



State Street

Subsidiaries: Charles River, SPDR Funds
Locations: Massachusetts (HQ)
Industries: Diversified Financials

RISK LEVEL:



High Risk

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DESCRIPTION:

State Street is High Risk. The company yields to political activism in shaping corporate governance, potentially alienating consumers, dividing employees, and harming shareholders. The company implements race and identity-based policies that replace merit, excellence, and integrity with preferential treatment and outcomes. State Street embraces corporate initiatives that redirect its central focus from business goals to partisan policies and divisive issues. This approach fails to safeguard free exercise, free speech, and free enterprise.

Corporate Weaponization

Has canceled customers, suppliers, or vendors due to their political views or religious beliefs OR High Risk corporately boycotts, divests, or sanctions regions, people groups, or industries.

On May 3, 2023, State Street was placed on Oklahoma's Restricted Financial Companies List for allegedly boycotting energy companies, as defined in 74 O.S. §12002(A)(I). After being placed on this list, State Street had 90 days to "cease engaging in the energy company boycott to avoid qualifying for divestment by the state governmental entity." State Street did not cease its boycott and therefore remained on the 2024 list. In September 2024, however, following a legal challenge by a state retiree, an Oklahoma County district judge issued a permanent injunction prohibiting enforcement of the Oklahoma Energy Discrimination Act of 2022, the law that granted the State Treasurer authority to create and maintain the Restricted Financial Companies List. The court found that the Act contained "conflicting and vague provisions as to the exemptions/exceptions governmental entities may claim and conflicts to the required evidentiary standards." The plaintiff argued that blacklisting firms that refuse to invest in oil and gas companies due to ESG policies harmed Oklahoma's public pension funds. The defense, however, representing Treasurer Todd Russ, contended that continuing to do business with such firms undermined the state's energy economy. In December 2024, the Oklahoma Attorney General Gentner Drummond appealed the injunction to the Oklahoma Supreme Court. The case remains pending (1)(2)(3)(4). State Street is a signatory of the Principles for Responsible Investment, incorporating ESG issues into investment analysis, decision-making, and other business practices (5)(6). The company also imposes a climate-related agenda on companies, using ESG to push the agenda of Climate Action 100+ and other climate advocates (7). The SPDR ETF that State Street runs offers a fossil fuel reserves-free fund, which excludes energy companies offering fuel (8). In 2017, State Street voted against the reelection of directors at 400 companies because these companies did not have a woman on their board (9). State Street received a score of 100 on the 2025 Corporate Equality Index (CEI) from the Human Rights Campaign (HRC), a political stakeholder group. The company recruits employees based on sexual identity issues. The company discriminates against vendors that do not promote divisive sex and gender policies, indicating it prioritizes sexual issues over merit (10)(11). State Street received a letter from over two dozen states warning it to "to take five concrete actions to demonstrate their 'commitment to a fiduciary model grounded in financial integrity, not political advocacy'" (12).

Charitable giving (including employee matching programs) policies or practices discriminate against charitable organizations based on views or religious beliefs. High Risk

State Street's HRC 2025 CEI rating indicates the company will not donate to non-religious charities unless they embrace controversial sexual identity policies (1)(2). The company's grantmaking guidelines require that organizations abide by its nondiscrimination policy, including on the basis of sexual orientation and gender identity, thereby excluding some religious charities (3).

Employment policies fail to protect against viewpoint or other discrimination and/or are ideological in nature. High Risk

State Street's HRC 2025 CEI rating indicates the company forces employees to attend multiple, controversial trainings on gender identity, sexual orientation, transgender issues, and divisive racial ideology. The company provides gender transition guidelines for its employees and a specific benefits guide with a comprehensive explanation of transgender services funded by the company (1)(2). The company also recently implemented new race-based hiring practices that will require proof of interviewing a woman or ethnic-minority candidate before hiring a white man (3). It had a history of discriminating based on race in its proxy voting policies. However, in February 2025, State Street dropped a proxy voting policy that required boards in major indexes to be 30% female and a policy that required S&P 500 companies to have at least one racial minority on their board (4)(5). The company does not provide viewpoint protections for its employees (6)(7).

Corporate Governance and Public Policy

Uses corporate reputation to support causes, organizations, or policies hostile to freedom of expression. High Risk

State Street's HRC 2025 CEI rating indicates the company agrees to allow a controversial stakeholder group focused on sexual identity issues to dictate marketing or advertising strategy. By doing so, the company risks dividing employees, alienating customers and harming shareholders (1)(2). The company signed an open letter endorsing the Equality Act, a contentious proposal to amend the 1964 Civil Rights Act by adding sexual orientation and so-called gender identity as protected categories. The legislation would, among other implications, grant biological men access to women-only spaces such as sports teams and public restrooms, and compel healthcare providers to deliver sex-denying healthcare (3). The company was part of the Freedom for All Americans coalition, which advocated for federal legislation that would overrule state laws designed to protect girls' sports and similar laws (4). The company opposed the Florida Parental Rights in Education Act, which would prohibit teaching gender identity and sexual orientation to kids in K-3rd grade (5). The company said, "Our main focus in 2022 will be to support the acceleration of the systemic transformations underway in climate change and the diversity of boards and workforces" (6). The CEO of SSGA, Ronald O'Hanley, is a member of the Business Roundtable, which supports stakeholder capitalism over traditional shareholder obligations (7). The company is a Ceres Network Member, committed to carbon neutrality by 2040 (8)(9)(10). The company was part of the Net Zero Asset Managers initiative, committed to carbon neutrality with its investments by 2050 (11)(12)(13). However, in November 2025, the company pulled its U.S. business out of the initiative, but not its Europe and UK businesses (14). It also has ESG and ETFs (15)(16). The company was a signatory of Climate Action 100+, but withdrew in February 2024 likely over growing concerns of potential antitrust violations, as well as because signatories were expected to start implementing climate transition plans and after legal investigations from state Attorneys General. A spokeswoman for SSGA "concluded the enhanced Climate Action 100+ phase 2 requirements for signatories are not consistent with [its] independent approach to proxy voting and portfolio company engagement" (17)(18)(19)(20). The company opposed various state and local legislation intended to protect parental rights, girls' sports, bathroom facilities, and gendered spaces (21). The company opposed legislation in Iowa intended to protect parental rights, girls' sports, bathroom facilities, and gendered spaces (22). Chairman & CEO, Ronald P. O'Hanley, denounced various states' legislative efforts to protect election integrity and security (23). The company is a signatory to the CFA Institute's Diversity, Equity, and Inclusion Code, indicating its support of DEI in its recruitment, hiring, onboarding, and promotions. Furthermore, the company pledges to integrate DEI into its policies, promote DEI in the investment industry, and provide regular reporting on its DEI metrics to the CFA Institute (24)(25)(26). The company's CEO,

Ronald O' Hanley, signed the CEO Action for Diversity & Inclusion pledge, which includes a commitment to promote DEI through bias education training in the workplace (27)(28). State Street installed the "Fearless Girl" statue "opposite Wall Street's 'Charging Bull' in what the firm said was an effort to spur companies to put more women on their boards" (29).

Uses corporate funds to advance ideological causes, organizations, or policies hostile to freedom of expression. High Risk

State Street provides a benefits package for employees that covers travel/lodging costs for an abortion and transgender medical procedures for covered employees and dependents, including children (1)(2)(3)(4). The company's HRC 2025 CEI rating indicates the company covers transgender related costs for its employees and their children, including paid short-term leave, puberty blockers, cross-sex hormones, chest surgeries, genital surgeries, medical visits and lab monitoring, travel and lodging. Additionally, the company has pledged philanthropic support of at least one organization or event that promotes sex and gender ideology. By allowing a political stakeholder group to dictate operations, the company increases health care costs and risks dividing employees, alienating customers and harming shareholders (5)(6). The company has pledged over \$6 million to the Black Lives Matter movement and related causes (7)(8). The company is a copper sponsor of Out & Equal (9). The company and its subsidiary, Charles River, are corporate partners of the National LGBT Chamber of Commerce (10). Otherwise, there are no publicly known cases of the company using corporate funds to advance ideological causes, organizations, or policies (11).

Uses corporate political actions and/or financial contributions for ideological, non-business purposes. High Risk

State Street's HRC 2025 CEI rating indicates the company publicly advocated for controversial sex and gender ideology through local, state or federal legislation or initiatives. By allowing a political stakeholder group to dictate operations, the company risks dividing employees, alienating customers and harming shareholders (1)(2). The company has not used its PAC donations or lobbying for ideological purposes (3)(4)(5).

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