in the business of transition finance because the demands come from their client base. This is how demand and supply operates. Furthermore, this argument utterly contradicts all the overt efforts that STT has directed at its clients and investors in marketing transition finance offerings and positioning itself as a leader in this arena. As part of its investment strategy offerings, the Company offers strategies focused on climate such as investment in alternative energy sources but seeks to distance itself from these investment strategies by stating that they are client driven. Company Letter at 6, FN 8. Just because clients may seek certain investment strategies that include transition finance, does *not* mean that STT, the supplier of these strategies, can somehow claim to not be in the business of transition finance because the demands come from their client base. This is how demand and supply operates. Furthermore, this argument utterly contradicts all the overt efforts that STT has directed at its clients and investors in marketing transition finance offerings and positioning itself as a leader in this arena.

STT does identify the Global Proxy Voting and Engagement Policy which governs SSGA's asset stewardship activities as one area it could conceivably see as touching upon the issue of transition finance. As outlined below, however, the Company is engaged in transition finance strategy in a number of ways. First, STT has directly provided financing for transition projects through its sustainability bonds. Second, as an investment servicer it provides clients with data related to their portfolios for various purposes, which includes ESG data sets that address transition finance. Third, as an asset manager it offers investment strategies that explicitly focus on transition finance activities, such as infrastructure investment—these strategies are separate from SGGA's Global Proxy Voting and Engagement Policy.

Investment Servicing: Transition Finance in ESG Investment Strategy Services

STT reports that, as an asset servicer, it "enable[s] asset owners and asset managers to become more effective in their understanding and usage of ESG as an investment and business lever through, among other things, risk and analytics tools."[14] For example, as part of its investment servicing risk analytics STT advertises that it offers "[s]ustainability solutions" which provides clients "a view into [their] portfolios through the lens of multiple leading ESG data sets" which includes experts "assisting with industry reporting obligations, such as SFDR, EET, CET, TCFD and others."[15] Providing clients with investment services that incorporate ESG considerations will often include considerations related to transition finance.

Investment Management: Transition Finance Strategy as a Product Offering

As discussed by the Company Letter, as part of its investment management line of business, the Company provides strategies and products that may incorporate considerations of sustainability, or other ESG factors, into the investment process.[16] STT reports that, for clients

[14] https://www.statestreet.com/web/solutions/images/2022-Sustainability-Bond-Framework.pdf at 5.

[15] https://www.statestreet.com/cn/en/asset-owner/solutions/performance-and-analytics/risk-analytics-truview

[16] https://s203.q4cdn.com/888565246/files/doc_financials/2023/q4/stt-2023-12-31-10-k-with-exhibits.pdf

and fund investors who want an investment solution that "purposefully takes into consideration sustainability or ESG factors" they offer investment funds and strategies "that consider sustainability or ESG factors as a material component of the investment strategy or index methodology".[17] These include transition finance investing strategies.

For example, STT offers a "*Sustainable Climate US Corporate Bond Strategy*" which invests:

> [I]n companies bonds which exhibit lower carbon emissions in the way of current emissions and future emissions (measured by fossil fuel reserves), green labelled bonds and climate-aligned issuers bonds and corporate bond securities issued by companies that are better positioned for the physical risks posed by climate change while screening out securities based on an assessment of their adherence to sustainability criteria.[18]

STT explains that this offering is:

> Designed for investors interested in managing the risks and opportunities related to climate change and the transition to a low-carbon economy by constructing a portfolio (relative to the index) that aims to lower current and future emissions, maximise investment in green bonds, and **target companies that are positioned to benefit from the transition to the low carbon economy based on their ratings for climate adaptation.** [19] (emphasis added)

STT also offers an "innovative investment strategy" that incorporates the shift to clean energy infrastructure:

> [I]nfrastructure investing offers a unique opportunity to benefit from key trends reshaping our world…Another major trend is the shift to clean energy. **Infrastructure is crucial for deploying renewable energy sources, phasing out polluting power plants, strengthening energy networks, and transitioning to cleaner fuels.** These efforts are essential for meeting global decarbonization goals…. The SPDR® Morningstar Multi-Asset Global Infrastructure UCITS ETF is an innovative investment strategy that aims to serve as a proxy for infrastructure. With over $1.3B in assets, the fund seeks to offer greater liquidity with a proxy exposure to

[17] STT 2024 10-K at 43.

[18] https://www.ssga.com/library-content/assets/pdf/global/climate-bond-investing/2023/sustainable-climate-us-corporate-bond-strategy-profile-fi-esg.pdf at page 1

[19] Id.

infrastructure.[20]

As another example, STT also has a **global climate transition equity fund offering for clients**. This fund seeks to provide capital growth over the long-term by investing in a concentrated portfolio of companies that STT's fundamental growth and core team believes are well positioned to transition to a low carbon economy.[21]

STT is also working to develop new strategies in the transition finance space. For example, **in 2024, STT published a paper in which they proposed novel financing structures to provide what they deemed as "necessary" large-scale financing to transition the agriculture sector.**[22] Indeed, in this paper, STT even highlights the role of financial institutions, stating their goals should be as a "meaningful partner in agricultural transition", whose incentives are protecting loans to the agricultural sector and providing diversified investment to current portfolios.[23]

STT Asset Stewardship Program

STT also has an asset stewardship program where they regularly engage with representatives of companies held in client portfolios and these engagements may involve discussion of recent opportunities related to sustainability or ESG issues affecting those companies.[24]

As part of this asset stewardship program, where clients have delegated to STT the authority to vote securities on their behalf, STT may also take into consideration sustainability or ESG issues that it believes are relevant to the long-term performance of the companies in accordance with SSGA's "Global Proxy Voting and Engagement Policy."[25] While STT does not require portfolio companies to adopt net zero ambitions or join relevant industry initiatives, **for companies that have adopted net zero ambitions and/or climate transition plans, there are certain disclosure criteria that the company assesses**.[26]

B. The Company has publicly acknowledged the importance of transition finance and

[20] https://www.ssga.com/uk/en_gb/intermediary/insights/what-does-the-downward-interest-rate-trajectory-imply-for-infrastructure-investors

[21] https://www.marketscreener.com/quote/stock/STATE-STREET-CORPORATION-14499/news/State-Street-Global-Advisors-launches-Global-Climate-Transition-Equity-Fund-46669052/; https://www.ssga.com/library-content/assets/pdf/emea/equities/2024/state-street-global-climate-transition-strategy.pdf

[22] https://www.statestreet.com/web/insights/articles/documents/financing-the-agricultural-transition.pdf

[23] Id. at 10.

[24] STT 2024 10-K at 43.

[25] https://www.ssga.com/library-content/assets/pdf/global/asset-stewardship/proxy-voting-and-engagement-policy.pdf

[26] Id at 26-27.

just transition in its business.

As STT's public statements acknowledge, transition finance is critically important in the financial services sector and companies like STT can have a significant impact as one of the largest financial services companies in the world.

Even though the Company Letter attempts a hypertechnical claim that the Company has no transition finance business, they are marketing themselves as leaders in the field, as shown by their public statements and extensive marketing on ESG stewardship and investment, specifically with respect to climate related risk, as shown below.

Below is SSGA's marketing on its "climate transition strategy" equity offering in the EMEA region:

Product Profile
Fundamental Equity

2024

State Street Global Climate Transition Strategy

The global economy is entering a multi-year transition to a low-carbon environment driven by clean energy.

We believe this new era of climate transition, to 2030 and beyond, offers significant alpha potential for forward-looking, high conviction stock selection.

In a climate-focused world, transition planning and progress will become key areas of differentiation for companies — and consequently, key drivers of valuations.

In this shifting climate landscape, there will be corporate winners and losers, creating an environment ripe for active stock-picking.

The Global Climate Transition Strategy aims to capture those opportunities.

Fund Objective

The State Street Global Climate Transition Strategy seeks to provide capital growth over the long term by investing in a concentrated portfolio of companies that State Street's Fundamental Growth and Core (FGC) team believes are well-positioned to transition to a low-carbon economy.

Investment Philosophy

The FGC team is united by a common belief — that quality companies with sustainable growth at attractive valuations can drive above-average, long-term investment returns.

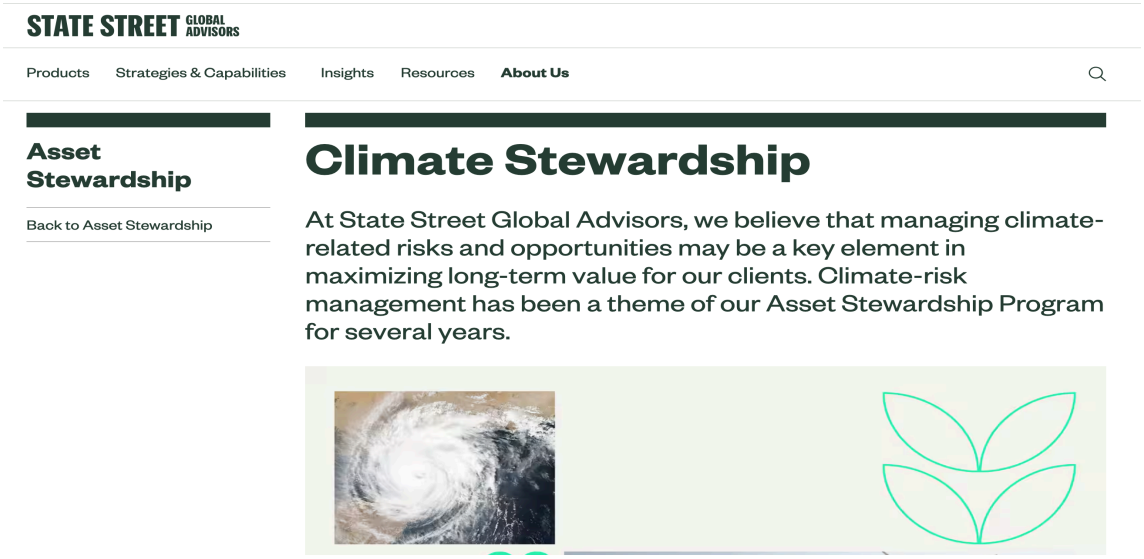
Our team takes an active, high-conviction approach to equity investing which demands that we get to know our portfolio companies well through deep due diligence and engagement.

We have a unique research framework called Confidence Quotient (CQ) which scores analyst's conviction in company quality and sustainability of growth. CQ adds structure to how we evaluate quality. It provides visibility into our process and brings rigor, measurability and discipline which we believe are essential for repeatability of results.

To support our climate investing efforts, FGC analysts conduct proprietary climate research as part of the CQ framework.

Source: https://www.ssga.com/library-content/assets/pdf/emea/equities/2024/state-street-global-climate-transition-strategy.pdf

Below is SGGA's marketing on the climate stewardship aspect of its asset stewardship capabilities:



Source: https://www.ssga.com/us/en/about-us/what-we-do/asset-stewardship/climate-stewardship

Implicit in these efforts is the Company's view of climate transition as a critical driver for its business and growth.

Providing investment management and investment servicing related to climate transition strategy, including but not limited to investment in public equities, *is* "financial support" — literally supporting investors to be able to fund transitional activities and offers that option to them. In the view of the Proponent, without the facilitation by companies like State Street most institutional investors may lack an effective vehicle through which to engage in a transition finance strategy.

In any event, any investor would have difficulty reconciling the Company's webpages against a claim that the Company is not in the business of transition finance strategy. Any investor visiting the Company's website and ESG pages would believe that the Company is very much involved in such a business[27].

[27] We would note that the company has substantially extended a public profile as involved in transition finance and the proposal is not vague in this regard. Although the company does not directly assert a vagueness argument, the Company Letter took a pass at this in footnote 1 where it opines that "it is not entirely clear what this proposal is seeking" and that, as such, the proposal is so vague as to be false and misleading under Rule 14a-8(i)(3). Company Letter at 2, fn 1. However, STT CEO's own statements about transition finance are aligned with the Proposal's definition. Further, neither the board and management nor the shareholders would have difficulty understanding what the Proposal is requesting or how to implement it.

STT Sustainability Bonds as a growth strategy

STT has also directly raised and diverted funds into climate transition projects through its sustainability bonds. In October of 2022, STT published a sustainability bond framework to enable its issuances of green bonds, social bonds, and sustainability bonds.[28] According to this framework, proceeds from bond issuances may be allocated to projects or assets funded by STT. Issuances under the framework may support one or more of eight UN Sustainable Development Goals that STT has identified, including affordable and clean energy, sustainable cities and communities, and climate action.

Although the Company has stated that these bonds are not offered as a product or service and considers their financial impact *de minimis* relative to its overall operations and balance sheet, *this characterization underestimates the strategic importance of such issuances*, because they contribute to the expansion of capital flows into transition finance activities.

The Company activities, including these bonds combined with other disclosures, demonstrate to the proponent and other investors that **transition finance is a growth business for the Company.**

By creating and publishing a detailed Sustainability Bond Framework, STT has laid the groundwork for potential growth in this business segment, outlining clear criteria and processes for allocating bond proceeds to climate-related, social, and sustainable projects. The inaugural nature of STT's 2022 sustainability bond issuance marks a significant milestone, signaling the company's entry into sustainable finance markets as an issuer. Thus, while the initial bond may be deemed modest in size, it may be reasonably understood to represent the first step in an anticipated, scalable series of issuances, reinforcing the importance of the requests underlying the Proposal.

STT's position with respect to its role in transition finance, despite all the public signaling and efforts it has made in this field, is analogous to circumstances in *Johnson & Johnson* (February 7, 2003). In *Johnson & Johnson*, the proposal sought standards of response to pandemics of HIV/AIDS, TB, and malaria in developing countries. J&J argued the proposal was excludable under Rule 14a-8(i)(5) because it did not sell any drugs for the prevention or treatment of any of the diseases covered. Shareholders there pointed out that J&J was currently engaged in research on two of the covered diseases and had recently acquired a company whose primary activity was developing HIV/AIDs therapies, so it was "absurd" for J&J to contend it was not in the business of HIV/AIDs. Staff found the proposal to be "otherwise significantly related" to J&J's business. Similarly, here, STT has made very significant efforts to position itself as a leader in the transition finance field and clearly sees this as a growth sector. Thus, it defies logic for the Company to turn around and say it is not involved in the business of transition finance, so has no transition finance strategy to address. *See also Oracle Corporation*

[28] https://www.statestreet.com/web/solutions/images/2022-Sustainability-Bond-Framework.pdf

(April 15, 2000) (finding a proposal "otherwise significantly related" to the company's business that related to operations in China under the 5% threshold where shareholders argued that "China represents the world's largest population, and as a candidate for membership in the World Trade Organization (WTO), it stands to be an enormous market potential for U.S. corporations, including Oracle. Oracle has already begun to operate in China and business operations are continuously growing."). Thus, even if transition finance accounts for only a *de minimus* part of STT's operations, it represents an activity tied to the company's growth prospects, which is another reason why the Proposal is otherwise significantly related to the company's business.

Two State Street CEOs have touted STT's transition finance strategy

Ronald O'Hanley

The statements of State Street CEO Ronald O'Hanley, some of which are cited in the Proposal, reinforce the importance of these issues to the Company's business. In the supporting statement, the Proposal refers to transition finance as "financial support that helps decarbonize high-emitting activities or enables the decarbonization of other economic activities." In doing so, the Proposal cites to an article, **authored by STT CEO Ronald O'Hanley,** and published by the World Economic Forum (WEF), which refers to transition finance, as "new solutions to fund the energy transition to help remediate climate change[.]"[29]

In that same article, titled "**Here Are Four Ways Transition Finance Can Pave the Road to Decarbonization**", the CEO promotes the energy transition as "what is perhaps a once-in-a-century opportunity for companies and investors, with the World Economic Forum suggesting that transitioning to a nature-positive economy could generate over $10 trillion and create nearly 400 million jobs by 2030."[30]

Mr. O'Hanley goes on to highlight precisely the kinds of activities that State Street Global Advisors conducts. Mr. O'Hanley discusses the role of investment portfolios in energy transition efforts, noting that while decarbonization has occurred in institutional portfolios, carbon emissions have not decreased by a correlating amount, and Mr. O'Hanley recommends looking at portfolio decarbonization to assess "how the change happens and, critically, whether underlying portfolio companies become more carbon-efficient or if their institutional owners sold their holdings to other owners."

His transition finance article also argues that "many of the ways we currently keep score and measure progress on the carbon content of portfolios, be it an energy company's assets or a mutual fund portfolio's, incentivize meaningless portfolio decarbonization and disincentivize true transition finance. Atmospheric decarbonization requires a focus on measuring and scoring

[29] https://www.weforum.org/stories/2023/01/davos23-transition-finance-decarbonization/

[30] https://www.weforum.org/stories/2023/01/davos23-transition-finance-decarbonization/; https://www.statestreet.com/de/en/asset-owner/insights/transition-finance-decarbonization#:~:text=Done%20correctly%2C%20transition%20finance%20can,carbon%2Dheavy%20industries%20and%20economies.

action."

Thus, the *climate transition finance* that he discusses includes portfolio decarbonization efforts, which *directly relates to STT's business an investment manager and servicer.* As a servicer, for example, STT offers clients sustainability solutions which offer clients an overview of their portfolios through ESG data sets that *include transition finance concerns that relate to "just transition*". As an asset manager, STT offers clients investment strategies that can incorporate, or even make as the major driver, transition finance strategies which would focus on a decarbonization of the investor portfolios, based on Mr. O'Hanley's statements on this topic.

Mr. O'Hanley also references a specific transition finance investment strategy he recommends and which his own company is pursuing: "Continuing and ever-increasing support for high-emitting businesses from investors, provided that these high emitters have embarked on a credible program of transition."

Additionally, in 2023, Mr. O'Hanley was a speaker at a sustainability summit during Abu Dhabi Finance Week where he spoke about "the evolving strategies of asset managers as they approach transition finance".[31] The report of the event noted that he "discussed the crucial role of the asset management industry in directing capital towards low-carbon products[.]"[32] These public statements by STT's CEO belies the narrow view of transition finance that the company has adopted in its response letter.

Cyrus Taraporevala

Additionally, in May 2021, the SGGA CEO at the time, Cyrus Taraporevala, opined "[a]s investors, we must be crystal clear on our expectations for companies, following through on commitments by vetting transition plans[.]"[33]

Shareholders here are seeking the same with respect to STT's business—increased disclosures about how the company approaches transition finance strategy, which is in line with Mr. Taraporevala's opinion that "[w]e should also push for better, universal disclosure. Public and private investors alike would benefit from more relevant and standardised ESG data that helps us understand companies' capital allocations and the quality of their transition plans."[34]

C. Definition of transition finance

The Company Letter purports to define the parameters of the term "transition finance" using the CFA Institute's definition to argue that the Company is not in the business of transition finance. Regardless of whether the Proposal is focused on the narrowest possible definition of

[31] https://www.prnewswire.com/apac/news-releases/climate-finance-top-of-the-agenda-at-the-second-edition-of-race-sustainability-summit-held-on-the-opening-day-of-cop28-in-the-uae-302002381.html

[32] https://web.facebook.com/p/ADFinanceWeek-100086270630502/?_rdc=1&_rdr

[33] https://www.ft.com/content/c586e4cd-9fb7-47a3-8b43-3839e668fe3a

[34] https://www.ft.com/content/c586e4cd-9fb7-47a3-8b43-3839e668fe3a

transition finance, the framing of the issue by the company on its own website precludes such a hypertechnical framing given the Company's disclosures and marketing to investors based on a broad use of the terms "transition finance" and "transition finance strategy".

In the CFA report that STT cites "Transition finance is *any form* of financial support", and it also states "Currently, no standardized definition of eligible activities and entities exists . . ."[35] The same CFA transition finance report however goes on to describe a range of activities:

- "Efforts to decarbonize high-emitting industries require a collaborative approach. High-emitting corporations must strategize and implement environmentally sustainable practices; **investors and financiers have to facilitate emissions reduction through capital allocation and stewardship**; and governments need to incentivize decarbonization and foster the development of the transition finance market" - page 3
- "2.3.2. Equity Financing: **Sustainable/ESG equity funds can accelerate the net-zero transition through stewardship and engagement strategies as contemplated by the Net Zero Asset Managers Commitment**. However, many ESG investment strategies tend to underweight high-emitting sectors and create low-carbon portfolios, according to Goldman Sachs Asset Management (see van Nieuwenhuijzen 2023)." - page 16
- "Exhibit 8. Role of Interviewees by Actor Group - **Private finance: Asset managers, asset owners, stewardship lead, investment bankers, sustainability research, internal sustainable finance framework development, corporate sustainability**" - page 8

D. STT has failed to meet its burden of showing that its transition finance strategy activities do not meet the economic thresholds of Rule 14a-8(i)(5)

Under Rule 14a-8(g), the burden is on STT "to demonstrate that it is entitled to exclude a proposal." STT has failed to meet that burden here. *See ITT Corporation* (March 12, 2008) (Staff declined to exclude a proposal relating to foreign sales of military and weapons-related products and services where the company argued economic thresholds were not met but did provide Staff with information on the actual percentage of sales involved, assets involved, or net income involved).

Despite the lack of a clear set of financial disclosures by the Company , it is apparent that STT is clearly engaged in transition finance strategy and transition finance, most prominently through its asset management business, SSGA.

To the extent transition finance strategy is part of SSGA's asset management business, SSGA represents a substantial component of State Street Corporation's consolidated revenues, contributing between 16% and 18% of total revenues in recent years. This positions SSGA as a critical driver of overall financial performance, underscoring its importance to the corporation's broader business strategy.

[35] https://www.cfainstitute.org/sites/default/files/-/media/documents/article/industry-research/transition-finance.pdf

Business Line/Segment	**2023 Revenue** (dollars in millions)	**Percentage of Total**
Investment Servicing	$10,160	83%
Investment Management	$2,079	17%

And within SGGA's asset management business, as discussed, transition finance strategy is fundamentally relevant and relates to the success of this segment that is economically significant by any possible measure. STT has *itself declared* the importance of transition finance in the sector more broadly and within its own business and, in 2023, STT self-disclosed US $650 billion, or roughly 15% of its total assets under management (AUM), invested in ESG assets (i.e., assets where STT is supporting clients' ESG objectives and investment goals).[36] **Climate transition strategy is a keystone of those ESG investments — arguably the single leading consideration for investors considering a company's future-fitness, the motivation that drives ESG investing.**

As such, this Proposal is akin to others Staff have declined to exclude under Rule 14a-8(i)(5) where it was unclear if economic thresholds were met, due to a lack of clear reporting. For example, in *Freeport-McMoRan Inc.* (March 18, 2016), Staff did not concur with exclusion where proposal sought a report on company actions to reduce and mitigate harms associated with oil recovery operations in urban areas of California and the company failed to provide specific financial reporting on its operations in California but argued that the financial thresholds were not met. Shareholders argued that the proposal related to the company's oil and gas operations business segment which constituted well over 5% of the company's revenue. The language of the rule also supports this, explaining that a proposal must **relate to operations** constituting less than the 5% threshold. *See also Boulder Growth and Income Fund, Inc.* (March 5, 2010) (declining to find excludable a proposal concerning the termination of advisory contracts in the event of a court or regulatory determination that the Fund overpriced securities it held where shareholders argued that the securities at issue, even though they accounted for less than 5% of the Fund's total assets, related to the sole operation of the Fund, investment in a portfolio of equity and debt securities).

E. The Proposal is not excludable under Rule 14a-8(i)(5) because the subject matter of the Proposal is significantly related to STT's business

Rule 14a-8(i)(5) provides that a shareholder proposal that does not meet the numerical thresholds set out in the rule may nonetheless not be excluded from a proxy statement if it is "otherwise significantly related to the company's business."

[36] https://www.statestreet.com/web/insights/articles/documents/state-street-sustainability-report.pdf

Under Staff Legal Bulletin 14M ("SLB 14M") issued February 12, 2025, the Division has clarified that the analysis of whether a matter is "otherwise significantly related" to a given company is "dependent upon the particular circumstances of the company to which the proposal is submitted." In doing so, SLB 14M largely reverts to prior Division guidance in Staff Legal Bulletin 14I. SLB 14M goes on to state that, where the significance of a proposal to a company's business is not apparent on its face, the proponent carries the burden of demonstrating the proposal is "other significantly related" by, for example, showing that the proposal could have a "a significant impact on other segments of the issuer's business or subject the issuer to significant contingent liabilities." Shareholders can continue to raise social or ethical issues but need to tie the subject matter of the proposal to a significant effect on the company's business and the mere possibility of reputational or economic harm alone is insufficient. The proposal will be considered in light of the "total mix" of information about the company.

Viewing the total mix of information, climate transition strategy and the related concerns of the proposal are important credibility factors for STT given the company's public positioning on transition finance activities. STT has extensively marketed itself as a leader in the space of transition finance and, in doing so, has referenced the critical aspect of just transition in this context. Failure to address just transition concerns can raise credibility concerns for investors about the congruency of STT's business operations and its public messaging.

Just transition issues are also demonstrably significant to the company. As referenced in shareholder's supporting statement, climate transition often faces backlash where the human element is ignored.[37] Shareholders pointed to a study of the Environmental Justice Atlas database that found one quarter of projects opposed by environmental defenders were stopped through protest, litigation, and other forms of popular mobilization.[38]

STT acknowledges that Staff has denied requests under Rule 14a-8(i)(5) where the company argued that the operations at issue in the proposal were not significantly related to the company's business, but where the company was affirmatively engaged in such operations. *See* Company Letter at 4 n.7. In doing so the Company cites to *The Travelers Companies, Inc.* (April 1, 2022) and *CVS Health Corporation* (March 15, 2022). The Company asserts that those SEC letters are distinguishable from the current Proposal because the current proposal requests information related to a business in which the company is not engaged at all. *See id*. However, as extensively outlined above and below, **STT *is* in the business of transition finance strategy** and, beyond merely being in the business, transition finance strategy is significantly related to STT's business.

Here, similar to the facts in *CVS*, STT has made it clear, through multiple avenues, that transition finance is not only significant, but important to its business. *See CVS Health Corporation* (March 15, 2022) (shareholders argued that CVS positioned itself as a health-

[37] Supporting statement. Citing https://www.sciencedirect.com/science/article/abs/pii/S0301421518302301

[38] See Supporting statement. Citing https://www.sciencedirect.com/science/article/pii/S0959378020301424?via%3Dihub

oriented business, pointing to, among other things, the companies' code of conduct which emphasized importance of health to its purpose, mission and values, CVS' description of itself as centered around health, the CEO's statements regarding health, and CVS' removal of tobacco from its stores). *See also The Travelers Companies, Inc.* (April 1, 2022) (unable to concur in exclusion under Rule 14a-8(i)(5) of a proposal requesting a report on company policies regarding the company's insurance offerings with respect to police brutality where the company provided law enforcement liability coverage). Thus, when viewing the proposal in light of the "total mix" of information about the company, transition finance strategy is clearly significantly related to STT's business.

II. The Proposal is not excludable under Rule 14a-8(i)(7) because it solely focuses on a significant social policy issue and does not micromanage.

The Company Letter asserts under Rule 14a-8(i)(7) that the subject matter relates to the ordinary business of how the Company manages its day-to-day operations and that the subject matter of the Proposal does not transcend ordinary business because it relates to the products and services offered by the company. *See* Company Letter at 5-8. However, the Company Letter mischaracterizes the Proposal, which does not attempt to dictate the content of products or services provided by the Company, in contrast to the Company's cited precedents.[39]

A. Background on ordinary business and micromanagement

The legal framework for Rule 14a-8(i)(7) developed by the Commission, Staff, and the courts, including under Staff Legal Bulletins, comprises a three-part test:

Question 1. Ordinary Business. Does the proposal touch on "ordinary business"? That is, does it touch on issues that are integral to the day-to-day management and operations of the company?

Question 2. Significant Policy Issue. If the answer to Question 1 is yes, is the subject matter nevertheless a significant policy issue? In those cases in which a proposal's underlying subject matter transcends the day-to-day business matters of the company and raises policy issues so significant that it would be appropriate for a shareholder vote. Examples recognized by the Commission and the Staff include such topics as climate change, environmental impact, human

[39] Notably, despite relying on micromanagement precedents, the Company did not attempt to make the argument that the Proposal micromanages and indeed could not do so, as the proposal does *not* micromanage under existing Staff precedent and the Staff Legal Bulletin 14M (SLB 14M). *See* Company Letter at 5. SLB 14M reinstates prior Staff guidance with respect to Rule 14a-8(i)(7), clarifying that the Division will, in assessing whether a proposal micromanages a company, "look to whether the proposal seeks intricate detail or imposes a specific strategy, method, action, outcome or timeline for addressing an issue, thereby supplanting the judgment of management and the board." Here, the current proposal does not set any timeframes on its request and does not prescribe any specific method or outcome—the Company is free to choose *whether and how* it addresses just transition concerns in its transition finance strategy. The Proposal merely recommends *at the board's discretion* that, a report "cover the potential risks and opportunities related to STT's transition finance efforts affecting workers and communities."

rights, discrimination, as well as virtually all issues of corporate governance. Under the newly issued SLB 14M, the policy issue must be "significant" in relation to the particular company, not merely universally "significant" or an issue that has a broad societal impact but no relation to the company.

Question 3. Micromanagement. Even if the proposal's subject matter transcends ordinary business, the proposal still may be excludable if the granularity of the proposal micromanages the company's business. The Staff has restated most recently its perspective on micromanagement in SLB 14M, and with reference to consistency with the Commission's 1998 Release.

The Proposal directly and solely focuses on a significant policy issue facing the Company and the economy: the potential impacts on workers and communities of transitioning to carbon-free activities to address climate change

B. Prior Staff precedents recognize subject matter of the Proposal as a significant policy issue and the subject matter of the Proposal is significant in relation to STT

Staff have previously found "just transition" a significant policy issue that transcends ordinary business matters. In *Republic Services, Inc.*, Staff found a proposal relating to just transition concerns was found to transcend ordinary business matters. *Republic Services, Inc.* (March 27, 2024) (Staff found the proposal to transcend ordinary business matters where shareholders asked for a report on how the company "is addressing the impact of its climate change strategy on relevant stakeholders, including but not limited to its employees, workers in its supply chain, and communities in which it operates, consistent with the 'Just Transition' guidelines of the International Labor Organization and indicators of the World Benchmarking Alliance."). STT argues that *Republic Services* is distinguishable because SSGA's product offerings (sustainable investment strategies and asset stewardship) are not fundamentally related to the policy issue (transition finance), whereas the company in *Republic Services* was a provider of environmental services. *See* Company Letter at 8. This argument ignores the large swathe of Staff precedents that recognize as significant public policy issues matters which are not directly related to the company's product offerings. For example, in many of the examples cited above, the companies did not offer "environmental services", but rather, financial services, as STT does here. More critically, this argument is undermined by STT's own statements regarding the importance of transition finance, the critical aspect of just transition in this discussion, and other efforts of the company in this arena. The Company's public positioning and efforts with respect to transition finance patently demonstrate the significance of the public policy issue of just transition to STT in particular.

Another recent precedent apropos to the current Proposal is *JPMorgan Chase & Co.* (March 29, 2024), where the shareholders requested an audit to analyze the impacts of the company's "climate transition policies regarding *the economic and humanitarian effects on emerging nations* which rely heavily on — but have limited access to — fossil fuels and other non-'renewable' sources of power." (emphasis added).

Shareholders pointed out that Staff have repeatedly ruled against exclusion of climate related proposals at financial institutions given the significantly public policy issues concerned and asked the Division to "disregard the Company's argument that the Proposal warrants exclusion simply because it mentions *lending and underwriting activities*".[40] Shareholders also argued that the proposal at issue there "does not request a specific action, but merely an audit of how the Company's policies impact a broad societal issue." Even though the current Proposal and proponent have a different thrust – moving forward on the climate transition versus slowing it – the proposals have an identical "transcendent policy" focus on the humanitarian impacts of the climate transition. If the subject matter of that proposal transcended ordinary business, so does the current one, which furthermore focuses on an issue that is significant to STT's business.

Staff have previously found proposals seeking information about Company impacts on communities and workforces to transcend ordinary business

Staff have also recognized that proposals relating to the impact of a company's policies or business strategies on communities and workforces can raise significant policy issues. This line of precedent appears to have originated in Staff's refusal to grant a no-action letter in *Pacific Telesis* (February 2, 1989), which concerned a proposal that the company study the impact on communities of the closing or consolidation of company facilities. The Division of Corporation Finance stated that such proposals "involve substantial corporate policy considerations that go beyond the conduct of the Company's ordinary business operations." The SEC has more recently applied this analysis in *E.I. DuPont de Nemours & Company* (March 6, 2000) (denying exclusion of a proposal that sought information on "the impact to communities as a result of the closure of Dupont plants").

Subsequently the Division has found human capital management issues touching on safety and well-being of workers to raise a significant public policy issue. *See Dollar General Corporation* (March 31, 2023) (proposal addressed significant human capital management issues where shareholders sought audit on impact of policies on safety and well-being of workers); *General Electric Company* (February 3, 2004) (declining to exclude a proposal seeking a report evaluating risk to the company's brand name and reputation as a result of outsourcing and offshoring work to other countries).[41]

There is a long line of Staff precedent allowing proposals seeking impact reports on issues

[40] As discussed in more detail below, the Company here makes a similar argument that the proposal relates to ordinary business matters of "products and services" but, similar to the facts in *JPMorgan Chase & Co.* (March 29, 2024), this argument ignores the focus of the proposal on a significant policy issue.

[41] The Company Letter does point to one proposal excluded on Rule 14a-8(i)(7) grounds that relates to human and civil rights, *The TJX Companies, Inc.* (April 9, 2021), where shareholders sought a report "evaluating whether the company is supporting systemic racism through undetected supply chain prison labor." However, under the circumstances of that case, Staff did *not* make its decision based on the idea that undetected supply chain prison labor was not a significant public policy issue, but rather stated that "we note that although the Proposal refers to systemic racism through undetected supply chain prison labor, the Proposal acknowledges that the Company already prohibits prison labor and does not otherwise explain how its compliance program raises a significant issue for the Company." It was on this narrow basis that Staff declined to find a basis to exclude.

related to human and civil rights. More recently, in *Alphabet Inc.* (April 12, 2022), Staff found a proposal to transcend ordinary business matters that requested a report assessing "policies on support for military and militarized policing agency activities and their impacts on stakeholders, user communities, and the Company's reputation and finances"); *McDonald's Corporation* (April 5, 2022) (proposal sought audit analyzing adverse impact of company policies and practices on civil rights of company stakeholders and to provide recommendations for improving the company's civil rights impact, mandating input from civil rights organizations and employees, among others); *Amazon.com, Inc.* (February 26, 2021) (proposal asked for racial equity audit of company's impacts on civil rights, equity, diversity and inclusion and impact of those on Amazon's business)**;** *Amazon.com, Inc.* (March 28, 2019) reconsid. denied (April 3, 2019) (found a proposal to transcend ordinary business matters that sought a study on, among other things, the impact of Amazon's Rekognition software on people of color, immigrants, and activists in the US).

STT argues that the Proposal is not fundamentally about a specific policy issue and, as such, should be excluded notwithstanding if it touches on a significant policy issue. Company Letter at 7-8. However, the precedents STT relies on are inapplicable because the focus of the proposals were not solely on recognized, significant policy issues and also micromanaged. For example, *Broadridge Financial Solutions, Inc.* (September 16, 2022), asked for detailed disclosure of employee compensation in the form of stock distribution. Although the proponents argued the significant policy issue was wealth inequality, the proposal prescribed a very specific set of disclosures that could be understood as micromanagement by shareholders, asking that a "specified board committee annually report all stock distributed to employees, directors and consultants under compensation plans approved by shareholders, which should include a matrix, sorted by an appropriate classification scheme with five or more categories chosen by the committee, showing aggregate amounts of stock ownership distributed and utilized, including associated voting power, if any." *See also Amazon.com, Inc.* (April 8, 2022) (same); *Repligen Corp.* (April 1, 2022) (same). In *The Goldman Sachs Group, Inc.* (March 8, 2022, reconsid. denied March 21, 2022), relied upon by the Company, shareholders argued the proposal addressed "the significant policy issue posed by multi-class share structures" which they argued were controversial because "They undercut the accountability created by OSOV ["one share, one vote" rules]". In such decisions, the staff did not find that the focus of the proposal was on a significant policy issue that transcended ordinary business.

C. <u>The Proposal transcends ordinary business by focusing solely on a significant policy issue</u>

STT argues that the "core focus [of the Proposal] is on the ordinary business matter of what the Company should consider in its offerings to clients." Company Letter at 7. STT further asserts that, to the extent the Proposal is viewed as pertaining to the stewardship efforts of SSGA, and these efforts were further viewed to include the business of transition finance, the Proposal is excludable under Rule 14a-8(i)(7) as focused on SGGA's engagement and voting policies. Company Letter at 6.

Proxy voting and company engagement on transition finance and just transition transcends ordinary business

While the proponent disputes the narrow interpretation of the Company's transition finance strategy activities, even if Staff were to agree with STT's limited definition of its involvement in transition finance strategy to the stewardship activities of SSGA, the fact that the Proposal implicates SSGA's engagement and proxy voting policies does not render this issue excludable.

Under staff precedents, a focus on a company's stewardship and proxy voting guidelines does not render a proposal excludable ordinary business where the proposal is solely focused on a significant policy issue and it does not micromanage the company. For example, in *T. Rowe Price Group, Inc.* (March 13, 2020), Staff did not concur with the exclusion of a proposal requesting the board of directors to "initiate a review and issue a report on the proxy voting policies and practices of its subsidiaries related to climate change…including an assessment of any incongruities between the [c]ompany's public statements and pledges regarding climate change . . . and the voting policies and practices of its subsidiaries." There, the company argued that the proposal related to ordinary business matters, asserting that "voting proxies solely in the best interest of Clients is unquestionably part of the core investment process and business operations." In rejecting this argument, and finding the proposal to transcend ordinary business matters, the Staff pointed to the proposal's focus on the possible differences between the company's "public statements and pledges regarding climate change and the voting policies and practices of [the company's] subsidiaries . . . regarding climate change." *T. Rowe Price Group, Inc.* (March 13, 2020). *See also Franklin Resources, Inc.* (November 24, 2015) (declining to exclude on ordinary business grounds, and finding the proposal to focus on the significant issue of climate change, where shareholders requested an assessment of any incongruities "between the proxy voting practices of the company and its subsidiaries within the last year, and any of the company's policy positions regarding climate change" and any policy measures the company could adopt to enhance congruity).

STT's transition finance strategy is not limited to SSGA's asset stewardship activities

As noted above in this letter in the Rule 14a-8(i)(5) argument, STT has improperly limited the scope of the Rule 14a-8(i)(7) analysis to the stewardship efforts of SSGA, which does not encompass all the lines of business of STT that are involved in transition finance strategy[42] and implicated by actual subject of the proposal: STT's *strategy* with respect to transition finance and *whether and how* this strategy addresses transition of workers and fairness to communities, i.e., the potential human rights and environmental justice impacts of the company's climate transition finance strategies.

Even if the Proposal were directed solely toward stewardship and proxy voting efforts of SSGA, the proposal would still transcend ordinary business as focusing on an important policy

[42] As discussed before, the transition finance strategy elements of the Company's business go beyond SSGA into other parts of the business, such as investment servicing where STT offers insights into client portfolios, including risk and analytics that include ESG considerations.

issue that is significant to STT's business.

Generally, the Division has repeatedly come to the conclusion that proposals in the financial sector that relate to climate change are not excludable as ordinary business even though the proposals address aspects of those businesses that might otherwise be deemed ordinary business. *E.g.*, *Comcast Corporation* (April 13, 2022) (proposal found to transcend ordinary business where proposal requested report reviewing company's retirement plan options with assessment of how those options aligned with company's climate action goals); *SunTrust Banks, Inc.* (January 13, 2010) (Staff found that "proposal focuses primarily on climate change and sustainability" and not on "on business and competitive issues" where shareholders requested a sustainability report on strategies to address environmental and social impacts of the company's business, including climate change).

D. The Proposal is also not excludable under 14a-8(i)(7) because it does not attempt to dictate products and services sold

The Company argues that the Proposal is excludable as an ordinary business matter relating to its products and services. Company Letter at 6-7. However, this argument ignores the central focus of the letter on just transition concerns.

Preliminarily, the Staff has long determined that proposals addressing climate risk are appropriate for financial services companies, even if they touch upon products and services, so long as such proposals do not attempt to micromanage or direct the products and services sold. For instance, in *PNC Financial Services Group, Inc.* (February 13, 2013) the proposal requested that the Board report to shareholders PNC's assessment of the greenhouse gas emissions resulting from its lending portfolio and its exposure to climate change risk in lending, investing, and financing activities. The Staff determined that the proposal was not excludable because it addressed the significant policy issue of climate change. PNC had argued, as the Company does here, that the proposal related to products and services. The Staff rejected the claim. Similarly, here, the Proposal is *not* asking how STT applies its transition finance strategy to individual customers but rather asks how the Company addresses transition of workers and fairness to communities in its strategy—i.e., how its strategy incorporates just transition considerations.

The Proposal focuses on a significant social policy issue, not on products and services

It is well-established that a proposal is not excludable merely because it touches upon the sale of a company's products or services where the sole focus of the request is on a significant policy issue without dictating what products or services the company provides. For example, a proposal correctly framed to ask a company to disclose or raise its voluntary standards, or to curtail social impacts, related to the products or services that it sells does not lead to "products and services" exclusions.

In *Bank of America Corporation* (February 23, 2006) the proposal requested that the board develop higher standards for the securitization of subprime loans to preclude the securitization of loans involving predatory practices. Despite the focus on establishment of a particular policy, the staff nevertheless rejected the ordinary business/products and services argument. If a proposal

addresses a transcendent social policy issue, and even if it addresses products and services, shareholders are expected to describe it as clearly as possible in terms of what they would like the company to do, as was done in the precedent and the current Proposal.

Also analogous to the current proposal was the proposal in *Bank of America Corporation* (February 22, 2008) on implementation of the equator principles. The proposal requested a report to "describe and discuss how Bank of America's implementation of the Equator Principles has led to improved environmental and social outcomes in its project finance transactions." Bank of America Corporation argued, among other things, that the proposal related to the Company's ordinary business operations, namely the extension of credit and credit decisions. The staff was unable to accept these views and concluded that exclusion of the proposal from proxy materials was not appropriate.

Similarly, in *Bank of America Corporation* (February 26, 2009) the proposal directly focused on requesting a report to shareholders evaluating with respect to practices commonly deemed to be predatory, the company's credit card marketing, lending and collection practices and the impact these practices have on borrowers. Despite the focus on products and services, the prominence of predatory and subprime lending as an issue of concern transcended the ordinary business concern. *See also JPMorgan Chase & Co.* (March 4, 2009) (same); *Citigroup Inc.* (February 11, 2009) (same); *Wells Fargo & Company* (February 11, 2009) (same).

See also Meta Platforms, Inc. (April 2, 2022) (denying exclusion on 14a-8(i)(7) grounds where shareholders requested a report on the company's metaverse product that assessed, among other things, the "potential psychological and civil and human rights harms to users").

See also J.P. Morgan Chase (March 13, 2020), where the proposal asked JPMorgan Chase to describe how it plans to respond to rising reputational risks for the Company and questions about its role in society related to its involvement in Canadian oil sands production, oil sands pipeline companies, and Arctic oil and gas exploration and production. This was not excludable as focused on ordinary business despite a similar relationship to products and services as in the current Proposal.

Proposals that relate to the product of "investment stewardship" have previously been found non-excludable where addressing a significant policy issue

Staff have further specifically found a variety of social policy issues can "transcend" the company's ordinary business related to the "product" or "service" of investment stewardship. For example, in *BlackRock, Inc.* (April 4, 2022), the proposal requested the adoption of "stewardship practices designed to curtail corporate activities that externalize social and environmental costs that are likely to decrease the returns of portfolios that are diversified in accordance with portfolio theory, even if such curtailment could decrease returns at the externalizing company." In *BlackRock, Inc.*, the Company argued extensively that the proposal should be excluded on ordinary business grounds because it related to the products and services the company offered its clients, specifying that, in the context of an asset management business, investment stewardship is an inherent part of the services provided to an asset manager's clients. Shareholders rebutted

by pointing to the inherent focus of their proposal on the larger policy issue of shareholder primacy. Ultimately, Staff found the proposal to transcend ordinary business matters.

Similarly, in *State Street Corporation* (April 1, 2022), Staff declined to concur with exclusion under Rule 14a-8(i)(7), finding the proposal to transcend ordinary business matters. There, the proposal was again focused on the larger policy issue of shareholder primacy in asking the Company to report on how its clients and shareholders are affected by its policies that account for the effect of social and environmental issues on portfolio companies' financial performance but not on overall stock-market performance and whether the Company's clients and shareholders would be better served by asset management policies that directly accounted for the external impact of portfolio companies on the global economy. There STT argued, as it does here, that the proposal was improperly focused on the day-to-day decisions about products and services. Shareholders contended that their proposal was "unambiguous about the underlying policy issue: the Company may be stewarding portfolio companies in a manner that maximizes individual company profits but harms society. . .[.]". Likewise, here, the Proposal is not about the ordinary business of the products and services that STT offers. Rather, it is *clearly* about the potential human rights and environmental justice impacts of the company's climate transition finance strategies.

The Proposal addresses the subject matter on a policy level versus directing relations with particular suppliers or customers

Significantly, the focus of a proposal on a policy level rather than directing the Company's relations with particular suppliers or customers is sufficient to avoid the products and services exclusion. For example, in *TJX Companies* (April 9, 2020) the proposal requested that the board commission an independent analysis of any material risks of continuing operations without a company-wide animal welfare policy or restrictions on animal-sourced products associated with animal cruelty. The company objected that the proposal was excludable as relating to sales of particular products, but the proponent effectively argued that the focus of the proposal on a clear, significant policy issue for the company caused the proposal to transcend ordinary business. *See also Alphabet Inc.* (April 12, 2022) (Staff did not concur with exclusion of proposal requested report reassessing policies on support for military and militarized policing agency activities and impacts of policies where company argued proposal addressed products and services offered). Like these precedents, the Proposal focuses on the Company's policies because it requests a report that discloses whether and how the Company "addresses" risks related to transition of workers and fairness to communities in its transition finance strategy. In turn, the way that the Company addresses risks is a Company policy. That is the Proposal's focus, not any given product or service it sells. *See also JPMorgan Chase & Co.* (March 21, 2023) (company argued products and services exclusions and Staff declined to exclude proposal seeking evaluation of how the company assesses risks related to discrimination against individuals on protected bases).

More restrictive proposals addressing products and services have been found non-excludable under Rule 14a-8(i)(7) where company reputation is clearly at stake

Even a proposal that expressly seeks to ban a particular product or service of a company, a

more restrictive approach than the current proposal, may transcend ordinary business if it clearly focuses on a significant policy issue relevant to the company. For example, in *Amazon.com Inc.* (March 28, 2019, reconsid. denied April 3, 2019) a proposal that was clearly directed toward a company product was found non-excludable. The proposal requested that the board prohibit sales of facial recognition technology to government agencies unless the board concludes, after an evaluation using independent evidence, that the technology does not cause or contribute to actual or potential violations of civil and human rights, and an ordinary business exclusion similar to the Company Letter on the current proposal was rejected. It was rejected again on request for reconsideration. The proponent noted: "The Company's Amazon Web Services (AWS) segment is the leading cloud computing company, and is integrating facial recognition software to its services, which the Proposals assert is being done at risk to civil liberties, privacy and public trust in the Company's products and services."

Staff have also declined to exclude proposals in the financial services industry that could have an impact on whether certain products are even sold. In *JPMorgan Chase & Co* (Sierra Club) (March 25, 2022), the proposal requested a report setting absolute contraction targets for the company's financed GHG emissions. The company argued that the proposal was focused on ordinary business decisions whether to offer financing to certain kinds of customers. Staff, in declining to concur under Rule 14a-8(i)(7), rejected this argument as the proposal both transcended ordinary business and did not seek to micromanage the company.

Precedents the Company relies on for its "products and services" argument are inapplicable

STT relies on precedents that are clearly distinguishable in support of its position that the current Proposal focuses to the ordinary business matters of STT because it relates to product offerings. The precedents STT cite include proposals which very clearly attempted to dictate particular products being sold by the company. For instance, the Company relies on the Division's decisions in *Citigroup Inc.* (March 8, 2024) and *Bank of America Corporation* (February 29, 2024), which concerned identical proposals that requested a report on the feasibility of offering customized proxy voting preferences for clients that would seek to maximize portfolio-wide returns by pursuing voting strategies designed to put certain companies to address social and environmental externalities. However, as noted by both Citigroup Inc. ("Citi") and Bank of American Corporation ("BAC"), the proposals at issue there delved into the specific policies around the services and products the companies offered and what technology to use in offering such services. In fact, both Citi and BAC took pains to distinguish the proposals from those in *T. Rowe Price Group, Inc.* (March 13, 2020) and *Franklin Resources, Inc.* (November 24, 2015), arguing that those proposals focused on a significant issue, climate change, not on the ordinary business matters of choice of technologies, the policies around services and products, and customer relations. Here, Proponent is not asking STT to offer clients transition finance strategies that incorporate just transition concerns as an investment management option, nor proxy voting preferences that incorporate just transition concerns. Shareholders are merely asking that STT issue a report that discloses *whether and how* the company addresses transition of workers and fairness to communities in its transition finance

strategy. The Proposal is not dictating that the Company must do so in its product offerings, nor that the Company utilize any specific means in addressing these concerns. As such, this Proposal is much more akin to those in *T. Rowe Price Group* and *Franklin Resources*, as it is clearly aimed at a higher policy concern.

Other Staff decisions relied on by the Company concerned different public policy issues not related to climate change. *See MetLife, Inc.* (April 24, 2023) (shareholders contended transcendent public policy issue was companies use of non-pecuniary factors to terminate business with politically disfavored parties); *JPMorgan Chase & Co.* (March 21, 2023) (shareholders contended transcendent public policy issue was companies cooperation with abusive government agencies); *American Express Co*. (March 9, 2023) (public policy issue of firearms and mass shootings); *JPMorgan Chase & Co.* (March 25, 2022) (public policy issue of multi-class IPO proliferation); *Wells Fargo & Co.* (January 28, 2013, recon. denied March 4, 2013) (public policy issue of predatory lending). Here, as discussed, the Division has long recognized that matters related to policies on climate change address a significant policy issue and, therefore, generally are not excludable under Rule 14a-8(i)(7). Additionally, as discussed above, the issue of climate transition finance (and just transition in that context) *is* significant to STT in particular as demonstrated by STT's extensive public statements to that effect and in the myriad ways its business operations are involved in transition finance.

Furthermore, many of the proposals at issue in the precedents relied on by STT, regardless of whether the public policy issue was significant or not, delved into details of company-customer relations, tried to micromanage how and on what terms a specific product should be offered, or sought information on profit margins related to certain products and services. *See JPMorgan Chase & Co.* (March 21, 2023) (proposal asked for report on company policy with respect to government requests to close certain clients' accounts); *American Express Co*. (March 9, 2023) (proposal requested report on risk reduction associated with information tracking, collecting, or sharing regarding payment processing for sale and purchase of firearms); *JPMorgan Chase & Co.* (March 25, 2022) (proposal requested study considering financial position of company's diversified owners in establishing company's underwriting practices); *Wells Fargo & Co.* (January 28, 2013, recon. denied March 4, 2013) (proposal requested report on adequacy of company's policies in addressing social and financial impacts of its direct deposit advance lending product, **financial impact was defined to include "cost to the institution" and "total revenue derived" from the loans**). By contrast, here, as discussed, the proposal is solely asking the company to provide information on whether and how it addresses transition of workers and fairness to communities in its transition finance strategy. The Proposal does not delve into company-customer relations, does not seek to mandate how any product or service should be offered, and does not ask STT measure the financial gain related to transition finance.

CONCLUSION

Based on the foregoing, we believe the Company has provided no basis for the conclusion that the Proposal is excludable from the 2025 proxy statement pursuant to Rule 14a-8. As such,

we respectfully request that the Staff inform the Company that it is denying the no action letter request.

WILMERHALE

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March 10, 2025

Via Online Shareholder Proposal Form

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, NE
Washington, DC 20549

Re: State Street Corporation
Exclusion of Shareholder Proposal of Paul Rissman

Ladies and Gentlemen:

We are writing on behalf of our client, State Street Corporation (the "Company"), to supplement our no-action request dated January 12, 2025 (the "No-Action Request") in light of the issuance of Staff Legal Bulletin 14M (February 12, 2025) ("SLB 14M") and respond to correspondence from Sanford Lewis on behalf of Paul Rissman (the "Proponent"), dated February 13, 2025 (the "Reply Letter") regarding the No-Action Request.

We continue to believe, both for the reasons set forth below and the reasons provided in the No-Action Request, that the Proposal may be excluded from the Company's proxy statement and proxy to be filed and distributed in connection with its 2025 annual meeting of shareholders (the "Proxy Materials") pursuant to:

- Rule 14a-8(i)(5) because the Proposal Relates to Operations That Are Not Economically Significant or Otherwise Significantly Related to the Company's Business; and

- Rule 14a-8(i)(7) because the Proposal Directly Concerns the Company's Ordinary Business Operations.

In addition, in light of the Staff's recent revisions to its interpretations in SLB 14M, we believe the Proposal also may be excluded pursuant to:

- Rule 14a-8(i)(7) because the Proposal Seeks to Micromanage the Company.

In accordance with Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended, a copy of this supplemental letter is being sent to the Proponent.

I. Discussion

In the interest of respecting the Staff's time and resources and because we do not believe it necessary, we will not seek to individually address every one of the numerous and lengthy assertions made in the Reply Letter or restate every argument made in the No-Action Request. Rather, we will (i) address the Proponent's attempt to broaden the scope of the Proposal by redefining what it means to be in the business of transition finance for purposes of exclusion under Rule 14a-8(i)(5) and (ii) supplement our No-Action Request in light of SLB 14M to request exclusion of the Proposal pursuant to Rule 14a-8(i)(7) on the basis that it seeks to micromanage the Company. We do not find it necessary to supplement or otherwise address the existing discussion of how the Proposal relates to the ordinary business operations of State Street Global Advisors (SSGA) under Rule 14a-8(i)(7) in the No-Action Request.

The Proposal May Be Excluded Pursuant to Rule 14a-8(i)(5) Because the Proposal Relates to Operations That Are Not Economically Significant or Otherwise Significantly Related to the Company's Business.

As discussed in the No-Action Request, Rule 14a-8(i)(5) permits a company to exclude a proposal from its proxy materials "[i]f the proposal relates to operations which account for less than five percent of the company's total assets at the end of its most recent fiscal year, and for less than five percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business." At the time the No-Action Request was submitted, the most recent interpretation of Rule 14a-8(i)(5) from the Staff was reflected in Staff Legal Bulletin No. 14L (November 3, 2021) ("SLB 14L"), which provided that "proposals that raise issues of broad social or ethical concern related to the company's business may not be excluded, even if the relevant business falls below the economic thresholds of Rule 14a-8(i)(5)." At the time we submitted the No-Action Request, we noted that while we believed that SLB 14L, including this interpretation, warranted reconsideration, we believed the Proposal was excludable even under this interpretation.

Further strengthening the Company's position, after submission of the No-Action Request, the Staff issued SLB 14M, which rescinded SLB 14L and reverted to an approach under which the significance of the proposal to the company's business will be considered in administering Rule 14a-8(i)(5). As set out in SLB 14M, "proposals that raise issues of social or ethical significance may be excludable, notwithstanding their importance in the abstract." In other words, the proposal must be significant to the subject company's business. That is not the case here, as described in the No-Action Request and notwithstanding the Reply Letter's attempt to recast the Proposal as addressing a much broader universe of activities related to transition finance after the fact. The No-Action Request is merely using the definition provided in the Proposal itself, which does not encompass the much broader universe of activities set out in the Reply Letter. If the Proponent intended to address those many other activities, the Proposal could have reflected that, most importantly by defining transition finance more broadly.

Among the many arguments included in the Reply Letter is that various statements made by the Company and SSGA acknowledging the role and importance of transition finance activities somehow equate to the Company and/or SSGA being engaged in transition finance activities as defined by the Proponent in the body of the Proposal – "financial support that helps decarbonize high-emitting activities or enables the decarbonization of other economic activities." That is, of course, not the case. Even were the Staff to accept the Proponent's assertion that certain of the Company's activities, in particular the Company's 2022 issuance of sustainability bonds, constitute transition finance activities (which we do not believe to be the case[1]), such activities come nowhere near the quantitative thresholds set out in Rule 14a-8(i)(5) and are not otherwise "significantly related to the [C]ompany's business." The Reply Letter's assertion that the 2022 bond issuance was a "significant milestone, signaling the company's entry into sustainable finance markets" is merely conjecture and not sufficient to meet the standard set out in SLB 14M, which would require the Proponent to "demonstrate" the Proposal's significance to the Company.

Accordingly, and as discussed in the No-Action Request, the Proposal may be excluded under Rule 14a-8(i)(5) on the basis that the Proposal relates to operations that are not economically significant or otherwise significantly related, or related at all, to the Company's business.

The Proposal May Be Excluded Pursuant to Rule 14a-8(i)(7) Because It Seeks to Micromanage the Company.

Rule 14a-8(i)(7) permits a company to exclude a shareholder proposal if the proposal "deals with a matter relating to the company's ordinary business operations." The underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting." See Amendments to Rules on Shareholder Proposals, Release No. 34-40018 (May 21, 1998) (the "1998 Release").

As set out in the 1998 Release, and as described in the No-Action Request, there are two "central considerations" underlying the ordinary business exclusion. One consideration is that "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight." The other consideration is that a proposal should not "seek[] to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." We believe the Proposal implicates both of these considerations, the first of which was already discussed in the No-Action Request. As discussed below, the Company also believes the Proposal implicates the second of these considerations. In

[1] The Proponent's Reply Letter asserts that the Company engages in transition finance through its previous issuance of sustainability bonds. These bonds, however, are neither a product nor a service offered by the Company, but rather are disclosed as a liability on the Company's balance sheet. Further, no new sustainability bonds have been issued by the Company since the 2022 issuance, contrary to the Reply Letter's attempt to frame the issuance as signaling a new strategic direction for the Company.

light of SLB 14M, and as provided in SLB 14M, the Company is supplementing its No-Action Request to add micromanagement as an additional basis for exclusion of the Proposal.

Among other important interpretive changes, SLB 14M reinstated Section C.2. of Staff Legal Bulletin No. 14J (October 23, 2018) ("SL 14J"), Section C.3. of SLB 14J and Section B.4. of Staff Legal Bulletin No. 14K (October 16, 2019) ("SLB 14K"), which was previously rescinded by SLB 14L. Under SLB 14J and SLB 14K, one of the ways in which a proposal micromanages a company is when it seeks intricate detail, thereby supplanting the judgment of the company's management and board of directors.

The Proposal seeks a report on "whether and how the Company addresses transition of workers and fairness to the communities in its transition finance strategy" and further recommends that the report "cover the potential risks and opportunities related to STT's transition finance efforts affecting workers and communities." Although the Proposal does not set out specific timeframes or methods, it does seek detailed and inherently intricate information in a complex area and, even more concerning, seeks to supplant the judgment of the Company by requiring an extremely detailed report on specified topics that are not part of the Company's business. Implementing the Proposal would limit the discretion of management by requiring the Company to modify its strategy for tracking and disclosing information about its business, including disclosure that is adjacent to or references transition finance activities undertaken by others. The manner in which the Company reports to investors on these matters necessitates a careful and complex analysis and weighing of multiple factors, which the Proposal would seek to prescribe.

The Staff has consistently concurred in exclusion of shareholder proposals that similarly sought to micromanage the companies to which they were submitted. For example, in *Exxon Mobil Corporation* (March 6, 2020), which was issued prior to SLB 14L and therefore under the interpretive positions that SLB 14M has reinstated, the Staff concurred in exclusion of a proposal requesting that the board charter a new board committee on climate risk because the proposal "micromanages the Company by dictating that the board charter a new board committee on climate risk." As in *Exxon Mobil Corporation*, the Proposal seeks to dictate a complex decision that is more appropriately made by the Company – in *Exxon Mobil Corporation* with regard to determining appropriate committees of the board, and in this instance with regard to determining appropriate disclosures about transition finance matters, including with regard to the nature of the Company's role in that space. In addition, and more recently, the Staff has concurred in exclusion of several proposals related to disclosure of lobbying activities, including in *Blackrock, Inc.* (March 4, 2025) (concurring in exclusion under Rule 14a-8(i)(7) of a report disclosing the company's policy and procedures governing direct and indirect lobbying and grassroots lobbying communications and payments, including the company's decision-making process and oversight as micromanaging the company) and *Morgan Stanley* (March 4, 2025) (same).

Accordingly, and consistent with the above precedent, the Proposal may be excluded pursuant to Rule 14a-8(i)(7) on the basis that it seeks to micromanage the Company.

II. Conclusion

For the foregoing reasons and the reasons set out in the No-Action Request, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its Proxy Materials pursuant to Rule 14a-8(i)(5) and Rule 14a-8(i)(7).

If the Staff has any questions with respect to the foregoing, or if for any reason the Staff does not agree that the Company may exclude the Proposal from its Proxy Materials, please do not hesitate to contact Jeremy Kream, Head of Legal, Corporate and Global Delivery, State Street Corporation at JKream@StateStreet.com or Lillian Brown at lillian.brown@wilmerhale.com or (202) 663-6743. In addition, should the Proponent choose to submit any response or other correspondence to the Commission, we request that the Proponent concurrently submit that response or other correspondence to the Company, as required pursuant to Rule 14a-8(k) and SLB 14D, and copy the undersigned.

Best regards,

Lillian Brown

Enclosures

cc: Paul Rissman

Sanford Lewis & Associates

PO Box 231
Amherst, MA 01004-0231
sanfordlewis@strategiccounsel.net

March 17, 2025

Via online portal

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Shareholder Proposal to State Street Corporation Regarding Transition Finance Strategy on Behalf of Paul Rissman

Ladies and Gentlemen:

Paul Rissman, (the "Proponent") is beneficial owner of common stock of State Street Corporation ("STT" or "the Company") and has submitted a shareholder proposal (the "Proposal") to the Company.We previously responded on February 13, 2025 ("Proponent's Reply Letter"), to the Company Letter dated January 12, 2025 ("No-Action Request").

We have been asked by the Proponent to respond to the additional letter dated March 10, 2025 ("Company's Supplemental Letter"), sent to the Securities and Exchange Commission by Lillian Brown, of Wilmer Cutler Pickering Hale and Dorr LLP, acting on behalf of the Company. A copy of this Supplemental Response Letter is being emailed concurrently to Lillian Brown.

ANALYSIS

The Company's Supplemental Letter reiterates exclusion claims regarding relevance (Rule 14a-8(i)(5) and the company's ordinary business operations (Rule 14a-8(i)(7). In addition, the letter adds an Rule 14a-8(i)(7) argument that the Proposal micromanages the Company based on Staff Legal Bulletin 14 M.

We stand by our original correspondence, in which we responded to both the Rule 14a-8(i)(5) and Rule 14a-8(i)(7) ordinary business/"products and services" contentions. We will respond here as concisely as possible to new claims or assertions from the Supplemental Letter on Rule 14a-8(i)(5) and the micromanagement argument under Rule 14a-8(i)(7).

Rule 14a-8(i)(5)

As further evidenced below, the subject matter of the Proposal is patently significant to STT's business.From the proponent's perspective the Supplemental Letter continues what could reasonably be called gaslighting regarding the relevance of the Proposal to the company's business. It seems that the company's letters want to encourage us all to ignore what is in plain sight — the plain language of the Proposal targeted toward "transition finance strategy," and

the company's substantial engagement on that. The proponent has not attempted to *broaden the scope of the proposal* by "redefining what it means to be in the business of transition finance" for purposes of exclusion. Instead, the Company has not met its burden of demonstrating that the in-scope transition finance strategy activities are less than 5% of assets or sales, and regardless, transition finance strategy is "otherwise significantly related to the company" given the Company's engagement as a leader on transition finance strategy. This surpasses any possible test of a meaningful relationship to the company's business

To keep this response brief, we will not reiterate our clear responses to repeated claims made in the Supplemental Letter regarding the definition of "transition finance." The Company in its latest letter is utterly unable to *define away* the swath of products, services, public statements, marketing, and financial sector leadership of the Company addressing transition finance strategy.

The Supplemental Letter utterly fails to address how the supporting statement references and contextualizes a definition of transition finance that includes STT activities. Any investors looking at communications from the company would understand that the company engages in *transition finance strategy* as articulated within the four corners of the Proposal.

The Company's Supplemental Letter fails to explain why it considers investment servicing that addresses transition finance to not be a form of "financial support." Indeed, since our first letter, Proponent also found that in May of 2023, STT launched a specific "Global Carbon Asset Servicing Solution" which "provides asset managers, asset owners and other financial institutions seamless integration of carbon assets into State Street's core investment servicing offering — coordinating multiple parties' data, including top carbon registries, exchanges and cash agents, allowing clients to gain exposure to this growing asset class via spot and derivatives markets."[1] STT explains in a press release that **"investing in carbon assets can help fund the energy transition and diversify portfolios, all while offering the opportunity for investment returns,"** and that "The carbon assets market is growing dramatically—as the total traded value for compliance and voluntary credits reached a record €865 billion in 2022."[2] Thus, the Company's arguments that the definition of transition finance included in the supporting statement does not encompass its current activities are unavailing.

The Company's Supplemental Reply Letter attempts to characterize the statements made by the Company and SSGA as merely "acknowledging the role and importance of transition finance activities" and not to constitute an acknowledgment that the Company is engaged in those activities. See Company's Supplemental Letter at 3. In doing so, the Company fundamentally mischaracterizes its own messaging, which *does not* merely identify the role and importance of transition finance activities, but rather specifically references STT's role in transition finance activities and the importance of its role. Additionally, the Company's argument that its sustainability bonds do not constitute transition finance activities, because it discloses them as a

[1] https://investors.statestreet.com/investor-news-events/press-releases/news-details/2023/State-Street-Launches-Global-Carbon-Asset-Servicing-Solution/default.aspx

[2] *Id*.

"liability" on its balance sheet, is unavailing. Regardless of how the bonds are listed on the balance sheet, they directly contribute to the expansion of capital flows in transition finance activities and are advertised by the Company to its clients.

The proponent believes that the Company has not even met its burden of demonstrating that transition finance strategy is "less than five percent of the company's total assets" or "net earnings and gross sales" and fails to meet its burden under Rule 14a-8(g) of showing it is entitled to exclude the Proposal.

Regardless, as addressed in Proponent's Reply Letter, the subject matter of the Proposal is otherwise significantly related to STT's business. The Company's Supplemental Letter merely asserts that transition finance is not significant because it has not issued any new sustainability bonds since 2022, without addressing all the other myriad ways STT has signaled how important transition finance is to its business.

Since our prior letter and the evidence provided there, there have been additional developments demonstrating the relevance of the Proposal. STT has recently suffered losses in business for its failure to meet client's ESG expectations, which include just transition concerns—in March of 2025, a Danish pension fund shifted almost $450 million away from SGGA after an ESG review.[3] Additionally, in February of 2025, one of the UK's largest pension trusts, the People's Pension, moved £28 billion pounds out of State Street citing stewardship misalignment as a factor influencing the decision.[4] The head of responsible investment for the trust had "voiced concerns on climate stewardship with State Street".[5] The People's Pension's 2024 "Responsible investment policy" explicitly states that it expects companies to "**[s]how a commitment to the principles of a 'just transition'"**[6] and its company expectations "will be predominantly used to drive the Scheme's asset manager monitoring programme. The Trustee expects its asset managers to embed these company expectations into their stewardship activities" (emphasis added).[7]

The Company's arguments that the Proposal is not meaningfully related to the Company's business are entirely unpersuasive, and the Staff should reject this argument.

Rule 14a-8(i)(7) micromanagement

The Supplemental Letter makes a new argument drawing upon Staff Legal Bulletin 14 M to

[3] https://www.pionline.com/pension-funds/denmarks-akademikerpension-shifts-almost-450-million-away-ssga-after-esg-review

[4] https://www.netzeroinvestor.net/news-and-views/the-peoples-pension-moves-28bn-out-of-state-street-citing-stewardship-misalignment

[5] Id.

[6] https://thepeoplespension.co.uk/wp-content/uploads/TPP-Responsible-Investment-Policy.pdf at 27

[7] Id.at 26. Beyond this significant information, the Proponent is not aware of the extent to which transition finance or just transition considerations were involved in these investment decisions.

assert that the Proposal micromanages.[8] We wish to note here that Staff Legal Bulletin 14M ("SLB 14M") was issued subsequent to the filing of the Proposal and no action request. We believe that it is inappropriate to apply the guidance outlined in SLB 14M retroactively to proposals submitted for the 2025 season, including this Proposal and that Proponent reserves all rights to challenge the retroactive application of SLB 14M. Regardless, the current Proposal does not seek to micromanage the Company, even under the terms of SLB 14M.

The Company's Supplemental Letter argues that the requested report supplants the judgment of STT's management and board of directors by seeking "detailed and inherently intricate information". The Proposal merely seeks a report that discloses "whether and how the Company addresses transition of workers and fairness to communities in its transition finance strategy." The Company is left full discretion with respect to how to disclose this information, for instance, by determining what are the relevant metrics to include. Furthermore, as noted by STT, the Proposal merely recommends that the report "cover the potential risks and opportunities related to STT's transition finance efforts affecting workers and communities", leaving the matter within management and the board's discretion. See Company's Supplemental Letter at 4. Contrary to the Company's assertion, the Proposal is not asking STT to disclose information on "transition finance activities undertaken by others", it directly asks the Company about how, if at all, it approaches just transition concerns in its own transition finance strategy.

As such, the current Proposal is representative of a permissible request that, under SLB 14M, the Division has identified as not seeking to micromanage a company. As an example of a permissible proposal, the guidance points to a proposal seeking a report "describing if, and how, [a company] plans to reduce its total contribution to climate change and align its operations and investments with the Paris [Climate] Agreement's goal of maintaining global temperatures well below 2 degrees Celsius" (emphasis added). The Division explained that the proposal did not seek to micromanage the company there because it deferred to management's discretion to consider if and how the company plans to take the action. Similarly, here, the Proposal does not ask that STT address just transition in its transition finance strategy, but whether and how it does. It is left to management discretion as to whether or not to address just transition concerns—shareholders are just seeking information about if and how STT does so.

Declining to concur in the exclusion of the current Proposal would also be in line with the Staff's recent decision in *Wells Fargo & Company* (March 5, 2025). There, Staff declined to exclude on Rule 14a-8(i)(7) grounds a proposal that requested an annual public report describing and quantifying the effectiveness and outcomes of the Company's efforts to prevent harassment and discrimination against its protected classes of employees. Wells Fargo argued that the proposal there suggested the board disclose specific granular metrics, indicating that shareholders were seeking specific, detailed disclosure. Staff rejected this argument and found that the proposal did not seek to micromanage the company. Similarly here, while the Proposal contains recommendations, ultimately it is flexible as to the content of the report, leaving

[8] The Company did not make this argument in the original no action request, but instead asserted under Rule 14a-8(i)(7) that the proposal related to the company's products and services, which we rebutted in the first letter.

management and the board with ample discretion.

As such, the current Proposal request is also akin to *J.B. Hunt Transport Services, Inc.* (February 7, 2020), where Staff were unable to concur Rule 14a-8(i)(7) provided a basis to exclude shareholders' request for a report describing "if, and how, [the company] plans to reduce its total contribution to climate change", among other things. *J.B. Hunt* was issued under Staff guidance regarding micromanagement SLB 14J and 14k that have been reinstated in relevant part in SLB 14M.

Many other proposals analogous to the current one have also been found not to micromanage under SLB 14J and/or SLB 14K because, as in these recent examples, the proposals simply asked the given company to provide investors with better transparency regarding company policies and related company actions. As an example, Staff have long declined to exclude other proposals that sought detailed information on environmental activities. *See Exelon Corporation* (March 12, 2019) (proposal requested ongoing annual reports of incurred company costs and benefits accruing to shareholders, public health, and the environment from the company's related voluntary activities that exceeded applicable U.S. legal requirements); *Chevron Corporation* (March 28, 2018) (proposal requested report describing how the company could adapt its business to align with a decarbonizing economy by altering energy sources to reduce reliance on fossil fuels).

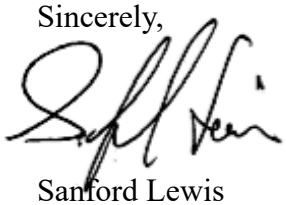
The Company's cited precedents in support of its micromanagement argument are inapplicable. In *Exxon Mobil Corporation* (Adam Seitchik) (March 6, 2020), the Proposal mandated that the Company "charter a new Board Committee on Climate Risk" to evaluate the company's climate strategy and stated that the charter "should explicitly require the committee to report to the full board" on assessments of the company's responses to climate related risks and opportunities, and included a list of impacts that should be considered. As such, the proposal there was much more prescriptive and the issue in fact did not appear to be the level of detail sought by the proposal, but rather that it, in the words of Staff, "unduly limits the board's flexibility and discretion in determining how the board should oversee climate risk." By contrast, here, the Proposal asks for information on whether and how STT addresses transition of workers and fairness to communities, it is not mandating that the Company do so or that the Company charter a committee with that purpose. As such, the *Exxon Mobil* precedent is inapposite.

Furthermore, the additional precedents relied on by the Company involved requests for much more granular information than that sought by the current Proposal. In both *Blackrock, Inc.* (March 4, 2025) and *Morgan Stanley* (March 4, 2025), the nearly identical proposals sought reports, updated annually, disclosing companies' policy and procedures governing direct and indirect lobbying and grassroots lobbying communications; payments used for direct or indirect lobbying or grassroots lobbying communications, in each case including the amount of the payment and the recipient; companies' membership in and payments to any tax-exempt organization that writes and endorses model legislation; and a description of management's and the board's decision- making process and oversight for making the aforementioned payments.

The proposals at issue there would have mandated disclosure at a level of detail that is not analogous to the current Proposal. Proponent here is not requesting disclosure of dollar amounts STT spends on certain activities, the recipients of the money, etc. Here, the Proposal seeks information on the Company's existing policies and how they address a certain topic. The Proposal explicitly leaves it within management and the board's discretion to determine the scope of the report and includes recommendations for the Company to reject or accept as it deems appropriate.

Based on the above, the Company's Supplemental Letter provides no new or compelling arguments for exclusion of the Proposal. The Proposal does not micromanage and the subject matter is significantly related to STT's business. We urge the Staff to notify the Company that the Proposal is not excludable under Rule 14a-8.

Sincerely,



Sanford Lewis

Khadija Foda