



MAKING AN IMPACT THROUGH IMPROVED ENVIRONMENTAL SUSTAINABILITY

BNY Mellon's effort to improve environmental sustainability around the globe spans from our own internal measures to provide environmental stewardship, making sure that major decisions are made and our business practices are conducted with the health of the environment in mind.

While our products and services touch nearly every industry sector, our direct environmental impact starts with our facilities and their consumption of energy, as well as the generation of paper waste, a bi-product of the financial services industry as a whole. With this in mind, the focus of this section is on three primary areas:

- Energy consumption
- Emissions
- Waste management

The company's commitment to sustainability starts with senior management and extends throughout the organization. The Corporate

Social Responsibility Committee of the board of directors, made up entirely of independent directors, has overall responsibility for CSR and environmental initiatives. It receives quarterly reports and reviews all corporate citizenship programs and progress. Committee members provide oversight and discuss the areas covered by Key Performance Indicators (KPI) and related goals.

Many of these environmental programs and initiatives fall under the operating responsibility of BNY Mellon's General Services and Corporate Real Estate group, which oversees corporate facilities and services, evaluates the financial impact of climate change on our company, and adopts strategies to mitigate and reduce those impacts. Employee-led, sustainability-minded teams, such as the EMEA Sustainability Committee, also contribute to a culture of environmental responsibility within BNY Mellon.

2010 KEY PERFORMANCE INDICATORS

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

2011 KEY PERFORMANCE INDICATORS

- Continue to be a leader among financial institutions in environmental sustainability
- Achieve 10 percent electrical energy reduction in our tracked domestic office portfolio by 2015 from 2007 baseline
- Continue to offset 75 percent of domestic electricity consumption from 2009 through renewable energy investments and more than 50 percent of EMEA energy consumption through direct energy purchases
- Achieve 30 percent reduction in internal copy paper usage from 2008 baseline
- Achieve significant improvement in our Carbon Disclosure Project score

2010 RESULTS

- Achieved the EPA Green Power Leadership award
- Compiled sustainability profiles of every owned and controlled facility, along with U.S. leased locations greater than 20,000 square feet
- Evaluated all ENERGY STAR facilities for LEED Existing Building certification
- Earned one of the first ENERGY STAR certifications for data centers in the U.S.
- Used our portfolio of certified or developing LEED Commercial Interiors projects as a foundation for establishing a set of environmental specifications and performance criteria for interior design and construction projects
- Evaluated lighting and retrofit opportunities of all data centers and LEED Existing Building projects
- Became a Carbon Disclosure Project Signatory
- Implemented green cleaning policy at all owned and controlled facilities
- Launched a corporate PaperWise program with an aspirational goal of 50 percent paper reduction from 2008

2011 PLANS

- Evaluate electrical energy consumption in managed EMEA locations to set future reduction targets
- Extend sustainability program strategies to the GIS portfolio, including energy management, green building certifications, waste management and employee programs
- Continue to pursue LEED Commercial Interior and Existing Building certifications where possible and appropriate
- Establish performance and environmental specifications for interior design and construction projects
- Develop sustainability qualification criteria for the acquisition of new office space
- Expand employee awareness and participation by broadening membership in the EMEA Sustainability Committee and launching a multi-regional U.S. Sustainability Ambassadors network

A Business Case for Sustainability

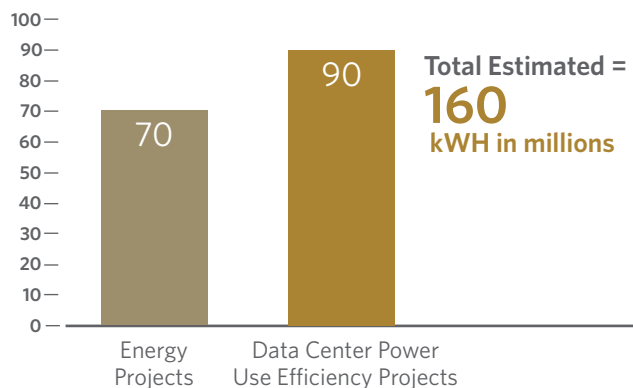
Companies that have embraced a commitment to environmental sustainability offer the best examples of “doing what’s right.” When companies save energy, they save money. When they achieve improvements in waste management, they achieve cost efficiencies.

Since 2008, BNY Mellon has realized \$3.1 million in annual savings by identifying energy efficiencies, and the average payback period for the company’s environmental sustainability initiatives is 2.7 years.

“We’ve invested \$8.2 million since 2005 on capital projects related to energy savings, and these sustainability projects have delivered an estimated savings of more than \$3 million annually.”

— Chip Logan, Head of Facilities Services and Sustainability

Estimated kWh Savings from Energy Reduction Projects Kilowatt Hours (kWh) in millions



160 kWh in millions savings is equivalent to any one of the below:

Gasoline	16,620,035 gallons saved
Natural gas	1,828,203,807 cubic feet saved
No. 2 diesel	13,152,545 gallons avoided
Coal	76,175 tons saved
Oil	315,208 barrels avoided

Green Buildings and Energy Consumption

BNY Mellon's environmental impact is made primarily in its real estate portfolio, which consists of office buildings, data centers and operational centers that collectively house thousands of employees. This is where our company consumes the vast majority of the energy required to meet its obligations to clients and stakeholders. From

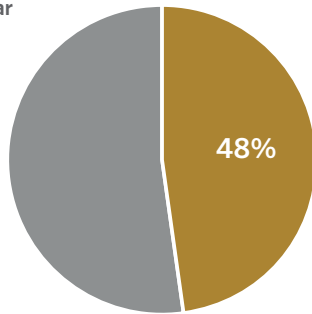
2009 to 2010, the company's total real estate portfolio increased by 8 percent, or 1.2 million square feet, as a result of acquisitions. In 2011, our newly acquired locations will be integrated into our energy management strategy, which involves both direct electrical energy reductions and alternative energy investments.

Location	Square feet	Number of Employees	LEED Projects	Energy Star Certified	REC Allocated
BNY Mellon Center, Pittsburgh, PA	1,525,000	3,500	LEED CI Gold floors 30-31 LEED CI in progress floors 27, 32"		Y
101 Barclay Street, New York, NY	1,226,000	2,700	LEED EB in progress	Y	Y
BNY Mellon Client Services Center, Pittsburgh, PA	667,000	2,200			Y
One Wall Street, New York, NY	1,166,000	1,700	LEED CI Silver floor 12 LEED CI in progress floors 13, 21, 23"		Y
525 William Penn Place, Pittsburgh, PA	943,000	1,600	LEED EB Gold	Y	Y
BNY Mellon Center, Everett, MA	384,000	1,400	LEED EB Gold	Y	Y
111 Sanders Creek, Syracuse, NY	93,000	500	LEED EB in progress	Y	Y
211 Quality Circle, College Station, TX	98,000	400		Y	Y
BNY Mellon Center, Philadelphia, PA	231,000	275	LEED CI in progress floor 2		
Garrett Tower, West Patterson, NJ	166,000	250			Y
1313 Broadway, Tacoma, WA	98,000	200		Y	Y
2220 Chemsearch Boulevard, Irving, TX	77,000	100		Y	
TN Processing Center	168,000	100			Y
5730 Katella Avenue, Cypress, CA	65,000	60		Y	Y
Central NJ Processing Center	108,000	60			Y
Wealth Management Office, Newport Beach, CA	20,000	30	LEED CI Silver		
1450 Brickell Avenue, Miami, FL	15,000	30	LEED CI in progress floor 27		
16 Wilton Street, Westport, CT	6,000	10		Y	
Northern PA Processing Center	71,000	10	LEED EB in progress	Y	Y
Total square footage with environmental attributes	6,860,552				
% of Owned/ Controlled Sq ft*	69%		27%	31%	62%

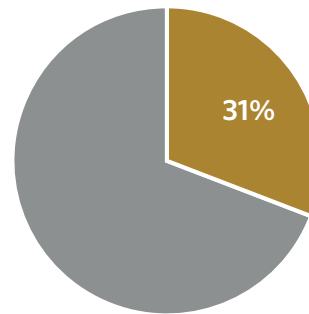
* LEED % of owned / controlled measures square footage for existing building participation only, excludes individual commercial interior projects

2010 Energy Star Overview Chart Global Real Estate Portfolio by Square Feet (Owned or Controlled versus Leased)

Percent of Total Square Footage Tracked for Energy Star (8.1 M sq ft)



Percent of Controlled Square Footage Awarded Energy Star (3 M sq ft)



For more information or current list of [Energy Star facilities](#).

ENERGY STAR

ENERGY STAR, the U.S. Environmental Protection Agency's (EPA) national energy performance rating system, rates a building's energy efficiency on a scale from 1 to 100 by comparing it to other, similar buildings nationwide. Only buildings that score 75 or higher on the rating scale, as verified by engineers, receive the ENERGY STAR award. Buildings that earn ENERGY STAR status use an average of 35 percent less energy and release 35 percent less carbon dioxide into the atmosphere.

BNY Mellon's current commitment to environmental sustainability extends corporate-wide and dates back to 2007, when the newly merged company created a unified energy management plan. By 2009, every owned and controlled facility was evaluated for ENERGY STAR eligibility, with participation geared toward U.S. buildings that are 90 percent occupied by the company and those in which we directly pay the electricity bill. Our aggressive energy management initiatives are deployed throughout our ENERGY STAR program, which, at the close of 2010, represented 8.1 million square feet of the company's owned and operated real estate portfolio, or 36 facilities. At our six largest tracked locations, consisting of BNY Mellon's headquarters as well as our major operations centers, total energy use for the group has decreased by an average of 11 percent from their respective baselines.

Once a building receives an ENERGY STAR rating, it's our goal to maintain the rating and recertify the property. The ENERGY STAR rating criteria does, however, change periodically, and recertification is not guaranteed, which accounts for the year-over-year change in this program.

We are committed to operating a portfolio of energy-efficient and sustainable properties and continue to focus on reattaining

ENERGY STAR-CERTIFIED PROPERTIES **3 MILLION SQUARE FEET**

ENERGY STAR SPOTLIGHT: Leading the Way in Data Center Energy Management

In August 2010, BNY Mellon's Northpointe data center, located just north of Pittsburgh, received the ENERGY STAR award. Northpointe is among the first data centers in the EPA's registry of 11,000-plus commercial properties to meet the stringent energy-efficiency specifications, which are designed to promote superior energy use and performance and prevent greenhouse gas emissions.

The company's efforts resulted in a superior level of energy efficiency at the 71,000-square-foot data center, built in 2006. At the same time, the team reduced operating costs and greenhouse gas emissions by reducing electrical usage. By focusing on utility improvements and successfully implementing a variety of solutions, the group achieved efficiencies in both the power and cooling supplies.

ENERGY STAR ratings where possible. In fact, our capital improvements from 2005 to 2010 for energy efficiency and sustainability program improvements in two of our largest U.S. locations averaged \$4 million.

Data Center Efficiency

The company's power utilization efficiency (PUE) program tracks the energy performance of our data centers. PUE is calculated by dividing the building's total power usage by the power drawn for the data center's computers and Information Technology equipment. For example, a PUE score of 4 indicates that the data center's energy demand is four times greater than the energy needed to power the IT equipment. The lower the PUE score, the more efficient the data center.

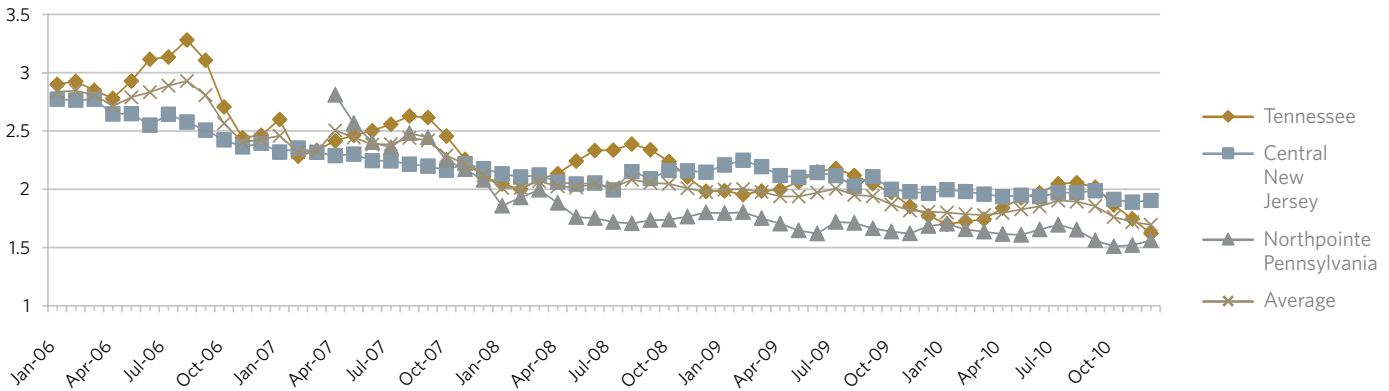
The teams tasked with finding ways to reduce energy costs are rewarded through a mix of job evaluations, raises and bonuses. The result is a strong, focused and competitive team that collaborates and competes to reduce utility costs.

Through collaboration with BNY Mellon's data center managers and the Information Technology group, the company's average data center power utilization efficiency ratio has significantly improved, from a rating of 2.8 to 1.7, resulting in an energy savings of up to 80 million kilowatts, or an avoidance of \$7.5 million in energy costs, at the company's U.S. data centers alone.

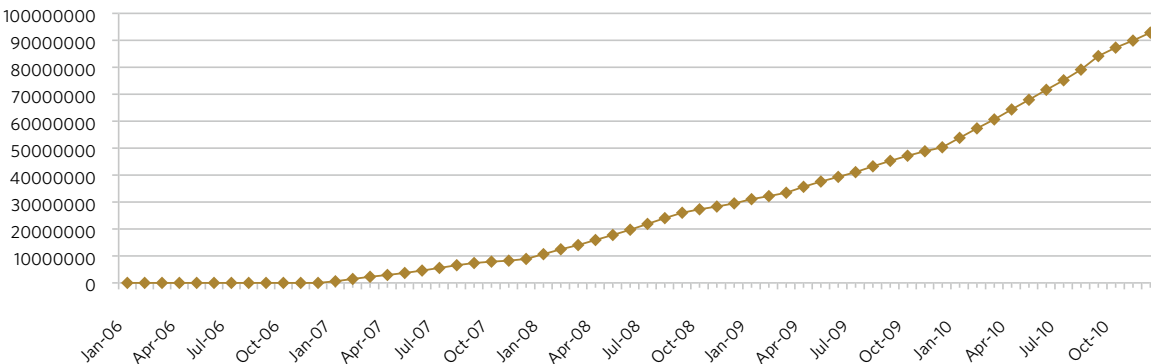
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Data Center Energy-efficiency Initiatives — Average Power Usage Effectiveness (PUE)

Data Center PUE



Total PUE Program kWh Savings



= 92,845,756 kWh IN TOTAL ENERGY SAVINGS

The kWh energy savings at all of the data centers from BNY Mellon's PUE program is equivalent to any one of the following:

9,621,707 gallons of gasoline avoided

44,099 unused tons of coal

182,481 barrels of oil avoided

This is enough energy to make **8,018 trips around the world at the equator in a vehicle with an average estimated fuel efficiency of 20 miles per gallon.**

Energy-saving steps that have advanced our PUE program include basic measures such as sealing the raised-floor cracks at the data centers and maintaining the right static air pressure under the raised floor grid, as well as efficiencies gained from server and equipment upgrades.

Balancing Our Energy Footprint with Renewable Energy Certificates

Our emissions management program includes pursuing new sources of alternative energy and the strategic purchase of Renewable Energy Certificates (RECs) to offset BNY Mellon's energy-related carbon footprint.

In the U.S., the company has committed to continue offsetting the equivalent of 75 percent of its electricity use, from a 2009 baseline, through renewable energy investments. In the EMEA region, more than 50 percent of electricity consumption will be offset with renewable energy sources. Globally, about 62 percent of BNY Mellon's total electricity consumption will be offset using certified renewable energy.

Renewable energy is power generated from environmentally preferable renewable resources, such as wind, solar, geothermal, bio-gas, bio-mass and low-impact hydro. These resources generate electricity with a net zero increase in carbon dioxide emissions, while offering a superior environmental profile when compared to traditional power generation sources. Green power purchases also support the development of new renewable energy generation sources.

Recognition Spotlight: BNY Mellon Named a Green Power Leader

In October 2010, BNY Mellon was named an EPA Green Power Leader, a national honor, for making significant investments in renewable energy sources. Each year, the EPA recognizes the country's leading green power purchasers for their commitment and contribution to helping advance the development of the nation's voluntary green power market. The company was one of only 10 organizations in the country to receive a Leadership Award in the Green Power Purchase category.

BNY Mellon invests in nearly 230 million kWh of green power annually. A REC purchase ensures that the associated amount of electricity a company or an individual uses is replaced on the power grid with renewable electricity generated at wind and solar energy

62 percent = The amount of global electrical utility use offset by renewable energy in 2010 (vs. 29 percent in 2009)

* DOES NOT INCLUDE GIS portfolio, acquired in second half of 2010

"The EPA congratulates BNY Mellon for demonstrating by example the importance of using clean, renewable energy. By using green power, BNY Mellon is leading the way toward cleaner air and a healthier environment, while helping advance the market for renewable energy."

— Gina McCarthy, Assistant Administrator for Air and Radiation, EPA

facilities. BNY Mellon's current renewable energy commitment started in the beginning of 2010 and will run through 2014. The company purchases from suppliers of renewable energy products in the U.S. that meet approved guidelines. BNY Mellon's partnership with NextEra Energy Resources, North America's largest producer of wind and solar power, is its largest renewable energy investment to date, with 100 percent of the proceeds directed to NextEra's EarthEra Renewable Energy Trust to help build new wind and solar facilities. This will further accelerate the construction of new renewable energy projects in the U.S.

BNY Mellon currently ranks 17th on the EPA's National Top 50 list, which highlights EPA Green Power Partners that have completed the largest annual voluntary purchases. According to the EPA, BNY Mellon's current level of green power purchases, nearly 230 million kWh, is equivalent to avoiding the carbon dioxide emissions of nearly 32,000 passenger vehicles per year, and is the equivalent amount of electricity needed to power more than 20,000 average American homes annually.



Capricorn Ridge Wind Energy Center in Sterling, Texas

CONSUMPTION OVERVIEW

		2009 Reported Value*	2010 Reported Value*
Total electricity consumed	Million kilowatt-hours (kWh)	348	372
Electricity consumed per employee	Thousand kWh per employee**	8	8
Total corporate fleet auto gas	Thousand gallons	Not recorded	56
Auto gas consumed per employee	Gallons per employee**	Not recorded	1.2
Total gas consumed (natural gas)	Hundred cubic feet (CCF)	946,758	890,420
Natural Gas consumed per employee	CCF per employee**	22	19
Total oil consumed (diesel)	Thousand gallons	20	20
Oil consumed per employee	Gallons per employee**	0.5	0.41

*Data in each column represents actual data for the full previous year. Does not include acquisitions.

**42,200 employees in 2009; 48,000 employees in 2010

Emissions

Carbon Disclosure Project

Each year, BNY Mellon voluntarily tracks, measures and publicly discloses its carbon emissions for every owned, controlled or leased facility in the 36 countries in which it operates. The Carbon Disclosure Project (CDP) evaluates a company's total environmental program — including emissions reporting and strategy, governance, risk and other factors — and encourages participants to address emerging issues.

To calculate greenhouse gas emissions, consumption data from electric utilities, heating oil, natural gas, corporate aircraft and car fleets, and corporate travel is converted into metric tons of carbon dioxide.

In 2009, BNY Mellon was named to the CDP Carbon Disclosure Leaders Index, which includes the top 50 Standard & Poor's 500 companies that publicly and voluntarily report environmental disclosures. With a score of 78, BNY Mellon was also listed among the CDP's top five financial institutions on the index.

In 2010, although the company scored well in emissions reporting, the overall CDP results slipped 12 points from the prior year, reflecting both substantial global business growth as well as changes in the scoring methodology. We are focused on improving this score in 2011.

Also in 2010, BNY Mellon became an official CDP signatory, underscoring our commitment to environmental sustainability. As investors increasingly request details regarding our broader involvement in environmental programs, we will continue to collaborate with our stakeholders and business areas to provide a more complete portrait of our progress and leadership.

Green Buildings and Environmental Design

The company's approach to green building, established in 2009, is now a standard operating strategy. We focus on improving the energy efficiency of our buildings first, then evaluating buildings that have acquired the ENERGY STAR label for LEED Existing Building potential.

LEED, or Leadership in Energy and Environmental Design, focuses on the design, construction and operation of high-performance, environmentally sustainable buildings. To achieve this certification, the building's sustainability and operations plans, maintenance practices and procedures are reviewed by a third party to ensure energy efficiency and sustainability based on the U.S. Green Building Council's (USGBC) high performance standards and metrics. LEED promotes a whole-building approach to sustainability and recognizes performance in targeted areas, such as water and energy savings, materials and resources, as well as indoor environmental quality.

BNY Mellon participates in the LEED Existing Building (EB) and the LEED Commercial Interiors (CI) programs.

BNY Mellon's Everett Facility Receives Gold-level LEED Certification

In February, the USGBC awarded Gold-level LEED certification in the EB category to the company's Everett, Massachusetts, facility. The building earned its certification for superior energy, lighting, water and material use, along with sustainable strategies that included:

- Decreasing energy consumption by nearly 20 percent through building-wide control systems, operating methods and lighting automation
- Renewable energy power generation from a rooftop solar array

BNY Mellon Greenhouse Gas emissions Summary

	2009	2008
Scope 1 direct emissions¹	Total: 9,483 metric tonnes CO₂	Total: 9,550 metric tonnes CO₂
USA	9,414	9,540
International	69	10
.....		
Scope 2 indirect emissions from purchased electricity¹	Total: 214,240 metric tonnes CO₂	Total: 204,435 metric tonnes CO₂
USA	184,617	182,005
International	29,623	22,430
Electricity Consumption²		
USA	307,616,750 kWh	298,980,669 kWh
International	64,304,532 kWh	49,497,781 kWh
Emissions reductions achieved through alternative energy		
USA	60,998 metric tonnes CO ₂ -e of renewable offsets	29,621 metric tonnes CO ₂ -e of renewable offsets
International	8,378 metric tonnes CO ₂ -e via direct purchases	2,596 metric tonnes CO ₂ -e via direct purchases
<p>BNY Mellon has made one of the largest investments in alternative energy (39% of purchased electricity domestically), listing it among US EPA's Fortune 500 List of Top Green Power Purchasers for 2009.</p>		
.....		
Scope 3 indirect emissions from other sources	Total: 22,513 metric tonnes CO₂	Total: 28,165 metric tonnes CO₂
USA Business Travel	Total: 18,436 metric tonnes CO₂	Total: 24,476 metric tonnes CO₂
Transportation	16,513	20,962
Hotel stays	1,923	3,514
International Business Travel	Total: 4,077 metric tonnes CO₂	Total: 3,689 metric tonnes CO₂
Transportation	3,742	3,333
Hotel stays	335	356
.....		
Activity-related intensity measurements (Scope 1 & 2)		
Per million sq ft of owned and leased space	14,622 metric tonnes CO ₂ -e	14,124 metric tonnes CO ₂ -e
Per employee	5.30 metric tonnes CO ₂ -e	4.99 metric tonnes CO ₂ -e

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

² Includes steam consumption.

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.

- Exemplary recycling, waste management and employee education programs
- A superior water management program that delivers a 34 percent reduction in use from efficient fixtures and landscaping
- A green cleaning policy with environmentally sensitive products and processes
- BNY Mellon's sustainable purchasing program

Working with National Grid and leveraging a grant from the Massachusetts Renewable Energy Trust, plus state and federal tax incentives, BNY Mellon installed a 76-kWh rooftop solar array on the building in early 2009, which was showcased in last year's CSR report. The system is designed to annually reduce carbon dioxide emissions by about 50 tons and will pay for itself in less than five years, while also relieving peak energy demand on the Everett grid. To date, the solar array has produced 175,475 kilowatt hours of electricity, enough to power 14 average American homes for one year.

More than 1,000 company employees work in the 385,000-square-foot office complex and operations center, which serves the company's Asset Servicing and other businesses. This building has also earned the EPA's ENERGY STAR award for eight consecutive years.

One Wall Street Improvements Earn U.S. Green Building Council Silver Certification

In June 2010, the 12th floor of BNY Mellon's One Wall Street headquarters in New York earned the coveted LEED CI Silver certification from the USGBC.

Highlights of these eco-friendly improvements include:

- Offices and meeting rooms designed with glass fronts to draw the sun's light inward, while providing flexible space
- High-efficiency light fixtures and motion-detecting light sensors designed to reduce overall electricity use, the largest single contributor to a building's greenhouse gas emissions
- Paint, carpet and furniture with low volatile organic compounds or organic, naturally based chemical compounds, which substantially reduce the amount of indoor air pollutants
- The salvage and recycling of nearly all construction waste from the project, with 80 percent of those materials diverted from landfills

"These improvements place sustainability at the forefront of our space planning and design efforts," said Chip Logan, BNY Mellon's Head of Facilities Services and Sustainability. "The many positive benefits include a better, more effective use of space, increased energy efficiency and reduced carbon dioxide emissions."

525 William Penn Place Gets Gold-level LEED Certification

In September, BNY Mellon's location at 525 William Penn Place in Pittsburgh was awarded Gold-level LEED EB certification from the USGBC.

The property is the largest building in the Pittsburgh area to obtain the LEED EB Gold ranking to date, and is one of only three buildings in the region to obtain this ranking. Key changes included:

- significantly decreasing electrical energy consumption by 7.7 million kWh over the last five years through the use of lighting control systems and lighting motion sensors, as well as the installation of Variable Frequency Drives to control the power supplied to a motor so that it matches actual demand;
- a five-year contract for the purchase of off-site, Green-e certified renewable energy credits equivalent, at the time of purchase, to 100 percent of the anticipated annual electrical consumption;
- exemplary recycling and waste management programs;
- modifications to the plumbing fixtures, which resulted in a higher water use efficiency;
- a green cleaning policy with environmentally sensitive products, equipment and processes; and
- a sustainable purchasing program that encompasses office supplies, lamps, furniture, electronic goods, cleaning and other building supplies.

"With the support and participation of our employees and tenants, we are reducing our impact on the environment. This latest 'green' achievement is a result of a long-term, strategic focus on utilizing our resources in a responsible way."

— Vince Sands, Chairman of BNY Mellon of Pennsylvania

Travel-related Emissions

BNY Mellon works with its corporate travel partner to obtain emissions reports on the carbon footprint of indirect emissions tied to company travel.

U.S. Mode of Transportation and Hotel Stays	2010 Reported Carbon Dioxide Emissions* (in metric tons)	2009 Reported Carbon Dioxide Emissions* (in metric tons)
Car Rentals	834.9	1,107.8
Flights	15,669	19,829.2
Hotel Stays	1,923.3	3,513.5

**Data in each column represents actual data for the full previous year. Does not include acquisitions.*

Waste Management

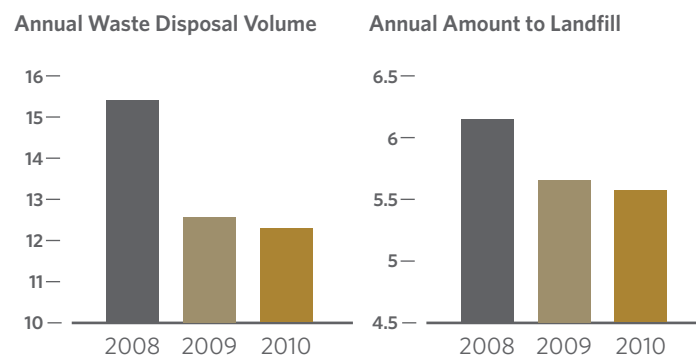
In addition to energy management, waste management is another major strategy area where we are working to reduce our environmental impact and continue to build employee engagement in the sustainability program. In fact, at most BNY Mellon facilities, the waste management program requires employee action.

A major challenge in this area concerns data collection and integrity, given that waste hauling and recycling services vary by region and, sometimes, by county. While the facility managers at our tracked locations continue to challenge their waste hauling vendors for more accurate information, they're also determining standards for measuring trash volume from estimates. And our employees are increasingly aware of their role in waste management, understanding the importance of using less, reusing more and recycling.

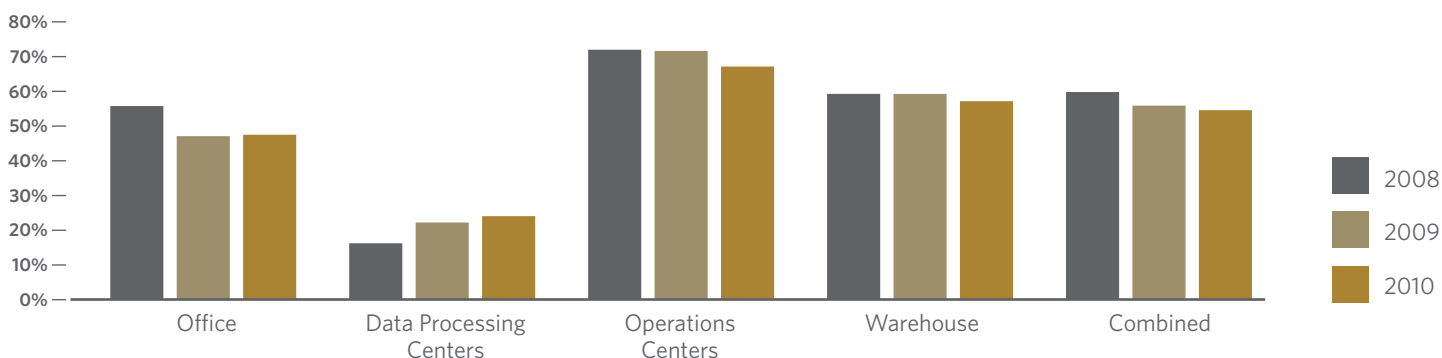
In 2010, we tracked waste volumes in the 8.2 million square feet of office space, data centers, operational centers and warehouses where some 22,000 BNY Mellon employees work. For 2010, we recorded 12.2 million pounds of office trash generated, a reduction of more than 500,000 pounds from last year. Additionally, 193,000 pounds

of IT hardware assets from our large-scale data centers were either recycled or incinerated in waste-to-energy plants. For the future, our biggest priority in waste management is to continue to reduce the amount of overall trash generated.

Waste Management (pounds in millions)



Recycling %



2010 RECYCLING AND WASTE OVERVIEW

		2009 Value	2010 Value
Number of employees at tracked facilities		24,816	21,886
Square feet at tracked facilities		8.0	8.2
Total waste recycled		7.1	6.7
General office paper - white/mixed/confidential		6.1	5.7
Cardboard		0.7	0.3
Aluminum, glass and plastic		0.3	0.6
Total waste to landfill		5.6	5.6
Office		1.8	1.7
Perishable		3.8	3.9
Total waste	Million pounds	12.7	12.2

BNY Mellon Launches Major Environmental Sustainability Objectives through PaperWise

On June 5, 2010 — World Environment Day — BNY Mellon launched PaperWise, a global environmental sustainability initiative to help employees understand the impact of paper use and how to make smart choices when printing and copying documents.

PaperWise combines innovation with conservation, emphasizing the use of eSolutions such as two-sided printing, printing only the pages needed instead of a whole document, or creating a PDF file instead of printing to paper.

In less than one year, the initiative was responsible for a 20 percent drop in paper use and represents 108 million sheets of paper saved. This was accomplished primarily by making employees aware of what they could do to save or recycle paper, and by relocating nearly half of the company's multi-function devices and network printers for employee printing and copying.

Throughout 2010, the company maintained and promoted its paper recycling programs. According to the company's General Services and Corporate Real Estate department, the company recycled 5.7 million pounds, or 2,800 tons, of paper. Since each ton of recycled paper saves 17 trees, the company's paper recycling efforts in 2010 saved an estimated 48,000 trees.

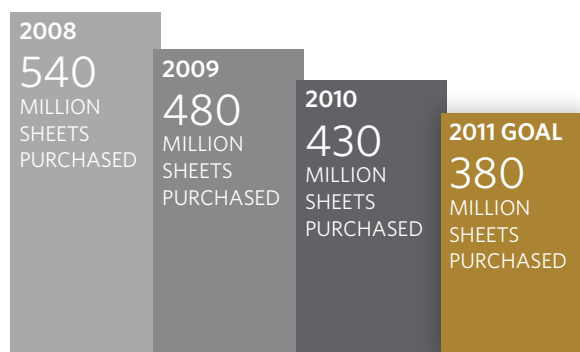
"Through PaperWise, employees can take an active role in our key 2010 global sustainability initiative. Together, we'll end up using eSolutions where, in the past, we might have just hit the Print key."

— Kurt Woetzel, Head of
Global Operations and Technology

The success of PaperWise will involve everyone in the company. Rather than simply lay out a series of directives to employees on how to save paper, it solicits every employee's input and involvement in a larger process to create and institute new ways to save paper.

While saving paper and conserving natural resources have been the primary objectives of PaperWise, the initiative to deliver information to clients and shareowners electronically has also created business opportunities for BNY Mellon. By emphasizing eSolutions, the company provides important information more quickly and conveniently to recipients.

BNY Mellon On Target for 30 Percent Paper Reduction Since 2008



An aggressive internal awareness campaign was instituted to publicize PaperWise and issue a "paper challenge" competition for employees. The campaign was centered on two complementary themes: the need to reduce paper use, and the need to increase electronic delivery and storage practices.

Employee Eco Champions Reduce Paper Use

In 2010, BNY Mellon recognized employee Eco Champions representing nearly every business and location around the globe. To earn Eco Champion recognition, employees demonstrated active participation in the company's key 2010 sustainability initiatives.

The sustainability team gathered more than 70 new paper-saving ideas from employees as a result of the launch of the PaperWise initiative and converted the ideas into a how-to guide for the entire company. The digital guide includes tips and suggestions for saving or eliminating paper use. In recognition of their efforts, the employee contributors were named BNY Mellon's first Eco Champions.

Brazil Uses 100 Percent Recycled Paper for Marketing Materials

In 2010, BNY Mellon Brazil achieved its objective, and an Eco Champion designation, for a simple idea conceived in 2007 — make sure all stationery and marketing materials are printed on recycled paper. All of Brazil's business cards, office stationery and marketing

"We made a decision to incorporate sustainability into our everyday approach to business."

— Zeca Oliveira, CEO of BNY Mellon Brazil

collateral materials have been printed on 100 percent recycled paper. This includes paper used for regular desktop printing and copying, as well as standard collateral pieces like fact sheets.

In addition to recycled paper, BNY Mellon Brazil is currently using white reforested paper, which comes from forests where new trees are replanted where existing ones are cut down.

Pune Wealth Management Team Process Change Saves Paper and Time

The Wealth Management Income Processing team in Pune, India, was recognized as an Eco Champion for a Microsoft Excel-based solution that eliminates 3,000 printed pages per month.

The team is responsible for posting clients' payments on mortgage-backed securities into the accounting and valuation system. The original process involved employees using paper printouts to manually compare the payments recorded in two separate computer systems. In a typical month, the team reviewed about 3,000 printed pages. After analysis and consideration, the team reengineered the paper-based process to save this significant amount of paper.

Here are just a few of the many noteworthy paper-saving initiatives under way around the company.

Alternative Investment Services' e-Delivery Initiatives Promote Risk Management

Minimizing operational risk has always been a priority within AIS. The business uses a proprietary transfer agency system that services most fund structures. Within these fund structures, the system can process investor activity, store documentation and deliver investor correspondence electronically, including group mailings. The system has been continually developed and enhanced to widen the population of funds processed, and a significant benefit from these enhancements has been increased electronic statements and, correspondingly, less paper use. AIS has been using and focusing on the further development of other intranet-based systems, which will support strong, paperless workflows. Already in place is a workflow process that facilitates the receipt and dissemination of incoming fax communications electronically rather than on paper.

CDO Cash Reconciliation Process Map Leads to Time, Money and Paper Savings

In the Collateralized Debt Operations cash reconciliation process, one of our Operations and Quality teams conducted a detailed process-mapping exercise with the goal of streamlining a complex process and building greater efficiency. As a result, the process went from 32 steps to 20 steps and processing time dropped by an hour, from 450 minutes to 390 minutes, resulting in an annualized savings of nearly \$100,000.

COLD Storage Solution Creates Powerful Reporting System and Searchable Database

BNY Mellon's Global Financial Institutions area offers its clients a robust digital archive solution that generates computer output to laser disk (COLD) instead of paper. Clients use it as a reporting archive. They have the ability to rapidly retrieve and search large amounts of data in an automated fashion, resulting in paper savings and higher productivity.

Fund Accounting Paperless Initiatives Modernize Workflow

In the Fund Accounting office in Manchester, UK, a two-phase initiative will digitize both the report checking and report archiving processes, maximizing the usefulness of its online workflow management tool. Phase one, which involved the complete reengineering of the data verification process, has already reduced the amount of paper used per day by an average of 18,800 sheets, saving more than \$165,000 annually.

In the Ireland Fund Accounting office, prior to reengineering, this manual process took an estimated 192 minutes per employee per fund, which impacted overall productivity. The new process reduces processing time to 168 minutes per employee per fund, eliminates printed reports and generates electronic reports. This has resulted in savings of about 15,000 pages per day, or 3.78 million total printed pages, as well as ancillary savings in staffing and vendor management equivalent to \$115,000 annually.

Shareowner Services eDelivery and eDistribution Offers Instant Access and Postal Savings

MLink, launched in 2003, continues to offer clients efficient delivery of paperless statements, tax forms, transaction advices, annual reports and proxy statements. Collectively, the 668,000 shareowners enrolled in this program save \$1.5 million in annual printing and mailing costs.

Pershing's mydocumentsuite.com Saves Paper and Generates Revenue

Enrollment in the online service that offers investors electronic delivery of brokerage account statements and trade confirmations nearly tripled from 2009 to 2010. By introducing a graduated surcharge for paper-driven documents and providing marketing tools to drive e-Delivery, the project generated \$2.3 million in revenue and another \$2.7 million in savings. Client document types were also extended to include proxy and shareholder communications, tax documents, account notifications, quarterly performance reports and prospectuses; this capability will be fully rolled out in 2011.

In partnership with the Arbor Day Foundation, and as a result of this program, Pershing's clients saved more than 2,500 existing trees and were responsible for planting about 50,000 trees in national forests and other areas slated for conservation throughout 2010.

Employee Engagement and Environmental Sustainability

As sustainable thinking and decision-making continues to be integrated into the day-to-day operations of BNY Mellon's businesses around the world, we remain ever vigilant in building a culture of environmental sustainability.

This effort has centered on regular employee communications through meetings, internal correspondence and a dedicated informational site available to all employees from the company intranet. At the same time, the company has continued to explore ways to further involve employees in the process through opportunities for participation, in addition to external commitments BNY Mellon has made to join the larger movement toward environmental sustainability.

One example of this is the employee-established Europe, Middle East and Africa (EMEA) Sustainability Committee. Formed in May 2008, this all-volunteer committee creates environmental awareness through employee-focused volunteer opportunities, educational experiences and initiatives. The EMEA Sustainability Committee continues to improve the environmental sustainability and profile of the company and its stakeholders within the region.

Children of BNY Mellon Employees Participate in Caring Tree Project

In Pittsburgh, members of the "LGBT affinity network" sponsored an earth-friendly activity for the children of BNY Mellon employees.

Through the Caring Tree project, children ages 9 through 12 participated in a hands-on environmental education session, including an interactive discussion and art project. Together, they talked about the importance of the three R's: reduce, reuse and recycle.

Following the discussion, each child was asked to think of one thing he or she could start doing to help the environment and to depict that idea on blank leaves. Then, one by one, the children attached their decorated leaves to a small wire frame, building the Caring Tree.

Regional Events and Participation

Earth Day, April 2010

In connection with Earth Day projects throughout the company and around the world, BNY Mellon "green teams" volunteered more than 1,300 hours for charities they supported.

Green team projects included restoring trails, beautifying parks, landscaping, preparing gardens and participating in outreach efforts to promote recycling and reduce waste in the office.

Following are some Earth Day activities in which BNY Mellon employees participated:

- Employees in Edinburgh, Scotland, helped nonprofits with beautification projects.
- Employees in Singapore planted more than 20 trees in a designated reforestation area at the Macritchie Nature Reserve.
- In New York, employees hosted farmers markets.
- Boston volunteers participated in the Charles River cleanup.
- Two teams in London participated in gardening projects at Culloden and Keyworth Primary Schools.
- In Pittsburgh, employees worked with six nonprofits to improve park facilities.
- A team in Orlando, Florida, helped landscape and refurbish exhibits at the Central Florida Zoo and Botanical Gardens.
- A team in Malvern, Pennsylvania, helped clean up Goose Creek Park.
- A team in Seattle worked with Earthcorps to help restore the West Dwanish Greenbelt for wildlife and migrating birds.
- In Poole, UK, a team worked in the garden at Chestnut Nursery.
- A team in Jersey City, New Jersey, helped beautify Liberty State Park.
- In Chicago, a team collaborated with the Pathways Foundation to clean up a local park.

World Environment Day, June 2010

Sponsored by the United Nations Environment Programme, World Environment Day seeks to promote positive, environmental action around the world and has been commemorated each June 5 since 1972.

In addition to launching its ambitious PaperWise initiative in conjunction with the event, BNY Mellon played an integral role when Pittsburgh was designated as the North American host city to World Environment Day activities.

External Commitments

BNY Mellon is a member of:

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

2010 Awards

Green Power Leadership Award

U.S. Environmental Protection Agency

BNY Mellon is recognized among the top U.S. companies investing in renewable energy. Its voluntary purchase of renewable energy credit offsets are equivalent to 75 percent of BNY Mellon's anticipated U.S. electrical consumption.

Newsweek's Greenest Companies

Newsweek Magazine

BNY Mellon ranked 47th on Newsweek's list of "Greenest U.S. Companies. The comprehensive ranking is based on an analysis of the company's environmental impact, its green policies and a reputation survey.

London Clean City Award

City of London

BNY Mellon's office at 160 Queen Victoria Street attained a Gold Award for its environmentally sustainable workplace practices and focus on waste reduction, reuse and recycling.

New Jersey Smart Workplaces Award

In November, the State of New Jersey recognized Pershing, a BNY Mellon business, with a Smart Workplaces Award for the commuter programs it offers to employees. Pershing won top honors, with two awards at the Platinum level for its Jersey City and Florham Park offices. New Jersey Smart Workplaces recognizes organizations for outstanding achievements in providing and promoting commuting alternatives for their employees that help reduce traffic congestion and improve air quality.

Sustainable Corporate Real Estate Roundtable

Outstanding Corporate Leader

Sustainability Roundtable, Inc.

In December, Sustainability Roundtable, Inc., a leader in shared-cost research and consulting on best practices in more sustainable business, named BNY Mellon its Sustainable Corporate Real Estate Roundtable Outstanding Corporate Leader of the Year for its companywide commitment to responsible environmental stewardship.