



BNY MELLON

# INVESTED

## CORPORATE SOCIAL RESPONSIBILITY OVERVIEW

### THE INVESTMENTS COMPANY FOR THE WORLD

BNY Mellon plays a critical role in the global marketplace. Our daily decisions have far-reaching implications for stability and trust in the world's financial markets. Our values—client focus, integrity, teamwork and excellence—guide us and enable us to power global investments and growth, adding value to society far beyond the transactions we process or the assets we manage. Our customized services and support enable our clients to reach their investment goals.

#### WHO WE ARE

#### INVESTMENT SERVICES INVESTMENT MANAGEMENT

We deliver expertise at each stage of the investment lifecycle:

- CREATE ASSETS
- TRADE, CLEAR & SETTLE ASSETS
- HOLD & SERVICE ASSETS
- MANAGE ASSETS
- DISTRIBUTE ASSETS
- RESTRUCTURE ASSETS

#### WHO WE SERVE



- ASSET MANAGERS
- BANKS
- BROKER-DEALERS
- CENTRAL BANKS
- COMPANIES
- FAMILY OFFICES
- FINANCIAL INTERMEDIARIES
- GOVERNMENTS
- HIGH-NET-WORTH INDIVIDUALS
- INSURANCE COMPANIES
- INVESTMENT ADVISORS
- NON-PROFIT ORGANIZATIONS
- PENSION FUNDS
- SOVEREIGN INSTITUTIONS

**80%** OF FORTUNE 500 COMPANIES

**75** CENTRAL BANKS, WHOSE ASSETS MAKE UP OVER 90% OF GLOBAL CENTRAL BANK RESERVES

**66%** OF THE TOP 1,000 PENSION AND EMPLOYEE BENEFIT FUNDS

**76%** OF THE TOP 100 ENDOWMENTS

**50%** OF THE TOP 200 LIFE/HEALTH INSURANCE COMPANIES

**50%** OF THE TOP 50 UNIVERSITIES

All statistics are global and represent the minimum number of BNY Mellon client relationships in each category. • Fortune 500 (as of 12/31/13) // Fortune magazine, May 2013; Global 500 data • Central banks (as of June 2013) // CIA World Factbook, IMF, annual reports • Pensions & EB Funds (as of 2/26/14) // Reprinted with permission of NACUBO, Copyright 2013 // Metric is Plan Assets, Millions (converted in thousands) • Endowments (as of 2/26/14) // Reprinted with permission of NACUBO, Copyright 2013 // Metric is Total Market Value of Endowments, in thousands, as of FYE 2011 // Data source used by P&I Magazine • Life & Health Insurance Companies (as of 2/26/14) // Reprinted with permission of A.M. Best Company, Inc., Copyright 2013 // Metric is 2012 Total Admitted Assets, in thousands • QS World Universities Top 50 (of 400 listed) // www.topuniversities.com/university-rankings/world-university-rankings/2013 // (as of 12/31/2013)

## RESPONSIBILITY AT BNY MELLON

RESPONSIBILITY IS AT THE CORE OF OUR BUSINESS STRATEGY. OUR CSR PROGRAM HELPS US EARN THE TRUST OF CLIENTS AND OTHER STAKEHOLDERS, PROMOTES TRANSPARENCY AND ENCOURAGES INNOVATION FOR A BETTER WORLD.

### THE THREE PILLARS OF OUR CSR STRATEGY

Invested in Market Integrity, Invested in Our People and Invested in Our World—comprise the priority areas where we can make the greatest impact. Centering our efforts on these priorities helps us deliver exceptional value to our stakeholders and ensure our long-term success.

#### MARKET INTEGRITY

- ETHICS & TRANSPARENCY
- STRONG GOVERNANCE
- RESPONSIBLE INVESTMENTS
- OPERATIONAL RELIABILITY & EFFECTIVENESS

#### OUR PEOPLE

EXCELLENT TALENT

#### OUR WORLD

COMMUNITY COMMITMENT

We earn clients' trust every day by upholding the highest standards of integrity in our practices and products. We contribute to the health of global markets through the resiliency and effectiveness of our operations.

We provide our talented, diverse workforce with the opportunities they need to grow and succeed.

We make our local communities better places to live and work, and contribute to solutions for the world's most pressing issues.

### Responsible Investments

BNY Mellon offers clients a broad range of options if they seek to shape investment strategies around their social or environmental values. We have numerous environmental, social and governance (ESG)-related offerings and capabilities that adhere to globally recognized responsible financing guidelines in both our Investment Management and Investment Services businesses.

#### INVESTMENT MANAGEMENT

Our socially responsible investment (SRI) offerings range from ESG screening to full integration and issue engagement. In 2013, we developed an SRI product gap analysis framework so that our individual boutiques can continue to build their product offerings to meet client needs. Six of our affiliated boutiques are signatories to the United Nations Principles for Responsible Investment.

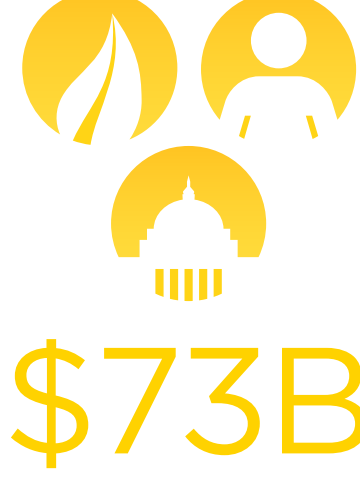
#### INVESTMENT SERVICES

We discuss our ESG screening offerings with both existing and prospective clients, and promote these capabilities in industry publications. The number of clients using our ESG screening services grew by nearly 26 percent in 2013. Our Corporate Trust business administers ESG-related financial products including custody of carbon credits, environmental trusts and escrows, social housing bonds, and insurance-linked securities.

#### ASSETS UNDER MANAGEMENT COVERED BY THE UNITED NATIONS PRINCIPLES FOR RESPONSIBLE INVESTMENT



#### ASSETS EXPLICITLY SCREENED FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS



Our purpose is to power global investments to help our clients succeed and to play an important role in fueling economic growth.

Gerald Hassell Chairman & CEO

### Operational Reliability and Effectiveness

As a leading investments company, we play a significant role in the functioning of the global marketplace. That's why we aim to run smoothly 24 hours a day, seven days a week. Our efforts center on systems availability, business continuity, transaction quality and resource efficiency.

CDP  
(2013 SCORE)

# 100 A

DISCLOSURE PERFORMANCE

BNY Mellon attained the highest score of all financial services companies reporting to CDP, the world's only global environmental disclosure system.

### BUSINESS CONTINUITY

Our centrally coordinated business continuity program is designed with the goal of allowing critical operations to continue under various circumstances, including significant power outages and natural or human-made disasters. We conduct regular, enterprise-wide stress tests on our systems, which helps us assess our ongoing ability to meet client needs.

### TRANSACTION EXECUTION QUALITY

We provide value to clients by executing transactions properly and safeguarding client data. In 2013, we expanded the use of our enterprise architecture platform, which we designed to enhance the reliability and efficiency of our technological infrastructure.

The fallout from the financial crisis provides tremendous opportunities for those who can see them—opportunities to re-think current policies and traditions, build new management teams, embrace diversity and adopt new approaches, all of which will help create more sustainable organizations and more stable financial markets.

Karen Peetz President

\$27.6T  
ASSETS UNDER CUSTODY AND/OR ADMINISTRATION

\$1.6T  
ASSETS UNDER MANAGEMENT

Client Technology Solutions and Client Service Delivery, which are our technology and operations teams, are aligned to deliver integrated, market leading and resilient client solutions across the investment lifecycle to improve the client experience and their productivity. Our technology strategy, client orientation and continuous process improvement culture help to provide clients and the industry with the solutions they need.

Brian Shea Head of Client Technology Solutions and Client Service Delivery

### CSR BY THE NUMBERS (e)

Dollar amounts in billions USD, unless otherwise noted

	2013	2012
<b>MARKET</b>		
Total revenue	\$15.0	\$14.6
Assets under custody and/or administration	\$27,600	\$26,300
Assets under management	\$1,600	\$1,400
Capital levels (Estimated Basel III Tier 1 common equity ratio - Non-GAAP) (a)		
Standardized Approach <sup>(b)</sup>	10.6%	N/A
Advanced Approach <sup>(b)</sup>	11.3%	9.8%
Assets explicitly screened for ESG factors	\$73.0	\$35.0
Active employees who certified compliance with our Code of Conduct	100%	100%
<b>PEOPLE</b>		
Global employees	51,100	49,500
Employees with individual development plans	73%	75%
Training hours per employee, on average	28	31
Managing director and above positions that are held by women	26%	26%
Employee retention	90%	91%
<b>WORLD</b>		
Cash donations (millions USD)	\$34.4	\$33.6
Total employee volunteering hours <sup>(d)</sup>	105,000	84,000
CDP score (disclosure & performance)	100 A	90 B
Greenhouse gas emissions reductions (from 2008 baseline)	34%	32%

### CSR STATEMENT

Corporate social responsibility is crucial to how we fulfill our role as a major global financial institution. At BNY Mellon, we are invested in our people, market integrity and our world. Our clients trust us every day with their investments, and we depend on our talented and diverse workforce to meet client needs with the highest standards of excellence and integrity. That's why it's important that we build an inclusive and supportive environment where our people are empowered to contribute and succeed. Together, we can contribute to the resiliency of global markets and to solutions for some of the world's most pressing issues, building healthy economies and sustainable communities over time.

To find out more about our CSR strategy, commitments and achievements, please see our full Corporate Social Responsibility Report at [www.bnymellon.com/csr](http://www.bnymellon.com/csr).

All data included within this publication is as of 12/31/2013 unless otherwise stated.



(a) The estimated Basel III Tier 1 common equity ratio at Dec. 31, 2013, is based on our interpretation of the final capital rules released by the Board of Governors of the Federal Reserve (the "Federal Reserve") on July 2, 2013, on a fully phased-in basis. At Dec. 31, 2012, this ratio was estimated using our interpretation of the Federal Reserve's Notices of Proposed Rulemaking dated June 7, 2012, on a fully phased-in basis.

(b) Changes in January 2014 to the probable loss model associated with unsecured wholesale credit exposures within our Advanced Approach capital model will impact risk-weighted assets. BNY Mellon did not include the impact at Dec. 31, 2013. However, a preliminary estimate of the revised methodology to the portfolio at Sept. 30, 2013, would have added approximately 6% to the risk-weighted assets. For further explanation of the capital ratios, please see the "Capital" section of the 2013 Annual Report at <https://www.bnymellon.com/us/en/investor-relations/index.jsp#annual-report-prg>. Please also see "Supplemental Information—Explanation of GAAP and Non-GAAP Financial Measures" beginning on page 118 of the 2013 Annual Report for a calculation of these ratios.

(c) Consistent with the terms of the Basel III Framework and the Dodd-Frank Act, the Final Capital Rules require Advanced Approaches banking institutions to satisfy three minimum risk-based capital ratios using both the new Standardized Approach risk-weightings on Jan. 1, 2015 (during 2014 Basel III looks to Basel I's risk weightings in lieu of the Standardized Approach) and the Advanced Approach for BNY Mellon, commencing with the second quarter of 2014, including a common equity Tier 1 "CET1" ratio of 4.0% as of Jan. 1, 2014, increasing to 4.5% beginning Jan. 1, 2015. In addition, these minimum ratios will be supplemented by a new capital conservation buffer that phases in, beginning on Jan. 1, 2016, in increments of 0.625% per year until it reaches 2.5% on Jan. 1, 2019. BNY Mellon expects the 2.5% capital conservation buffer, as applied to it, to increase by an assumed additional 0.5% buffer applicable to BNY Mellon of 1%. For more information on new minimum capital ratios and capital buffers, please see the "Supervision and Regulation" section of the 2013 Annual Report.

(d) Volunteer hours restated from the 2013 Annual Report number due to late submissions.

(e) For a full explanation of statistics, please see [www.bnymellon.com/csr](http://www.bnymellon.com/csr) or <https://www.bnymellon.com/us/en/investor-relations/index.jsp#annual-report-prg>.



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