

A rowing team in a boat on a body of water at sunset. The sun is low on the horizon, creating a warm, golden glow. The water is dark, and the rowers' oars are visible, splashing water. The overall mood is serene and focused.

# Creating a Positive Work Environment

“... We’re living through a very interesting time. I firmly believe that when the history of this market turmoil is written, The Bank of New York Mellon will be portrayed as a company that really helped its clients navigate turbulent waters and was an active part of the solution. And if the authors do their homework, they’ll surely note how the people of this company have performed these past few weeks — flawlessly.”

— BOB KELLY’S BLOG TO EMPLOYEES, OCTOBER 1, 2008

In 2008, we continued to focus on supporting one of The Bank of New York Mellon’s most critical assets, our employees. Key initiatives included:

- Managing for peak performance
- Engaging our employees
- Offering support for life’s challenges
- Embracing diversity and fostering inclusion
- Communicating in a timely and candid manner

#### Managing for Peak Performance

2008 was a milestone year for Performance Management at The Bank of New York Mellon. We launched a consistent program globally that includes goal setting, mid-year reviews and year-end assessments. In this way, we’ve created the opportunity for ongoing dialogue between managers and their employees.

We’ve built our Performance Management Program (PMP) on a solid foundation by offering a variety of tools and training resources for managers and employees. All employees have the opportunity to discuss their professional goals with their manager and can create an individual plan to support their professional development.

We’re also making sure that our PMP supports our corporate diversity and inclusion commitment by requiring that all employees worldwide have diversity goals as part of their performance goals. Our program also measures results and the progress employees make in living our company values and exhibiting our core professional competencies.

Our next step is to automate our PMP in 2009 with the MyPerformance online tool, offering an even greater level of support to managers and employees as they work to reach their goals.

### Engaging Our Employees

Employee engagement — ensuring our workforce remains energized and involved — continues to be an ongoing focus and priority. In 2008, our second annual companywide employee engagement survey elicited a world-class participation rate of 76 percent. Our results, which we are sharing with employees, showed continued progress and improvement in several key areas of focus. In addition, employees overwhelmingly affirmed our values of Client Focus, Trust, Teamwork and Outperformance. All lines of business and shared services have created action plans to address their specific survey results.

### Offering Support for Life’s Challenges

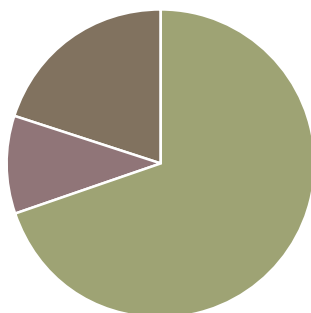
In this difficult economic climate, our Wellbeing, LifeWorks Work/Life and Employee Assistance programs offer employees support for everyday issues, including managing stress and dealing with financial concerns. These programs help educate, encourage and empower employees to find balance in their lives. Employees are made aware of all of the opportunities available in their area through the employee intranet, MySource, and broadcast e-mails to targeted locations.

### Embracing Diversity and Fostering Inclusion

To provide mentoring, networking and development opportunities for our diverse population, we sponsor four companywide affinity networks. These are groups of employees that are formed around a shared characteristic. Current networks focus on women; multicultural employees/employees of color; employees with disabilities; and gay, lesbian, bisexual and transgender employees and their allies.

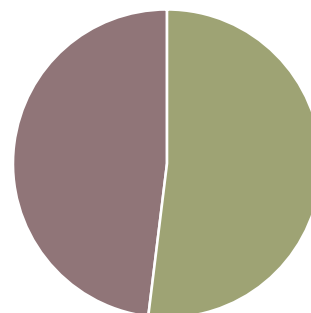
Global Distribution of Employees

- U.S.  
70 percent
- Other OECD\* Countries  
10 percent
- Non-OECD Countries  
20 percent



Gender Distribution of Employees

- Male  
52 percent
- Female  
48 percent



Employee Turnover Rates

	Total	Female	Male
<b>Overall</b>	15 percent	16 percent	15 percent
<b>U.S.</b>	15 percent	15 percent	15 percent
<b>Other OECD Countries</b>	18 percent	18 percent	18 percent
<b>Non-OECD Countries</b>	13 percent	16 percent	11 percent

\*The Organisation for Economic Co-operation and Development (OECD) member countries, including the U.S., are committed to democracy and the market economy to support sustainable economic growth, among other initiatives.



With membership of almost 6,000 employees worldwide, the groups have all held major kick-off events and hosted many learning and networking events. The events are open to all employees, not just members, and the groups often work together to co-sponsor events.

In 2009, it is expected that the networks will continue to expand globally.

### Communicating in a Timely and Candid Manner

At a time of great uncertainty for the financial services industry, we focused on ensuring timely and candid communication with our people. Key areas of focus included:

- **CEO Outreach** — As a matter of course, CEO Bob Kelly reaches out to employees through his blog on the company's intranet, as well as through e-mail communications, town hall meetings, webcasts and the Ask Bob mailbox. But the events of 2008 created a need for more frequent and timely communications.

In the critical eight weeks following the Lehman Brothers collapse, Bob communicated with employees through more than one dozen e-mails and blog entries. He utilized his blog, which is posted on the company intranet, MySource, to work through the implications of the headlines, encourage employees to remain focused on their clients, and underscore the core strength of our company.

In late October, Bob held a town hall meeting about the financial environment and its challenges and opportunities. The meeting and its follow-up Q&A session were videotaped and made available via the Internet to all employees globally.

Many employees responded by sending questions, comments and suggestions to the Ask Bob mailbox, each of which were individually answered. Some simply wanted to say thank you. In the words of one: "Please keep up the excellent communications. It is much appreciated in these turbulent times."

- **Crisis Communication** — Two crises directly impacted our employees: Hurricane Ike in the Houston area and the terrorist attacks in Mumbai, India. The Corporate Communications team worked 24/7 through both events to ensure that employees received timely and accurate updates about business recovery efforts and the safety of their colleagues.
- **Manager Communication** — Recognizing the importance of managers to the communication process, we provided Web-based training to help ground managers in the basics and importance of staff communication and prepare them to communicate on specific issues. We also instituted monthly talking points to equip managers to discuss business developments and initiatives around the company, as well as in their respective businesses, shared services or geographical areas.