



# **STRONG** HISTORY: STRONGER **FUTURE**

CORPORATE  
SOCIAL  
RESPONSIBILITY

2009 REPORT



BNY MELLON

# STRONG HISTORY: STRONGER FUTURE

BNY Mellon has a strong history of doing what's right and helping to build a better world, and that's what Corporate Social Responsibility (CSR) is all about. Although CSR is a relatively new business discipline among companies, the basic practices have been ingrained in our culture since our founding more than 225 years ago.

In the three years since introducing a formal CSR program, we have achieved a great deal, such as:

- creating focused commitments;
- establishing a committee of the board of directors to provide oversight of our CSR activities and regularly review our progress;
- publishing significantly more comprehensive CSR reports each year; and
- building leadership positions in the three CSR areas of greatest importance and opportunity for our company:
  - employee engagement;
  - community support; and
  - environmental sustainability.

As the discipline of CSR evolves to become more sophisticated, BNY Mellon is determined to be a recognized leader. In the future, you will see us:

- deliver continuously improving CSR programs that are among the best in our industry;
- provide an increasing level of useful information on our CSR activities; and
- more deeply engage our stakeholders, from shareholders and clients to employees, suppliers and communities.

This year, we tailored our reporting to fit our many audiences by producing:

- a printed highlights report;
- an extensive online report that follows Global Reporting Initiative (GRI) guidelines, as detailed in the GRI Index; and
- condensed highlights reports for five of our major regions.

Strong History. Stronger Future.

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Robert P. Kelly, Chairman and Chief Executive Officer, BNY Mellon

## LETTER FROM OUR CHAIRMAN

In 2009, our company celebrated its 225th anniversary. Since BNY Mellon opened for business in 1784, our company has been a catalyst for growth, a source of financial strength and a force for positive change.

True to those traditions, BNY Mellon's relative financial strength and stability during the recent global economic challenges enabled us to offer clients a safe haven, assist governments around the world with their recovery programs and sustain our support of our communities across the globe.

Last year was an extraordinarily challenging environment for the financial services industry and for our company. Although we have outperformed both our peer group and the S&P Financials since the beginning of the financial crisis, our total shareholder return trailed both benchmarks and we reported a net loss for the year. However, we made good progress on three priorities critical to our long-term success: meeting the needs of our clients, reducing risk and managing expenses.

Among our accomplishments in 2009, we:

- maintained top rankings for client service;
- achieved first-quartile employee engagement a year ahead of our goal;
- increased employee philanthropic giving and volunteerism through our Community Partnership Program;
- passed the U.S. government stress test and repaid the U.S. government's TARP investment, providing American taxpayers with a very good return of 12 percent (annualized) on their investment; and
- made additional investments in alternative energy sources.

As we embark on our next 225 years, BNY Mellon is focused on the future. With our company well positioned to create long-term value for our clients and shareholders, we have identified four areas of focus for 2010:

- Contributing to an industry effort to bring about meaningful regulatory reform
- Ensuring opportunities for our employees to grow, advance and contribute to their full potential
- Serving our communities at a time when many of our neighbors are in need
- Further minimizing our impact on the environment

Efforts in these areas will help to keep our company strong, improve quality of life in the communities where we live and work, and preserve our planet. I think our founders would be proud.

I look forward to updating you next year on our progress.

A handwritten signature in black ink that reads "Bob Kelly". The signature is written in a cursive, slightly slanted style.

## Our Company

Established in 2007, BNY Mellon resulted from the merger of two of the most respected names in global financial services, The Bank of New York and Mellon Financial Corporation.

BNY Mellon builds on the tradition of outperformance in global financial services established by its legacy companies, and is focused on helping clients manage and service their financial assets, operating in 34 countries and serving more than 100 markets. A leading provider of financial services for institutions, corporations and high-net-worth individuals, we provide superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide, client-focused team.



## Our Businesses

### Asset Management

A leading global provider of investment management products and services

### Wealth Management

Intensely focused on meeting each client's distinct needs through investment management, wealth and estate planning, private banking, asset servicing and information management

### Asset Servicing

Helping clients worldwide enhance the management, administration and oversight of their investment processes

### Issuer Services

Offering the industry's leading suite of comprehensive corporate trust, depositary receipt and shareowner services

### Clearing Services

An industry-leading provider of operational support, trading services, investment solutions and practice management for financial institutions and independent registered investment advisors

### Treasury Services

Delivering high-quality performance in global payments, trade services, cash management, capital markets, foreign exchange, derivatives and liquidity services

Additional information about our major businesses can be found online or in this *At a Glance* summary at <http://www.bnymellon.com/news/factsheet.pdf>.

## BNY MELLON 2009 CSR SNAPSHOT

Global Business	Unit of Measure	2009 Value
Assets under custody and administration	Trillion USD	\$22.3
Assets under management	Trillion USD	\$1.1
Service: Outstanding debt	Trillion USD	\$12.0
Process: Global payments daily	Trillion USD	\$1.6
Total capitalization	Billion USD	\$33.8
Location of operations	Countries	34
NYSE ticker symbol		BK
Client base: Percent of Fortune 500		87%
Client base: Percent of Fortune 1,000		74%
Client base: Percent of Global 500		71%
<b>Global Employees</b>		
Number of employees		42,200
Total payroll	Billion USD	\$3.0
Employee training hours	Hours per employee	25
Performance Management Program coverage	Percent of employees	100%
Employee retention	Percent of employees	95%
<b>Community</b>		
Total cash donations <sup>1</sup>	Million USD	\$32.3
— Grants and other charitable sponsorships	Million USD	\$19.5
— Community Partnership employee contributions and company match	Million USD	\$12.8
Number of team volunteer hours	Hours	26,000
Number of volunteer and fundraising teams	Teams	650
<b>Environment</b>		
Emissions: Direct CO <sub>2</sub> emissions from operations <sup>2</sup>	Metric tons CO <sub>2</sub>	9,550
Emissions: Indirect CO <sub>2</sub> emissions from operations <sup>3</sup>	Metric tons CO <sub>2</sub>	232,600
Energy: Electricity consumed <sup>4</sup>	Million kilowatt-hours (kWh)	348
Energy: Percentage of global electricity usage offset by renewable energy credits <sup>4</sup>	2009 offset	29%
Energy: Percentage of projected global electricity usage offset by purchase of renewable energy credits	Projected 2010 offset	60%
Energy: Percentage of square feet awarded ENERGY STAR	Owned or controlled sq. ft.	61%
Waste: Total company waste <sup>5</sup>	Million pounds	8.0
Waste: Total recycled material <sup>5</sup>	Million pounds	5.2

<sup>1</sup> Employee and company giving, including our two foundations, BNY Mellon Foundation and BNY Mellon Foundation of Southwestern Pennsylvania

<sup>2</sup> Data is for 2008 calendar year only. 2009 actual emission data is released July 2010

<sup>3</sup> Data is for 2008 calendar year only. 2009 actual emission data is released July 2010. Includes both Scope 2 and Scope 3 indirect emissions

<sup>4</sup> Data is estimated for 2009 calendar year

<sup>5</sup> Data is for tracked facilities only, 8 million sq. ft.

## OUR CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Corporate Social Responsibility (CSR) is fundamental to BNY Mellon's culture and core values. It reflects the corporate social commitments we make to our clients, shareholders, employees and communities around the world. These commitments enable us to perform with the highest standards of good governance and ethics; provide products and services that meet the rising expectations of our clients and business partners; attract and retain quality employees; provide meaningful support in our communities; and improve the social and environmental impact of our business practices and those of our suppliers.

### Our CSR Commitments

- Ensure sound corporate governance and compliance practices, and increased transparency on reporting of those activities
- Maintain ethical policies and provide training to ensure that all employees perform with high standards of integrity and ethics
- Develop and enhance products and services that provide social and environmental options for clients and prospects
- Continue to provide talent management and well-being programs committed to supporting a diverse environment where employees can thrive and excel
- Drive corporate philanthropy that advances quality of life where our employees and clients work, live and do business
- Expand environmentally sustainable management and business practices
- Build relationships with suppliers whose CSR goals and activities are aligned with our expectations
- Continue to enhance programs that ensure proper risk management and data security
- Provide active and engaged CSR oversight including establishment of key performance indicators and communication of progress

2009 GOALS:

2009 RESULTS:

**Governance**

**Board Governance**

CSR Committee continue rigorous review process

CSR Committee met four times, set high standards for analysis and review

**Ethics/Compliance**

Continue high level of performance in annual survey

Completed all eight benchmarks of the ethics and compliance diagnostic survey

**Political Activity & Lobbying**

Update policies to reflect current environment and institute board review; communicate practices to the public

Political policies updated; Political Activity Statement developed and published; CSR Committee review established

**Shareholder Reporting Transparency**

Continue CSR reporting and enhancing the depth and transparency of shareholder reporting

Developed significantly expanded reporting

**Business**

**Client Satisfaction**

Maintain or improve positive ratings; improve relationship areas targeted from 2008 surveys

Annual measurement of operational service quality continuing with 10 businesses fielding surveys

**Socially Responsible Investments**

Increase assets managed under socially responsible investment products

Assets under management increased; two existing funds ended in top quartile of peer group; newest sustainability fund ended year up 25%; launched one hedge fund

**Global Environmental Markets**

Launch expanded carbon services offering and grow membership and credits under management

Launched Global Environmental Markets custody, trade settlement platform and Strategic Innovation Board for Environmental Financial Markets; focused development on product expansion and away from exclusive VCU custody work; VCU membership and credits decreased due to credit risk

**Suppliers Engaged**

Review CSR programs of all major suppliers

Reviewed CSR programs for major suppliers, representing 50% of total corporate supplier spend

**Supplier Diversity**

13% total spend on priority vendors

17% total spend on priority vendors; 10% with women and minority business

**Employees**

**Employee Engagement**

Continue to work toward achieving first-quartile performance by 2010

Achieved 2010 first-quartile performance goal on employee engagement, one year ahead of plan; diversity and inclusion measures continued to trend upwards for third consecutive year

**Performance Management Program**

Global implementation of online Performance Management Program

Globally rolled out online Performance Management Program; consistent approach is now used by all employees in goal setting, individual development planning, mid-year reviews and year-end appraisals

**Affinity Networks**

Continue global expansion

Globally expanded affinity networks with more than 6,000 employees participating in events; company recognized with more than 25 diversity and inclusion-related awards

**KEY PERFORMANCE INDICATORS    2009 RESULTS**

**2009 GOALS:**

**2009 RESULTS:**

**Community**

**Impact of Philanthropy**

Produce meaningful and measurable results from major impact programs

Created meaningful and measurable results through employee-based Community Partnership program and new philanthropy focus — Powering Potential

**Level of Employee Engagement in Community Partnership Program**

Sustain value of giving and employee engagement in this difficult economic environment

Increased value of giving and employee engagement

**Community Reinvestment Act (CRA) Ratings**

Maintain our ability to achieve Satisfactory or better ratings

Maintained satisfactory or better ratings

**Environment**

**Environmental Management System**

Continue to make material progress in each area of commitment

Earned environmental sustainability program recognition through the Carbon Disclosure Project and extended practices to more areas of the company through green building design and investments in alternative energy sources

## KEY PERFORMANCE INDICATORS 2010 GOALS

This year, we revised our list of Key Performance Indicators to focus on the three areas that we have identified to be of particularly high value, with opportunity for significant progress:

- Employee engagement
- Community support
- Environmental sustainability

The areas of governance and business continue to be of great importance from a CSR perspective, but are not expected to significantly change in 2010. All areas, including these, are regularly reviewed by our CSR Committee of the Board.

### 2010 GOALS:

#### Employees

##### **Employee Engagement**

Continue to focus on first-quartile engagement in 2010

##### **Employee Development**

Globally implement expanded talent development opportunities and tools for managers and employees at all levels of the organization

##### **Diversity and Inclusion**

Sustain positive trends in diversity and inclusion measures in annual engagement survey

#### Community

##### **Impact of Philanthropy**

Measurably increase the impact of our philanthropy

#### Environment

##### **Environmental Management**

Continue to be a leader among financial institutions in environmental sustainability



# STRONG GOVERNANCE:

We are committed to maximizing and protecting the long-term value of our company.

In this section, specific areas of focus are:

- Corporate Governance
- Active Risk Management
- Uncompromising Compliance and Ethics Principles
- Resilient and Prepared Business Continuity
- Focus on Stakeholders
- Creating Superior Shareholder Value
- Government Engagement

## Corporate Governance

Our board of directors has the primary responsibility of overseeing BNY Mellon's management in the interests of the company and its shareholders. Our directors are subject to the Directors' Code of Conduct. This code is intended to provide guidance to our directors to help them recognize and deal with ethical issues, provide mechanisms to report possible unethical conduct, and foster a culture of honesty and accountability.

The Directors' Code of Conduct requires directors to:

- avoid any conflicts of interest between the director and the company;
- comply with the procedures set forth in our related party transactions policy;
- maintain the confidentiality of information entrusted to them by the company and any other confidential information about the company that comes to them, except when and to the extent that disclosure is authorized by the company or legally mandated;
- endeavor to deal fairly with the company's clients, suppliers, competitors and employees;
- protect the company's assets and oversee their efficient and effective use;
- comply with laws, rules and regulations applicable to the company, and oversee compliance by employees, officers

- and other directors of the company;
- encourage the reporting of any possible illegal or unethical behavior; and
- communicate any suspected violations of the code promptly to our general counsel or the chairman of our Corporate Governance and Nominating Committee.

A copy of the Directors' Code of Conduct is available on our Web site at [www.bnymellon.com/governance/directorscodeofconduct.pdf](http://www.bnymellon.com/governance/directorscodeofconduct.pdf).

We have also adopted Corporate Governance Guidelines, which are available on our Web site at <http://www.bnymellon.com/governance/guidelines/index.html>.

These guidelines address a wide variety of corporate governance matters, including the board's roles and responsibilities; the board's annual self-evaluation; board composition; director qualifications; board diversity; director independence; the role of the lead director; director resignations; board meetings, agendas and materials; board information and resources; board committees; director orientation and training; communications with directors; director compensation; director stock ownership; and authority delegated to management.

Non-management directors hold executive sessions without management at each regularly scheduled board and committee meeting. Any interested party, including shareholders and employees, may communicate directly with the lead director (who is independent of management). Such communications may include complaints regarding accounting, internal accounting controls or auditing matters and confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters. Such communications may be made by letter addressed to:

The Bank of New York Mellon Corporation  
 Church Street Station  
 P.O. Box 2164  
 New York, N.Y. 10008-2164  
 Attn: Non-Management Director

Interested parties may also send such communications to the lead director by e-mail at [non-managementdirector@bnymellon.com](mailto:non-managementdirector@bnymellon.com).

## Committees of the Board

- Audit Committee**
- Corporate Governance and Nominating Committee**
- Corporate Social Responsibility Committee**
- Executive Committee**
- Human Resources and Compensation Committee**
- Risk Committee**

The board of directors has six standing committees: Audit; Corporate Governance and Nominating; Corporate Social Responsibility; Executive; Human Resources and Compensation; and Risk. Each committee (other than the Executive Committee) consists entirely of independent directors and has a charter that sets forth its roles and responsibilities. Each committee conducts an annual self-assessment. Information concerning the members of each board committee, as well as a copy of each committee's charter is available on our Web site at <http://www.bnymellon.com/governance/committees/index.html>.

Information concerning our board committees is also available under "Board Meetings and Board Committee Information" on pages 20 to 23 of the proxy statement for our 2010 annual meeting. A copy of our 2010 proxy statement is available on our Web site at <http://www.bnymellon.com/investorrelations/annualreport/2009/proxy.pdf>.

For a detailed description of our corporate governance matters, including director independence, the role of the lead director, our board leadership structure, and the role of the board in risk oversight, please see the section titled "Corporate Governance Matters" on pages 26 to 34 in the 2010 proxy statement.

## Independence of the Board

Independent Members  
13

Non-independent Members  
2

### Corporate Social Responsibility Governance

The Corporate Social Responsibility Committee of the board, which is made up entirely of independent directors, reviews the program and its progress regularly. Committee members provide oversight and discuss each of the areas covered by the Key Performance Indicators and other subject related goals, as well as development of this annual CSR report.

At BNY Mellon, CSR is managed by a team of dedicated specialists who work with individual program areas across the company to develop and coordinate initiatives, monitor progress on material issues and build the annual CSR report. Each program area is responsible for planning and executing the initiatives specific to their business.

During the third and fourth quarters of 2009, we began plans for a CSR Management Council that will be implemented in 2010. The structure of this council matches our approach to corporate social responsibility, where the execution and management of each CSR area is owned by the individual part of the company. The CSR Management Council will work to build collaboration by bringing together internal subject matter experts, as well as senior leaders representing all of our business and major regions globally. The CSR Committee of the Board of Directors will continue to provide oversight and guidance to the CSR Team and CSR Management Council.

## 2010 CSR Governance and Management



## Active Risk Management

The understanding, identification and management of risk are essential elements for the successful management of BNY Mellon. Our primary risk exposures are credit risk, market risk and operational risk. An extensive discussion of credit and market risk management can be found in the BNY Mellon Annual Report.

### New Product Risk

When new products are introduced, corporate policy requires a product review and risk assessment. The review and risk assessment requires the approval of senior business management and senior risk management officers. It ensures that: the product is in full compliance with corporate policies and all legal and regulatory requirements; any preconditions to the product offering are met; product performance is tracked against standards; risks are identified and effective controls exist; and a post approval review of the product risk profile and financial results is conducted within 12 months of product launch.

### Social and Environmental Risk

Besides those relating to Compliance and Ethics, BNY Mellon does not have specific environmental or social policies or training that are applied across the board to our lines of business. Each sector and boutique firm explores opportunities

within regulatory guidelines to meet the specific goals and needs of their clients. The individual line of business is responsible for actively identifying, assessing, and managing the risks it takes. The development of new products and services addressing climate change is most directly related to Global Environmental Markets discussed later in this report.

### Operational Risk

To address operational risk, we maintain comprehensive policies and procedures and an internal control framework designed to provide a sound operational environment. These controls have been designed to manage operational risk at appropriate levels given our financial strength, the business environment and markets in which we operate, the nature of our businesses, and factors such as competition and regulation. Our internal auditors and internal control group monitor and test the overall effectiveness of the internal control and financial reporting systems on an ongoing basis. We have also established procedures that are designed to ensure that policies relating to conduct, ethics and business practices are followed on a uniform basis. Among the procedures designed to ensure effectiveness are our Code of Conduct, and Know Your Customer and compliance training programs, which are explained in more detail in the following section.

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## Uncompromising Compliance and Ethics Principles

Our Compliance and Ethics program, **Doing What's Right**, is designed as a partnership among our employees, business managers and Compliance and Ethics professionals — all of whom recognize the importance of their role in ensuring that our company's actions are both compliant with applicable laws and conducted in an ethical manner. Accordingly, employees are counseled to avoid situations that may give rise to questions concerning ethics, including situations that could be construed to be an actual or perceived conflict of interest.

As a leader in the global financial services industry, we recognize the risks inherent in the ever-changing global economy and the importance of having knowledgeable, well-trained employees to minimize those risks and protect shareholder value. As a result, we deployed several key resources and training programs to our employees during 2009, which include:

- a Code of Conduct written in simple, straightforward text, which applies to all employees worldwide, regardless of position or hours worked;
- annual employee certification of compliance with an understanding of the Code of Conduct and its key principles;
- continued online ethics training based on real-life scenarios;
- regular employee communications illustrating real-life ethical conflicts; and
- continued monitoring and, when necessary, updating of compliance and ethics policies.

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100 percent of active employees are required to either complete a 60+ Code of Conduct questionnaire or certify their compliance with the Code of Conduct

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## Doing What's Right — 6 Key Principles

**Respecting others** — Mutual respect, professional treatment, harassment-free environment, safety, security, managers' responsibilities

**Avoiding conflicts** — Gifts; entertainment; outside employment; outside business dealings; outside service as a director; officer or general partner; ownership of an outside business; fiduciary responsibilities; personal investment decisions; dealing with family and close personal friends; corporate opportunities

**Conducting business** — Fair competition, anti-trust, anti-corruption, improper payments, combating financial crime, anti-money laundering

**Working with governments** — Obligations, basic principles

**Protecting assets** — Financial integrity; additional standards for senior financial professionals; use of company assets; protecting client and employee records; observing our privacy principles; records management; use of computers, systems and corporate information; inside or proprietary information

**Supporting our communities** — Political activities; investor and media relations; charitable contributions; corporate sponsorships; participating in trade associations, conferences and speaking engagements

Additional resources available to employees include:

- Ethics Help Line operated by BNY Mellon Ethics Office
- Ethics Hotline operated by EthicsPoint®, an independent hotline administrator
- Incident reporting through an easy-to-use desktop application
- Director's mailbox — lead director of the board

Looking forward, we remain committed to doing what's right. We will continue to identify best practices, incorporating them into our policies and processes to reflect new or changing industry standards. We will continue to develop relevant, broad-based compliance and ethics training programs to ensure that employees are equipped to not only conduct business in full compliance with applicable laws and regulations, but also in accordance with the highest

possible standards of ethical conduct. Our compliance training focuses on topics that apply across our business lines and on industry-specific issues such as anti-money laundering, as well as company-specific issues, such as Information Protection and Classification Standards. In 2010, online courses on Insider Trading and the BNY Mellon Code of Conduct will be added to the five existing Compliance and Ethics courses that are mandatory for all employees.

Our ethics training extends to security personnel as well. Companies providing security staff to BNY Mellon in the United Kingdom are required to provide training on equality and diversity, powers of arrest and dealing with aggressive individuals. The current staff is 100 percent compliant with this requirement. Additional ongoing training in these areas is being made available to security personnel in the near future. BNY Mellon also has security personnel services provided by companies in Brussels. These personnel are trained on diversity, dealing with hostile people, duty of care and legal rights. The current staff is 95 percent compliant with this requirement; annual refresher training on these topics is also mandatory. The security personnel companies providing services to BNY Mellon in the United States are required to provide training on use of force, powers of arrest, workplace violence and harassment, conflict resolution and demonstration or protest procedures. The current staff is 95 percent compliant with this requirement; ongoing training in these areas is also available to the security staff.

### Ethics and Compliance Courses

*Mandatory for all Employees Company wide*

#### 2009

**Anti-Money Laundering  
Ethics  
Government Contracts  
Information Protection  
Privacy Practices**

#### 2010

**Anti-Money Laundering  
Code of Conduct (NEW Q3 launch)  
Ethics  
Government Contracts  
Information Protection  
Insider Trading (NEW Q2 launch)  
Privacy Practices**

## Resilient and Prepared Business Continuity

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BNY Mellon's first priorities in any emergency are the safety and wellbeing of our employees, the security of our clients' financial assets and the continuity of our businesses.

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Our Global Business Continuity program is designed to ensure resilience and preparedness to withstand and recover from natural or man-made emergencies. This is increasingly important as BNY Mellon expands globally and continues to monitor, adjust and reinforce our business continuity planning strategies and worldwide recovery processes.

Overall, the company's response to any emergency is based on best practices learned from actual events and testing. Service reliability and systems resilience are essential components of the company's business strategy. The Global Business Continuity group guides BNY Mellon's businesses and recovery coordinators, helping them to identify and manage risks and prepare the company for continued service in the face of events or disruptions. BNY Mellon's business continuity planning programs focus on three key areas: crisis management, business resumption and technology recovery.

The company reached key milestones in this area during 2009. The company's Pandemic Task Force successfully led our businesses through the effects of the H1N1-A pandemic.

The plan is based on best practices in the industry and designed to minimize business disruptions while also protecting our employees. Among other things, we employed social distancing techniques and remote access, activated cross-regional recovery plans and made the latest medical advice available to employees throughout the event. Employee education was a primary focus, with BNY Mellon's H1N1 Flu Web site up and running on the company's intranet within 48 hours of the outbreak.

In addition, throughout the year and in consultation with our team of global coordinators, we continually assess our business resumption readiness. This year, we celebrated a milestone with the completion of the Pittsburgh Business Recovery Center (PBRC), a state-of-the-art center that adds 1,500 in-person or remote-usage capacity seats to our worldwide recovery capabilities. Created in less than two months from a former industrial data center, the PBRC's first full-scale, full-occupancy use provided BNY Mellon and its clients with complete continuity of service during the Pittsburgh G-20 Economic Summit held in September and hosted by U.S. President Barack Obama.

## Focus on Stakeholders

BNY Mellon engages in substantive interaction with our stakeholders in order to inform our decision-making and understand the full impact of our company. The reputation of our company is affected by each of these groups, so we value their input and perspective. We developed the accompanying chart to identify primary BNY Mellon stakeholder groups, along with areas of focus for each relationship. Also, in order to obtain an external perspective on the development of this report, we consulted with Business for Social Responsibility (BSR) regarding key content and material issues.

The global focus of our stakeholder engagement programs will be a focus in 2010. For instance, we'll be increasing our

communication and interaction with international communities through philanthropy and government affairs, as well as our environmental sustainability efforts. Additionally, we expect that the creation of a CSR Management Council will enrich the conversation with stakeholders from functional areas across the company. This will be an excellent venue from which to collaborate on feedback received through our multiple surveys and communication vehicles.

Immediately following this section, we discuss our commitment to shareholders, and engagement with government stakeholders. In later sections of this report, we specifically address our clients, employees, communities, and the environment.

### SHAREHOLDERS

#### **Our Responsibility**

Manage company in best interest of shareholders

#### **Our Interaction**

Annual and quarterly reports and meetings  
Webcasts and conference calls  
Financial services conferences  
Proxy voting

### CLIENTS

#### **Our Responsibility**

Excellent service

#### **Our Interaction**

Client satisfaction survey  
External surveys  
Informal/formal meetings

### EMPLOYEES

#### **Our Responsibility**

Foster an engaged workforce  
Treat employees fairly

#### **Our Interaction**

Engagement survey  
Town halls  
Performance Management and Development programs  
Affinity networks

### COMMUNITIES

#### **Our Responsibility**

Build better communities

#### **Our Interaction**

Financial support  
Volunteering  
Fundraising



### ENVIRONMENT

#### **Our Responsibility**

Good environmental stewardship

#### **Our Interaction**

Strong environmental management of company facilities  
Carbon Disclosure Project signatory

### GOVERNMENT

#### **Our Responsibility**

Corporate citizenship  
Share expertise

#### **Our Interaction**

Advise  
Advocate

### EXTERNAL PARTNERS

#### **Our Responsibility**

Understand market trends  
Share expertise

#### **Our Interaction**

Solicit feedback  
CEO and senior leaders industry outreach

### SUPPLIERS

#### **Our Responsibility**

Ensure quality and compliance  
Be responsible with buying power

#### **Our Interaction**

Risk survey and evaluation

\* External partners include peer companies, nonprofits and other industry associations.

As a global company, we partner with dozens of external organizations. Following are some of the major industry associations in which we have substantive relationships:

- Bank Administration Institute
- Bank Technology Conference
- Bankers Association for Finance and Trade
- BITS
- British Bankers Association
- CFA Institute
- CHIPS
- Clearing House
- Depository Trust and Clearing Corporation
- Electronic Check Clearing House Organization
- European Securities Forum
- Financial Services Forum
- Financial Services Roundtable
- Foreign Exchange Committee
- Information Technology Senior Management Forum
- National Association of Pension Funds
- National Association of Securities Dealers
- The Association of Global Custodians
- The Clearing House

## Creating Value for Shareholders

As one of our core stakeholders, we are committed to creating long-term value for our shareholders. Our businesses are revenue-led, driven by organic growth and market share gains and supplemented with incremental acquisitions or divestitures. Our long-term financial goals are focused on achieving superior total shareholder returns by generating first-quartile earnings per share growth over time relative to a group of peer companies. Key components of this strategy include:

- providing the best client service versus peers, as measured through independent surveys;
- strong investment performance, relative to investment benchmarks;
- above-median revenue growth, relative to peer companies for each of our businesses;
- increasing the percentage of revenue and income generated outside the U.S.;
- competitive margins; and
- positive operating leverage.

We provide quarterly and annual reports of our financial results, host quarterly conference calls to discuss our results and participate in financial services conferences to review our strategy, objectives and results. Our senior management is actively engaged with our shareholders, securities analysts, rating agencies and others in the investment community. We gather feedback from investors and analysts through our direct interactions and also through independent surveys, which are done on a monthly basis by a third party. We use all of this feedback to enhance our financial disclosures. Throughout the financial crisis, we have incorporated a number of

suggestions from the investment community in many areas, including providing more detailed metrics for our business lines and enhanced disclosure around our investment securities portfolio. Investors often express their appreciation for our thorough disclosure, and our goal in our financial disclosures continues to be to provide the highest level of transparency possible.

## Troubled Asset Relief Program

In early June, BNY Mellon repaid the investments made in the Company by the U.S. Treasury during the fall of 2008, making it one of the first companies to return all funds with interest.

In total, BNY Mellon received \$3 billion under the Troubled Asset Relief Program (TARP) and repaid the Treasury \$3,036,250,000. This amount reflects the liquidation value of the company's preferred stock along with dividends. Moreover, it represents a 12 percent return to taxpayers (annualized).

"We appreciate the support that the U.S. taxpayers and U.S. government provided to our industry and the overall economy at a critical time. It is fitting that during this anniversary year, our company has continued to play a critical and stabilizing role in the global economy." — Bob Kelly, Chairman and CEO, BNY Mellon

## STAKEHOLDER ENGAGEMENT: Industry Partners

With the stability of the global financial system at stake, our company is contributing to an industry effort to bring about meaningful regulatory reform.

Our CEO, Bob Kelly, chairs the Financial Services Forum, comprised of CEOs of 18 of the leading U.S. financial services companies and serves on the boards of the Financial Services Roundtable, which represents 100 of the largest integrated financial services companies, and the Institute of International Finance, an internationally focused entity. Through these organizations and BNY Mellon's own outreach, Bob and other senior company leaders are crafting proposals and working to ensure we are part of a constructive dialogue as policy is shaped.

## Government Engagement

The success of our business is directly tied to the health of the global capital markets, giving us a vested interest in the current policy debate over measures to strengthen the financial system.

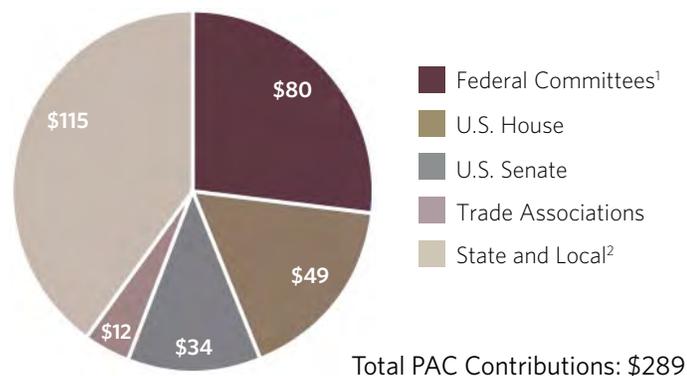
The challenge is to enact reforms thoughtfully, without compromising the ability of American financial companies to lend or compete globally. The well-being of our industry is essential to creating jobs and supporting the recovery as well as ensuring that taxpayers are not footing the bill. Often these are competing priorities, which can make final action difficult.

Given our role as a provider of critical infrastructure for the global financial markets and our daily interaction with all major financial institutions, we have special insights into the inner workings of the markets that can help advance a constructive dialogue. The debate over reform is expected to be an ongoing and dynamic process, and we are fully committed to participating in the discourse for the good of the industry, our clients and our company.

### Political Activity (U.S. Only)

We believe that participation in the political process is an integral part of corporate citizenship and representing the company's business interests. One such form of participation is making political contributions where allowed.

### 2009 PAC Contributions (in thousands)



<sup>1</sup> Includes contributions to federal candidates through federal accounts of state parties and association PACs (DELPAC and NY Bankers)

<sup>2</sup> Includes state executive, House, Senate, trade associations, county, and local

BNY Mellon is subject to an extensive system of laws and regulations, and changes to such laws and regulations can have a significant impact on our shareholders, clients, employees and communities. Actively participating in discussions and debate about such changes is critical to ensuring that our interests are appropriately considered. And, where legally permitted, moderate political contributions are used to help elect candidates with views and positions consistent with our company's on important issues.

We make political contributions only as permissible by law, including contributions made through our company's political action committee (PAC). Our PAC is a voluntary, non-profit, bipartisan association that provides financial support to political candidates and committees. The PAC, which operates solely on the voluntary contributions of eligible employees, is regulated by the Federal Election Commission (FEC) and files regular reports with the FEC and relevant state election commissions on its receipts and disbursements. Reports filed with the FEC are available to the public at [www.fec.gov](http://www.fec.gov).

Our PAC makes contributions to U.S. federal candidates, a limited number of state and local candidates, their campaign committees and other PACs. When making specific contribution decisions, the PAC considers a number of factors, including the candidates' positions on issues related to our business, their leadership positions, their legislative committees and communities they represent.

### 2009 CONTRIBUTIONS: CORPORATE

In 2009, corporate political disbursements were a combined total of less than \$10,000.

Corporate contributions, which are managed separately from donations by the PAC, have historically been relatively minor due to the nature of our business and corporate practices.

### 2009 CONTRIBUTIONS: PAC

In 2009, employees donated \$490,000 to the Political Action Committee, which subsequently distributed a total of \$289,000.

The PAC disbursements vary from year to year, and we expect that federal contributions in 2010 will be closer to 75 percent of total.

### Review and Oversight

Our Corporate Affairs division oversees all political activity by or on behalf of BNY Mellon, including the administration of our PAC. It is also responsible for selecting candidates to support and, in conjunction with our Legal department, ensuring that BNY Mellon's political activity complies with applicable legal requirements. The Corporate Social Responsibility Committee of our board of directors, which consists entirely of independent directors, provides oversight of BNY Mellon's programs regarding government affairs, including lobbying and political contributions.

BNY Mellon's Code of Conduct requires all employees to receive permission for the use of BNY Mellon's name or resources in connection with political events, political candidates and their campaigns, political parties or political committees.



## RESPONSIBLE BUSINESS:

In this section, specific areas of focus are:

- Ensuring Client Satisfaction
- Helping Clients Understand Risk
- Environmental, Social and Governance Screening
- Socially Responsible Investments
- Growing the Environmental Markets
- A New Approach to Working with Suppliers
- Supplier Diversity

The world has come to look at the business of the financial services industry differently over the last few years. Regulation, stability, risk, products, and responsibility were all called into question and are actively being reevaluated. In the three years that we have produced a CSR report, the core business and makeup of our own company has been in a period of transition as well as we navigated through a successful merger. With this in mind, we decided to expand our CSR reporting in the Responsible Business section.

This year, a more comprehensive Responsible Business section also addresses client risk and our growing use of environmental, social and governance screening. Also, we have added a highlight piece on our interaction with suppliers, which includes a pilot CSR survey, an environmental screen of corporate travel partners and our continuing efforts on supplier diversity.

We are focused on world-class client satisfaction; these are just a few of the awards we've received.

### **Fortune World's Most Admired Companies, 2009**

- No. 1 Superregional Bank (U.S.)

### **Financial News, Awards for Excellence in Institutional , 2009 — Asset Management**

- Equity Manager of the Year - Newton

### **Global Custodian Global Custody Survey, 2009**    **Asset Servicing**

- No. 1 in North America Overall
- 70 Best In Class Awards
- 2 Top Ratings
- 6 Commended Awards

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- No. 1 in North America Overall
- 70 Best In Class Awards
- 2 Top Ratings
- 6 Commended Awards

### **Investment News, 2009**

- No. 1 U.S. clearing firm ranked by broker-dealer customers — Pershing

### **Global Investor 2009 FX Survey**

Ranked #1 in 39 categories, including:

- Best Foreign Exchange Service Overall
- Best Sales Coverage
- Best Research
- Best Trading

### **Global Finance World's Best Foreign Exchange Banks, 2009**

- Best Foreign Exchange Research
- Best Technical Analysis
- Best Forecasts

### **R&M Global Custody Service**

- Rated No. 1 overall in the following categories:
  - The Experts (respondents using five or more custodians)
  - USA
  - UK Asset Owners
  - USA Asset Owners
  - USA Asset Managers

### **Thomson Reuters, 2009**

- Top U.S. Trustee

### **Warabak Research Bank Leader Survey, 2009**

- No. 1 in nine of 14 categories

## Ensuring Client Satisfaction

Client satisfaction is key to growing our company and building our brand. When we deliver great service and value for our clients, it fosters a high level of loyalty and often leads to new business opportunities.

We monitor client satisfaction by conducting annual surveys of clients across our major business areas. We collect feedback from more than 3,000 clients every year and use it to take action on client input about our products and services. Clients' attitudes about our brand can also affect marketplace perceptions. In annual marketplace surveys, we assess our brand strength using ratings from more than 1,400 prospects and clients concerning the awareness and reputation of our brand. Our businesses also participate in a large number of customer satisfaction and performance surveys conducted by trade publications and industry groups.

Client satisfaction levels and brand strength measures are reported to our company's Executive Committee throughout the year as updated data becomes available. The committee assesses progress against our goals and then defines appropriate follow-up actions to ensure the best possible client satisfaction and brand strength.

### STAKEHOLDER ENGAGEMENT: Clients

We invited representatives from four of our largest clients to a meeting of our Operating Committee, the team of top executives from around the world who lead our company, to hear their views on our performance and insights on how we can be a better partner going forward. The participants were the CEO of a major hedge fund, a central banker from the Middle East, a top executive of one of the world's largest Europe-based banks and the chairman and CEO of a Fortune 100 company. The clients offered both praise and some very pointed observations that challenged us to become an even better partner. Highlights of the session were shared with all staff globally to help direct their efforts at continuous improvement.

## Helping Clients Understand Risk

Following the market dislocation of 2008 and early 2009, investors globally have been looking to better understand the risks of their portfolios and mitigate them wherever possible. In 2009, we introduced new capabilities that allow asset owners (such as pension plans) and asset managers to better understand the risks and sensitivities inherent in their portfolios. Through a partnership with Investor Analytics, a market-leading risk provider, clients can now evaluate enterprise-wide risk with capabilities including:

- quantifying sources and drivers of risk across portfolios, including single- and multi- asset class;
- identifying key statistics and measures of risk such as Value at Risk (VaR); and
- responding to "what if" questions through portfolio stresses and scenario analysis.

Through the provision of additional risk capabilities, BNY Mellon is helping our clients proactively monitor and manage risk and make informed investment decisions.

## Environmental, Social and Governance Screening

Investors have been placing an increasing emphasis on environmental, social and governance (ESG) considerations when making investment decisions. Historically, fiduciary responsibility such as the role performed by investment committees and trustees has often been defined exclusively in financial terms, such as maximizing returns to provide for retired employees. However, there is growing discussion that the way in which those returns are achieved is just as important.

In 2009, BNY Mellon added significantly to the number of ESG screens available to clients of our post-trade investment compliance monitoring service. This service allows for monitoring of investment portfolios to ensure adherence to client-specified guidelines. Historically, BNY Mellon supported just a handful of common, client-requested ESG screens (alcohol, tobacco and gambling), but this has been enhanced in 2009 to include more than 20 controversial business issues. By incorporating this data, we can help clients to:

- identify positions or investments in companies that violate a specified industry or sector;
- better understand the business mix and revenue drivers for companies that often operate in multiple businesses; and
- support government requirements related to Office of Foreign Asset Control (OFAC) restrictions.

In 2010, we will be looking at ways that ESG data can be used not just from a prohibitive perspective, but also to help identify companies that will outperform in the future, based on their environmental or social responsibility.

## Socially Responsible Investments

BNY Mellon Asset Management is a leading global provider of investment management products and services. With a great depth and breadth of expertise, we help clients achieve their goals through a wide array of strategies, in every major sector and asset class and through various distribution channels.

Our clients include some of the world's leading corporations, governments, unions, foundations, endowments, mutual funds and high-net-worth individuals. Our independent investment firms provide asset management service that is responsive to our clients' needs, transparent in its processes and is consistently working to pursue strong performance and results for clients. For some clients, socially responsible investment (SRI) is an important part of their portfolio. We help those clients achieve their goals through a number of vehicles.

In 2009, BNY Mellon saw a marked improvement in equity values but a diminished appetite for equity investments continued. This affected SRI funds as well as standard equity funds. Our experience in SRI in terms of asset flow was on par with the industry. However, our investment performance was quite good, with our largest funds doing particularly well compared to respective peer groups. BNY Mellon is well positioned with these offerings, if fund flows improve in 2010.

			
<b>Third Century Fund</b>	<b>Mellon First Principle Fund</b>	<b>Socially Responsible Growth Fund</b>	<b>Global Sustainability Fund</b>
<b>One of first SRI funds on the market, launched in 1972</b>	<b>Hedge fund of funds</b>	<b>Launched in 1993</b>	<b>Global Sustainability Fund Launched in December 2008</b>
<b>Assets under management \$243 million</b>	<b>Assets under management \$232 million</b>	<b>Assets under management \$228 million</b>	<b>Assets under management \$7.5 million</b>
<b>Performance: first quartile of respective peer groups — Lipper</b>	<b>Performance: first quartile of respective peer groups — Hedge Fund Review</b>	<b>Performance: Performed in the upper half of its peer universe</b>	<b>Performance: Grew almost 25 percent in 2009</b>
<b>Exceeded S&amp;P 500 benchmark by 6 percent</b>		<b>Benchmark: S&amp;P 500</b>	<b>Benchmark: Dow Jones Sustainability Index</b>
<b>Focus: Enhances the quality of life in America*</b>	<b>Focus: Avoids certain criteria, such as weapons of mass destruction and pornographic materials</b>	<b>Focus: Enhances the quality of life in America*</b>	<b>Focus: Environmentally sustainable operations and/or products</b>

\*Quality of life in America: protection and improvement of the environment and the proper use of our natural resources, occupational health and safety, consumer protection and product purity, Equal Employment Opportunity

## Newton Responsible Investing

Newton has a well established approach to responsible investment, which is integral to our investment process. On behalf of our clients, Newton's responsible investment team is charged with exercising voting rights, conducting research and carrying out engagement activities on environmental, social and governance matters.

The work of Newton's responsible investment team is not a necessarily geared towards the exclusion of potential investments. Rather, it aims to achieve a better understanding of the relevant ESG risks or seeks an improvement in the behavior of the investee company.

For more information on Newton's CSR engagement and research, please visit [http://www.newton.co.uk/core/resources/responsible\\_investment/responsible\\_investment.html](http://www.newton.co.uk/core/resources/responsible_investment/responsible_investment.html)

## Mellon Capital Responsible Investing

Mellon Capital Management Corporation views environmental, social and governance/socially responsible investment (ESG/SRI) as a complement, not compromise, to its investment approach. We incorporate ESG/SRI guidelines in indexing and active equity strategies while staying true to Mellon Capital's core investment philosophy and disciplines. Our systematic approach to investing emphasizes risk control and efficient implementation.

Mellon Capital has provided custom ESG/SRI solutions to institutional clients for more than 20 years. As of the end of 2009, our ESG/SRI-related assets under management were over \$7.8 billion, of which \$4 billion were indexing and \$3.8 billion were active. Some examples of inclusive or exclusive screens include sustainability, socially responsible investing and other criteria dictated by individual client investment policies.

## Growing the Environmental Commodities Market

Our Global Environmental Markets (GEM) group brings together our securities processing expertise and products from throughout our organization. Our core competencies in global record-keeping, custody, escrow, trade processing, funds transfer and securities servicing allow BNY Mellon to provide the complete spectrum of services that might be required by a carbon security holder.

Carbon offsets and allowances (carbon securities) exist in many forms and jurisdictions. We see ourselves primarily as a provider of infrastructure and support to help the carbon markets grow and mature. To do this, we segregate the carbon securities market into three constituencies:

- Issuers and administrators of carbon securities
- Investors and liquidity providers in carbon securities
- End users of carbon securities

Each of these three groups has differing needs, concerns and goals. Our spectrum of securities services dovetails nicely with the requirements of each of these groups. While legislation has yet to concretely define the precise market environment, we are poised to offer our services to each of these groups. The following describes how we can assist them in achieving their future goals.

Issuers require support primarily at the time carbon securities are created, and again when they are retired, for compliance or social responsibility purposes. Our experience in supporting securities auctions and distributions matches perfectly with issuers' needs. Subsequent to the creation of the securities, a record-keeping engine will be required. Our standing as the largest debt trustee and a leading equity registrar provides proven policies and practices to ensure the accurate and efficient tracking of carbon securities after they are issued. Finally, at the time of retirement, the issuer will require support to process the carbon securities being delivered for cancellation. Our demonstrated capabilities in debt and equity tender processing will provide issuers with confidence that we are able to meet their needs. Issuers can look to BNY Mellon for their carbon securities processing needs throughout the securities' lifecycles.

The second segment of carbon securities market investors has slightly different requirements. Investors are seeking the most efficient custody and trade processing platform to facilitate their proprietary trading and their clients' trading. Our ability to custodize the majority of carbon security types on our proprietary carbon custody platform meets these needs. The custody platform can not only house all of the details behind a carbon security, but it can also provide online document custody for associated documents and record accounts in most currencies. By housing carbon securities, their related documents and cash accounts on one system, the investors can execute transactions from one secure engine rather than using multiple providers. In addition, our experience in

providing escrow, securities lending and securities swaps services will allow investors to confidentially commit capital to carbon securities.

The third segment of the carbon securities market is end users. They may be emitters that require the carbon securities for regulatory compliance, corporations seeking to achieve a higher level of CSR and environmentally responsible organizations, or individuals seeking to offset their carbon footprints. End users can access our auction and trade support services when acquiring carbon securities and our custody services until the carbon securities are retired, transferred or sold.

We have extensive expertise in securities servicing and issuer services — all of which can be applied to the carbon securities market. The global reduction of emissions relies on a market that allows participants to issue and trade allowances and credits in a confident and secure manner. BNY Mellon is committed to being an active participant in achieving the carbon securities constituencies' collective environmental goals. We will lead through the direct actions of our company and are committed to assisting our clients, communities and employees in their efforts to meet their respective environmental goals.

## A New Approach to Working with Suppliers

This section is an extended discussion of suppliers featured only in this year's CSR report.

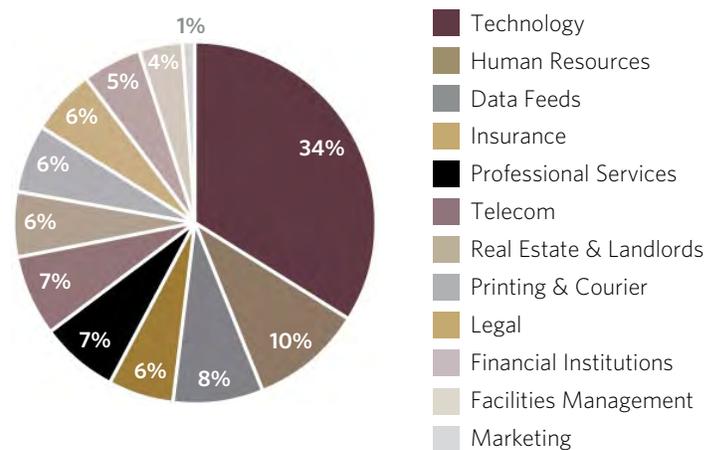
The BNY Mellon CSR Statement affirms our commitment to "improve the social and environmental impact of our business practices and those of our suppliers." In practice, that means we intend to build relationships with suppliers — especially major suppliers — whose CSR goals and activities are aligned with our expectations.

With this commitment, 2009 represented a transitional year in our approach with our supply chain partners. Many questions were raised about the extent to which suppliers' social and environmental actions should or could be examined. As a financial services company, we recognize that the environmental impact and inherent risk within our supply chain will be different than other, more product-focused industries. However, we still rely on a sizeable quantity of suppliers in order to operate on a daily basis, and believe it is our responsibility as a company to be aware of the indirect impact of our spending dollars. With this in mind, we conducted two initiatives that focused on our supply chain: first, a CSR review of top suppliers, and second, a sustainability-driven survey specific to corporate travel.

### Supplier CSR Review

The scope of the analysis includes major global service providers from 2008 and 2009, for BNY Mellon and our wholly owned subsidiaries. Through the selection process detailed below, we determined that the core review would include 95 top suppliers, representing approximately 50 percent of our 2008 total corporate spend.

Top Suppliers by Industry (% of dollar spend)



### INITIATIVE 1: Supplier CSR Review

Invested in full-time dedicated staff for supplier evaluation.  
Conducted a pilot program to review the CSR initiatives of our top 95 suppliers.

### INITIATIVE 2: Corporate Travel Services

Added specific sustainability questions to hotel Request for Proposal (RFP) requirements  
Gathering baseline information to determine which hotels conduct environmental best practices

In addition to expectations from clients' RFPs and Global Reporting Initiative guidelines, the supplier review was motivated by two key factors: influencing our network and evaluating potential risks in CSR areas. In fact, the incentive to include CSR criteria in our supplier evaluation process increases as our global footprint grows. Currently, 32 percent of BNY Mellon employees work outside of the U.S., and our global business will only continue to increase in the coming years.

**Motivation: Influence network**

In terms of spending power, BNY Mellon wields considerable influence with many of the suppliers that provide products and services to our company. We recognize that we can have a positive impact by simply asking questions of our suppliers that help them to justify social responsibility programs and hold them to the same principles under which we operate every day. They, in turn, can begin requesting CSR disclosure from their own suppliers. The opportunity to advance a network effect such as this is a primary motivator and pushes us to keep raising the bar, both internally and with our supply chain partners. It is important that we set expectations and work with our suppliers to educate and motivate their own forward motion.

**Motivation: Evaluate and Mitigate Potential Risk**

We believe it is important due diligence to evaluate our suppliers on environmental, social and governance criteria in order to understand our potential exposure to risk of regulatory changes, cost fluctuations or incidences that could affect the company's reputation. We determined that our largest exposure to potential environmental regulation is through suppliers in technology manufacturing or paper production. Government regulation and policies pertaining to environmental issues and labor management vary widely outside of the United States and Europe. It will become progressively more important to understand how our suppliers do business and what their policies are in these areas because we cannot rely on a singular governing body to guide our procedures toward suppliers. Historically, BNY Mellon has reviewed suppliers extensively on the risks associated with data security, physical security, business continuity,

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“Hearing from our clients that these issues are important always helps us push our efforts further.”

— BNY Mellon Supplier

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\*Year-to-date at time of analysis, January to October 2009

information management and ethics. Adding labor management, human rights policies and sustainability and community initiatives to the established risk management process brings a more comprehensive approach to supplier evaluation.

**The Supplier CSR Review Process**

The 2009 CSR review of suppliers was conducted as a pilot program, intended to establish a baseline of where we stand with our top suppliers so that we could better understand potential future strategies in evaluating those companies. Phases 1 and 2 were conducted before year-end with the expectation that Phases 3 and 4 will be completed in 2010.

**Review Process Phase 1: Internal information gathering and online diagnostic**

Stakeholder interviews were conducted with corporate sourcing, ethics and compliance, technology risk management and facilities management, where our environmental sustainability programs are housed. Reviewers created a map of the current service provider management process and evaluated overlap and gaps in BNY Mellon's assessment of social responsibility principles.

During this time, benchmarking analysis was conducted through peer and industry research and consultation with BSR, an external advisor. Using our internal priorities in combination with this research as a guide, we created a survey and scoring mechanism that allows BNY Mellon to evaluate suppliers relative to each other and across industries.

**Review Process Phase 2: Review CSR report or contact company to complete self-assessment survey**

With a few exceptions, the team completed a report review for companies that publish a comprehensive report. The companies that either disclose partial information on their site or publish nothing at all were contacted and asked to complete

a 30-question self-assessment survey about their policies and practices in the following areas: company- and CSR-specific governance; socially responsible approaches to core business including product, client and supplier dialogue; labor management and human rights; environmental sustainability; and community volunteer and corporate giving.

**Review Process Phase 3:** Provide feedback on report or survey

To encourage a meaningful dialogue with our top suppliers, we will share feedback on our review of their report or their self-assessment, including industry comparisons. This will be an opportunity to encourage movement on certain issues and discuss potential collaboration on community or environmental sustainability initiatives.

**Review Process Phase 4:** Long-term integration of CSR principles into the supplier management processes

We have identified several possibilities to incorporate environmental, social and governance criteria into the existing supplier management processes. These will be considered in the coming year to determine the best course of action.

**Review Process: Key Takeaways**

Our supplier network represents a wide range in maturity of CSR programs and transparency of reporting. Within the group of companies whose reports were reviewed or that submitted a self-assessment, we identified several areas for follow-up with companies with lower scores relative to others in their industry.

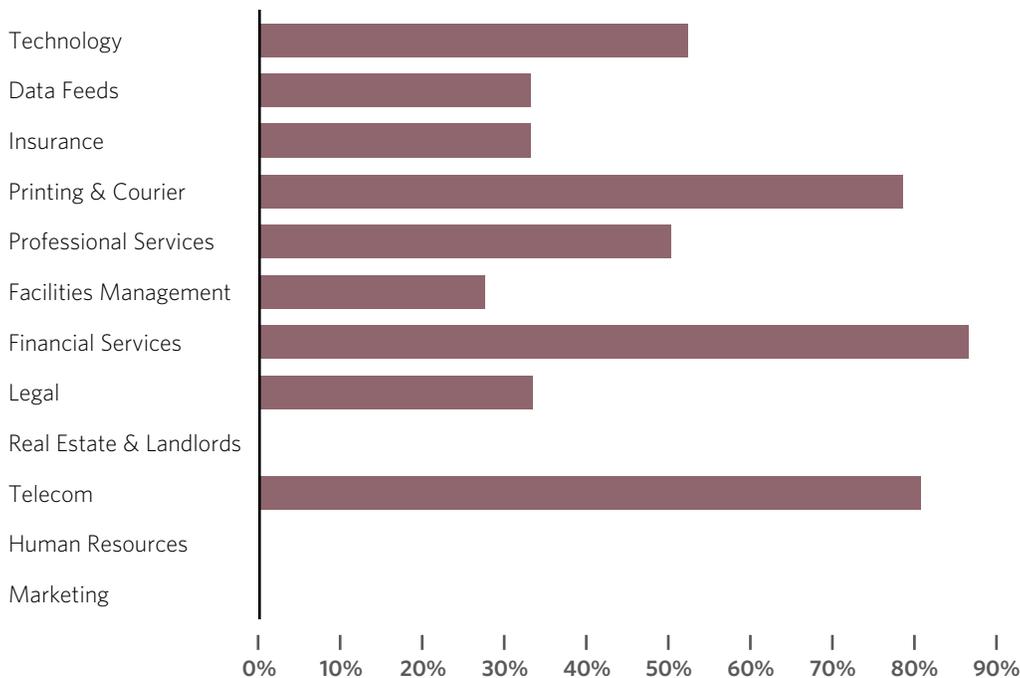
We found that 42 percent of our top 95 suppliers publish a comprehensive CSR report. For comparison, according to

PHASE 1	Internal information gathering and online diagnostic to determine status of CSR report	
PHASE 2	Review supplier's CSR report, if available	Contact supplier to complete self-assessment survey
PHASE 3	Provide feedback on report and encourage ongoing dialogue	Provide feedback on survey responses and encourage ongoing dialogue
PHASE 4	Long-term integration of CSR principles into supplier management processes	

research conducted by KPMG International, "within the United States, where corporate responsibility reporting has traditionally lagged, 73 of the country's largest 100 companies issued reports in 2008, up from 32 in 2005."<sup>10</sup> With a diverse supplier network like ours, some service providers that we work with are medium-sized or privately-owned small businesses. For this reason, it is reasonable to expect that the overall percentage of BNY Mellon suppliers publishing a CSR report would be somewhat lower than KPMG's average for the largest U.S. companies. BNY Mellon will look for this number to increase in future years and will need to be cognizant of how to account for smaller companies without excluding them from our analysis.

Who publishes a CSR Report?

■ % of BNY Mellon Top Suppliers by Industry



<sup>10</sup>KPMG International. "KPMG International Survey of Corporate Responsibility Reporting 2008."

Even within industries, there is a wide variety of program depth and complexity of reporting. For example, of the 22 firms classified generally as technology, the large computer hardware and software companies are leading their respective industries in transparency and corporate social responsibility reporting. Clearly, certain aspects of our evaluation were not necessary for companies performing at this level. At the same time, BNY Mellon works with hundreds of much smaller technology firms that do not publish any materials on environmental, social or governance practices. The lesson here is that some will need more monitoring than others — and our resources will best be served in encouraging the latter firms to disclose their practices in a public report, which should motivate CSR progress.

The 40 companies whose CSR reports were reviewed represent 23 percent of our corporate spend. The 32 firms that completed a self-assessment survey represent approximately 16 percent of corporate spend. The response rate to the self-assessment survey was 58 percent, including several companies that are interested in collaborating with us on future community or environmental sustainability initiatives.

We found that, although professional services firms often offer robust practice areas in sustainability or social responsibility, they tend to have less publicly available information about their own internal programs. As expected, given the tradition of strong pro bono work, legal firms rated high in community programs.

One of the challenges specific to BNY Mellon is that our supplier management is conducted in a fairly decentralized manner; much of the decision-making occurs within the lines of business, where employees can own the relationship with their supply chain partner but might be less familiar with social responsibility issues. Therefore, it's possible that future plans within this arena will include cross-training for other departments or administrative officers on best practices in CSR areas.

One of the positive outcomes from this research was learning about the good work much of our supplier network is already doing. They are providing some very effective pro bono and philanthropic programs, are clear and innovative in reporting, and are pushing the bar in terms of industry norms and sustainability challenges.

## Supplier CSR Review Goals for 2010

### **Build dialogue**

- Send feedback to suppliers based on survey or report review.
- Research employee training and supplier meeting options.

### **Develop ongoing processes**

- Determine future status of a supplier statement of principles.
- Broaden risk management questionnaire to include environmental, social and governance criteria.

### **Increase transparency**

- Determine feasibility of adding a CSR status code to service provider profiles.

### **Moving Forward**

For 2010, the Key Performance Indicator relating to suppliers was reclassified as a Performance Indicator, since it did not fall within the redefined strategic focus of employees, community and environment areas. As such, supplier management will continue to have an annual goal, with monitored progress toward that goal, but it will reside under the Responsible Business category of our reporting. In 2010, BNY Mellon will complete Phases 3 and 4 of the Supplier CSR Review process. The top 95 suppliers will receive feedback, based on the review of their CSR report or their self-assessment survey. Additionally, we will use this opportunity to communicate the BNY Mellon CSR principles and our expectations of the supplier network in upholding those principles.

Due to the low inherent risk associated with the nature of their business — for example, no access to data or off-the-shelf purchases — and their interaction with BNY Mellon, certain service providers do not warrant the same risk evaluation as others. For these suppliers, the department with the supplier relationship will conduct its own due diligence. We will look to build more permanent processes for a CSR evaluation of these suppliers, along with the companies that make up the other 50 percent of our annual spend. Going forward, we will work with each area of the company that manages supplier relationships to develop a consistent statement or set of questions for evaluating and communicating environmental, social and governance practices that can be integrated into their process.

### Supplier Spotlight: Corporate Travel Services

In 2009, our Corporate Travel Services group introduced a hotel supplier environmental sustainability profile. This marks the first year that an online Request for Proposal tool was used for our annual solicitation, which was previously distributed using paper documents. Additionally, 2009 was the first year environmental sustainability questions were included as a part of the required responses. We received 184 responses from hotel sites worldwide. Sample questions are below:

#### Results: Hotel supplier RFP

<b>Please provide your top five environmental programs that are visible and actively communicated to the guests, shareholders, vendors and the public.</b>	<b>86 percent responded by listing programs including linens and towels, green teams, composting, motion sensors and kitchen programs.</b>
<b>What current environmental certification program(s) do you participate in, and do these programs include on-site audits?</b>	<b>49 percent responded by listing certifications including ENERGY STAR, LEED, ISO, regional and local.</b>
<b>Does your property have an active recycling program in place?</b>	<b>80 percent responded Yes.</b>
<b>Is your property using environmentally responsible cleaners throughout the property (MSDS Health Hazard Rating 1 or less)?</b>	<b>67 percent responded Yes.</b>
<b>Does your property have an active water conservation program in place such as a linen reuse option for multiple night guests and/or water conservation fixtures?</b>	<b>78 percent responded Yes.</b>

Going forward, we will annually survey our hotel partners about their sustainability initiatives. We plan to make this information available to employees through the Preferred Hotel Program in order to build awareness about sustainable travel alternatives. Our goal is to give employees choices when they travel and to build personal commitment to the most sustainable options.

### Supplier Diversity

Supplier diversity is an important component of BNY Mellon's corporate business strategy. Through our company's Supplier Development Program (SDP), we continue to take positive steps in building and maintaining a diverse supplier base. This year, 17.5 percent of competitive supplier business was channeled to diversity suppliers, with nearly 10 percent being awarded to minority- and women-owned companies, exceeding the 2009 goals of 13 percent and 7.5 percent, respectively. For 2010, our goals are to award 15 percent of competitive supplier business to diversity suppliers and 9.5 percent specifically to minority- and women-owned businesses.

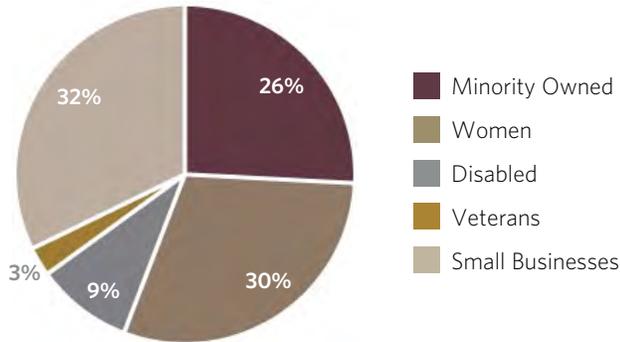
We work closely with our diverse suppliers to expand their opportunities with the company, providing guidance and support as needed to prepare them to bid on new business with us. We collaborate with organizations — focusing on economic development, growth and learning, and leadership — to promote the full potential of individuals, their companies and the communities in which we live and work. This commitment to supplier diversity, along with the economic growth and development of these businesses, has the full support of our corporate leadership.

Small and diverse businesses — such as those owned and operated by women, minorities, veterans and the disabled —

play a critical role in helping us achieve our objectives as a leading financial institution. These companies supply the quality products and services that allow us to remain efficient and innovative in our businesses and the global marketplace. We value their contributions and are committed to continuing our support for diverse firms that want to participate in our procurement process.

The table below shows the percentages of spend for each category as a percentage of the total diverse spend.

## 2009 Total Diversity Spend by Category



We continue to create awareness about the program with employees through internal communications; our efforts target key groups of leaders and our employee affinity networks.

Additionally, we are an active participant in a number of minority, women, veteran and small business supplier organizations. Through attendance at trade shows and other business events, we actively look to identify new sources of qualified diverse suppliers for our SDP. In addition, we are continuously assessing our performance against industry best practices. We often work with our major suppliers to identify opportunities to use diverse suppliers through them, known as tier-two spend, and we coach diverse suppliers to form collaborative, go-to-market arrangements between and among themselves. Supplier diversity not only makes good business sense at BNY Mellon; it's also our corporate responsibility.

### Some of our Supplier Diversity affiliations include:

- Asian Women in Business
- Empire State Development Corporation
- National Association of Veteran Business Owners
- National Hispanic Business Group
- NYC Department of Housing, Preservation and Development
- NYC Department of Small Business Services
- Pittsburgh Regional Minority Purchasing Council
- The National Minority Business Council
- The New York and New Jersey Supplier Development Council
- U.S. Department of Commerce — Minority Business Development Council
- U.S. Hispanic Chamber of Commerce
- Workshops in Business Opportunities

### Supplier diversity awards include:

- **Commitment to Diversity and Social Responsibility, 2009**  
*The National Minority Business Council*
- **Regional Corporation of the Year, 2009**  
*The New York New Jersey Minority Purchasing Council*
- **Woman of Power in Supplier Diversity, 2009**  
*Diversity Plus Magazine*  
Honoring Darlane Hoffman, Managing Director of Corporate Sourcing
- **Champion of Diversity, 2009**  
*Diversity Plus Magazine*  
Honoring Claire Scanlon, Vice President and Manager of the Supplier Development Program



# FOSTERING AN ENGAGED WORKFORCE:

BNY Mellon’s commitment to supporting its 42,200 employees around the world remains a key business imperative for our company. In this section, specific areas of focus are:

- Engaging Our Employees
- Employee Development
- Embracing Diversity and Fostering Inclusion
- Employee Communication
- Policies and Practices

Recognition for our efforts is evident not only in our employee engagement ranking. BNY Mellon was recognized externally in 2009, winning 25 coveted individual or team awards globally, for efforts in the areas of engagement, diversity and inclusion.

2009 KEY PERFORMANCE INDICATORS	2010 KEY PERFORMANCE INDICATORS
<ul style="list-style-type: none"> <li>• Continue to work toward achieving first-quartile performance by 2010</li> <li>• Implement online Performance Management Program globally</li> <li>• Continue global expansion</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to focus on first-quartile engagement in 2010</li> <li>• Implement expanded talent development opportunities and tools for managers and employees globally, at all levels of the organization</li> <li>• Sustain positive trends in diversity and inclusion measures in annual engagement survey</li> </ul>
2009 RESULTS	2010 PLANS
<ul style="list-style-type: none"> <li>• Achieved 2010 first-quartile performance goal on employee engagement</li> <li>• Invested in 1 million hours of training</li> <li>• Rolled out Performance Management Program globally</li> <li>• Expanded affinity networks globally, with more than 6,000 employees engaged</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure 2010 engagement goals remain focused on sustaining positive momentum and trends</li> <li>• Roll out enhanced global framework for talent development</li> <li>• Launch “Power of Inclusion” awareness program for all employees globally</li> <li>• Continue sponsorship of four affinity networks</li> </ul>

## Engaging Our Employees

Employee engagement is recognized by BNY Mellon as integral to business success. As such, the company currently surveys all 42,200 employees around the world each year to measure levels of engagement and understand any opportunities for improvement. The results of this survey are rolled into a ranking, which has formed the basis of our annual measurement over the past three years.

In 2007, when results from our first all-employee survey showed median-level engagement, we set a goal to reach a first-quartile ranking by October 2010. In spite of the incredible challenges facing our company — and all companies — through the global economic crisis of the past two years, this accomplishment was achieved in October 2009, a full year ahead of plan. BNY Mellon ranks in the first quartile on employee engagement relative to the Boston Consulting Group database of 107 companies globally, 21 of which are within financial services. All employees are invited to participate and, in 2009, 81 percent of employees responded to the survey, our highest participation rate to date.

Employees rate each of the 45 measures in our survey on a five-point scale. This year, the following measures received the highest positive ratings:

- I am proud to work for this company.
- I understand how working collaboratively with other areas can add value to the business.
- I understand the targets that my manager expects me to deliver personally.
- It is a safe environment in which to question potentially improper activities.
- My immediate manager/supervisor takes action to ensure the workplace is free from all kinds of discrimination and harassment.
- Employees with diverse backgrounds are valued.

In the October 2009 survey, a majority of BNY Mellon employees indicated they felt strongly or somewhat positively that they would recommend our company as a place to work to someone else.

Every member of BNY Mellon's Executive Committee maintains an employee engagement goal in their annual performance plan to ensure accountability, commitment and continued improvement.

Our engagement goals are achieved by maintaining a critical focus on employee engagement survey results, which are shared with all business leaders globally and cascaded to employees through business units, where action plans can be put in place to work on any items considered to be in need of more attention.

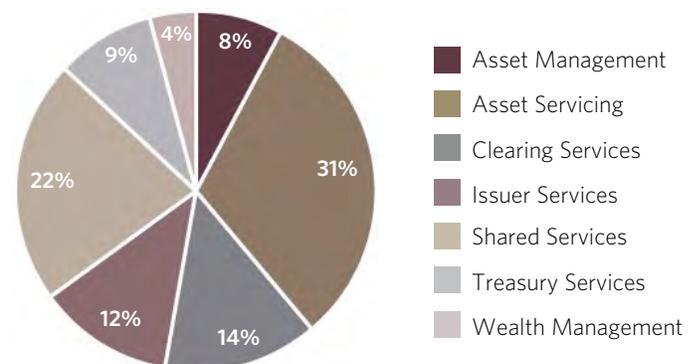
## A message from Bob Kelly to all employees, December 2009:

"A couple of months ago, every BNY Mellon employee around the world was asked to share their feedback in our third annual Employee Engagement Survey. And, a record number of you — a full 81 percent — did just that, providing valuable insights into what our company does well and where we need to improve. Thank you.

There was a lot of interesting information there, but what I find really telling is how much the 2009 survey says about our progress since the merger.

- The great news is that, overall as a company, BNY Mellon has achieved — a year early — its 2010 goal of top quartile performance in overall employee engagement. My thanks to all of those who worked on the many employee engagement programs that helped us achieve this significant accomplishment.
- For the third year, scores on key engagement factors continue to rise — such as how willing you would be to recommend BNY Mellon as a place to work, your pride in working for BNY Mellon, your perception of the company as a good corporate citizen that values diversity, your conviction that BNY Mellon is a safe place to raise concerns and your belief in the importance of our values."

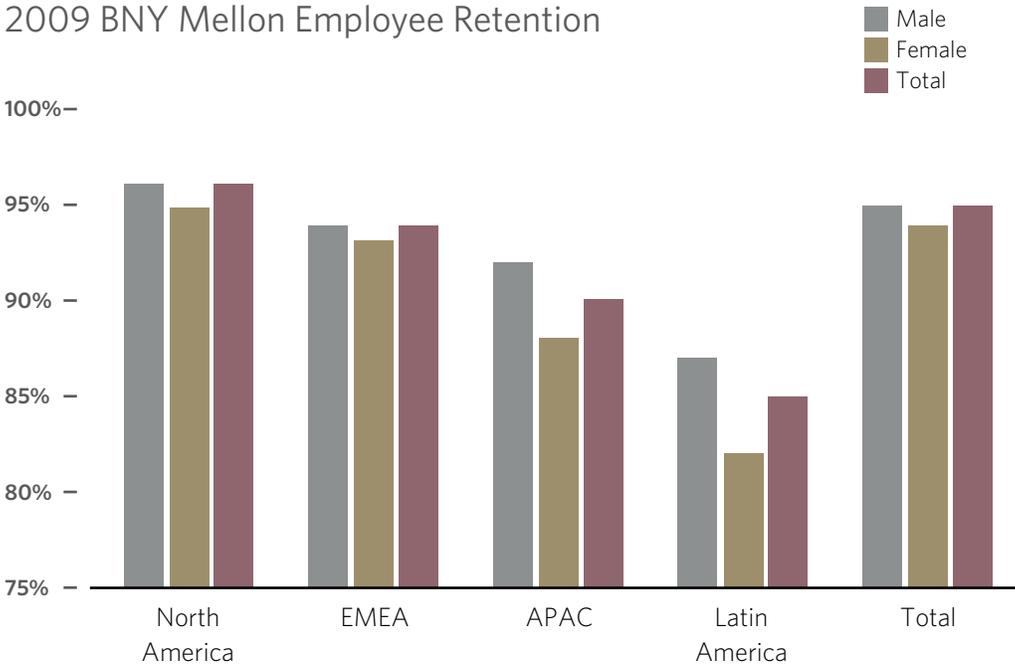
## 2009 Global Employment by Business



In 2009, employee retention at BNY Mellon was 95 percent overall. This strong result mirrors our positive progress in overall employee engagement. Employee retention varies somewhat from region to region, as can be expected, reflecting differences in labor markets in different parts of the world, as well as variances associated with events such as acquisitions. Latin America, for example, starting from a relatively small employee base, reflected that impact. Employee retention, as one positive measure of employee engagement, is something that all business leaders around the world at BNY Mellon monitor closely and continuously.

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## 2009 BNY Mellon Employee Retention



## Employee Development

### Performance Management Program

BNY Mellon has a formal Performance Management Program (PMP) for all employees globally. The PMP process provides a common framework for employees and their managers to document annual performance goals, as well as individual development plans. Progress versus those goals and plans is documented at the end of each year and assigned an overall rating on a five-point scale for each employee. Managers are expected to provide regular feedback to employees during routine conversations throughout the course of the year. An informal, mid-year review also takes place in many parts of the company. Employees are required to participate actively in the performance management process, including a self-appraisal completed in advance of the formal review discussions.

In 2009, we completed the global implementation of our online performance management system, MyPerformance. This tool facilitates a consistent approach for all employees around the world in annual goal-setting, personal development planning, mid-year reviews and year-end appraisals.

Performance management at BNY Mellon is based on the concept of partnership between employees and the company, and between each employee and his or her direct manager. In our view, there is nothing more important than regular dialogue between individuals and their direct managers. These conversations, which focus on the exchange of ideas, two-way feedback on progress and areas for additional help, are the cornerstone of our performance-based culture.

At BNY Mellon, we are driven by a belief that everyone should be:

- able to develop a career, not just do a job;
- clear about their goals and responsibilities;
- recognized for their contributions and rewarded for strong performance;
- able to identify their strengths as well as development opportunities;
- given tools and information that help them achieve their goals; and
- treated fairly, no matter who they are.

Our PMP — including the MyPerformance tool, training and other resources — helps each person, regardless of role, line of business, location or job level, to perform his or her job effectively. PMP provides an opportunity for all employees to:

- know what's expected of them and how that aligns with their areas of the company and/or corporate strategy;
- receive feedback to understand where they excel and where and how to improve; and
- participate in ongoing planning to manage their own career and focus on continued professional development.

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“It’s all about the conversation”

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## Training & Development

BNY Mellon is fully committed to supporting the ongoing development of all of its employees, in every area of operation and at every level of the company, both full time and part time. Classroom training, e-learning, webinars and other learning media are used extensively around the world.

We believe this investment, which we expect to increase further in 2010, is critical to cementing a culture of continuous, lifelong learning for our employees, and underpins the strength of BNY Mellon's talent pipeline.

In 2010, we plan to roll out a new framework for talent development called MyDevelopment. This new initiative connects the dots for all employees between all facets of employee development, from clearly defined core competencies to PMP, individual development plans, learning and development interventions and mentoring programs.

Our commitment to effective performance management remains very strong, with increasing emphasis on the importance of quality conversations between managers and employees regarding not just individual performance, but also individual development planning. This is a key focus area in 2010.

### For employees at all levels:

- Company orientation and induction training
- Technical, procedural and process training
- Ethics, compliance and regulator training
- Soft skills and professional skills development

### For senior-level employees:

Management training and leadership training

### Location-dependent:

External study sponsorship opportunities

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In 2009, BNY Mellon invested in more than 1,064,000 student hours of learning, equating to an average of over 24 hours of formal training per employee world-wide — or three working days of formal learning per employee.

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## Embracing Diversity and Fostering Inclusion

Diversity and inclusion remain at the heart of much of our employee engagement focus at BNY Mellon. Of significance, the following critical survey measures have shown positive trends for the past three years: perceptions that employees from diverse backgrounds are valued, perceptions that managers work hard to create an inclusive work culture and pride in working for the company.

To continue to raise awareness and mobilize our employees on a continuous call to action on the diversity and inclusion front, we launched a newsletter called *Diversity Matters*. The newsletter is published three times per year and distributed to all employees globally.

This year, we also launched a new Diversity Champion award. Diversity champions may be individuals or teams anywhere in the world who are nominated by their BNY Mellon business unit for representing exemplary commitment in support of the company's diversity goals. The response has been overwhelming, and award winners to date, selected from a very high-caliber list of nominees, include employees in the U.S., EMEA and Asia Pacific. Honorees — typically six individuals or teams — are selected by the Global Diversity Council three times per year and profiled in the *Diversity Matters* newsletter.

Our Global Diversity Council, led by Chairman and CEO Bob Kelly, is composed of 26 members of our Executive Committee, Operating Committee and other company officers. The council remained extremely active throughout 2009 in the areas of communication and education, supplier diversity management and supporting our four affinity networks.

In late 2009, the council began creating a new multimedia awareness and learning program that links all information, tools, guidance and other materials associated with our company's commitment to diversity and inclusion into one, easy-to-access package. Called "The Power of Inclusion," this will be made available globally to all BNY Mellon employees in 2010.

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## Diversity of Leadership:

As we reflect on our increasingly global workforce at BNY Mellon, it is with pride that we can report that our Executive Committee, Operating Committee and Regional Operating Committees consist of individuals who were born or raised in more than 39 countries around the globe. This diversity of leadership is incredibly important to us in terms of both inspiring our global workforce and understanding the needs of our clients in a global economy.

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## BNY Mellon Affinity Networks

**HEART**, increasing awareness of the needs of those with disabilities

**IMPACT**, bringing together people from multicultural backgrounds

**Prism**, promoting an open and supportive environment for all lesbian, gay, bisexual and transgender employees

**WIN (Women's Initiatives Network)**, supporting professional development and advancement of women

## Affinity Networks

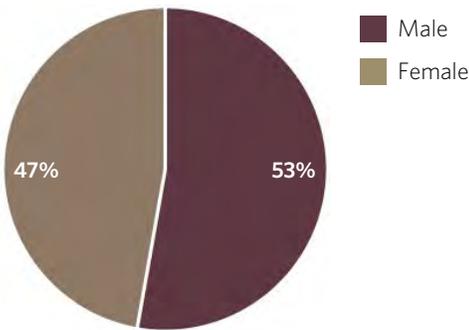
One of our 2009 diversity and inclusion goals was to support the expansion of our four affinity networks globally, allowing employee interest to take the lead. At BNY Mellon, these networks are open to all employees, not just those for whom the title may imply membership — and that reflects our belief that all employees play an equal role in fostering a culture of inclusion.

Each affinity network is sponsored and championed by a highly committed senior executive in our company.

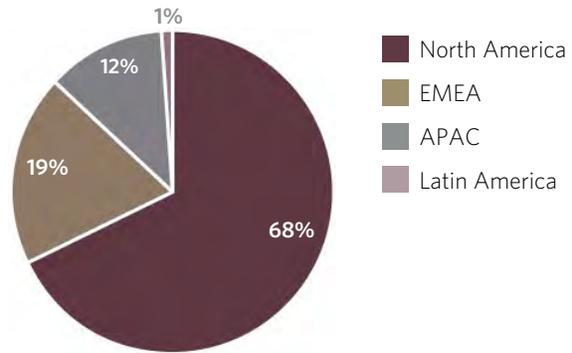
In 2009, WIN continued to expand in the U.S., as well as across Europe and Asia Pacific. Many successful activities were held, such as internal and external networking events, Community Partnership activities, mentoring partnerships, "lunch and learn" events and educational programs.

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## 2009 Global Distribution Employees by Gender



## 2009 Global Distribution Employees by Region



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WIN's Executive Sponsor, **Karen Peetz** (Financial Markets and Treasury Services), said:

"WIN started off as a group of us having breakfast, but within a year we had created a full-scale affinity network for women at our company. We called it the Women's Initiatives Network — WIN for short — with a mission to support the professional development and advancement of women throughout the company. In a very short time, WIN has become an agent of change in our company, and a positive force for women to improve themselves and their professional positions. WIN has proven to be a shot in the arm, both for our women and for BNY Mellon itself. It helps us attract and retain top talent and increases their opportunities for professional success."

IMPACT, our affinity network focused on bringing together people from multicultural backgrounds, similarly expanded in the U.S. and launched in London in January 2010.

IMPACT's Executive Sponsor, **Kurt Woetzel** (Operations and Technology), said:

"IMPACT has come a long way in just a few short years and, as the network continues to expand in both geography and programming, I'm excited to help build on the momentum. The strength of our diversity is what sets us apart and defines who we are as an organization — from an innovation and a problem-solving standpoint. For those of you familiar with the book *The Wisdom of Crowds*, you'll know about the famous jelly bean jar. In

this example, the author proves that the average of all of the guesses — so, the diversity of the input — generates a much more accurate guess than any one individual to figure out how many beans are in that jar. That's the strength and power of diversity. Bringing in people's different experiences, backgrounds and views provides different perspectives and gives strength to solving problems in an organization."

Prism, which works to promote an open and supportive environment for all lesbian, gay, bisexual and transgender (LGBT) employees, also added chapters this year, both in the U.S. and Europe. They are making a difference in our company by raising awareness of the importance of diversity of thought leadership.

Prism's Executive Sponsor, **Brian Rogan** (Risk and Compliance), said:

"I became involved with Prism to ensure they and all our LGBT colleagues receive the support they need to contribute to their fullest potential. And I want to ensure they feel a part of our culture. It's amazing to see the energy that exists within Prism. That tells me how valuable this group is in providing resources, networking opportunities and a support system. The group has really brought the LGBT community together, along with a lot of straight allies. It's been an educational experience for me, and I know many of our lesbian, gay, bisexual and transgender employees are discovering this is a more accepting workplace than they'd imagined. Our goal is to make it even more inclusive."

HEART promotes an inclusive working environment by increasing awareness of the needs of those with disabilities and provides an educational forum on disabilities and other health-related topics. In 2009, some of HEART's successful events were "lunch and learn" sessions on diabetes, Alzheimer's disease, adult attention deficit disorder, arthritis and heart disease.

HEART's Executive Sponsor, **Frank Dittrich** (Asset Servicing), said:

"The HEART affinity network affords employees opportunities to network and build relationships with peers and senior colleagues from across the organization. Because of the breadth of their experiences and skill sets, most HEART members find the experience to be educational, inspiring and motivating. HEART, while formed around education and networking opportunities for people with disabilities, is open to all employees and serves as an educating body to the larger audience of BNY Mellon. HEART also helps us forge relationships with the community at large and expand our business and recruiting efforts into new demographics as well as help the company be responsive to the communities it serves."

In 2009, BNY Mellon was recognized externally for its efforts in employee engagement, talent development and diversity and inclusion with more than 25 individual or team awards.

- **Human Rights Campaign Foundation's Corporate Equality Index (perfect score), and Best Places to Work for LGBT Equality Index, 2009 and 2008**  
*Human Rights Campaign Foundation*  
BNY Mellon featured on list of the top companies that support equality for lesbian, gay, bisexual and transgender employees
- **Top 25 Best Companies to Work For, 2009**  
*Great Place to Work Institute, India*  
Recognizing iNautix India, an affiliate of Pershing LLC, a BNY Mellon company, on the basis of its employees' responses to questions relating to the levels of trust, credibility, respect, fairness, pride and camaraderie within their workplace
- **Top 25 Women of Power Impacting Diversity, 2009**  
*DiversityPlus Magazine*  
Honoring Darlane Hoffman, Managing Director for Global Sourcing, for significant supplier diversity contributions to the organization
- **Power of Work Award, 2009**  
*Goodwill Industries*  
Received by BNY Mellon for helping people with special needs overcome barriers to employment
- **The Most Powerful Women in Banking — Top Three Banking Teams, 2009**  
*U.S. Banker and American Banker*  
Honoring a team of 17 women in key roles at BNY Mellon, including Debra Baker, Nadine Chakar, Aniko Delaney, Wanda Hill, Stella Lagudis, Regina Meredith-Carpeni, Helena Morrissey, Priya Nagrani, Karen Peetz, Amy Pershing, Lisa Peters, Kathy Rulong, Susan Skerritt, Regina Stover, Judy Verhave, Sheena Wilson and Jean Wynn
- **Rainbow Award, 2009**  
*Belgium Business Association*  
Recognizing BNY Mellon as the most gay-friendly employer in Belgium
- **YMCA Black Achievers in Industry Award, 2009**  
Honoring Daisey Holmes, Head of Philanthropy and Employee Programs in the metro New York area
- **Woman of Courage Award, 2009**  
*La Alianza Hispana*  
Honoring Celina Miranda, Manager in Public Affairs, for outstanding contributions as a Latina professional in the category of Philanthropy

<http://www.bnymellon.com/careers/diversityawards.html>

## Employee Communication

At BNY Mellon, employee communication is all about establishing two-way dialogue — between our executive leadership and the broader company, between managers and their teams and between employees themselves.

### Manager Communications

Our commitment to the conversation is so strong that it's built into our corporate-wide Performance Management Program. The goal-setting, mid-year review and year-end assessment processes provide face-to-face opportunities for employees and their managers to collaborate on the employees' goals and development plans and discuss progress made against goals at mid-year and year-end.

### New Ways to Talk

We're also committed to helping our managers improve the dialogue with their employees. Our Corporate Communications team provides monthly manager talking points for each line of business and shared service, maintains a site on our intranet focused on supporting managers in their role as communicators, and offers live training to help managers communicate on specific topics such as business priorities and compliance and ethics. An up-to-date list of managers and their e-mail addresses allows us to give our leaders a heads up about new initiatives, so that they can be prepared to discuss them with their teams. Our corporate culture makes it clear that each manager is expected to facilitate a consistent dialogue with their employees through regular team and one-on-one meetings, as well as make a real commitment to keeping the door open.

### Conversations with Senior Leaders

We encourage face-to-face communication between managers and employees whenever possible. But, in a global company of 42,200 employees, it's also important to leverage technology — such as e-mail, instant messaging and departmental Web sites — to establish and maintain an open line of communication. Some of our senior executives promote informal conversations with employees in their lines of business and shared services by inviting them to casual breakfasts or luncheons, while other leaders find inventive ways to be face-to-face with their employees across the world through methods such as webcasts.

And all senior executives throughout our company, including Chairman and CEO Bob Kelly, hold regular town halls with their employees. These are far from your typical PowerPoint presentations. Because our leaders understand that the key to successful communication is engaging their employees, at least half of each town hall is devoted to question-and-

answer sessions. Attendees are asked to come prepared with their thoughts, but no questions are submitted, reviewed or selected in advance. Our employees are expected to be smart participants in a give-and-take dialogue with executives and, in exchange, they have come to expect — and get — honest, candid answers from their leaders.

### Communicating and Connecting

In addition, to reach all or targeted segments of employees, we use broadcast e-mail to communicate important company or departmental information. And there is one rule common to every broadcast e-mail — it must contain a phone number or contact for employee questions. With our cross-company e-mail system, employees are being encouraged to “communicate, collaborate and connect.” Many are enjoying the benefits of informal instant messaging with their colleagues. We're also piloting internal social media platforms such as TeamSource to increase opportunities for collaboration and knowledge sharing within teams.

### MySource: The Employee Intranet

Our corporate intranet, MySource, serves as a one-stop shop for the information employees need to know. Bob's Blog, a regular feature from our CEO, is always among our best-viewed content on MySource, and other senior executives are now contributing guest blogs. With the debut of cutting-edge presentation formats such as video stories, we are poised to offer even more ways for our senior leadership to heighten their visibility — and approachability — with employees. And we're working on the next generation of our intranet, which will provide our employees with more interactivity by delivering customized content based on their location and line of business or shared service.

We know we're headed in the right direction based on continued high use of our Ask Bob mailbox, where employees can submit questions and are guaranteed a response within five days from an appropriate subject matter expert or our CEO himself. They can also e-mail Corporate Communications or the MySource webmaster to provide feedback on how we're doing or submit content for publication. Our annual communications survey also gets a high response rate, with respondents taking full advantage of the “suggestions and comments” section. We view all of this as reinforcement that we've established a strong approach to two-way communication, in a way that makes people feel comfortable about participating. And we know that it's this free and candid dialogue that provides us with our very best ideas for continuously improving the conversation.

## Policies and Practices

### Equal Employment Opportunity

Our company is committed to Equal Employment Opportunity (EEO) in every market in which we have staff. Our policy in the U.S.:

*The Corporation, as well as its subsidiaries, affiliates and related companies are committed to providing equal employment opportunities to every employee and applicant by establishing employment practices and terms, conditions and privileges of employment regardless of race, religion, color, sex, national origin, age, familial or marital status, ancestry, citizenship, genetic information, sexual orientation, gender identity, veteran or military status, being a qualified individual with a disability, or any other factor protected by federal, state and/or local laws*

Published EEO policies in our other locations align with this policy; any differences in language relate only to those required by local laws or regulations. In locations where there may not be a specific local published policy on EEO, then the spirit of our company's U.S. EEO policy applies, subject to all local laws, regulations and statutes in respect to EEO.

All managers and all employees in our company have a responsibility to ensure compliance with the company's EEO policy with respect to all aspects of employment at BNY Mellon. Measures in our annual employee engagement survey show positive trends year over year overall in respect to employee perceptions that their managers and immediate supervisors take necessary steps to ensure the workplace is free from all kinds of discrimination and harassment.

### Affirmative Action

As a government contractor, the company implements various Affirmative Action measures to ensure equal employment opportunities for minorities, women, qualified individuals with disabilities, qualified special disabled veterans and veterans protected by federal law.

### Child Labor, Forced or Compulsory Labor

As a financial services organization, and because of the related nature of our business activities, we have no operations having any significant risk of child labor or forced or compulsory labor. BNY Mellon is committed to fair employment practices and compliance with all local labor laws in all locations in which we operate worldwide. With the addition of a CSR Management Council in 2010, discussed earlier in the Governance section of this report, a cross-functional working group will be tasked with developing a human rights statement for the company.

### Practice of Hiring Locally

It is the policy of BNY Mellon worldwide to post all open positions internally, and in many cases externally, other than for certain very senior roles where open posting is at the discretion of executive management. This means that the vast majority of all positions in the company are filled by individuals local to the hiring entity, and certainly from within the same country of operation. BNY Mellon prides itself on this aspect of diversity and inclusion, essential for a global company to succeed. Evidence of how this ultimately manifests itself at the most senior levels of our organization is that members of our Executive Committee, Operating Committee and Regional Operating Committees were born or raised in more than 39 countries. For example, in our EMEA region, more than 90 percent of the Regional Executive/Operating Committee members are from countries within that geographic region. And in Asia Pacific, more than 80 percent of the Regional Executive/Operating Committee members are from that geographic region.

### Benefits

As a global company, BNY Mellon's benefits programs vary from country to country. Local statutory requirements, as well as local practices and business requirements, are always factors in determining the best range of offerings in a particular market. In addition to health, holiday and other benefits, BNY Mellon offers a comprehensive retirement program for its eligible employees, which is competitive in the markets in which we operate.

We've learned that our most successful employees are generally those who have found a balance in their lives — managing work, social, community and family commitments, their health and more. So, at BNY Mellon, we support our employees with programs and resources designed to educate and empower them to enjoy healthy, happy and fulfilling lives.



# SERVING OUR COMMUNITIES:

In this section, specific areas of focus are:

- Powering Potential
- Community Partnership
- Supporting Haiti Relief
- Community Reinvestment Act

Together with nonprofit partners, local agencies and our global corporate neighbors, BNY Mellon is making our communities better places to live and work.

Globally, through a combination of charitable donations and sponsorships provided by BNY Mellon and the dedicated involvement of our employees, the company supports organizations and activities that drive positive change where it is needed most.

At its heart, BNY Mellon's charitable giving is about lifting others.

Our charitable activities in 2009 were focused on two main areas of impact:

- Powering Potential, which meets basic needs and promotes workforce development
- Community Partnership, where a company match empowers employees to volunteer and give to the organizations they care about most

## 2009 Cash Donations\*

	Powering Potential	Other Charitable Needs	TOTAL
Community Partnership	\$2.9m	\$9.9m	\$12.8m 40%
Grants & Charitable Sponsorships	\$8.2m	\$11.3m	\$19.5m 60%
<b>TOTAL</b>	<b>\$11.1m 34%</b>	<b>\$21.2m 66%</b>	<b>\$32.3m 100%</b>

\*Employee and company giving, including our two foundations, BNY Mellon Foundation, BNY Mellon Foundation of Southwestern Pennsylvania

## 2009 KEY PERFORMANCE INDICATORS

- Produce meaningful and measurable results from major impact programs
- Sustain value of giving and employee engagement in this difficult economic environment

## 2010 KEY PERFORMANCE INDICATORS

- Measurably increase the impact of our philanthropy

## 2009 RESULTS

- Developed focus on Powering Potential and directed 34 percent of donations toward that focus
- Refined Community Partnership to increase employee engagement and focus on Powering Potential

## 2010 PLANS

- Continue to focus on Powering Potential and additional new grants for workforce development
- Increase international grants
- Increase support for disaster relief
- Continue to increase employee engagement in Community Partnership especially internationally

## Powering Potential — Strategic Philanthropic Focus

BNY Mellon has adopted a new, global philanthropic focus that aligns all of our philanthropic assets, including corporate and foundation giving, sponsorship and our powerful, employee-driven Community Partnership Program. Through this initiative — Powering Potential — we demonstrate our leadership and our community involvement and leverage our resources for the greatest impact.

- **Basic needs** — food, clothing, energy and housing assistance
- **Workforce development** — job training, education, mentoring and skills development programs that lead to better jobs and self-sufficiency

Key community partners have been identified and, in 2009, BNY Mellon allocated 34 percent of its charitable giving budget to Powering Potential. We plan to have 50 percent or more of our annual giving dollars going to this initiative within three years. The remaining budget will continue to be allocated to meet other important needs in the arts, affordable housing, economic development, education, and health and human services.

### Powering Potential Spotlights

#### The Pittsburgh Promise

By supporting The Pittsburgh Promise, an innovative scholarship program that is a partnership of the Pittsburgh Public Schools, the City of Pittsburgh and other key stakeholders, BNY Mellon will enable 223 students to attend an accredited post-secondary institution within the Commonwealth of Pennsylvania. The Pittsburgh Promise is designed to help students graduating from Pittsburgh Public Schools who are also residents of the City of Pittsburgh to pursue further education after high school, as well as to enhance the growth, stability and economic development of the Pittsburgh region. Beyond that, The Promise invigorates the entire community, improving the quality of life in the region and creating a highly qualified workforce that will meet the needs of local employers, both now and in the future.

#### Centro In-Presa — Cooperative la Strada (Milan)

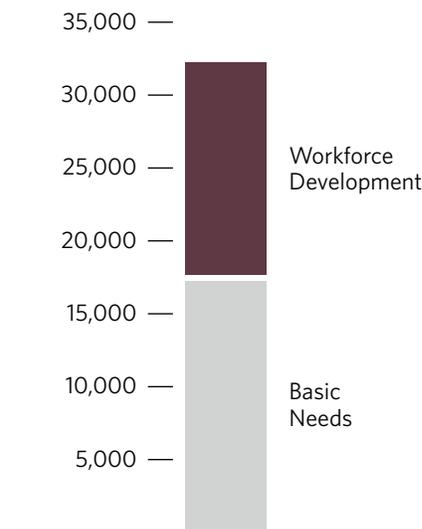
Centro In-Presa's aim is to help disadvantaged young people trying to get into the workplace. It welcomes both Italian and foreign young people between the ages of 12 to 21 who are no longer in compulsory education, the majority of whom come from challenging backgrounds, often with absent parents. These young people are usually reported to the Centro by social services, schools or other local organizations. Each young person is given a dedicated

**Powering Potential Impact:** Our grant support is helping more than 30,000 disadvantaged members of our communities meet basic needs or find pathways to increase their potential in the workforce. Just a few examples of this support include:

- 10,000 children in need stay warm and improve their self-esteem with new winter coats;
- 1,500 low-income individuals maintain or restore basic gas, electric and water service; and
- 9,500 unemployed and underemployed people receive employment and career training assistance that will lead to securing meaningful employment opportunities.

### 2009 Global Powering Potential Programs

More than 30,000 individuals impacted



tutor who supports him or her individually through educational support, afterschool activities, professional skills development and internships at local enterprises and businesses. Specific activities are organized for young people for whom Italian is not their first language, teaching Italian and assisting with their social-cultural integration into Italy. In addition to a grant, BNY Mellon helps Centro In-Presa by enabling employees to volunteer their time to facilitate lessons and workshops for two of the groups.

### **Greater Boston Food Bank**

Founded in 1981, the mission of the Greater Boston Food Bank is to help end hunger in eastern Massachusetts. The organization's mission is simple yet critically important for families and individuals who are facing economic hardship. For more than 15 years, BNY Mellon has been partnering with the Greater Boston Food Bank to meet the basic need for food for the most vulnerable populations in the community. Most recently, we made a commitment to support the organization's Fighting Hunger, Feeding Hope campaign, which promised to expand the food bank's ability to distribute food by more than 60 percent. With our commitment of \$500,000 over five years, the Greater Boston Food Bank now has the capacity to store and distribute nearly 50 million pounds of food annually, or 38 million meals per year. In addition, in 2009, more than 40 employees volunteered to sort and pack food, translating into critical savings for the organization's labor costs.

### **The Children's Aid Society**

The Children's Aid Society (CAS) provides vital social and health services to more than 100,000 underserved children and their families at some 45 New York sites. The CAS has become one of the nation's largest and most innovative non-sectarian agencies with more than 100 health, education, foster care and adoption, arts and recreation, job training and advocacy services. BNY Mellon has a multifaceted relationship with CAS, and 2009 funding supported a Family Wellness conference, a peer leadership initiative and programs that support foster care services.

## Community Partnership

In early 2008, BNY Mellon created Community Partnership, a program backed by company matching to encourage employees to support their communities. This award-winning program was created and based on employee and executive input and research. We encourage community engagement at all levels of the company by empowering employees and increasing support for local charities, while building meaningful partnerships and team experiences. This program is global in scope but regional in implementation. It leverages the power of the company's worldwide workforce and provides employees with personal leadership and team-building skills and opportunities.

In 2009, more than 16,000 employees used the Community Partnership Program to make donations and join other employees in volunteering and fundraising. This resulted in 26,000 hours of team volunteering and \$12.8 million in donations, including company matching.

### Key Features of Community Partnership Program:

- **Two days of paid volunteer time per full time employee each year, with a third day made available during the Community Partnership Campaign**
- **A company match for employee donations**
- **A company match for team fundraising**
- **A company match for team volunteer time**

### Community Partnership Program wins CSR award

BNY Mellon's Community Partnership Program is now award-winning. During a ceremony at the National Press Club in Washington, D.C., the company received a CSR Award in the Employee Relations category from PR News, based on the success and impact of the program.

"BNY Mellon inspired us," said Scott Van Camp, PR News Editor. "Even in the most challenging economic times, their innovative approach to employee relations is a CSR best practice that's helped people around the world."

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"Throughout our 225-year history, BNY Mellon has worked to make a difference in the world and in the lives of others."

— Bob Kelly, Chairman and CEO

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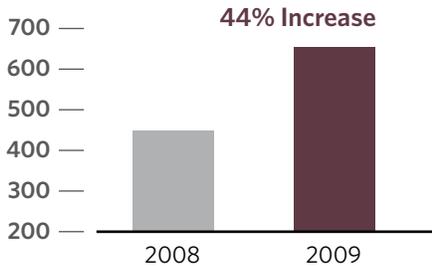
This program evolved and expanded in 2009 as we developed online tools, forms and information designed to simplify the experience of establishing or joining a team or making a donation. Given the challenges facing the global economy, BNY Mellon employees realized that their communities needed more help than ever and answered the call.

Throughout the year, 650 teams around the world participated in volunteer and fundraising events. Supported by ongoing employee and manager communications, we have active volunteering and fundraising teams in 19 countries around the world, and the program continues to grow.

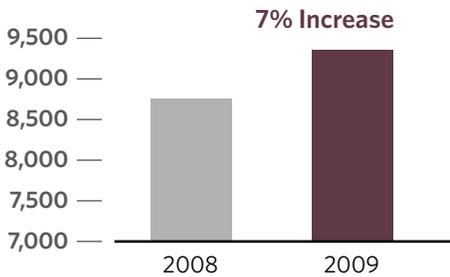
During late 2009, BNY Mellon conducted its annual Community Partnership Campaign, designed to equally encourage workplace giving, team volunteering and team fundraising through company matching dollars. During the campaign, employees have the opportunity to support charities of their choice, including those that fall within the company's philanthropic focus area of Powering Potential.

## Community Partnership Team Volunteering and Fundraising Metrics

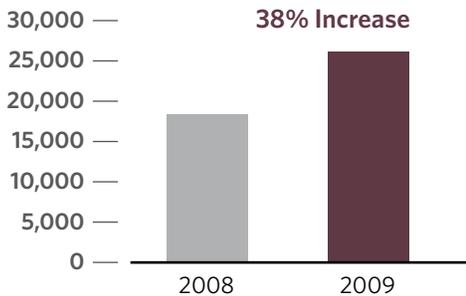
### Number of Teams:



### Number of Employees:

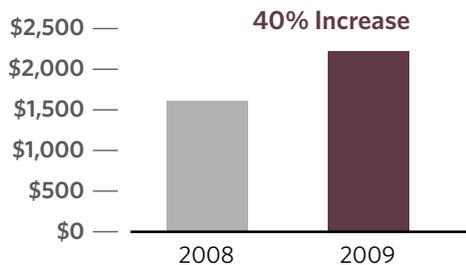


### Number of Volunteer Hours:



### Funds Raised (with company match):

*in thousands*



## Community Partnership Powering Potential Impact:

Employees embraced the company's philanthropic focus area of Powering Potential with their donations, taking advantage of the company's 100 percent match for contributions to charities that support basic needs and help others to be educated and trained for success at work. Our financial support has enabled charities to help:

### 1,000 at-risk students succeed in school

- Developing training plans
- Providing instruction and homework support
- Making academics-intensive after-school programs available
- Hiring additional staff
- Expanding programs to serve additional schools

### 1,000 disadvantaged people move into the workforce

- Providing ongoing career counseling and skill-building sessions
- Making case management available
- Teaching computer training, professionalism and GED classes
- Training individuals with disabilities for employment
- Furnishing additional resources

### 2,000 low-income families learn to manage their finances and access safety net services

- Providing financial education
- Empowering families to move toward economic independence and self-sufficiency
- Recruiting and training volunteers
- Downloading credit reports
- Screening families for benefits
- Offering credit repair assistance
- Creating plans to save for a financial goal

### 1,000 at-risk households stabilize and/or avoid homelessness

- Offering stabilization services
- Helping families with their housing search and placement
- Leveraging housing subsidies and targeting them toward homeless households
- Providing childcare so parents could work
- Teaching parenting skills workshops
- Hiring home health aids to serve as caretakers, protectors, observers, teachers, positive role models and mentors to parents in unstable homes
- Making legal services available for families facing eviction

For Powering Potential organizations alone, our Community Partnership support in these examples and many others has helped more than 10,000 people.

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## Community Partnership Impact:

“We live in many, many communities. We can’t be a great company if the communities we work in aren’t strong, too.”

— Gerald Hassell, President, 2008 - 2009  
Community Partnership Campaign Chair

“Considering the current economic times, our communities need our support more than ever. Through our generosity and support, we can continue to build our success and make a difference in our communities.”

— Dave Lamere, Vice Chairman and CEO,  
BNY Mellon Wealth Management,  
2009-2010 Community Partnership  
Campaign Chair

“Not only did this [Community Partnership] event give us a chance to bond as colleagues, but the gratitude we received from community members for such a simple gesture was overwhelming. We all left with a tremendous sense of achievement, grinning from ear to ear.”

— Alexandra, an employee in  
Sydney, Australia

“It’s been wonderful for all of our staff to go and spend time with the children at the SOS Children’s Village. Every employee willingly came forward in their own way, whether it was donating money or volunteering in person. ”

— Leandra, an employee in Pune, India

“I believe strongly in the need for balance in our lives, and that part of that balance has to include what we do for others. I am excited about the company match for my individual giving as well as my volunteer time. I am very proud to work for a company with such robust support for our community. There are so many opportunities for all of us to get involved through the Community Partnership Program.”

— Maria, an employee in Pittsburgh

“What I enjoyed most about the Habitat for Humanity volunteer experience was the feeling of teamwork and closeness among my colleagues. It was great to see executives swinging hammers and raising a beam with co-workers. I might pass them in the halls every day but didn’t really know them until now. There were no suits, no offices and no management pyramid; just a group of people all working as one to accomplish a common goal of helping a family in need.”

— Lisa, an employee in Los Angeles

“This community involvement is something the people of La Maisonée highly value, and we share these values with BNY Mellon. Even when it is difficult, together we are able to help the residents make their dreams come true.”

— Jean-Luc Wasmes,  
General Manager, La Maisonée,  
Brussels, Belgium

“Relationships that we have, such as the one with BNY Mellon, are very, very special because they create multi-dimensional support for the work that we do: personal support with our clients and staff; financial support for the ongoing stability of the organization; community support for us, our reputation and the other connections that we build. It is a rare thing and a valuable thing, one that we cherish.”

— Elisabeth Babcock, President and  
CEO, Crittenton Women’s Union  
Boston

## Community Partnership 2009 Outperforming Teams

To encourage participation and raise awareness, one volunteer or fundraising team is selected quarterly to receive the Community Partnership Outperforming Team Award.



### Reading Partnership Scheme — London

First-quarter winner

Number of employees on team: 106

Volunteer hours: 1,375

2009 company match: £13,929 (\$22,872 USD)

Every week during their lunch hours, these London employees head to Keyworth Primary School and Culloden Primary School to help children learn to read on a one-to-one basis. Most of the children at these schools in London's most deprived boroughs do not have parents at home who have the time or ability to read with them, and this has caused them to fall behind with their reading.

*"The pupils in Culloden come from an area that is one of the poorest towns in Tower Hamlets where the level of deprivation is very high. Therefore, the impact of the Reading Partnership Scheme is not just the development of the pupils' reading attainment, but also raising of the pupils' aspirations and knowledge of potential career paths."*

Culloden Primary School

### Walk for Epilepsy — Boston

Second-quarter winner

Number of employees on team: 30

Employees raised: \$53,911

2009 company match: \$22,500

In Boston, BNY Mellon's Team MJ raised an impressive \$53,911 and walked 2.5 miles during the Walk for Epilepsy in honor of Eagle Investment Systems employee Marc Firenze's late son, MJ. All proceeds from the Walk for Epilepsy benefit the Epilepsy Foundation of Massachusetts and Rhode Island, which supports direct service programs for people with epilepsy and their families.



### The Highmark Caring Place — Pittsburgh

Third-quarter winner

Number of employees on team: 13

Volunteer hours: 745

2009 company match: \$17,400

The Highmark Caring Place provides a safe place where children and families can know they are not alone in their grief; share their feelings, memories and experiences in an atmosphere of nonjudgmental acceptance; see that what they are going through is normal and know that hope and healing are possible. The Caring Place has served more than 30,000 family and community members since it opened in 1997. BNY Mellon employees participate in a year-round Community Partnership team volunteering project at the Caring Place and have been involved since at least 2003. Most volunteers work in groups with children and their families, serving as grief peer group facilitators, family greeters, food servers, quilters and assistants on other special projects.



## Baka School Building Project — China

Fouth-quarter winner

Number of employees on team: 12

Employees raised: \$10,480

2009 company match: \$10,585

For 18 months, BNY Mellon employees in the Hong Kong and China offices held a monthly “dress-down day” team fundraiser with the goal of building a school in rural China. BNY Mellon also provided a grant to Sowers Action that was used toward the school’s construction. Building work commenced on the BNY Mellon Baka Village School in March 2009 and was completed in March 2010. Baka Village is situated at an altitude of 1,800 meters in a small village approximately 250 kilometers from Kunming, capital of the Yunnan province in southwest China. This area is very rural, and the main industry is agricultural, including rice, corn and tea farming. The school is needed because the current school has fallen into a state of disrepair; it will also be able to take in more boarders and children from outlying areas. The school will allow for 170 students, 100 of whom will be boarders, as well as four permanent and five temporary teachers, all of whom will board at the school. The school will house seven classrooms, a long-distance teaching classroom, laboratory and teacher’s office. The current school will be remodeled into dormitories, teachers’ accommodations, a library storeroom and bathroom.



## Special Projects

### Earth Day

BNY Mellon employees around the world celebrated Earth Day on April 22, giving back to the planet through volunteering and by choosing to make small, everyday environmental changes that add up to a big impact.

Nearly 300 employee volunteers from Asia Pacific, EMEA and the U.S., most using paid volunteer time, participated in 18 green team projects to spruce up their local communities. The employees volunteered more than 1,300 hours, earning a company match of more than \$19,000.

Activities included restoring trails, beautifying parks, preparing gardens, landscaping, providing recycling education, dressing in green to promote Earth Day awareness and assisting seniors with recycling arts and crafts projects.

*Participating locations: Boston; Jersey City, New Jersey; London; Manchester, UK; New York; Orlando, Florida; Pittsburgh; Poole, UK; Singapore; Sydney, Australia; Tokyo*



### **225th Anniversary**

In honor of BNY Mellon's 225th anniversary, from June 9 through 16, many of our employees embraced the opportunity to participate in Community Partnership team volunteer activities and take pride in the company's tradition of community support.

Forty-one team volunteer projects benefiting 36 charities took place in 16 cities in seven countries. Nearly 440 employees participated, volunteering almost 2,600 volunteer hours and earning more than \$91,000 in company matching dollars for their charities.

Employees helped to pack food parcels for delivery to needy and homeless people. They worked one-on-one with children on activities including art, music and computers. They fixed sheds, fed animals and mucked out barns at a farm. They planted trees for an environmental group and delivered books, clothes and other items to a children's organization.

*Participating locations: Benito Juárez, Mexico; Boston; Brentwood, UK; Chicago; Cleveland; Hong Kong; Houston; Japan; London; New York; Orlando, Florida; Pittsburgh; Singapore; Syracuse, New York; Troy, Michigan; Utica, New York*

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"Our employees have truly responded to the special projects that have been developed. Their commitment to the communities in which we live and work is a direct reflection of the values that have helped our company stand the test of time for 225 years."

— Kathy Charochak, Manager, Community Relations and Employee Programs

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## Supporting Haiti Relief

When a devastating earthquake struck Haiti in early 2010, we were able to leverage the powerful combination of Powering Potential and Community Partnership to quickly lend our support. Thousands of BNY Mellon employees raised funds and gave individually; when combined with a company matching grant, we raised \$1 million in disaster relief aid for Haiti. Having a strong focus for our community programs helps us provide stronger support to the people who need it most.

### Direct Company Contributions

BNY Mellon made an immediate contribution of \$100,000 to the International Federation of Red Cross and Red Crescent Societies (IFRC) specifically to assist in its relief efforts in Haiti.

The company also provided direct financial support to Hôpital Albert Schweitzer in Deshapelles, Haiti, to help replenish its medicine and medical supplies. This hospital was founded in 1956 by William Larimer Mellon Jr., a physician and heir to the Mellon family fortune, who gave up his comfortable life in Pittsburgh to serve some of the poorest people in the Western Hemisphere. The facility came through the quake remarkably unscathed, and every room, including the library and cafeteria, was put into service for dozens of victims.

### Individual Matching Gift Program

The company's Community Partnership Program updated its Web-based tool to handle matching individual employee donations of up to \$500 per employee to any combination of the following Powering Potential charities:

- International Federation of Red Cross and Red Crescent Societies
- American Red Cross
- CARE
- Doctors Without Borders (Médecins Sans Frontières)
- Oxfam America (a subsidiary of Oxfam International)
- Save the Children

The maximum company match was increased from \$200,000 to \$350,000, in response to overwhelming employee generosity.

### Team Volunteering and Fundraising

Employees were encouraged to form or join team projects through the Community Partnership Team Volunteering and Team Fundraising Program to benefit organizations involved in Haiti relief efforts. Volunteer hours and/or funds raised were matched at a rate of 100 percent for any project benefiting an approved Powering Potential charity and 50 percent for all other charities. Projects included jeans days, ribbon sales, bake sales and more.

### Employee Resources

Through broadcast e-mails and the company intranet, BNY Mellon provided information for employees concerned about the safety of friends and family in Haiti, including the U.S. State Department's toll-free telephone number and the American Red Cross' Safe and Well Web site. The company also provides the LifeWorks program to U.S. employees for support and help with practical and emotional issues.

## Complying with the Community Reinvestment Act

Under the Community Reinvestment Act (CRA), our subsidiaries are obligated to serve the credit needs of the communities in which they operate, including the needs of low- and moderate-income individuals and families.

As part of its compliance with this act, BNY Mellon offers comprehensive financing responsive to affordable housing and economic development needs in the communities where we operate. In line with our philanthropic focus of Powering Potential, our community development grant funding priorities include:

- affordable housing;
- economic development;
- financial literacy and homeownership education; and
- human services.

As of the end of 2009, all of our subsidiaries have achieved "Outstanding" CRA ratings in their most recent public evaluations conducted by their respective regulatory agencies.



# THE PATH TO SUSTAINABILITY:

In this section, specific areas of focus are:

- Tracking, Managing and Disclosing Greenhouse Gases
- Green Buildings
- Green Power
- Cultivating Engagement
- Waste Management

Our path to sustainability follows a balanced strategy that includes energy-efficiency goals for the company's owned and controlled properties, investments in renewable and alternative energy sources, measuring and reporting our progress and the pure momentum that comes from product innovation and employee involvement.

## Our Environmental Sustainability Commitments

BNY Mellon's comprehensive approach to environmental sustainability includes applying rigorous operating and energy-efficiency standards to our buildings with an eye toward ENERGY STAR and LEED certification, measuring and implementing strategies to reduce greenhouse gases (GHG), investing in renewable energy, decreasing paper use and reducing waste while increasing the use of post-consumer recycled products and building materials, engaging our employees so they, too, can become sustainability champions, and developing products and services for the financial services marketplace, such as socially responsible investment vehicles and a carbon trading platform.

### 2009 KEY PERFORMANCE INDICATORS

- Continue to make material progress in each area of commitment

### 2010 KEY PERFORMANCE INDICATORS

- Continue to be a leader among financial institutions in environmental sustainability

### 2009 RESULTS

- Continued our ENERGY STAR program and increased the number of LEED projects
- Expanded utilities and resource tracking program to better calculate our carbon footprint
- Expanded recycling programs
- Reduced energy consumption through capital improvements
- Enhanced building environmental sampling for better control of heating and cooling systems
- Increased green purchasing
- Continued to evaluate green design and construction standards
- Created a coordinated employee education program
- Communicated our sustainability priorities to leased properties
- Initiated sustainability profiles for selected suppliers

### 2010 PLANS

- Continue to evaluate all ENERGY STAR facilities for LEED Existing Building certification
- Implement a corporate "green cleaning" policy at all owned and controlled facilities
- Develop a sustainability profile for domestic leased facilities greater than 20,000 square feet
- Evaluate lighting and retrofit opportunities throughout all owned and controlled facilities
- Develop green design and construction guidelines for projects in owned and controlled facilities
- Continue to engage employees in efforts to reduce paper use and waste and increase recycling

## Tracking, Managing and Disclosing Greenhouse Gases

In service-related industries, a company's environmental impact is made primarily within its office buildings. This includes impact made at data centers, major operational centers and facilities across the globe. BNY Mellon voluntarily tracks, measures and manages its carbon emissions.

The company's ongoing efforts to manage its carbon emissions in an environmentally sustainable manner include proactive efforts to reduce energy demand and emissions through capital improvements, employee actions and investments in renewable energy.

BNY Mellon is a signatory and participates in the Carbon Disclosure Project (CDP), publicly disclosing carbon emissions for every owned, controlled or leased facility in the 34 countries in which the company operates.

Becoming a signatory of the CDP, we positioned our company to encourage other corporations to actively manage their own environmental sustainability.

BNY Mellon's greenhouse gas emissions are calculated by converting consumption data from electric utilities, heating oil, natural gas, corporate aircraft and car fleets, and corporate travel into metric tons of carbon dioxide.

### 2009 Consumption Overview

	Unit of Measure	Value
Total electricity consumed (estimated 2009)	Million kilowatt-hours(kWh)	348
Electricity consumed per employee (estimated 2009)	kWh per employee (42,200)	8,246
Total gas consumed (natural gas) (actual 2008)	Hundred cubic feet (CCF)	946,758
Gas consumed per employee (actual 2008)	CCF per employee (42,200)	22.4
Total oil consumed (diesel) (actual 2008)	Gallons	20,000
Oil consumed per employee (actual 2008)	Gallons per employee (42,200)	0.5

BNY Mellon's 2009 CDP score is 78 out of 100, up 32 points from the previous year. As a result, BNY Mellon was named to the CDP Carbon Disclosure Leaders Index, comprising the top 50 S&P 500 companies out of 322 respondents, and is listed among the CDP's top five financial institutions in the S&P 500 Index. The companies on this index must score within the highest 10 percent of all CDP respondents.

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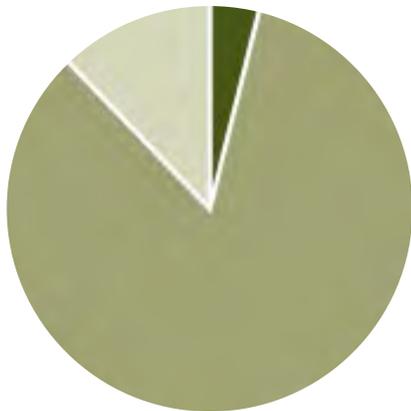
"Reporting greenhouse gas emissions, along with our ongoing strategies to reduce environmental impact, is fundamentally important to any sustainable business. In our case, BNY Mellon is a sustainable organization. We're in our third century of service, and we're continuously thinking about the prudent use of limited resources."

— Jack Lane, Head of General Services and Corporate Real Estate

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# 2008 Greenhouse Gas Emissions Summary

## Sources of Emissions



- Scope 1 - Direct Emissions (4%)
- Scope 2 - Indirect Emissions - Energy (84%)
- Scope 3 - Indirect Emissions - Travel (12%)

We strive to reduce our emissions through a combination of offsets and direct energy management.

We use the World Resources Institute/World Business Council for Sustainable Development Green House Gas Protocol Initiative tool and the U.S. Environmental Protection Agency Climate Leaders Simplified GHG Emissions Calculator to guide how we report this data.

<sup>1</sup> Includes actual utility data and annualized watts per square foot estimates for every owned, controlled or leased facility.

<sup>2</sup> Includes steam consumption.  
For reporting year 2008

### Scope 1 direct emissions <sup>1</sup> Total: 9,550 metric tonnes CO<sub>2</sub>

USA	9,540
International	10

### Scope 2 indirect emissions from purchased electricity <sup>1</sup> Total: 204,435 metric tonnes CO<sub>2</sub>

USA	182,005
International	22,430

### Electricity Consumption<sup>2</sup>

USA	298,980,669 kWh
International	49,497,781 kWh

### Emissions reductions achieved through alternative energy

USA	29,621 metric tonnes CO <sub>2</sub> -e of renewable offsets
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International	2,596 metric tonnes CO <sub>2</sub> -e via direct purchases
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The Bank of New York Mellon has made one of the largest investments in alternative energy (32% domestically), listing it among US EPA's Fortune 500 List of Top Green Power Purchasers for 2009.

### Scope 3 indirect emissions from other sources Total: 28,165 metric tonnes CO<sub>2</sub>

USA Business Travel	Total: 24,476 metric tonnes CO <sub>2</sub>
Transportation	20,962
Hotel stays	3,514

International Business Travel	Total: 3,689 metric tonnes CO <sub>2</sub>
Transportation	3,333
Hotel stays	356

### Activity-related intensity measurements (Scope 1 & 2)

Per million sq ft of owned and leased space	14,124 metric tonnes CO <sub>2</sub> -e
Per employee	4.99 metric tonnes CO <sub>2</sub> -e

## Green Buildings

### ENERGY STAR

By focusing on sustainability in our real estate operations, we are driving the peak performance of our facilities while easing our carbon footprint. We recently completed a scan of all properties we own or control around the world, some nine million square feet or 59 percent of the total portfolio.

With the commitment of our sustainability team, BNY Mellon achieved 11 ENERGY STAR awards covering 5.6 million square feet during 2009.

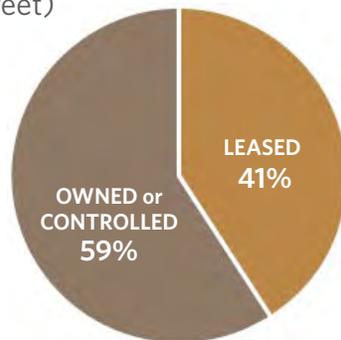
The ENERGY STAR program evaluates a building's energy consumption in electrical, heating and cooling and air distribution systems. According to the Environmental Protection Agency (EPA), commercial buildings that earn the ENERGY STAR use an average of 40 percent less energy than typical buildings and release 35 percent less carbon dioxide into the atmosphere.

We estimate that our 11 ENERGY STAR locations have resulted in a baseline reduction of more than 31 million kWh of greenhouse gas emissions. This is the equivalent of removing more than 4,200 "average" cars from the roads per year or eliminating 22,000 metric tons CO<sub>2</sub>.

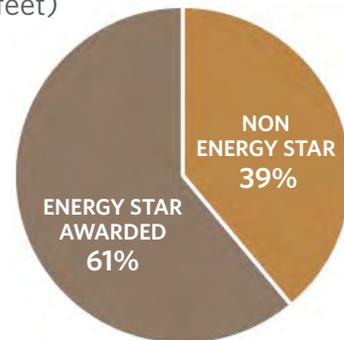
### 2009 ENERGY STAR Overview

	Unit of Measure	Value
Employees at ENERGY STAR facilities	Number of employees	12,000
Total square feet at ENERGY STAR facilities	Million square feet	5.6
ENERGY STAR square feet per employee	Square feet per employee (12,000)	130

Global BNY Mellon Real Estate Portfolio (square feet)



Global BNY Mellon Owned or Controlled (square feet)



## ENERGY STAR SUCCESS (by size)

ENERGY STAR Property	Total Floor Space (Million Square Feet)	Number of Employees	Rating (1 to 100)
BNY Mellon Center Pittsburgh	1.6	3,200	84
Wall Street New York	1.1	1,900	75
Barclay Street New York	1.1	2,900	88
William Penn Place Pittsburgh	1.1	1,400	88
Santilli Highway Everett, Massachusetts	0.4	1,600	85
Quality Circle Drive College Station, Texas	0.1	400	79
Sanders Creek, Syracuse, New York	0.1	500	88
Katella Avenue Cypress, California	0.1	100	95
Kraft Avenue Bronxville, New York	<10,000	<20	90
Ponce De Leon Boulevard Coral Gables, Florida	<10,000	<20	84
Wilton Road Westport, Connecticut	<10,000	<20	96
<b>Total</b>	<b>5.6</b>	<b>12,000</b>	



### ENERGY STAR Spotlights

#### One Wall Street

Opened in 1932, the company's One Wall Street location is a 52-story, Art Deco building in the heart of New York's Financial District at the corner of Wall Street and Broadway Avenue. BNY Mellon has employed numerous technologies to monitor, manage and reduce energy consumption over the years and continues to look for cost-effective ways to conserve energy and reduce the building's operating costs.

The building's peak performance and energy efficiency can be attributed to new windows, heating, ventilation, and air conditioning (HVAC) equipment and HVAC control upgrades, including the installation of variable frequency drives.



**135 Santilli Highway:**

**Eight Years of ENERGY STAR Leadership**

Our Everett, Massachusetts facility has attained the ENERGY STAR award for ongoing energy-saving programs for eight consecutive years.

**BNY Mellon Center**

BNY Mellon Center, a 1.6 million-square-foot, 54-story office tower in Pittsburgh, received the ENERGY STAR award for its superior energy performance. The company manages the environmental footprint of the city’s second-largest building with:

- automated lighting and sensor controls;
- new, more efficient water pumping systems and cooling towers;
- customized, technology-driven thermo systems for heating and cooling;
- ongoing, preventative maintenance programs; and
- a comprehensive operating plan.

**U.S. Green Building Council’s LEED Program**

LEED, or Leadership in Energy and Environmental Design, is the comprehensive rating system for designing and constructing green, energy-efficient and high-performing buildings and commercial interiors. In addition to the anticipated long-term energy savings and operating efficiencies associated with LEED certification, a new inventory of LEED projects marks another important step forward. These improvements are better for our employees and less taxing on limited natural resources.

In the U.S., all facilities that are awarded the ENERGY STAR label are being evaluated for LEED Existing Building (EB) certification potential. The company’s new design and construction projects will follow LEED Commercial Interiors (CI) guidelines and be evaluated for LEED CI certification as appropriate.

**Leadership in Energy and Environmental Design (LEED) projects**

Location	Status
BNY Mellon Center, Pittsburgh, floors 30 and 31	LEED Commercial Interiors / Gold
Wealth Management Office, Newport Beach, California	LEED Commercial Interiors / Silver
One Wall Street, New York, floor 13	LEED Commercial Interiors / in progress
One Wall Street, New York, floor 21	LEED Commercial Interiors / in progress
One Wall Street, New York, floor 23	LEED Commercial Interiors / in progress
BNY Mellon Center, Everett, Massachusetts	LEED Existing Building / Gold
William Penn Place, Pittsburgh	LEED Existing Building / in progress
Barclay Street, New York	LEED Existing Building / in progress
East Syracuse, Syracuse, New York	LEED Existing Building / in progress

## LEED CI Spotlights

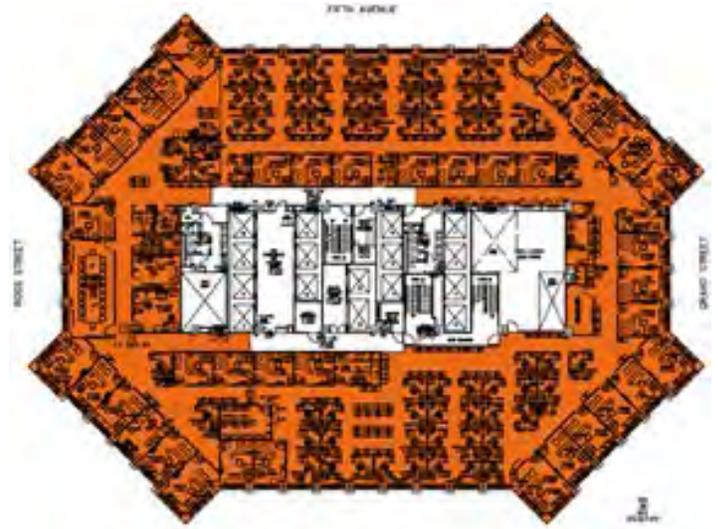
### **BNY Mellon Center, Pittsburgh, floors 30 and 31**

Interior renovations to BNY Mellon Center have earned the coveted Gold LEED CI certification from the U.S. Green Building Council (USGBC), one of only two such certifications in the Pittsburgh region.

Renovations were made to 41,000 square feet of interior office space and covered all elements such as floors, walls, finishes, lighting, furniture, mechanical systems and individual comfort. Eco-friendly improvements include:

- paints, carpets and furniture with low volatile organic compounds (VOCs, which are organic chemical compounds that could vaporize and enter the atmosphere);
- an automated lighting control system that reduces energy by responding to the amount of sunlight;
- an aggressive water and energy reduction strategy, with usage reduced by an estimated 40 percent and 30 percent, respectively, when compared to a typical office environment; and
- energy metering equipment that optimizes and then validates the ongoing energy savings from these capital improvements.

The company also recycled and salvaged its construction waste from this project, diverting a full 75 percent away from landfills with approximately 40 percent of the salvageable materials reused onsite.



### **Wealth Management Office, Newport Beach, California**

In the company's Newport Beach office, recycled blue jeans replaced itchy, traditional fiberglass insulation — one of many contributing factors leading to a Silver LEED CI certification awarded by the USGBC.

This bright, airy office was designed to capitalize on sunlight. In addition, doors were constructed from renewable wood sources and office furniture was made of recycled and recyclable materials. Linoleum, a natural flooring option made from flax seed, replaced vinyl floor tile. Carbon dioxide monitors control outside air, and low-flow valves regulate water usage.

Even the decision to select carpeting from a local mill rather than import it was important and has contributed to a greener workplace.

## Green Power

In 2009, BNY Mellon became a member of the EPA's Green Power Leaders Club, a distinction given to organizations that have significantly exceeded the EPA's minimum "green power" purchase requirements.

Green power is electricity that is generated from renewable resources such as wind, solar, geothermal, biogas, biomass and low-impact hydro, with a net zero increase in carbon dioxide emissions. Green power resources offer a superior environmental profile compared to traditional power generation sources. Green power purchases also support the development of new renewable energy generation sources in the U.S.

In the company's Europe, Middle East and Africa (EMEA) region, the electricity used in nearly half of the office space in which our employees work is offset by alternative energy. The company is pursuing ISO 14001 certification for Queen Victoria Street and Capstan House (London), and One Piccadilly Gardens (Manchester, UK).

### Green Power Spotlight: Solar Array in Everett

BNY Mellon's office complex in Everett, Massachusetts, took a step toward greener energy with the installation of a 76-kilowatt solar-powered "direct tie" system used for electric power. This system is one of the largest of its kind in the greater Boston area.



According to the EPA, the company's purchase of renewable energy credits is equivalent to more than 96 million kilowatt-hours of green power, which is enough to cover 29 percent of BNY Mellon's 2009 global electricity usage. It is also the equivalent of removing the carbon dioxide emissions from nearly 13,000 passenger vehicles per year.

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"By investing in green power, we are demonstrating a companywide commitment to economic, environmental and human health and our comprehensive approach to sustainability."

— Chip Logan, Managing Director of Facilities Services and Sustainability

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By deriving energy from this non-polluting source, the company is preventing the release of 50 tons of carbon dioxide per year, the main gas associated with climate change, and 425 pounds of sulfur dioxide per year, the primary cause of acid rain and visibility problems.

The solar array essentially "awakens" in the morning and shuts down at night, with the electricity generated by 364 solar modules. Energy flows directly into the building's power lines, offsetting the company's daily power consumption and reducing power needs from the local utility supplier in direct proportion to the system's output. The company estimates an annual output of approximately 100,000 kilowatt-hours (kWh), equivalent to the energy used to power 3,300 local homes for one day.

The array generates a cost savings of about \$15,000 per year, meaning that, when the savings are combined with incentives and tax rebates, the system will pay for itself in less than five years.

## Cultivating Engagement

We continue to develop a workplace culture of sustainability by:

- building employee awareness of the company's initiatives;
- increasing opportunities for employee participation; and
- promoting our commitment to environmental sustainability externally.

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Around the world, BNY Mellon's employees are leading eco-initiatives with teamwork, inspiration and terrific results.

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### Regional Spotlights and Participation

#### Earth Day, April

As discussed earlier in this report, our Community Partnership Program coordinated special Earth Day "green team" projects around the world. Employees volunteered more than 1,300 hours, earning a company match of \$19,000 for the charities they supported.

Earth Day teams restored trails, beautified parks, prepared gardens, landscaped, and promoted the importance of recycling and reducing paper and energy waste at the office.

- In Poole, UK, 10 volunteers cleared and transformed the sensory garden that is attached to Poole Hospital's neurological care and rehabilitation unit. The team's tasks included replanting the raised flower beds with highly scented, tactile plants and painting the pagoda and fence in bright colors.
- Asset Management and Analytical Services staff in Sydney, Australia, distributed green-decorated cupcakes and raised money for Oz Green, one of Social Ventures Australia's charity partners.
- In Singapore, a team of 14 employees took to Pulau Ubin's Chek Jawa Wetlands for an afternoon of collecting trash along the beach. Working with conservation guides from the National Parks Board, the volunteers collected more than 200 kg of debris including slippers, toys and shampoo bottles and learned about marine debris issues.
- A number of our cafeterias set up farmer's markets featuring locally grown produce

#### World Environment Day, June

Green Fairs were held in our key London locations. More than 500 employees participated in the two-day event, which promoted local suppliers with environmentally friendly products.



#### BNY Mellon 225th Anniversary, June

To commemorate BNY Mellon's 225th anniversary, more than 250 employees from the company's Pune, India, offices planted 225 trees on a hillside below a local temple as part of a tree-planting drive.

#### Thames 21 River Clean Up, September

Approximately 40 volunteers cleared a half-mile stretch of the Thames' Bermondsey bed in conjunction with an archeological excavation of sunken boat remains.

One of the most interesting finds — a silver hip flask — turned up among the many tires, nails and shipping parts. With teamwork and determination, employees raced against time to dislodge these castoffs, as well as a deeply embedded shopping cart, before the incoming tides breached the riverbank.

#### EMEA Sustainability Committee

The EMEA Sustainability Committee, formed in May 2008, continues to improve the environmental sustainability and profile of the company and all of its stakeholders within the region. This all-volunteer committee created environmental awareness through employee-focused volunteer opportunities and initiatives.

#### External Commitments

BNY Mellon is a member of:

- Carbon Disclosure Project (Signatory)  
[www.cdproject.net](http://www.cdproject.net)
- EPA's Green Power Partnership  
[www.epa.gov/greenpower](http://www.epa.gov/greenpower)
- U.S. Green Building Council  
[www.usgbc.org](http://www.usgbc.org)
- The Green Grid  
[www.thegreengrid.org](http://www.thegreengrid.org)
- Sustainability Roundtable  
[www.sustainround.com](http://www.sustainround.com)

## Waste Management

A positive change occurred in the most important area of waste management: reducing overall waste. In tracked facilities in 2008, we recorded 447 pounds of trash per person. Last year, that figure dropped to 382 pounds per person, largely due to our successful waste management awareness strategies.

### 2009 Recycling and Waste Overview (for tracked facilities)

Number of employees at tracked facilities		24,816
Square feet at tracked facilities	Million square feet	8.0
<b>Total Recycled</b>	<b>Million pounds</b>	<b>5.3</b>
General office - white/mixed/confidential	Million pounds	4.9
Cardboard	Million pounds	0.3
Aluminum, glass, plastic	Million pounds	0.1
<b>Total Landfill</b>	<b>Million pounds</b>	<b>2.7</b>
Office	Million pounds	.9
Perishable	Million pounds	1.8
<b>Total Waste</b>	<b>Million pounds</b>	<b>8.0</b>

In facilities that are tracked, which currently house more than half of our employees, 60 percent of company waste is recycled.

BNY Mellon recycled more than 5 million pounds of office trash, white paper, cardboard, glass, aluminum and plastic during 2009.

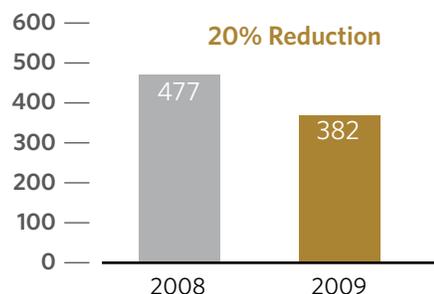
Employee programs and awareness play a part in boosting the results of recycling and waste management initiatives. On our Pittsburgh campus, for example, the recycling percentage improved 13 percent year-over-year to 49 percent recycled in 2009, and the company's Everett, Massachusetts, location recycles nearly 80 percent of its waste.

Employees' choices and habits are part of the path to sustainability.

In the EMEA region, water bottle pilots were started in offices in Queen Victoria Street, London, and in One Canada Square, Manchester, UK. Reusable BNY Mellon water bottles were distributed to take the place of plastic cups. The result was a 30 percent drop in the number of plastic cups used in both offices, which decreased waste, emissions, and the costs of producing and supplying plastic cups to those offices. This employee-led pilot has been so successful that it will be expanded throughout the EMEA region.

In London, the company introduced low-carbon paper in its Queen Victoria Street offices. Producing low-carbon paper results in 24.5 metric tons of carbon dioxide emissions per

### Pounds of Total Waste per Employee



\* Tracked facilities

year, compared to the 148 metric tons of carbon dioxide produced with standard paper. It retains the same thickness, feel and quality of a standard sheet, but this paper is 6 percent lighter, saving 18 percent wood, 14 percent water and 23 percent energy and producing 6 percent less consumer waste.

These program results reveal that a building's occupants significantly contribute to the success of any sustainability initiative. Given that approximately 45 percent of BNY Mellon's employees work in leased facilities, we will be engaging the landlords of those facilities in the collaborative solutions needed to continue to lighten our environmental footprint.

#### **Shareowner Services' Ever-Green Program**

BNY Mellon Shareowner Services has historically offered a variety of online account management resources that make it easier for clients and their investors to transact business and access important communications. Through its Ever-Green program, a conservation-focused suite of electronic utilities, both benefit from a socially responsible, environmentally friendly paperless product suite.

The components of Ever-Green include MLinkSM, an online delivery tool for paperless statements, 1099 tax forms and transaction advices; e-Kit, an interactive, personalized annual meeting resource; Documents on Demand, a virtual inventory of investment plan materials; and its Notice- and Access-compliant, Web-based proxy solution.

Through Ever-Green, clients reduce their impact on the environment while saving money in direct expenses and, for participating clients, \$1 for each shareowner who consents to paperless delivery is donated to The Nature Conservancy.

#### **Corporate Print and Publishing (General Services and Corporate Real Estate)**

**Green is also the color of innovation. The company's two corporate print shops use computer-to-plate technology, clean and green toners, green chemistry and eco-friendly copy and print papers.**

#### **Corporate Travel Services (General Services and Corporate Real Estate)**

**BNY Mellon's Preferred Hotel Program, available via the Corporate Travel Services department, includes green options for travel away from the home office. Additionally, we started to survey specific hotel sites regarding their energy efficiency and green practices.**

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"Our clients' challenge is to deliver an electronic program that meets their corporate goals, while offering the broadest capabilities for their company and its shareowners. At the same time, we see more and more companies taking part in 'green' efforts as part of their own corporate social responsibility initiatives. Ever-Green helps us deliver solutions that address both. It's a collaborative effort among BNY Mellon, our clients and a leading conservation organization."

— Samir Pandiri, CEO, BNY Mellon Shareowner Services

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### Pershing's Go Paperless Service

Pershing launched mydocumentsuite.com, an online service that offers investors electronic delivery of brokerage account statements and trade confirmations. This service represents a major milestone in Pershing's ongoing initiative to make it easier for customers and their clients to go paperless.

The self-service site allows investors with accounts held at Pershing to create their own user IDs and passwords, opt into online versus printed account information, and view, print and download electronic documents at any time. The site launched in June 2009, and approximately 100,000 accounts were enrolled in electronic delivery by the end of the year, contributing to an overall cost savings from paper reduction of \$1 million in 2009.

BNY Mellon is forging ahead on the path to sustainability. We're building momentum from a thoughtful, comprehensive strategy, a commitment to our employees and shareholders, and for the planet we share.

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"Going paperless is not just an environmentally friendly choice, it's also a good business practice. Electronic delivery of brokerage account statements and trade confirmations provides a number of benefits for investors, including increased security and privacy, anytime-anywhere access, centralized recordkeeping, reduced cost, and the convenience and flexibility of print on demand."

— Rich Brueckner, CEO, Pershing

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## GRI Content Index

In preparation of the BNY Mellon 2009 CSR Report, we used the Global Reporting Initiative (GRI) G3 Sustainability guidelines. Previous reports were prepared using the GRI guidelines as directional only; content was not identified or disclosed as such. This year, we are self-declaring a "B" Application Level. This index either provides the location within the 2009 CSR report or points to the external report or website where the information is available.

Report Application Level	C	C+	B	B+	A	A+
<b>Standard Disclosures</b>						
G3 Profile Disclosures	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15		Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17		Same as requirement for Level B	
G3 Management Approach Disclosures	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach disclosed for each Indicator Category	
G3 Performance Indicators & Sector Supplement Performance Indicators	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment.		Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.		Respond on each core G3 and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	
		Report Externally Assured		Report Externally Assured		Report Externally Assured

\*Sector supplement in final version

GRI Indicator	Page	Location within report / Comments
<b>Strategy and Analysis</b>		
1.1	3	Letter from Our Chairman
1.2	2, 7-9	Introduction, Key Performance Indicators
<b>Organizational Profile</b>		
2.1	4	Our Company
2.2	4	Our Company; Annual Report "Highlights of Our Business" pp 3-4; BNY Mellon "At a Glance" <a href="http://www.bnymellon.com/news/factsheet.pdf">http://www.bnymellon.com/news/factsheet.pdf</a>
2.3	61	GRI Index; Annual Report <a href="http://www.bnymellon.com/investorrelations/annualreport/index.html">http://www.bnymellon.com/investorrelations/annualreport/index.html</a>
2.4	4	Our Company; Annual Report
2.5	4	Our Company; Annual Report
2.6	61	GRI Index; Annual Report
2.7	4	Our Company; Annual Report
2.8	5	CSR Snapshot; Annual Report
2.9	61	GRI Index; Annual Report p 10
2.10	18, 27, 35	Client Satisfaction, Supplier Diversity, Diversity and Inclusion
<b>Report Parameters</b>		
<b>Report Profile</b>		
3.1	67	Basis for this report
3.2	67	Basis for this report
3.3	67	Basis for this report
3.4	67	Basis for this report
<b>Report Scope and Boundary</b>		
3.5	67	Basis for this report
3.6	67	Basis for this report
3.7	67	Basis for this report
3.8	67	Basis for this report
3.9	67	Basis for this report
3.10	67	Basis for this report
3.11	2	Introduction
<b>GRI Content Index</b>		
3.12	61	GRI Index
<b>Assurance</b>		
3.13	67	Basis for this report

GRI Indicator	Page	Location within report / Comments
<b>Governance, Commitments &amp; Engagements</b>		
<b>Governance</b>		
4.1	11	Corporate Governance; 2010 Proxy Statement "Board Meetings and Board Committee Information" pp 20-23 <a href="http://www.bnymellon.com/investorrelations/annualreport/2009/proxy.pdf">http://www.bnymellon.com/investorrelations/annualreport/2009/proxy.pdf</a>
4.2	11	Corporate Governance; 2010 Proxy Statement "Board Meetings and Board Committee Information" pp 26-34
4.3	11	Corporate Governance; 2010 Proxy Statement "Board Meetings and Board Committee Information" pp 26-34
4.4	11	Corporate Governance
4.5	61	GRI Index; 2010 Proxy Statement "Director Compensation" p 37, "Executive Compensation Compensation Discussion and Analysis" p 41
4.6	10	Corporate Governance
4.7	10	Corporate Governance; 2010 Proxy Statement "Director Qualifications" p 6
4.8	6,10,12	CSR Statement and Commitments, Corporate Governance, Ethics and Compliance
4.9	11	Corporate Social Responsibility Governance
4.10	10	Corporate Governance; BNY Mellon website <a href="http://www.bnymellon.com/governance/committees/index.html">http://www.bnymellon.com/governance/committees/index.html</a>
<b>Commitments to External Initiatives</b>		
4.11	61	BNY Mellon does not use the precautionary approach to address climate change impact at the organizational level; Annual Report "Risk Management" p 67
4.12	57	Cultivating Engagement
4.13	15-16	Stakeholder Engagement
<b>Stakeholder Engagement</b>		
4.14	15	Stakeholder Engagement
4.15	15	Stakeholder Engagement
4.16	15	Stakeholder Engagement
4.17	16, 29, 36	Creating Value for Shareholders, Engaging our Employees, Employee Communication
<b>Economic Performance</b>		
DMA	16, 18-20	Disclosure on Management Approach Creating Value for Shareholders, Responsible Business
<b>Economic Performance</b>		
EC1		Economic value generated and distributed Not reported
EC2	12, 21, 36	Financial implications, risks & opportunities due to climate change Active Risk Management, Growing the Environmental Commodities Markets, Green Power; 2009 Carbon Disclosure Project response <a href="http://www.cdproject.net">www.cdproject.net</a>
EC3	67	Coverage of defined benefit plan obligations Policies and Procedures
EC4	16	Significant financial assistance received from government Troubled Asset Relief Program
<b>Market Presence</b>		
EC5		Ratio of standard entry level wage compared to local minimum wage Not reported
EC6		Proportion of spending on locally-based suppliers Not reported
EC7	37	Procedures for local hiring and proportion of local senior management Policies and Procedures
<b>Indirect Economic Impacts</b>		
EC8		Development and impact of infrastructure investments through commercial, in-kind, or pro bono engagement Not reported
EC9		Understanding and describing significant indirect economic impacts Not reported

GRI Indicator	Page	Location within report / Comments
<b>Environmental</b>		
DMA	Disclosure on Management Approach	49 The Path to Sustainability
<b>Materials</b>		
EN1	Materials used by weight or volume	58 Waste Management
EN2	Percentage of materials used that are recycled input materials	58 Waste Management
<b>Energy</b>		
EN3	Direct energy consumption by primary energy source	51 Greenhouse Gas Emissions Summary <a href="http://www.bnymellon.com/environment/greenemissions.pdf">http://www.bnymellon.com/environment/greenemissions.pdf</a>
EN4	Indirect energy consumption by primary source	51 Greenhouse Gas Emissions Summary <a href="http://www.bnymellon.com/environment/greenemissions.pdf">http://www.bnymellon.com/environment/greenemissions.pdf</a>
EN5	Energy saved due to conservation and efficiency improvements	52-56 Green Buildings, Green Power, not reported at a global company level
EN6	Initiatives to provide renewable energy based products and services	20-22 Socially Responsible Investments, Growing the Environmental Commodities Markets
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	26, 56 Corporate Travel Services, Green Power
<b>Water</b>		
EN8	Total water withdrawal by source	Not reported
EN9	Water sources significantly affected by withdrawal of water	Not reported
EN10	Percentage and total volume of water recycled and reused	Not reported
<b>Biodiversity</b>		
EN11	Land in protected areas and areas of high biodiversity value	Not applicable
EN12	Significant impacts on biodiversity	Not applicable
EN13	Habitats protected or restored	Not applicable
EN14	Strategies and current actions for managing impacts on	Not applicable
EN15	IUCN Red List species & national conservation list species	Not applicable
<b>Emissions, Effluents &amp; Waste</b>		
EN16	Total direct and indirect greenhouse gas emissions by weight	51 Greenhouse Gas Emissions Summary <a href="http://www.bnymellon.com/environment/greenemissions.pdf">http://www.bnymellon.com/environment/greenemissions.pdf</a>
EN17	Other relevant indirect greenhouse gas emissions by weight	51 Greenhouse Gas Emissions Summary <a href="http://www.bnymellon.com/environment/greenemissions.pdf">http://www.bnymellon.com/environment/greenemissions.pdf</a>
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	56 Green Power
EN19	Emissions of ozone-depleting substances by weight	61 Carbon Disclosure Project 2009 response <a href="http://www.cdproject.net">www.cdproject.net</a>
EN20	NOx, SOx, and other significant air emissions by type and weight	61 Carbon Disclosure Project 2009 response <a href="http://www.cdproject.net">www.cdproject.net</a>
EN21	Total water discharge by quality and destination	Not reported
EN22	Total weight of waste by type and disposal method	58-59 Waste Management
EN23	Total number and volume of significant spills	Not applicable
EN24	Transported, imported, exported, or treated hazardous waste	Not applicable
EN25	Water bodies significantly affected by discharges of water and runoff	Not applicable
<b>Products &amp; Services</b>		
EN26	Initiatives to mitigate environmental impacts of products and services	Not reported
EN27	Products sold and packaging materials that are reclaimed	Not applicable
<b>Compliance</b>		
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Not reported
<b>Transport</b>		
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	51 Greenhouse Gas Emissions Summary <a href="http://www.bnymellon.com/environment/greenemissions.pdf">http://www.bnymellon.com/environment/greenemissions.pdf</a> (employee travel Scope 3)
<b>Overall</b>		
EN30	Total environmental protection expenditures and investments	Not reported

<b>GRI Indicator</b>	<b>Page</b>	<b>Location within report / Comments</b>
<b>Labor</b>		
DMA Disclosure on Management Approach	28	Fostering an Engaged Workforce
<b>Employment</b>		
LA1 Total workforce by employment type, employment contract, and region	33	Diversity and Inclusion
LA2 Total number and employee turnover rate by age, gender, and region	29	Engaging Our Employees
LA3 Difference in benefits for full-time, part-time or temp. employees		Not reported
<b>Labor/Management Relations</b>		
LA4 Percentage of employees covered by collective bargaining agreements		Not reported
LA5 Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements		Not reported
<b>Occupational Health &amp; Safety</b>		
LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees		Not reported
LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region		Not reported
LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce regarding serious diseases		Not reported
LA9 Health and safety topics covered in formal agreements with trade unions		Not reported
<b>Training &amp; Education</b>		
LA10 Average hours of training per year per employee	32	Employee Development
LA11 Programs for skills management and lifelong learning		Not reported
LA12 Percentage of employees receiving regular performance and career development reviews	31	Employee Development
<b>Diversity &amp; Equal Opportunity</b>		
LA13 Composition of governance bodies and breakdown of employees per category by gender, age and minority group membership		Not reported
LA14 Ratio of basic salary of men to women		Not reported
<b>Human Rights</b>		
DMA Disclosure on Management Approach	37	Policies and Procedures
<b>Investment &amp; Procurement Practices</b>		
HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening		Not reported
HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	22-25	Supplier CSR Review
HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained		Not reported
<b>Non-discrimination</b>		
HR4 Total number of incidents of discrimination and actions taken		Not reported
HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights		Not reported
<b>Child Labor</b>		
HR6 Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	37	Policies and Procedures
<b>Forced &amp; Compulsory Labor</b>		
HR7 Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor	37	Policies and Procedures
<b>Security Practices</b>		
HR8 Percentage of security personnel trained in aspects of human rights	12	Uncompromising Compliance and Ethics Principles
<b>Indigenous Rights</b>		
HR9 Violations involving rights of indigenous people and actions taken		Not reported

GRI Indicator	Page	Location within report / Comments
<b>Society</b>		
DMA Disclosure on Management Approach	16	Government Engagement
<b>Community</b>		
SO1 Programs that manage the impacts of operations on communities		Not reported
FS13 Access points in low-populated or economically disadvantaged areas		Not reported
FS14 Initiatives to improve access to financial services for disadvantaged people		Not reported
<b>Corruption</b>		
SO2 Percentage and total number of business units analyzed for risks related to corruption		Not reported
SO3 Percentage of employees trained in organization's anti-corruption policies and procedures		Not reported
SO4 Actions taken in response to incidents of corruption		Not reported
<b>Public Policy</b>		
SO5 Public policy positions and participation in public policy development and lobbying	16-17	Government Engagement; BNY Mellon website <a href="http://www.bnymellon.com/foresight/costello.html">http://www.bnymellon.com/foresight/costello.html</a>
SO6 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	16-17	Political Activity; Federal Election Commission filings <a href="http://www.fec.gov">www.fec.gov</a>
<b>Anti-Competitive Behavior</b>		
SO7 Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes	61	GRI Index, see footnote below *
<b>Compliance</b>		
SO8 Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	61	GRI Index, see footnote below *

\* As a public company with securities traded on the New York Stock Exchange, The Bank of New York Mellon Corporation (the "Company") is required to file periodic reports with the Securities and Exchange Commission ("SEC"), including a quarterly report for the first three calendar quarters on Form 10-Q and an annual report on Form 10-K. These reports are publicly available from the SEC's website ([sec.gov](http://sec.gov)), and are also available on the Company's website (<http://www.bnymellon.com/investorrelations/financialreports/index.html>).

Under the SEC's disclosure rules, the Company must disclose certain legal proceedings in its quarterly and annual reports on Form 10-Q or 10-K. These rules require that the Company describe any material legal proceedings, other than ordinary routine litigation incidental to its business, to which the Company or any of its subsidiaries is a party or of which any their properties is subject. The description must include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties to the proceeding, a description of the factual basis alleged to underlie the proceeding and the relief sought. The Company must disclose similar information as to any such proceeding known to be contemplated by government authorities. The SEC's rules include specific instructions on how these rules are applied, including certain exceptions for matters that do not need to be disclosed.

The Company's disclosures as to these legal proceedings can be found under the caption "Legal Proceedings" included in its periodic reports on Form 10-Q or 10-K, as well as the "Legal Proceedings" section in the Notes to Consolidated Financial Statements accompanying the financial statements included in those reports.

GRI Indicator		Page	Location within report / Comments
<b>Product Responsibility</b>			
DMA	Disclosure on Management Approach	18-21	Responsible Business
<b>Financial Services Sector Supplement</b>			
FS1	Policies with specific environmental and social components applied to business lines	12-13	Active Risk Management, Uncompromising Compliance and Ethics Principles
FS2	Procedures for assessing and screening environmental and social risks in business lines	19	ESG Screening
FS3	Processes for monitoring clients' environmental and social requirements included in agreements or transactions		Not reported
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	20-21	Socially Responsible Investments
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	19	ESG Screening
<b>Customer Health &amp; Safety</b>			
FS6	Percentage of the portfolio for business lines by specific region, size, and by sector		Not reported
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	20-21	Socially Responsible Investments, Growing the Environmental Commodities Markets
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	20-21	Socially Responsible Investments, Growing the Environmental Commodities Markets
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures		Not reported
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues		Not reported
FS11	Percentage of assets subject to positive and negative environmental or social screening		Not reported
FS12	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organisation holds the right to vote shares or advises on voting		Not reported
FS15	Policies for the fair design and sale of financial products/services	12	Active Risk Management
<b>Customer Health &amp; Safety</b>			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures		Not applicable
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes		Not applicable
<b>Product &amp; Service Labeling</b>			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements		Not reported
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes		Not reported
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	19	Ensuring Client Satisfaction
<b>Marketing Communications</b>			
FS16	Initiatives to enhance financial literacy by type of beneficiary		Not reported
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship		Not reported
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes		Not reported
<b>Customer Privacy</b>			
PR8	Substantiated complaints regarding breaches of customer privacy and losses of customer data	61	GRI Index, see footnote on previous page *
<b>Compliance</b>			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	61	GRI Index, see footnote on previous page *

# STRONG HISTORY: STRONGER FUTURE

## Basis for this Report

This report was prepared to demonstrate BNY Mellon's global commitment to CSR, to meet the transparency expectations of key stakeholders, to provide a basis for measuring CSR performance and to provide a framework for ongoing CSR communications and engagement.

This is an annual report for the calendar year 2009, except where indicated (our 2008 report was published in April 2009). The report includes consolidated data from wholly owned subsidiaries, but excludes data from joint ventures and suppliers except for specific mentions.

BNY Mellon uses the World Resources Institute/World Business Council for Sustainable Development Green House Gas Protocol Initiative tool and the U.S. Environmental Protection Agency Climate Leaders Simplified GHG Emissions Calculator as guides for reporting environmental data. Environmental data includes actual utility data and annualized watts-per-square-foot estimates for every owned, leased or controlled facility.

This 2009 report does not include external assurance or major restatements of information provided in previous reports.

## Report Principles

The design and implementation of our CSR program reflect our emphasis on continuity and credibility. In keeping with that emphasis, the preparation of this report was guided by the following principles:

- **Relevance** — address topics that reflect our most significant social and environmental impact
- **Completeness** — include all significant information needed for informed CSR evaluations on the part of relevant stakeholders
- **Accuracy** — present information accurately and in sufficient detail
- **Clarity** — ensure that information is easily understandable and accessible



## BNY MELLON

For comments, please contact:

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