

The Bank of New York Mellon (International) Limited

Notes to the Financial Statements - Continued For the Year Ended 31 December 2020

Directors' duty

This statement is made in accordance with Section 172 of the Companies Act 2006 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018). It describes how the directors, in acting to promote the success of the Company for the benefit of the shareholders, have had regard to a number of broader matters. These include the likely consequence of decisions for the long term, and the Company's wider relationships.

The directors have acted in a way that they consider, in good faith, to be most likely to promote the success of the Company for the benefit of the shareholder. In doing so, they have had particular regard to the following considerations:

- a) the likely consequences of any decision in the long term;
- b) the interests of the Company's people;
- c) the need to foster the Company's business relationships with suppliers, customers and others;
- d) the impact of the Company's operations on the community and the environment;
- e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly as between members of the Company.

The directors have discharged these duties through, amongst other things, their compliance with the Senior Managers and Certification Regime, and having regard to these matters when determining the Company's strategy and purpose, and when reaching decisions. In order to aid the directors in discharging their duties, the Corporate Secretarial Team provides annual training to board report writers and presenters to ensure that when preparing board reports, consideration is given to the following factors: long-term implications, impact on the risk appetite and strategy, impact on reputation or regulatory position, impact on clients, culture, suppliers and impacts on the industry, society and the environment.

Each scheduled board meeting follows a carefully tailored agenda agreed in advance between the Chairman, Chief Executive Officer ("CEO") and the Company Secretary. Typically, a scheduled board meeting includes reports on progress against the Company's strategy, financial performance, as well as legal and corporate governance updates. The Chairs of the Company's Audit, Risk and Nomination Committees each provide a written report to every board meeting on the proceedings of those bodies, including the key discussion points and any particular areas of concern or matters for escalation.

The following disclosure provides insight into how the Board has discharged its duties under Section 172 in the context of matters that have been discussed and debated during the year.

a) Taking into account the long-term impact of decisions

The directors have considered the likely long-term consequences for key decisions made during the course of the year. In particular, for 2020 they have considered:

Strategy

The Board considered four main pillars: 1) Growth; 2) Governance; 3) Risk and Compliance; and 4) People. Each pillar is supported by goals, deliverables and metrics and day-to-day execution of the strategy is monitored and tracked by the CEO and the Company's Executive Committee ("ExCo"), which meets on a monthly basis. The CEO provides written reports to the Board on the achievements to date. In reviewing and implementing strategy in 2020, the Board considered the many aspects of BNY Mellon's business and its stakeholders and has regard to the immediate, mid-term and long-term risks and opportunities faced by the Company and their likely impact on the community and the environment. Examples of this include: monitoring business at risk and other growth areas; the importance of Digital and Data to serve our clients; ensuring a robust operational and technology resilience pathway; the wellbeing of our people; and maintaining strong regulatory engagement particularly in the areas of COVID-19, Brexit, Outsourcing and Third Party Governance.

Corporate Governance

To promote long-term success and better engagement with stakeholders, the Board has reviewed and strengthened its corporate governance measures by agreeing to formally adopt the Wates Corporate Governance Principles on a voluntary basis with effect from the start of the financial year January 1, 2021 and to also prepare a statement on corporate governance measures for the 2020 financial year end.

Risk

The directors recognise the importance of risk management in the execution of the Company's strategy and the Board has defined the levels of risk acceptable to the Company. This is formalised and monitored through a risk appetite statement, approved by the Board and monitored by the Board's Risk Committee. The established risk types, and horizon scanning for new risks that could cause a material impact to the long-term success of the Company, is continually reviewed. An example of this is the consideration of both the short-term and long-term financial risks associated with climate change. The Risk Management Framework is outlined in more detail in the Directors' report on pages 10 - 23.

COVID-19

Since the start of January 2020, COVID-19 has created significant disruption to global markets and economies. Management recognises that the pandemic presents risks to the Company's employees, clients and suppliers, and has put in place procedures to monitor and mitigate those risks.

Management is committed to ensuring that the Company is able to continue to service its clients and wider stakeholders while prioritising the health and wellbeing of the people that support the business. Accordingly, substantially all of those people were instructed to work from home with only a small number of essential in-office roles supported by social distancing protocols. The Company's existing IT infrastructure is supporting this way of working and the Company has remained fully operational, demonstrating its resiliency, commitment and capacity to support its clients.

The Company benefits from the wider BNY Mellon Group COVID-19 Response Programme ("CRP"). With periodic strategic direction from the BNY Mellon Group Executive Committee, the CRP reviews key data on the impact of the pandemic relating to people, clients, third party service providers, the industry, government and the regulatory environment, and appropriate actions are taken where issues are identified.

During 2020, the directors considered the long-term impact that COVID-19 could have on the Company and its strategy, and the financial impact that related economic and social uncertainty could have on the Company's balance sheet and capital position. The impact from this disruption resulted in the directors reviewing the Company's Internal Capital Adequacy Assessment forecast, considering updated financial forecasts and more adverse economic stress. It also prompted the directors to review its internal capital stress tests. The conclusions drawn demonstrated that the Company remains within the Capital Risk Appetite limit under both baseline and stressed conditions. The revised financial forecast concluded that the Company is expected to remain profitable.

Throughout the COVID-19 pandemic the Company's management has enhanced its monitoring of operational and financial resilience, reviewing and reporting to the Board on aspects such as client deposits, overdraft levels, various capital and liquidity metrics, service level agreements and client feedback. The directors received weekly written reports on the output of the enhanced monitoring during Q1 and Q2 2020, and on an ad hoc basis throughout the rest of the year, none of which required the directors to take any formal action in response.

Regulatory Change

Regulatory risk is one of the key business and financial risks faced by the Company. With regard to the implementation of regulatory change, the directors have monitored the progress of the LIBOR transition programme and the associated risk exposure. BNY Mellon is preparing for the LIBOR transition at an industry level, across the organisation and with our clients in a dedicated programme which began in 2018.

The directors have considered the key obligations and impact on the Company and its clients with the implementation of the Shareholder Rights Directive II (SRD II), which aims to improve long-term engagement between shareholders (asset owners and asset managers) and the companies into which they invest. The directors reviewed the requirements of SRD II and the enhancements required to existing processes to meet the new rules that came into effect in September 2020.

The directors have received updates from management on the progress made to date with the implementation of the UK Operational Resilience Consultation Papers, the final rules of which are expected to be issued in early 2021. The key concepts in the Consultation Papers include the identification of important business services and setting impact tolerances. It has been agreed that the Risk Committee of the Board will receive regular updates at each meeting in 2021 to monitor progress.

The directors identified the critical functions (those where disruption or withdrawal could have an adverse material impact on clients and financial stability in the UK) as part of the Company's Recovery Plan being: 1) Custody Services including payment, clearing and settlement services; 2) Transfer Agency; and 3) Fund Accounting. The Board approved the Recovery Plan, which outlines a framework for ensuring the Company's resilience and ability to recover from a broad range of stresses. The critical functions remain consistent with the 2019 Recovery Plan.

b) Employee Interests

Recognising that there are no employees within the Company, a key objective of the Company is to contribute to the Global People Strategy. The Board has agreed to focus on Belonging, Impact and Growth as three core areas to support the Company's culture, develop talent and deliver growth. The Company helps to support employee engagement with an emphasis on career development through mentoring programmes such as the Shadow Executive Committee initiative. The initiative was piloted in 2019 and will be in its third year in 2021. The objective of the Shadow Executive Committee is to create a mirror group of the Company's ExCo which is capable of analysing, debating and making recommendations to the ExCo on key topics relevant to the Company, and to strengthen the diversity of the Company's succession benches.

The Board receives regular updates from Human Resources addressing the outcomes of the Company's people agenda. Throughout the year these updates have provided insight into the impact and outcome of the COVID-19 pandemic environment on talent, wellbeing, attrition, recruitment and culture within the Company.

c) Suppliers, customers, stakeholders and other third parties

The directors fully recognise the importance of balancing the interests of internal and external stakeholders: clients, industry groups, regulators, shareholder and vendors. As such, the Board's composition and the supporting governance structure it has put in place have been designed to ensure full consideration is given to meeting the best interests of its stakeholders in line with the Company's outsourced business model. Detailed within the Directors' report are the Company's dedicated committees whose purpose is to ensure effective escalation of issues through the regional and global structure. The Board receives updates through regular and/or specific escalation from the committee structure and is provided with the opportunity to challenge and request deep dives into specific matters.

The Company is supported by the CEO, who provides regular written updates to the Board in relation to key milestones and progress made under each programme of work underpinning delivery of the Company's strategy. The CEO also provides regular updates on the work of the Company's ExCo in relation to the oversight of client activity, the outsourced framework and ensuring that business is conducted within risk appetite.

The Board initiated virtual 'in person' events throughout 2020 for the directors to engage with key stakeholders and to meet with BNY Mellon employees in different geographical locations. This included a virtual event held with the BNY Mellon Manchester office which covered topics such as, Asset Servicing and Digital, Conduct and Culture (including Diversity & Inclusion), Custody, Client Services, Operations and Embedded Controls. The events are aimed at providing the directors and BNY Mellon employees with the knowledge needed to effectively discharge their governance responsibilities, to enhance their ability to review and challenge, and to provide them with an opportunity to meet with the wider BNY Mellon teams.

During 2020, some examples of matters brought to the Board's attention through its underlying committee structure in relation to stakeholder engagement included:

- COVID-19 UK Third-Party Assessments - the work of the Enterprise Resiliency Office and Office of Third Party Governance worked closely together to monitor potential service disruptions from third party providers and the impact to the business;
- Regulatory Engagement updates – Periodic Summary Meeting, Dear CEO Letter regarding reliability of regulatory returns;
- Trust & Depository Client Webinar: LIBOR Transition & Benchmark Reform - Approximately 40 clients and prospects tuned in to listen to BNY Mellon experts in this area;
- A virtual employee event entitled "Environmental Social and Governance ('ESG') and Responsible Investing – Informing Yourself" was held with the CEO participating on the panel; and
- Learning sessions hosted by BNY Mellon's International Treasury team in preparation for the forthcoming Regulatory

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Capital Supervisory Review and Evaluation Process.

d) Impact on the community and environment

The Company is regulated in the UK by the Financial Conduct Authority ('FCA') and the Prudential Regulation Authority ('PRA'). The FCA and the PRA are considered part of the business environment in which the Company operates and are recognised as stakeholders. The directors have a strong, open and transparent relationship with our regulators.

The Company recognises that success in addressing financial risks resulting from climate change must take into account the impact on the Company's clients, vendors, and financial position. It must also reflect the Company's outsourced business model and status as a subsidiary within the BNY Mellon Group.

During 2020, the Board received updates from the CEO (who holds the Senior Manager Function for Climate Change) in relation to Enterprise ESG key achievements and next steps. The Company takes a strategic approach, led by the Board, with clear accountability, to incorporate analysis, consideration and management of financial risks arising from climate change. The CEO has implemented a Climate Change Committee with the objective to progress the requirements for the Company as it relates to Climate Change initiatives. This includes, and is not limited to, Strategy, Governance, Training, Client and Vendor engagements, Stress Testing, Financial Disclosures and the Global Risk Framework.

The Company is also aligned with its group affiliates on matters affecting the community and environment. BNY Mellon is included in Bloomberg's Gender Equality Index, CDP's Climate Change 'A List', Fortune's World's Most Admired Companies list and the Human Rights Campaign's Corporate Equality Index.

e) High Standards of Business Conduct

The Company operates within the rules of the FCA and PRA and the restrictions as defined within its regulatory licence. The Company has a defined governance structure and the independence of board and committee members is acknowledged, along with the reservation of their rights to escalate matters of regulatory interest to the Board. The Company's approach to Corporate Governance is outlined in the Directors' report.

All staff that come under the Senior Managers, Certified Persons and Conduct Rules (SM&CR) undertake ongoing SM&CR training sessions.

The aim of SM&CR is to reduce harm to customers and strengthen market integrity by creating a system that enables firms and regulators to hold individuals to account. SM&CR aims to:

- Encourage staff to take personal responsibility for their actions;
- Improve conduct at all levels; and
- Make sure firms and staff clearly understand and can demonstrate the roles and responsibilities of all relevant staff.

As a subsidiary of BNY Mellon, the Board acknowledges the benefits for all of its stakeholders in aligning with, and leveraging where possible, BNY Mellon Group policies and the provision for matters such as employee support and wellbeing, cyber security, data governance and operational resilience.

The Board initiated the expansion of the culture-focused framework into an enhanced 'Conduct and Culture' framework that addresses increased regulatory and industry expectations. The Board received updates on the Conduct and Culture initiatives completed in 2020 and key initiatives planned for 2021. The BNY Mellon EMEA Conduct & Culture Council has been formed

to support and drive the initiatives and is further supported by Conduct & Culture Champions. A number of significant Conduct & Culture initiatives were delivered in 2020 such as enhancement of the quarterly conduct risk tracker including ‘forward looking and change’ conduct risk view; new indicators around: data loss incidents, employee exit interviews and sick leave. Workstreams have been created to embed BNY Mellon’s purpose, values and behaviours and align these with employee values and behaviours.

f) Acting fairly between members of the Company

The Company is a wholly-owned subsidiary within the BNY Mellon Group governed by its Board. It maintains an open relationship with BNY Mellon, where ideas and strategic objectives are exchanged and shared, ensuring the Board members remain aligned with the strategic objectives and corporate values of its shareholders whenever appropriate. Across all decisions, the Board is fully committed to ensuring due regard to the interest of other stakeholders as described above.

Corporate Governance

Approach to Corporate Governance

Fundamental to the Company’s strategy are high standards of corporate governance. During 2020, the Board decided to formally adopt the Wates Corporate Governance Principles (the ‘Principles’) on a voluntary basis with effect from 1 January 2021. The following sections explain the Company’s approach to corporate governance, and its application of the Principles.

Principle One - Purpose and leadership

The Company’s purpose is to be a sustainable and profitable entity and an integral part of BNY Mellon, providing a full suite of products and services predominantly to UK-domiciled fund managers and UK funds, while maintaining the highest standards of client service.

The Board is collectively responsible for the long-term success of the Company. It achieves this by overseeing execution of the Company’s strategy, within the wider strategy of the BNY Mellon Group. The Board sets the strategy and oversees delivery against it. The Board periodically assesses any headwinds or opportunities that have materialised that may impact the strategy over the long-term. The Board’s supporting governance structure plays a leading role in promoting the success of the Company and in the development and maintenance of its business model.

The Company’s ExCo is responsible for developing, recommending, and executing strategy and strategic initiatives, and ensuring alignment with business line strategy. The ExCo monitors the Company’s actions and proactively monitors the asset servicing pipeline business to look for opportunities to support and meet clients’ needs. The strategy is shared internally with key committees and the Company’s senior representatives. It is also used to inform other governance documents such as the Recovery Plan and more broadly is reflected in training sessions for the Board and ExCo, through which the Company describes its progress against its strategic priorities.

The Board establishes, promotes and monitors the Company’s culture and values. The conduct and culture expectations of BNY Mellon employees are outlined in the BNY Mellon Code of Conduct and our purpose and values: Passion for Excellence, Integrity, Strength in Diversity and Courage to Lead. Conduct and Culture is a strategic priority for the Company and is supported by the EMEA Conduct and Culture Council and other business and regional committees. The Company prides itself on having a culture of conservative and prudent risk taking and places the highest priority on operating within a well-defined risk management framework.

The BNY Mellon Code of Conduct and corporate purpose and values provide a framework for decision making and a guide to business conduct. The Code of Conduct is the foundation of BNY Mellon’s commitment to “Doing What’s Right”. A global

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framework of policies for BNY Mellon employees is in place, examples of which include policies to allow employees to report concerns of Illegal or Unethical Conduct, a Non-Retaliation Policy and a Whistleblowing Policy.

Principle Two - Board Composition

The Board comprises a Chairman and a Chief Executive Officer to ensure that the balance of responsibilities, accountability and decision-making are effectively maintained, in addition to a Chief Financial Officer and four Independent Non-Executive Directors. The Board regularly reviews its composition and is committed to ensuring it has the right balance of skills and experience. The Board considers that its current size and composition is appropriate to meet the strategic needs of the Company and to ensure the directors have a high-level of understanding relevant to both the needs of the business and stakeholders' interests. BNYMIL's Chairman, Hani Kablawi, is also a member of BNYMIL's Executive Committee. The Chairman oversees the regional management teams across EMEA, Asia Pacific and Latin America, and leads strategy development, execution and delivery of enterprise priorities across these regions.

The Non-Executive Directors are responsible for independent and objective judgement in relation to Board deliberations, constructively challenging and monitoring performance of the management team. The Board is supported by a number of Committees ("the Committees") which make recommendations to the Board. The Non-Executive Directors chair, and are members of, the Audit, Risk and Nomination Committees which challenge and support the Company across a range of areas, including Audit, Risk, and Board/Executive appointments. Each Committee has written terms of reference setting out its responsibilities. Each Committee comprises individuals with appropriate skills and experiences.

The Company has an unwavering commitment to diversity and inclusion in all its forms, including diversity of thought, experience and background as outlined in the Board Diversity Policy. This commitment to strength in diversity is not only one of the Company's core values, but is also critical to the Company's ability to serve its clients and grow its business. The Board places great emphasis on ensuring its membership reflects diversity in its broadest sense and comprises a combination of demographics, skills, experience, race, age, gender, educational and professional background. The Board believes that having a range of perspectives and insights supports good decision-making. The Board also recognises the importance of a gender-diverse Board and, aligned with the HM Treasury Women in Finance Charter goal, has agreed that it should aspire to maintain a level of at least 33% female representation. The Board of seven directors currently comprises three female directors. Overall, the combined skills and experience of Board members demonstrates a high level of skill in the areas of strategy, risk and compliance oversight, finance and audit, people management, industry experience, government and regulatory, and operational experience.

The Board and each of its Committees undertake reviews of their effectiveness on an annual basis. The reviews provide an opportunity to consider ways of identifying greater efficiencies, ways to maximise strengths, and highlight areas for further development. The effectiveness reviews are commissioned by the Chair of the Board/Committees, assisted by the Company Secretary. The format of the assessment is agreed in advance and will take the form of an internal facilitated assessment or with the engagement of an external facilitator at the appropriate interval. The next external facilitated review is scheduled to take place in 2022. Directors keep their skills and knowledge up to date by meeting with senior management, and by attending external seminars and internal training courses. A program of internal training events is reviewed by the Board, led by the CEO office.

There is an induction programme for all new directors which is tailored to their specific experience and knowledge and which provides access to all parts of the business.

The Company is a wholly-owned subsidiary within the BNY Mellon Group and maintains objectivity through the composition of its Board and the independence of the Non-Executive Directors through the decision making process. The Non-Executive Directors have regular meetings with external auditors, Internal Audit, Risk and Compliance departments. In advance of each quarterly board meeting the Non-Executive Directors meet separately with the Chairman of the Board.

Principle Three - Director Responsibilities

Each director has a clear understanding of their accountability and responsibilities, and policies are in place in relation to potential conflicts of interest which may arise. The directors assume ultimate responsibility for all matters, and along with senior management are committed to maintaining a robust control framework. The Board operates a programme of at least four scheduled meetings every year, with ad-hoc meetings held as and when required. The Board's key areas of focus in 2020 are detailed in the Section 172 Companies Act 2006 report contained within the Strategic report. The Board receives regular and timely information on key aspects of the business including financial performance, progress of the strategy, operational matters, client data and products, stakeholder engagement and reports from its Committees.

The Board has reserved certain principal matters for its own approval as documented in the Schedule of Matters Reserved to the Board. The Board has otherwise delegated the executive management of the Company's business to the CEO and the ExCo. Certain responsibilities are delegated to other Board Committees (Audit, Risk, Nomination Committees and a Depositary Advisory Council ("DAC")). The Board and its Committees have clearly documented terms of reference and the membership of the Audit, Risk and Nomination Committees is comprised entirely of Non-Executive Directors who support effective decision-making and independent challenge. The DAC is comprised of four Non-Executive Directors, along with the Head of UK Trust & Depositary and the Trust & Depositary Head of Business and Regulatory Affairs.

The Chair of the Board and the Chairs of the Committees, supported by the Company Secretary, periodically review the terms of reference and forward agenda planners to ensure they remain fit for purpose and consider any initiatives that could strengthen the governance of the Company.

At each board meeting, all directors are asked to declare any potential conflicts of interest. These declarations are collated by the Company Secretary and where there are potential conflicts, appropriate safeguards are implemented. The Board has adopted the BNY Mellon Protocol "Managing Potential Conflicts of Interest (EMEA)", which is a practical guide in relation to potential conflicts of interest that may arise within the BNY Mellon Group and facilitates effective identification, management and resolution of such conflicts of interest.

Board and Committee meetings are managed with open debate and adequate time for directors and committee members to consider proposals that are put forward. The Chair of the Board and of each Committee assumes responsibility, with support from the Company Secretary, for the provision of accurate and timely information at each meeting. The Board and its Committees rely on a broad range of information sources to monitor Company performance, including, but not limited to: financial reporting, compliance and risk reporting; key performance indicators; workforce data; and stakeholder engagement feedback.

Principle Four - Opportunity and Risk

The promotion of the long-term sustainable success of the Company is fundamental to its strategy, which is updated each year, under Board direction. The Company is an integral part of the BNY Mellon EMEA business as one of the material entities in the region and it proactively looks for opportunities to support and meet clients' needs and seeks to ensure it makes a positive contribution to society. Extension of its activities into new business or geographic areas and approval of any acquisitions, disposals or mergers are matters which are reserved for the Board.

Strong risk management is central to the Company's strategy which, along with a robust risk control framework, acts as the foundation for effective management of risk. Approval of the Company's risk management framework, risk appetite statement and risk tolerance limits are matters which are reserved for the Board. Risk oversight is delegated to the Board's Risk Committee, which meets at minimum on a quarterly basis, and assists the Board in fulfilling its oversight responsibilities with regards to risk appetite and risk management of the Company. Each Risk Committee meeting is attended by the Legal Entity Risk Officer and Compliance Officer. Executives and other Senior Managers attend Risk Committee meetings during the year to report on risk items as required. The Chair of the Risk Committee provides a written report for each quarterly board meeting which provides an overview of the matters considered, items for escalation and recommends decisions that require Board

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approval.

The Board has established a risk appetite statement and utilises a high level assessment to summarise the risk profile of the Company in six key areas: operational, strategic, restitution, market, liquidity and credit risk. The Company has in place a well-established framework which provides oversight for the identification and mitigation of risk across the Company.

Principle Five - Remuneration

The Company operates an outsourcing model, utilising group and third-party services for all functions other than the supervision and oversight of outsourced functions and directly appointed Non-Executive Directors. The Board has delegated responsibility to monitor the application of the compensation plans and their compliance with regional and local regulations to the EMEA Remuneration Governance Committee (“ERGC”). The ERGC functions as the main supervisory body of all applicable compensation plans and to ensure that compensation plans are in compliance with the specific regulatory provisions that apply in the different countries in the region. It is responsible for approving the Material Risk Taker (“MRT”) definitions and the list of identified MRTs (on an annual basis) in line with regulatory requirements. The ERGC reviews Remuneration Policies and their application in the region in respect to adherence to local regulatory requirements at minimum on an annual basis.

The EMEA Remuneration Framework establishes the principles, practices and processes that BNYMIL applies with regard to taking decisions about employee remuneration. It is based, in part, on BNY Mellon’s broader compensation philosophy, which focuses on ensuring that employees receive remuneration that encourages and rewards contribution and that supports the corporate values which underpin BNY Mellon’s business strategy. In order to support the corporate values, the EMEA Remuneration Framework aims to ensure that remuneration reflects performance, attracts and retains high-performing employees and incentivises behaviour that contributes to long-term shareholder value. All BNY Mellon EMEA employees are within the scope of the EMEA Remuneration Framework. In line with legislation, BNY Mellon has published its UK Gender Pay Gap report for the third consecutive year. Measuring a gender pay gap is not the same as measuring equal pay. Equal pay means being paid the same for the same/similar work. BNY Mellon conducts periodic reviews of pay levels across all comparable roles in the business to ensure that all genders are paid equally for doing equivalent jobs with similar levels of experience and skill.

A number of the Company’s directors form the membership of the ERGC and the Board receives an annual update from the ERGC. The governance bodies that are responsible for providing oversight of the ERGC include the Human Resources and Compensation Committee (“HRCC”) and the Compensation Oversight Committee (“COC”). The members of the HRCC are non-executive members of the Bank of New York Mellon’s Board of Directors. The members of the COC are senior members of BNY Mellon management.

Principle Six - Stakeholders

The Board considers that good governance and effective communication are essential in order to foster relationships with the Company's stakeholders including its clients, workforce, industry groups, regulators, shareholder and vendors. Close dialogue with stakeholders is an integral part of the Company’s operations. Senior leaders welcome dialogue with stakeholders, and the Board’s composition and supporting governance structure it has put in place, have been designed to ensure full consideration is given to meeting the best interests of all stakeholder groups. The approach of the Board in respect of engagement with suppliers, customers and other third parties is described in the separate section 172 statement contained within the Strategic report.

The Company takes pride in proactively addressing today’s global challenges and, as a major global financial institution, it considers the impact its business has on the environment and society. The Company strives to contribute to sustainable economic growth that protects healthy markets, enhances its business resiliency and delivers positive impacts for its stakeholders.

Listening to and empowering its workforce is critical to achieving the Company's goals. As part of the BNY Mellon Group, the Company benefits from communication with its employees through regular 'all-employee' meetings, internal emails, electronic newsletters and through BNY Mellon's intranet. The objective of the People/Culture Pillar, outlined in the Company's strategy, is to support and influence the people and culture within BNY Mellon.

During 2020, BNY Mellon has delivered in-person manager mental health training, implemented enhancements to parental leave policies and family support options, increased the number of Mental Health First Aid Champions, and enhanced its financial wellbeing educational program.

The BNY Mellon website, intranet and social media channels provide extensive and up-to-date news on recent developments relevant to its clients, colleagues and partners.