

CONCILIATION AGREEMENT BETWEEN
THE U.S. DEPARTMENT OF LABOR
OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS AND
STATE STREET CORPORATION

I. PRELIMINARY STATEMENT

The Office of Federal Contract Compliance Programs ("OFCCP") evaluated the 2017 and 2018 personnel and compensation practices at the following State Street Corporation ("State Street") facilities:

- (1) Channel Center – 1 Iron Street, Boston, MA 02210;
- (2) State Street Financial – 100 Summer Street, Boston, MA 02110;¹
- (3) State Street – 1200 Crown Colony Drive, Quincy, MA 02169;² and
- (4) State Street Financial (John Adams Building) – 1776 Heritage Drive, Quincy, MA 02171.

OFCCP reached initial findings relating to State Street under Executive Order 11246, as amended ("E.O. 11246") and its implementing regulations at 41 C.F.R. Sections 60-1 - 60-3.

In the interest of resolving the initial findings without engaging in further proceedings and in exchange for the relief described in this document, OFCCP and State Street (collectively the "Parties" and individually a "Party") enter into this Early Resolution Conciliation Agreement (the "Agreement") and agree to all the terms stated below.

II. GENERAL TERMS AND CONDITIONS

1. In exchange for State Street's fulfillment of all obligations in the Agreement, OFCCP agrees not to institute administrative or judicial enforcement proceedings under E.O. 11246, based on the initial findings described in more detail in Part IV below. However, OFCCP has the right to initiate legal proceedings to enforce the Agreement itself or to obtain relief for the initial findings described in Part IV if State Street violates this Agreement. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future compliance evaluations or complaint investigations, including during the Exemption Period (as defined in Part III, Paragraph 1) if State Street is in breach of the Agreement. In exchange for State Street's fulfillment of all obligations in the Agreement, OFCCP further agrees not to initiate any new audits at any State Street establishments during the Exemption Period as defined in Part III, Paragraph 1.
2. OFCCP may review State Street's compliance with this Agreement. As part of this review, OFCCP may require written reports, inspect the premises, interview witnesses,

¹ State Street Financial – 100 Summer Street, Boston, MA 02110 office location is closed.

² State Street – 1200 Crown Colony Drive, Quincy, MA 02169 office location is closed.

and examine and copy documents. State Street will permit access to its premises during normal business hours for these purposes and will provide OFCCP with all hard copy or electronic reports and documents it requests, including those specified in this Agreement.

3. This Agreement does not constitute an admission by State Street of any violation of or noncompliance with any laws or of any other wrongdoing whatsoever, including but not limited to any violation of E.O. 11246, Section 503 of the Rehabilitation Act of 1973, as amended ("Section 503"), the Vietnam Era Veterans' Readjustment Assistance Act of 1974 ("VEVRAA") and their implementing regulations at 41 CFR Chapter 60, or other laws, nor has there been an adjudicated finding that State Street violated any laws.
4. State Street understands that nothing in this Agreement relieves State Street of its obligation to fully comply with the requirements of E.O. 11246, Section 503, VEVRAA, their implementing regulations, and other applicable equal employment laws.
5. State Street and OFCCP agree that any release of claims required by this Agreement will only pertain to claims under E.O. 11246.
6. State Street promises not to harass, intimidate, threaten, discriminate against, or otherwise retaliate against any individual because the individual benefits from this Agreement, or files a complaint or participates in any investigation or proceeding under E.O. 11246, Section 503, and/or VEVRAA, or engages in any activity listed at 41 CFR § 60-1.32(a).
7. OFCCP and State Street understand the terms of this Agreement and enter it voluntarily.
8. This Agreement and its attachments contain the complete and final understanding of the Parties with respect to the matters referenced therein. This Agreement contains all the terms by which the Parties are bound, and it supersedes all prior written or oral negotiations and agreements. There will be no modifications or amendments to this Agreement unless they are in writing and signed by the Parties.
9. If one or more provisions of this Agreement are rendered unlawful or unenforceable, the remaining provisions shall remain in full force and effect.
10. This Agreement becomes effective on the day it is signed by the Regional Director (the "Effective Date").
11. This Agreement shall remain in effect until the Monitoring Period (as defined in Part VII, Paragraph 3) is completed (the "Termination Date").
12. Each Party shall bear its own fees and expenses with respect to this matter.

13. If State Street violates the Agreement,

- a. The procedures set forth at 41 CFR § 60-1.34 will govern:
 - i. If OFCCP believes that State Street violated any term of the Agreement while it was in effect, OFCCP will send State Street a written notice stating the alleged violations and summarizing any supporting evidence.
 - ii. State Street will have 15 business days from receipt of such notice to demonstrate in writing that it has not violated the Agreement, unless such a delay would result in irreparable injury to the employment rights of affected employees.
 - iii. If State Street is unable to demonstrate that it has not violated the Agreement, or if OFCCP alleges irreparable injury, enforcement proceedings may be initiated immediately without issuing a show cause notice or proceeding through any other requirement for those establishments with an open review at the time of this Agreement and seek a full make-whole remedy for victims.
 - iv. OFCCP may seek enforcement of this Agreement itself and is not required to present proof of any underlying violations resolved by this Agreement.
- b. State Street may be subject to the sanctions set forth in Section 209 of the Executive Order and/or other appropriate relief for violation of this Agreement. State Street reserves its defenses to the imposition of sanctions or other relief.

14. The Parties understand and agree that nothing in this Agreement is binding on other governmental departments or agencies other than OFCCP.

15. This Agreement is limited to the facts of this case. Neither this Agreement, nor any part of the negotiations that occurred in connection with this Agreement, shall constitute admissible evidence with respect to any OFCCP policy, practice or position in any lawsuit, legal proceeding, administrative proceeding, compliance evaluation or audit, except for legal or administrative proceedings concerning the enforcement or interpretation of this specific Agreement.

16. All references to "days" in this Agreement are calendar days, unless otherwise specified. If any deadline for an obligation scheduled to be performed under this Agreement falls on a weekend or a Federal holiday, that deadline will be extended to the next business day.

III. SPECIAL TERMS AND CONDITIONS

1. OFCCP will not schedule any State Street establishments included in Part VI and VII of this Agreement for a compliance evaluation, compliance check, focused review, audit, or Corporate Management Compliance Evaluation until after the end of the Monitoring Period (per Section VII, Paragraph 3) plus the waiting period OFCCP then has in effect for scheduling new compliance evaluations after the completion of a prior compliance

evaluation or conciliation agreement (the “Exemption Period”).

2. For purposes of this Agreement, State Street means State Street Corporation and its direct and indirect subsidiaries which have employees, which as of the time of this Agreement include the entities listed in Attachment B. State Street agrees to notify OFCCP within 90 days after it acquires or creates any new U.S. subsidiary entities with employees during the term of this Agreement.
3. Notwithstanding Part III, Paragraph 1, OFCCP retains the right to investigate complaints of discrimination raised by an aggrieved applicant or employee at establishments covered by this Agreement under E.O. 11246, Section 503, and VEVRAA.
4. If State Street violates the terms of this Agreement, OFCCP reserves the right to bring an enforcement action per the terms of 41 CFR § 60-1.34 and the scheduling exemption will be void.
5. This Agreement does not relieve State Street from its annual ongoing OFCCP requirements of equal employment opportunity through affirmative action and non-discrimination across its entire workforce, including monitoring an up-to-date AAP.

IV. INITIAL FINDINGS

1. During the compliance evaluations at the reviewed establishments listed in Part I, OFCCP evaluated and analyzed State Street’s compensation systems using regression analysis. OFCCP identified initial findings relating to compensation for a limited number of Female Managing Directors at the reviewed establishments during the audit period.
2. These initial findings by OFCCP were independently addressed by State Street through compensation adjustments made pursuant to State Street’s annual pay equity review of U.S. employees for the purpose of avoiding disparities based on race/ethnicity and gender. To date, State Street has made at least \$483,000 in pay equity adjustments for the Female Managing Directors in the audit population since OFCCP’s audit commenced. OFCCP credits State Street for proactively making these adjustments as part of its annual pay equity evaluation of compensation.
3. State Street will continue its commitment to making pay equity adjustments based on race/ethnicity and gender and to satisfying its obligations under E.O. 11246, Section 503, and VEVRAA, State Street will engage in the ongoing compliance obligations detailed in Part V and the enhanced compliance provisions as detailed in Part VI.

V. ONGOING COMPLIANCE OBLIGATIONS

1. **EVALUATION OF EQUAL EMPLOYMENT OPPORTUNITY:** State Street will continue to perform in-depth analyses of its total employment process to determine whether

and where impediments to equal employment opportunity exist, as required by 41 CFR § 60-2.17(b)(3). Specifically, State Street will evaluate its compensation systems to determine whether and where impediments to equal opportunity exist, including analyzing compensation systems as part of its in-depth analyses to determine whether gender-, race-, or ethnicity-based pay disparities exist, in accordance with the requirements of 41 CFR § 60-2.17(b)(3).

2. **ACTION ORIENTED PROGRAMS:** State Street will continue to develop and execute action-oriented programs designed to correct any problem areas identified pursuant to 41 CFR § 60-2.17(b), in accordance with the requirements of 41 CFR § 60-2.17(c). In order for these action-oriented programs to be successful, State Street will evaluate their effectiveness on an ongoing basis. Furthermore, State Street will demonstrate that it has made good faith efforts to remove identified barriers, if any, expand employment opportunities, and produce measurable results.
3. **INTERNAL AUDITING AND REPORTING:** State Street will continue to implement an internal auditing and reporting system that measures the effectiveness of its total affirmative action program, in accordance with 41 CFR § 60-2.17(d)(1)-(4). Specifically, State Street will:
 - a. Monitor records of all personnel activity, including referrals, placements, transfers, promotions, terminations, and compensation, at all levels to ensure the nondiscriminatory policy is implemented;
 - b. Require internal reporting on a scheduled basis as to the degree to which equal employment opportunity and organization objectives are attained;
 - c. Review report results with all necessary levels of management; and
 - d. Advise top management of program effectiveness and, if applicable, submit recommendations to improve unsatisfactory performance.

VI. ENHANCED COMPLIANCE PROVISIONS

1. During the Agreement State Street will take the steps described below, including conducting additional analyses, as detailed in (b) (4) to enhance its compliance with Executive Order 11246 and ensure there are not improper disparities in compensation. In order to assess whether there are prohibited disparities in compensation, State Street shall complete the following:
 - a. During the applicable reporting obligations under this Agreement, State Street will engage a professional with expertise in conducting compensation pay equity analysis (the “Consultant”). State Street will work with the Consultant to conduct a pay equity analysis for all State Street establishments nationwide, evaluating base pay and total compensation for all employees.
 - b. State Street must investigate the cause of pay disparities uncovered in the compensation analysis and take appropriate action if the disparities cannot be explained by nondiscriminatory factors impacting pay, such as providing pay adjustments to the

affected employees by April 15th of the year following the year that was addressed in the Consultant's compensation analyses. For the purpose of making potential pay adjustments, State Street agrees that it will allocate a minimum of \$1,400,000 per year for each of the years of reporting under this Agreement, for a total of \$4,200,000, to make total compensation adjustments to remedy pay disparities. Nothing in this Agreement shall prohibit State Street from: (1) making adjustments in excess of this amount if required to do so by law or by its own policies or practices; or (2) determining that payments totaling less than \$1,400,000 a year are required to maintain lawful compensation outcomes. If the pay adjustments for any annual analysis are less than \$1,400,000, State Street will use the differential between the pay adjustments for that analysis and the \$1,400,000 to fund pay adjustments in subsequent years of this Agreement. If there are leftover funds at the end of the Agreement, they will be used to fund EEO compliance and compensation training and programs at State Street.

- c. State Street and/or its consultant will also conduct a Methodological Analysis, as defined and outlined in Attachment A. Following the Methodological Analysis, State Street will provide all pertinent information (the "Methodological Report") necessary for OFCCP to understand and to replicate the Methodological Analysis.
 - d. Each year as part of the progress reports required by Part VII, State Street shall provide a declaration that includes the total amount of pay equity adjustments, itemized by workplace, job group/title, number of employees paid, gender, and race/ethnicity. In the event State Street's pay equity adjustments for a given progress report period do not meet or exceed \$1,400,000, State Street will provide OFCCP with all pertinent information and data (in Excel format) necessary for OFCCP to replicate State Street's compensation analysis including, but not limited to, base and total compensation data and the variables used in State Street's analysis.
2. State Street will continue to analyze annually whether individuals are encountering impediments to advancement into higher paying mid-level and senior-level positions, including management, in accordance with its obligations under 41 C.F.R. 60-2.17 (b).
 - a. If impediments are identified, State Street will investigate and remedy by developing an action-oriented program to remove impediments to advancement in employment.
 3. State Street will continue to conduct training annually for applicable recruiters and compensation personnel, focused on State Street's equal employment opportunity policies.
 4. State Street agrees to confirm its commitment to compliance with 41 CFR § 60-1.35. State Street's review will include confirming policy dissemination through State Street's employee handbook or the equivalent, and review of all locations to confirm pay transparency posters are displayed.
 5. During the Agreement, State Street will continue to annually provide all managers in the United States responsible for compensation decisions with written guidance on the compensation process and State Street's commitment to equal employment opportunity with

respect to all compensation decisions.

6. State Street will ensure that its policy for record retention continues to meet or exceed the requirements of 41 CFR § 60-1.12(a) and § 60-3.
7. During the Agreement, State Street will continue its on-going outreach efforts if there is underutilization based on gender, race/ethnicity, disability, or protected veteran status, in accordance with its obligations as a Federal contractor.
8. During the Agreement, State Street and OFCCP's Regional Director (and, if appropriate, the Consultant) will meet once a year in-person to discuss State Street's progress in implementing the adopted recommendations and enable the Parties to have greater communications on these matters. The Parties will jointly agree on the timing, location, and structure of the meeting to facilitate maximum exchange of ideas. Should either Party deem a meeting unnecessary, it can be waived.
9. These enhanced compliance provisions between State Street and OFCCP do not provide State Street with any grant of immunity or protection from its obligation to comply with non-discrimination statutes.
10. These enhanced compliance provisions between State Street and OFCCP may be modified upon the written consent of the Parties, and such consent will not be unreasonably withheld.
11. These enhanced compliance provisions are between OFCCP and State Street and do not confer any rights or benefits to any other parties, other than any successor to, parent of, or direct or indirect subsidiary of State Street. In case of a disagreement over the implementation of these enhanced compliance provisions, the Parties agree to negotiate in good faith prior to enforcement.

VII. REPORTS REQUIRED

State Street must submit any report required by this Agreement to:

Rhonda Aubin-Smith
District Director
OFCCP Boston District Office
15 New Sudbury St. Room E-235
Boston, MA 02203

State Street and OFCCP have a common interest in the information being provided in the reports pursuant to this Agreement. To the extent any of the reports State Street provides in accordance with this Agreement are customarily kept private or closely-held, and State Street believes should remain confidential under Exemption 4 of the Freedom of Information Act (FOIA) in the event of a FOIA request, State Street will provide such reports to OFCCP marked as "Confidential." In the event of a FOIA request, OFCCP will treat any such documents received as confidential documents to the maximum extent permitted by law.

1. **Recordkeeping.** State Street agrees to retain all records relevant to this Agreement. These records include underlying data and information such as Human Resources Information System (HRIS) and payroll data, personnel records, and any other records or data used to generate the required reports. State Street will retain the records until this Agreement expires or for the time period consistent with regulatory requirements, whichever is later.
2. **State Street Progress Reports.** State Street will submit three (3) progress reports ("Progress Reports"), after the submission of the Methodological Report. The Methodological Report will be due by August 1, 2025 and will ensure that the Parties are aligned in their understandings in order to facilitate effective Progress Reports thereafter. Following the submission of the Methodological Report the three (3) Progress Reports will be submitted as follows:

Progress Report # 1: Due August 3, 2026, and covering the period January 1, 2025 through December 31, 2025.

Progress Report # 2: Due August 2, 2027, and covering the period January 1, 2026 through December 31, 2026.

Progress Report # 3: Due August 1, 2028, and covering the period January 1, 2027 through December 31, 2027.

Each Progress Report will provide a declaration that includes the total amount of pay equity adjustments, itemized by workplace, job group/title, number of employees paid, gender, race/ethnicity that it conducted the required compensation regression analysis and whether it has implemented at least \$1,400,000 in pay equity adjustments each year during the period covered by the progress report. In the event State Street's pay equity adjustments for the covered period do not meet or exceed \$1,400,000, State Street will provide OFCCP with all pertinent information and data (in Excel format) necessary for OFCCP to replicate State Street's compensation analysis, including, but not limited to, base and total compensation data and the variables used in State Street's analysis.

3. **Close of Monitoring Period.** OFCCP's monitoring period of State Street's pay equity process will begin on the Effective Date of this Agreement and close once OFCCP accepts State Street's final progress report as set forth in Part VII, Paragraph 2 above (the "Monitoring Period"). This Agreement shall remain in effect until the Monitoring Period is completed. If OFCCP fails to notify State Street in writing within sixty (60) days of the date of the final progress report that State Street has not fulfilled all of its obligations under the Agreement, OFCCP will be deemed to have accepted the final report and the Monitoring Period will end. If OFCCP notifies State Street within the allotted time that it has not fulfilled all of its obligations, this Monitoring Period is automatically extended until the date that OFCCP determines State Street has met all of its obligations under the Agreement.

VIII. SIGNATURES

The person signing this Agreement on behalf of State Street Corporation personally warrants that he or she is fully authorized to do so, that State Street has entered into this Agreement voluntarily and with full knowledge of its effect, and that execution of this Agreement is fully binding on State Street Corporation.

This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and State Street Corporation.

(b) (6), (b) (7)(C)

RONALD P. O'HANLEY
Chief Executive Officer
State Street Corporation

Date: July 1, 2024

(b) (6), (b) (7)(C)

SAMUEL B. MAIDEN
Regional Director
OFCCP

Date: 07/01/2024

Attachments:

- A. **(b) (4)**
- B. List of State Street Corp. Direct and Indirect Subsidiaries with Employees

(b) (4)

(b) (4)

(b) (4)

(b) (4)