

Corporate Social Responsibility

2018 REPORT

About This Report

This is BNY Mellon's 12th Corporate Social Responsibility (CSR) Report. We publish a report annually in the second quarter on www.bnymellon.com/CSR. Unless otherwise noted, this report includes data and activities for the calendar year 2018, from BNY Mellon's global operations. Unless otherwise noted, all data is as of 12/31/2018.

The report provides environmental, social and governance (ESG) data from past years. This is our 10th year using the Global Reporting Initiative's (GRI) framework, the world's most widely used sustainability reporting framework. We prepared the report according to GRI Standards.

2018 CSR Awards and Recognition

Dow Jones Sustainability World Index (DJSI)
5 consecutive years

CDP Climate A List for climate management leadership
6 consecutive years

FTSE4Good Global Benchmark Index
7 consecutive years

Perfect score on the Corporate Equality Index for LGBTQ workplace equality, Human Rights Campaign Foundation
12 consecutive years

Bloomberg Gender-Equality Index
4 consecutive years

See a full list of our awards.

About BNY Mellon

BNY Mellon helps clients navigate financial markets and business complexity to improve their operations and performance. Since our founding in 1784, we have served as a safe, reliable and trusted partner through every market cycle.

As an investment manager and servicer with global scale, we provide expert solutions that enable clients to move and manage cash, securities and data in a secure, dependable and efficient manner. We help alleviate many of the pressures clients face, including increased regulation and pricing compression, to help them thrive.

We are among the market leaders in almost every aspect of managing and servicing financial assets. We have a distinctive mix of capabilities and deep subject matter expertise that help us serve clients in ways others cannot. We build deep, enduring relationships designed to help our clients navigate the complexities of the financial markets and drive success. We take pride in the fact that the broad and complex financial services we deliver are valuable not only to our clients but also to communities, businesses, governments and people everywhere.

Assets Under Management

\$1.7 trillion

Assets Under Custody and/or Administration

\$33.1 trillion

Global Reach

35 countries

37% of 2018 revenue generated outside U.S.

Workforce

51,300 employees

47% of employees based outside U.S.

Client Franchise¹

76% of Fortune 500 companies

95% of the top 100 investment managers

87% of the top 100 U.S. pension and employee benefits plan sponsors

¹ Fortune 500: Fortune, Time Inc. ©2018. Investment Managers, Pensions and Employee Benefits: Pensions & Investments, P&I Crain Communications Inc. ©2019.

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Message From Our CEO

Charles W. Scharf

Chairman and Chief Executive Officer



“As we take actions to pursue our own success, our corporate social responsibility (CSR) programs ensure that we help create a better future for both our company and for society.”

BNY Mellon helps markets function smoothly and provides investors with access to a broad range of banking and investment products. It is a tremendous responsibility that we embrace. As part of that responsibility, we also use our reach, market influence and resources to address pressing global issues, contribute to healthy economies, and make a positive impact on people around the world.

Despite our leadership position, we are not standing still. In order to continue making meaningful contributions to our clients, the financial markets, and society, we must evolve to ensure the sustainability of our franchise.

To accelerate our evolution, we have been making a series of structural, organizational and cultural changes across our enterprise. A few examples:

- **Enhanced leadership and decision-making:** Over the past couple of years, we have made significant leadership changes and increased the diversity in our most senior ranks and Board of Directors so that varying viewpoints, backgrounds and experiences inform our critical strategic decisions.
- **Better technology solutions for clients and enterprise resiliency:** We have increased our technology spend to create a more efficient and

complete product set for clients than we have today. These investments will make us even stronger and more resilient so that we can continue to play a leading role in protecting financial market stability.

- **More engaged, higher-performing workforce:** We are creating more differentiation in our performance ratings and compensation to better reward strong performance. In addition, we are striving to provide even more direct, honest and helpful feedback to our employees so they can grow and excel—which is good for our company, our people and the clients they serve.

As we take actions to pursue our own success, our corporate social responsibility (CSR) programs ensure that we help create a better future for both our company and for society. To keep pace with our evolution, we are reevaluating our CSR strategy and long-term goals. We know there is more we can do as a service provider, employer and global citizen. We are taking a fresh look at which issues are most important to our stakeholders and our business success, and where we can have the greatest impact given our business model. We expect to unveil an updated strategy and set of goals in our 2019 CSR Report.

In the interim, our commitment to CSR remains as strong as ever. I am proud that BNY Mellon is named to the Dow Jones Sustainability World Index, one of the most highly regarded global sustainability indices, for the past five years running. And we continue to make progress around our current CSR strategy pillars: Our Markets, Our People and Our World. Some key examples:

- **Helping clients invest responsibly:** In 2018 we launched several new responsible investment (RI) strategies and a new environmental, social and governance (ESG) analytics capability.
- **Supporting employees with new children:** We recently extended paid parental leave for U.S. employees from 12 weeks to now 16 weeks.
- **Maintaining our commitment to climate action:** We achieved carbon neutrality² in our operations for the fourth year in a row in 2018.

Responsible business is good business. We rely on our positive reputation and the support of our clients, employees, communities and society at large, so we must and will continue to challenge ourselves to do more.

² For Scope 1 and Scope 2 GHG emissions including our data centers, as well as Scope 3 business travel emissions.

Our Approach to CSR

Our Mission

BNY Mellon is committed to contributing to a sustainable world where people succeed and economies thrive. We do this by providing quality services to clients, supporting stability in a constantly changing world, and using our resources to deliver positive impact for stakeholders, communities and society. Our Corporate Social Responsibility Statement reaffirms this commitment.

Corporate Social Responsibility Statement

Corporate social responsibility (CSR) is crucial to how we fulfill our role as a major global financial institution. At BNY Mellon, we are invested in our markets, our people 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 solutions for some of the world's most pressing issues, building healthy economies and sustainable communities over time.

Our Priorities

To decide what we want to accomplish with our CSR strategy, we look across the landscape for opportunities and issues most important to our business and stakeholders. We adjust our CSR approach when new needs or exciting possibilities arise. In 2018, we focused on eight priority areas:

Tier 1:

Topics critical to the global financial system and markets we serve

- Risk Management and Reliability
-

Tier 2:

Topics vital to our business and societal health and sustainability

- Social Investing
 - Strong Governance
 - Engagement and Wellbeing
 - Diversity and Inclusion
 - Leadership and Development
-

Tier 3:

Topics important to society and indirectly affecting our business results

- Environmental Management
- Community Commitment

Our Strategy

We built our CSR strategy on three pillars that correspond with what's most relevant and impactful to us and our clients, employees, communities and society.

Our Markets

We support financial market integrity to help economies thrive

- Risk Management and Reliability
- Strong Governance

Our risk framework and culture allow us to make evidence-based decisions to protect clients and support financial market integrity. We maintain financial strength and stability in all market conditions through strong governance, ethical standards, unquestioned integrity and operational resiliency.

Our People

We empower people to achieve their goals

- Leadership and Development
- Engagement and Wellbeing
- Diversity and Inclusion

Our people take charge of their careers and grow into our next generation of leaders. Employees are fulfilled by meaningful work, have opportunities to make an impact, and know we care about their wellbeing. Our diverse perspectives and inclusive culture drive business results.

Our World

We contribute solutions to the world's most pressing issues

- Social Investing
- Community Commitment
- Environmental Management

Our expertise, skills and resources help investors finance solutions to world challenges. We change lives through philanthropy and social investing, and our employees make a difference. We act on climate change and preserve our natural resources.

Strategic Pillars

Global Megatrends Drive Our CSR Strategy

In our globalized world, societal and environmental shifts can have far-reaching effects on people, communities and our business. To help determine where our CSR activities can make a positive impact, BNY Mellon monitors global megatrends and looks to the United Nations (U.N.) Sustainable Development Goals (SDGs), a shared blueprint for peace and prosperity for people and the planet,³ for guidance. In 2018, four trends influenced our focus.

Responsible Economic Growth

Responsible economic growth leads to healthy, inclusive communities where all people have opportunities to thrive. Vibrant markets that offer good employment opportunities, safe working environments, and access to essential resources improve citizens' quality of life and wellbeing.⁴

SDG 8 promotes sustainable, inclusive economic growth and decent work for all. Among its specific targets are job creation, access to financial services, and stronger financial capacity for citizens. SDG 9 addresses inclusive industrialization to upgrade and increase access to information and communications technologies. BNY Mellon advances responsible economic growth through resiliency, governance and risk management, which help stabilize markets. We promote investments that drive global development and open new economic opportunities to underserved populations.

Gender Equality

Gender equality helps women and girls secure economic opportunities and basic rights. It can also bolster the global economy. A 2018 World Bank Group report shows global wealth would increase by an average of \$23,620 per person, or a total of \$160 trillion, if women earned as much as men during their lifetimes.⁵ Additionally, women are more likely to use their earnings to support others, causing an economic ripple effect.⁶

SDG 5 seeks to achieve gender equality and empower women and girls. It promotes leadership opportunities,

increases access to economic resources, and enhances technologies to improve women's lives. Gender equality is a key tenet of BNY Mellon's diversity and inclusion strategy and social investing work. We strive to hire more women at all levels, we support employee resource groups (ERGs) that advance women's interests, and we support investments to elevate women in business and in society.

The Future of Work

Rapidly advancing technologies are reshaping the workplace. Emerging technological solutions are creating new jobs, transforming tasks in existing jobs, and changing how people work together. At the same time, employee interest in working for companies with a strong sense of purpose is rising.⁷ Companies competing for top talent must provide purposeful, inclusive environments and ample learning and development programs while responding to a diverse workforce's changing expectations and needs.

To address these needs, companies must invest in people. SDG 8 emphasizes equal employment opportunities, equal pay for all workers, and increased productivity through technological innovation. BNY Mellon helps employees develop at every career stage and gives high-potential talent opportunities to excel. We invest in solutions and programs to improve our employees' workplace experience and, in 2018, we raised the minimum wage for all U.S.-based employees to \$15 per hour. To help communities prepare for the future of work, we fund programs that teach next-generation business and technology skills.

3 Sustainable Development Goals, United Nations.

4 U.N. SDG 8: Decent work and economic growth, United Nations Sustainable Development Goals.

5 Georgieva, K., Bibeau, MC. "This is the global price of gender inequality," World Economic Forum, June 12, 2018.

6 Milli, J., Ph.D.; Huang, Y., Hartmann, H., Ph.D.; Hayes, J., Ph.D. "The Impact of Equal Pay on Poverty and the Economy," Institute for Women's Policy Research, April 5, 2017.

7 Guzman, D. "5 Workplace Trends Shaping the Future of Work: Which Are Most Important to You?" Mercer, October 19, 2018.

Climate Action

In 2018, the U.N.'s Intergovernmental Panel on Climate Change issued a new report warning of dire effects of climate change by 2040 if greenhouse gas (GHG) emissions continue at the current rate.⁸ The effects, which will vary by region, are likely to include more extreme weather events, floods and droughts; less fresh water; and increased spread of disease,⁹ all of which can impact people's health, safety and livelihoods.

SDG 13 calls for all countries to strengthen their resilience and adaptation to climate-related hazards and substantially increase renewable energy use. BNY Mellon directs capital to projects with potentially positive impact and informs clients' investment decisions to help them capitalize on climate change mitigation solutions. We implement multiple programs to reduce GHGs in our operations, including renewable energy use and paper, water and energy conservation.

⁸ Davenport, C., "Major Climate Report Describes a Strong Risk of Crisis as Early as 2040," The New York Times, October 7, 2018.

⁹ Effects of Global Warming, National Geographic.

CSR Governance

Corporate social responsibility (CSR) is how we use our reach, market power and resources to bring constructive change to people, societies and the planet. Our CSR governance process ensures our activities align with our business goals and cultural values. The BNY Mellon Board of Directors' independent Corporate Governance, Nominating and Social Responsibility (CGNSR) Committee reviews our CSR program regularly, monitors progress, and gives direction. Executive Committee members approve our CSR goals and track our progress.

CGNSR Committee Coverage

The CGNSR Committee's responsibilities include, but are not limited to, reviewing and/or overseeing BNY Mellon's:

- CSR governance
- Strategic philanthropy, employee giving, community involvement, and related policies, programs and strategy
- Public policy and advocacy, including lobbying and political contributions
- Compliance with Community Reinvestment Act (CRA) and Fair Lending Laws
- Environmental management
- Supplier responsibility
- Operations and programs regarding human rights toward suppliers, clients and communities

Read more in the [CGNSR Committee Charter](#).

CSR Long-Term Goals Refresh

In the past 18 months, BNY Mellon underwent organizational and leadership changes to heighten our focus on serving clients. This led to changes in company functions and strategies, including those related to CSR. As a result, we are reevaluating our CSR long-term goals before their scheduled 2020 completion. Therefore, we will not report 2018 progress on those goals.

We continue to be strongly committed to CSR and its integral role in our business and culture. For example, in 2018, we:

- Fielded fewer anonymous (vs. non-anonymous) reports to our Ethics Hotline and Helpline than the financial services industry median, showing employees are comfortable identifying themselves without fear of retaliation when escalating concerns.
- Advanced lesbian, gay, bisexual, transgender/transsexual plus (LGBT+) advocacy with the release of our *Transgender Guidelines: Gender Transition, Identity and Expression* for U.S. employees and the addition of sexual orientation to our Board diversity criteria.
- Extended paid parental leave for U.S. employees from 12 to 16 weeks, which went into effect in January 2019.
- Launched new environmental, social and governance (ESG) capability in Asset Servicing and, in Investment Management, launched several new responsible investment (RI) strategies and two new model portfolios that align with mission-driven investors.
- Upheld carbon neutrality¹⁰ in our operations for the fourth year in a row.

We are currently conducting a CSR materiality analysis to determine our most important CSR issues from our key stakeholders' perspectives. This analysis will inform a CSR strategy refresh and CSR long-term goals. We will present the outcome of the analysis and our strategy and goals in our 2019 CSR report.

¹⁰ For Scope 1 and Scope 2 greenhouse gas emissions including our data centers, as well as Scope 3 business travel emissions.

CSR Governance Structure

CGNSR Committee of the Board of Directors

Consists of independent directors who regularly review our CSR program and monitor progress against long-term goals

Executive Committee

Responsible for CSR progress and success; monitors progress on long-term goals, anticipates market trends and future client needs, and drives business innovation

1 CSR Team

Leads CSR strategy development and governance process, works with program areas to develop CSR initiatives, monitors progress, manages public reporting, and collaborates with experts

2 CSR Working Group

Oversees CSR measurement, monitoring, reporting and reputational management in areas of expertise

3 CSR Subject Matter Experts

Manage day-to-day execution of CSR policies, practices and programs

4 Employee Groups

Involve local and regional employees in CSR initiatives; examples include employee/business resource groups (E/BRGs) and volunteer and philanthropic fundraising committees

Stakeholder Engagement

We engage stakeholders to solicit feedback and help determine our CSR program investments.

HOW WE ENGAGE STAKEHOLDERS

Our Clients

Direct conversations
Advisory boards and idea sharing
Conferences
Satisfaction and engagement surveys
Thought leadership
Social media

Our Investors

Annual and quarterly reports
Webcasts and conference calls
Financial services conferences
Proxy voting
Annual Meeting and Investor Days

Our People

Conversations with managers
Performance management and development programs
Town halls
Employee/Business Resource Groups
Engagement surveys

Our Communities

Meetings with local leaders and advocacy groups
Board memberships
Financial support (grants and sponsorships)
Employee volunteering

The four groups above represent key stakeholders defined during a comprehensive strategic analysis to refine our CSR focus in 2014. External partners, suppliers, peer companies, nonprofits and industry associations are also important stakeholders for our firm, and we connect with these groups regularly.

CSR Data

Dollar amounts are in billions USD, unless otherwise noted.

Our Markets^(A)	2018	2017	2016
Assets under custody and/or administration (AUC/A) ^(B)	\$33,100	\$33,300	\$29,900
Assets under management (AUM) ^(C)	\$1,722	\$1,893	\$1,648
Number of countries of operations	35	35	35
Company credit rating (S&P credit rating of long-term senior debt)	A	A	A
Capital levels (estimated common equity tier 1 [CET1] ratio, fully phased-in—non-generally accepted accounting principles [GAAP]) ^(D)			
Standardized approach	11.7%	11.5%	11.3%
Advanced approach	10.7%	10.3%	9.7%
Active employees certified as having read and understood the Code of Conduct ^(E)	100%	100%	100%
Independent members of the Board of Directors	92%	92%	92%
Women members of the Board of Directors	25%	25%	23%
Our People	2018	2017	2016
Employees (full-time)	51,300	52,500	52,000
Open positions filled internally	39%	33%	30%
Voluntary employee retention	88%	90%	89%
Senior leadership positions held by women ^(F)	28%	27%	27%
Women in our global workforce	41%	42%	42%
Employees with diverse racial or ethnic backgrounds hired in the U.S.	42%	43%	39%
Total employee learning hours	700,000	1 million	1 million
Employees engaged with global wellbeing platform	21,500	16,150	9,500
Our World	2018	2017	2016
Assets managed that we classify as responsible investments ^(G)	\$115.6	\$77.2	\$69.3
Assets managed by boutiques that are signatories to the UNPRI (percentage of total assets under management) ^{(H) (I)}	75%	74%	37%
Market value of portfolios screened for ESG factors in Asset Servicing	\$937	\$907	\$735
Issuance volume of green bonds administered	\$24.1	\$19.3	\$15.4
Community support (millions USD) ^(J)	\$38.2	\$41.7	\$42
Employee contributions and company match (millions USD)	\$11.0	\$15.6	\$17.2
Employee volunteering hours	143,000	143,000	143,000
Net carbon emissions ^(K)	0	0	0
Greenhouse gas (GHG) reductions (from 2008 baseline) ^(L)	55%	52%	49%
Electricity usage offset by renewable energy	100%	100%	100%
Real estate certified for sustainability (by at least one third party and by percentage of square feet) ^(M)	50%	40%	43%
Water use reduction (from 2015 baseline; tracked facilities only)	8.6%	11.4%	11.1%
Waste diverted from landfills (tracked facilities only)	71%	73%	75%

(A) For further information, please see the Corporation's reports filed with the Securities and Exchange Commission, including the 2018 Annual Report, at www.bnymellon.com/investorrelations.

(B) Includes the AUC/A of CIBC Mellon Global Securities Services Company, a joint venture.

(C) Excludes securities lending cash management assets and assets managed in the Investment Services business.

(D) For our CET1, Tier 1 capital and Total capital ratios, our effective capital ratios under U.S. capital rules are the lower of the ratios as calculated under the Standardized and Advanced Approaches. The Tier 1 leverage ratio is based on Tier 1 capital and quarterly average total assets. See page 48 of our 2018 Annual Report for the capital ratio requirements with the phase-in of the capital conservation buffer and the U.S. Global Systemically Important Bank ("G-SIB") surcharge, as well as the introduction of the SLR buffer.

(E) May vary because of launch date, employee acquisitions or legal restrictions.

(F) "Senior leaders" are inclusive of BNY Mellon's director and above level employees, excluding executive leaders.

(G) Prior to 2017, IM presented exclusionary screened AUM only. In 2017, this number evolved with our product set and additionally included positive ESG screened, ESG-thematic and impact AUM. In 2018, the number evolved further to include assets presented as ESG integrated.

(H) UNPRI AUM represents the aggregate total of investment firm signatories' AUM, and does not include assets managed by investment firm personnel as dual officers of The Bank

of New York Mellon and The Dreyfus Corporation. Siguler Guff AUM is not included in this calculation, given the minority interest in the firm held by BNY Mellon.

(I) Insight's AUM is represented by the market value of cash, securities and derivatives held in client accounts. Where a client mandate requires INA to manage some or all of a client's liabilities, and INA is to be paid an investment management fee based upon the value of such liabilities, the AUM for the account will be based on the value of the liabilities plus the gross notional value of any derivatives used in the management thereof.

(J) Community support includes donations, grants and charitable sponsorships made by BNY Mellon and employee donations to charities that qualify for our matching program.

(K) After reducing our Scope 1 and 2 for all tracked locations, excluding data centers, we matched our remaining emissions, including those from data centers, with the purchase of carbon offsets and renewable energy products.

(L) Includes Scope 1 and 2 CO₂e emissions percentage reduction compared to a 2008 baseline for global tracked properties, excluding data centers.

(M) These third-party certifiers include Leadership in Energy and Environmental Design (LEED), ISO 14001 and ENERGY STAR.

Our Markets

As a global financial services provider, we have a responsibility to perform with excellence, integrity and accountability. Earning and maintaining the trust of our clients and stakeholders through all economic conditions is at the heart of our approach. We are privileged to support our clients in managing the complexity of global financial markets through strong governance, risk management and operational resiliency to deliver shared value.

Risk Management and Reliability

Global frameworks like the United Nations (U.N.) Sustainable Development Goals (SDGs) are fueling increased scrutiny on business operations, performance and risk management. The spectrum of stakeholders, including communities, investors, workers and clients, expects businesses to confront challenges such as climate change and data security, and embrace opportunities that promote responsible economic growth. Businesses that proactively promote ethical and transparent workplace standards, financial responsibility and advanced technological capabilities will prove more resilient and better positioned for the future.

Our Opportunity and Approach

Amid heightened public awareness of how business ethics affect responsible economic growth, BNY Mellon is known for financial strength, safety and trustworthiness. Our reputation comes from a solid balance sheet, a healthy risk culture, and a commitment to financial stability in all market cycles. We have a responsibility to our clients, our communities and the global financial system to manage risk responsibly and be a reliable custody and investment source.

Risk management and reliability are ingrained in our business strategy, operations and practices. This helps us build trust, protect stakeholders, and fulfill our role in global financial markets, which in turn offers a significant competitive differentiator to prospective clients, talent and investors. We leverage our risk framework, culture and technology to maintain our sound risk position.

2018 Achievements

Fielded fewer anonymous (vs. non-anonymous) reports to our Ethics Hotline and Helpline than the financial services industry median, showing employees are comfortable identifying themselves without fear of retaliation when escalating concerns.

Formally recognized for the third consecutive year by the U.S. Department of the Treasury, Financial Crimes Enforcement Network (FinCEN) for making substantial contributions to federal law enforcement investigations, attributed to Pershing's contributions in Bank Secrecy Act (BSA) reporting aiding in prosecutorial success.

Updated our Risk Culture Principles to reflect the current market conditions, global risk management and culture trends, and BNY Mellon strategic priorities.

Our Risk Management Framework

Because risk is inherent in our business and industry, we must actively manage it within a sound risk management framework.

BNY Mellon's framework provides comprehensive, integrated risk management practices across the company to support our business strategy and objectives. It includes risk identification and assessment processes, risk-taking boundaries established through Risk Appetite Statements, and a governance model. We use the framework to identify material risks in each BNY Mellon business, region and legal entity, and then outline well-designed policies and controls.

Risk Appetite

Our appetite for accepting risk is modest and consistent with our commitments to stakeholders and clients. Through risk appetite statements, we consider the potential impact on stakeholders and long-term consequences in our business strategy. The Risk Committee of the Board of Directors approves the company's risk appetite statement annually. For more on our approach to risk management, see our [2018 Annual Report](#).

Primary Risk Categories

- **Operational:** The risk of loss resulting from inadequate or failed internal processes, human factors and systems, breaches of technology and information systems, or external events. This includes fiduciary risk, reputational risk and litigation risk.
- **Market:** The risk of loss due to adverse changes in financial markets. Our market risks are primarily interest rate, foreign exchange and equity risk.
- **Credit:** The risk of loss if any of our borrowers or other counterparties default on their obligations to us.
- **Liquidity:** The risk that BNY Mellon cannot meet its cash and collateral obligations at a reasonable cost without adversely affecting daily operations or financial conditions.
- **Strategic:** The risk that BNY Mellon doesn't effectively manage and protect the firm's market positioning

and stability. This includes risks associated with the inability to maintain a strong understanding of clients' needs, provide suitable product offerings, and adapt to transformational change in the industry.

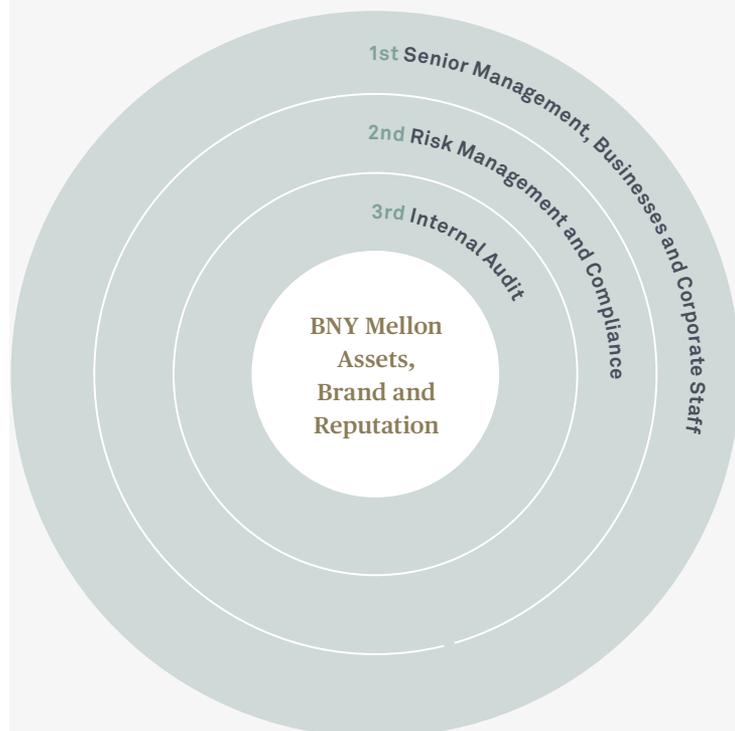
- **Conduct and Fiduciary Risk:** The risk of failing to serve the best interests of a client by, for example, misrepresenting a product, recommending an unsuitable product, mismanaging client assets, not recognizing or acknowledging a conflict of interest, or failing to act in accordance with governing documents.

Three Lines of Defense

We implement integrated risk management practices through our Three Lines of Defense model.

- **The first line** is composed of senior management, managers and employees in the businesses, corporate staff groups, and legal entities, excluding Risk & Compliance and Audit. They identify risks associated with business activities and manage controls and processes to address them.
- **The second line** consists of our Risk and Compliance function, which owns the enterprise-wide risk management framework and provides independent oversight of the first line of defense. The Chief Risk Officer (CRO) oversees the second line of defense and reports jointly to the Chief Executive Officer (CEO) and the Board of Directors.
- **The third line** is our internal Audit function, which independently assures our Board of Directors and senior management that our governance structures, risk management and internal controls are effective. The Chief Auditor oversees the third line and reports to the Board of Directors.

THREE LINES OF DEFENSE



1st Senior Management, Businesses and Corporate Staff

- Execute business activities consistent with the Company's strategy and risk tolerance
- Provide information to senior management regarding the current and future risk profile
- Ensure that the internal control system is designed properly and operating effectively
- Identify, measure and manage current and emerging risks
- Operate within the risk appetite, and escalate appropriately
- Establish policies and procedures that ensure accountability

2nd Risk Management and Compliance

- Maintain an independent risk management function that is appropriate for the size, complexity and risk profile of the Company
- Establish enterprise-wide risk limits consistent with the Company's risk tolerance and monitor adherence to such limits
- Independently challenge and measure the Company's risks, and provide an assessment of the Company's risk profile
- Provide the Board and senior management with risk reports
- Identify a system of internal controls and evaluate their effectiveness

3rd Internal Audit

- Examine, evaluate and perform independent assessments of the Company's risk management and internal controls system
- Report findings to senior management and the Company's Audit Committee

Our Risk Culture

Risk culture refers to an organization's system of values and behaviors that influence the risk decisions made by managers and employees. BNY Mellon's risk culture drives employees' daily actions and behaviors, ensuring we consider risk in everything we do.

BNY Mellon continuously strengthens and embeds risk culture throughout our company. In 2015, we introduced a formal global risk culture program to ensure a connected, consistent and unified strategy throughout the company. In 2018, we updated our Risk Culture Principles to reflect the current environment and our priorities. Our strong culture is evidenced by many metrics. For example, in 2018 more than 3,600 peer-to-peer and manager-to-employee recognitions were awarded related to managing risk.

Risk Culture Principles

- **Leading by Example** stresses the highest ethical standards, transparency and openness; consistent executive sponsorship and governance of risk, compliance and ethics issues; and learning from mistakes.
- **Demonstrating Integrity** ensures we consider and promptly address potential impacts to clients, the markets and stakeholders, including regulators.
- **Ensuring Risk Ownership** focuses on risk management ownership in the first line of defense, clear guidance on our risk appetite, and consistent evaluation of risks when making business decisions.
- **Embedding Ethical Behavior** reinforces the right behaviors by integrating risk, compliance and ethics into the employee life cycle through training, communications and encouraging reporting and escalation of issues and concerns.

Ethical Behaviors and Concerns

We take multiple approaches to educating employees on ethics, compliance and risk management, stressing their importance to the company's success. This starts with our Code of Conduct, which defines our high ethical standards. In 2018, 100 percent of active employees certified through our annual attestation program that they read and understood all Code of Conduct provisions. Ongoing measures to reinforce these provisions and standards include:

- Annual employee training, which covers topics such as anti-corruption, protecting assets, business continuity, anti-money laundering and information risk. Targeted programs cover regulations and best practices by region, business and other qualifiers.
- Global communications, which highlight practices such as early risk identification and prompt escalation. A "Dear Ethics Officer" column introduces ethical situations, stresses appropriate actions, and reminds employees of resources. Regular communications through a variety of channels reinforce risk ownership, ethical behavior and putting clients first.

Raising Concerns

We encourage employees at all levels to immediately report ethical issues and concerns to their managers and our Compliance and Legal teams. We give them several ways to ask questions or make a report, including an Ethics Helpline, operated by the BNY Mellon Ethics Office; an Ethics Hotline, operated by independent administrator EthicsPoint; a desktop Incident Reporting System; and Director's Mailbox, a communication directed to an independent director of our Board. We urge all employees to ask questions and escalate issues until they are resolved, and we prohibit (and monitor for) retaliation against whistleblowers who raise concerns in good faith.

Code of Conduct Principles

Respecting Others: We insist on a respectful, inclusive and professional workplace.

Avoiding Conflicts of Interest: We help our workforce navigate potential conflicts of interest and require them to identify and reduce conflicts.

Conducting Business: We teach employees about fair competition, antitrust, anti-corruption and improper or illegal activities, and require them to comply with all applicable laws, rules and regulations.

Working with Governments: Our employees are aware of and comply with the obligations and principles related to working with governments.

Protecting Assets: Our Code and training stress the importance of financial integrity, privacy and data protection.

Supporting Our Communities: We take an active part in our communities around the world and commit to being honest, fair and transparent as individuals and as a company.

Bribery and Corruption

We have a zero-tolerance policy on bribery and corruption. Our Codes of Conduct for [employees](#) and the [Board of Directors](#) detail our expectations regarding anti-corruption compliance. We monitor potential conflicts through our anti-corruption compliance program, which covers business dealings and relationships in countries where BNY Mellon, our subsidiaries and associates operate. The program enforces compliance with national and international laws, including the U.S. Foreign Corrupt Practices Act and the UK Bribery Act. It covers business activities and regulatory requirements, including gifts and entertainment, charitable contributions, hiring practices, and third-party intermediary due diligence.

2018 Key Data: Risk Culture

100% of active employees certified through our annual attestation program that they read and understood all Code of Conduct provisions.

3,600 peer-to-peer and manager-to-employee recognitions were awarded related to managing risk.

Enterprise Resiliency

BNY Mellon plays a central role in supporting global financial markets infrastructure. At the same time, as a large global institution, the company can be exposed to uncontrollable events that may cause varying degrees of disruption to normal business processes. We take an enterprise approach to resiliency to prevent, respond to, recover from and learn from operational and technological disruptions. This approach helps us minimize the impact of these disruptions and facilitate service continuity.

BNY Mellon's Enterprise Resiliency Office coordinates our approach to incident and crisis management, business continuity and disaster recovery. We align and integrate capabilities for timely and effective incident identification, impact assessment, escalation, communication and resolution to provide clients with superior service and deliver resilient, world-class products and services. We conduct internal exercises and participate in industry-led exercises based on a wide variety of scenarios to review our ability to mitigate disruptions, risks and impact, identify improvements, and validate recovery capabilities.

Technology and Operational Resiliency

Technological innovation provides opportunities to create positive impact. As a global provider of investment services and investment management, BNY Mellon plays a vital role

in ensuring the smooth functioning of the global financial system. We recognize the importance of remaining resilient in the face of disruption or stress and the necessity for us to embed resiliency principles in everything we do. BNY Mellon Technology leads our transformation to becoming a technology-driven enterprise, bringing together enhanced resiliency and risk reduction with digital innovation and increased automation and efficiency. We have launched a multiyear program to fully modernize our infrastructure, further strengthen the resiliency of our business services, and build the foundation for ongoing innovation. The Technology Operating Committee and the Technology Committee of the Board of Directors oversee our work.

Information Systems, Governance and Risk Management

At BNY Mellon, we are relentlessly focused on resiliency. At the center of the world's financial markets, we must strive to always be on—our clients not only depend on it, they expect it.

We must effectively monitor threats, both internal and external, and identify and respond to anomalies before they impact service continuity. Success requires synchronicity between our business operations, cybersecurity, and technology teams.

We evaluate our technology processes and critical services against industry standards and best practices, and we quickly adapt to disruptions to restore routine functioning. Our resiliency management program focuses on:

- Business continuity/technology recovery
- Technology risk and control
- IT service management (change/problem/incident management)
- IT sourcing
- Vendor risk management
- Information security operations

Our Cyber, Technology, and Operations Center is the result of our commitment to resiliency. We have built a 360-degree watchtower with a clear view of what is happening in our systems and in the world around us. We have an optimized team representing every functional area we need to identify and respond quickly to threats or incidents to perform better for our clients.

Security Certification

The Bank of New York Mellon Corporation's Information Security Management System is ISO/IEC 27001:2013 certified. This is an internationally recognized information security standard. Our certification was approved and recommended by the British Standards Institution (BSI) Group, the world's largest management systems standards certification body.

Cybersecurity

The financial services industry is appealing to hackers and cybersecurity adversaries. We implement strict controls, integrating our cybersecurity strategy into the business with multiple control layers to protect clients' information and technology assets.

Our Cybersecurity Services Model adheres to leading standards such as ISO 27001/2 and the National Institute of Standards and Technology (NIST) Cybersecurity Framework. We monitor changing regulatory requirements, guidelines and technologies in all countries in which we operate to make sure our global program is aligned with industry and business best practices.

An important component of our cybersecurity strategy is ensuring data protection across our operations and communications. We invest in advanced technology to ensure all data is protected. Encryption techniques such as transport layer security (TLS) protect communications between clients and internal systems. All of our techniques adhere to industry best practices and leading standards and are defined by internal policy.

For additional readiness, our threat intelligence team prepares for evolving security threats using information from diverse sources, including our peers, the broader financial services industry, as well as law enforcement, government, and a variety of public and private sources. We continuously evaluate our enterprise for vulnerabilities and risks and watch for advanced adversaries to increase situational and contextual awareness.

Employee Awareness

A risk-aware culture is vibrant, active, engaged, and curious; it is not afraid to find and fix the risks.

We know technology alone is not sufficient protection. Employees in our technology departments and throughout the firm play an important role in identifying and mitigating risks. We perform annual information risk training and conduct ongoing risk awareness campaigns to empower our staff worldwide to serve as risk defenders of our company and its information assets. These activities include campaigns, special events and training to stress the importance of cybersecurity risk management and compliance. We track participation rates and survey results to evaluate what works well and what areas need improvement.

In 2018, our cybersecurity risk awareness and education efforts included:

- Robust training on topics such as cybersecurity threats, device security, phishing identification and reporting suspicious activities.
- Regular phishing simulations to test our susceptibility and educate employees on tactics used by hackers.
- Ongoing communications, tips and tools, including an internal social media page and inclusion in the company-wide *Your Risk & Compliance Roundup* newsletter.
- A full month of activities in October, which is Cybersecurity Awareness Month.

Financial Resiliency

BNY Mellon performs critical functions in global financial markets. With our role comes a responsibility to demonstrate sound leadership in terms of capital strength, liquidity risk management, and payment, clearing and settlement activities. We are committed to maintaining a strong capital base to meet regulatory requirements, remaining a strong and trusted counterparty to our clients, and preparing for potentially adverse events. Our global resolution plan details how we would maintain critical operations in case of company failure or insolvency. Our 2018 stress tests demonstrated our financial strength and commitment to maintain appropriate capital adequacy.

Capital Adequacy and Stress Testing

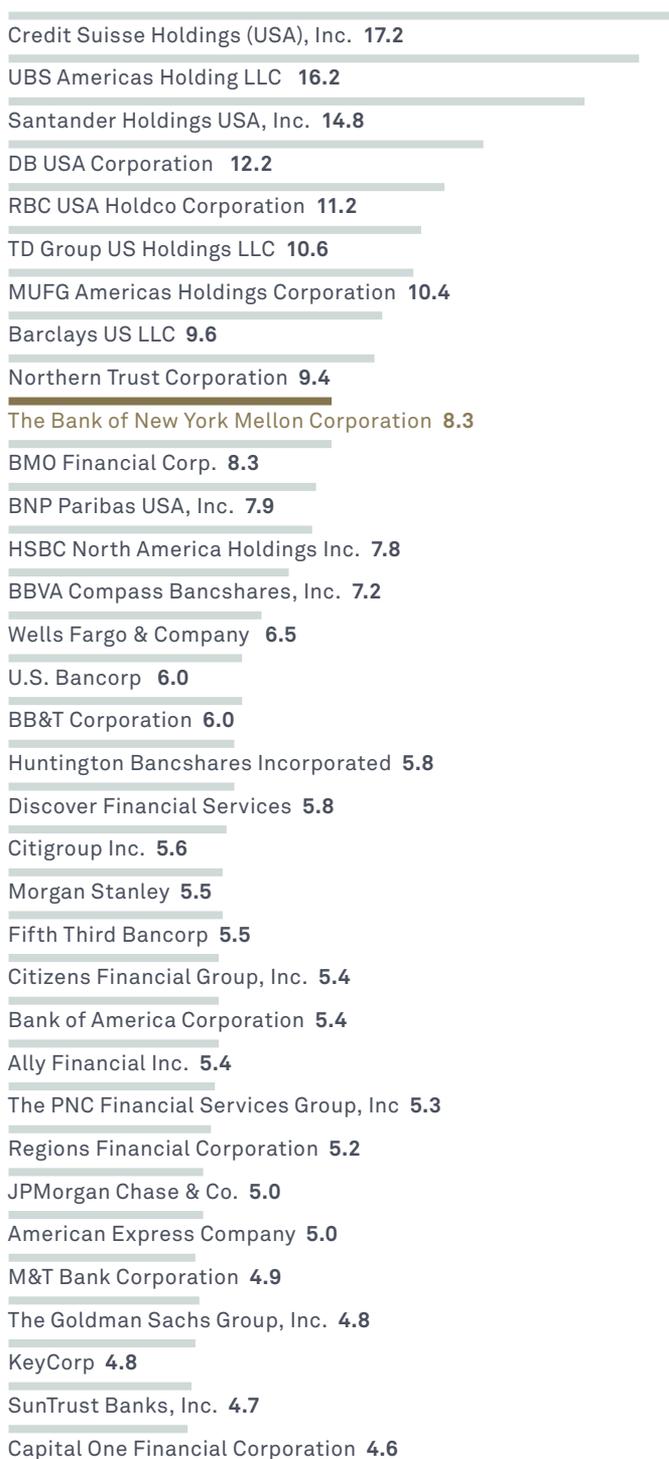
It is BNY Mellon’s policy to perform regular capital adequacy evaluation and enterprise stress testing as part of the Internal Capital Adequacy Assessment Process (ICAAP). We analyze capital adequacy in a stressed environment through our Comprehensive Capital Analysis and Review (CCAR) stress testing, as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act. Our collective stress-testing practices allow us to analyze all businesses, products, regions and risk types and identify potentially high-risk touch points in business activities.

To verify capital adequacy: first, modelers check models for accuracy; second, the Model Risk Management Group leads the review of our quantitative and qualitative models and frameworks and challenges their performance reliability; and third, Internal Audit performs an independent review of our stress-testing processes. Our stress-test projections and capital plan are reviewed and challenged by the Stress Test Oversight Group (STOG), Asset & Liability Committee (ALCO) and the Board of Directors before formally submitting the bank’s stress-test results.

Our ALCO, a cross-company governance body, monitors our capital adequacy outside of stress testing. Any recommendations made by the ALCO to modify capital levels are evaluated by our Corporate Treasurer, Chief Financial Officer (CFO) and Chief Risk Officer (CRO). BNY Mellon’s capital adequacy governance structure stretches from the Board of Directors and executives, including the CRO and CFO, to mid-level managers of risk and finance departments.

MINIMUM CET1 RATIO AFTER STRESS TESTING IN SEVERELY ADVERSE SCENARIO, %*

Comprehensive Capital Analysis and Review stress test, 2018



*Note: These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of capital ratios. The table includes the the minimum ratios incorporating any adjustments to capital distributions made by a firm after reviewing the Federal Reserve's stress test. The minimum capital ratios are for the period 2018:Q1 to 2020:Q1 and do not necessarily occur in the same quarter.

Source: Federal Reserve estimates in the severely adverse scenario.

Results Of Dodd-Frank Act Stress Test On Our Basel III Common Equity Tier 1 (CET1) Ratio And Leverage Ratio

Following stress testing under CCAR 2018, in which the Federal Reserve simulated a recession far more severe than the Great Recession, BNY Mellon's risk-based capital ratios remain resilient. For example, in the Federal Reserve's comparison of CCAR 2018 results, BNY Mellon had one of the highest projected minimum CET1 ratios, at 8.3 percent over the nine-quarter planning horizon in the severely adverse scenario. We also maintained a resilient minimum U.S. tier 1 leverage ratio of 4.9 percent.

Third-Party Governance

Vendor relationships in global financial services are critical and complex. BNY Mellon's third-party risk management processes cover the life cycle of the relationship, including planning, due diligence, contract negotiation, ongoing monitoring and termination. Our lines of business own and manage the risk associated with BNY Mellon's third-party relationships. Our Office of Third-Party Governance (TPG Office) manages the identification, monitoring and remediation of risks associated with BNY Mellon's third-party relationships. The TPG Office developed and maintains a global third-party risk management framework. The TPG Office works with several key areas within BNY Mellon, including our business lines and our procurement, technology, legal and risk teams to manage and reduce risk through an integrated approach.

Vendor Technology Risk Management Program

BNY Mellon's third-party risk management processes include managing the technology and information risks associated with engaging vendors. Our risk-based Vendor Technology Risk (VTR) program assesses the adequacy of technology risk practices by third-party service providers, including a vendor's controls, standards, policies, and procedures to protect BNY Mellon information. This process mitigates BNY Mellon's exposure to vendor risk.

Regular Audits

Internal Audit is an independent, objective function that uses a risk-based approach to review and evaluate our management procedures, internal control systems, information systems and governance processes. It determines if our processes are adequate, effective and sustainable in verifying data accuracy.

Internal Audit reports to the Audit Committee of the Board of Directors, which meets regularly to review:

- The integrity and accuracy of our financial statements and financial reporting process.
- Legal and regulatory compliance.
- Our independent registered public accountant's qualifications.
- Our registered public accountant's and Internal Audit function's independence and performance.

Strong Governance

Good corporate governance is responsive to changing investor and stakeholder perspectives and to broader social shifts. Constituents today expect companies to be more proactive on issues like boardroom diversity, climate change mitigation and technological innovation, as well as investor engagement and stringent risk management. At a time when global markets are increasingly complex, strong corporate governance is critical for instilling public trust and supporting responsible growth.

Our Opportunity and Approach

Aiming to uphold our stakeholders' best interests enables BNY Mellon to contribute to safe and functioning financial systems in which people and economies can thrive. Strong governance, which refers to our business practices and rules, balances our stakeholders' interests and guides us to operate ethically and responsibly; it promotes accountability, compliance and high ethical standards, as outlined by our Board of Directors.

BNY Mellon strives to provide quality services to clients in all market scenarios and conducts business with excellence and integrity. We endeavor to provide regular and clear communication to our stakeholders on the topics that are important to them.

2018 Achievements

Reached out to our top investors for governance discussions.

Educated legislators, regulators and policymakers on our unique business model to help ensure appropriately drafted legislative and regulatory proposals.

On March 8, 2018, we held an **Investor Day for our stockholders and analysts** who cover our stock, where we provided an overview of our business model, how we serve clients, and how we're positioned for the future.

Corporate Governance

Our Board of Directors oversees company management and supports our company's and stockholders' interests. All Board members are subject to our Director's Code of Conduct, which provides ethics and accountability guidelines. Read more about our Board in our 2019 Proxy Statement.

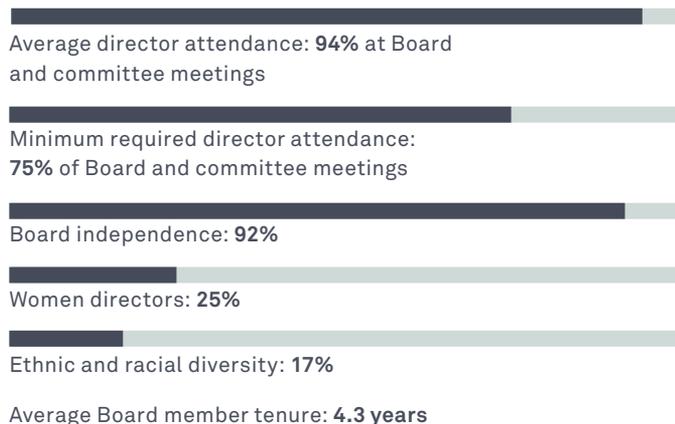
Committees of the Board of Directors

The Board of Directors has six standing committees consisting entirely of independent directors.

- Audit Committee
- Finance Committee
- Human Resources and Compensation Committee
- Corporate Governance, Nominating and Social Responsibility (CGNSR) Committee
- Risk Committee
- Technology Committee

Each committee has distinct roles and responsibilities described in a [charter](#).

2018 Key Data: Board of Directors



An Independent Board

As of April 2019, our Board had 11 independent members and one non-independent member, as defined by our [Corporate Governance Guidelines](#). Our 12th director is also our Chief Executive Officer (CEO). We have a strong independent lead director with well-defined roles and authority. Independent directors meet in executive sessions, presided over by our lead director, at regularly scheduled Board meetings. Our CGNSR Committee and Board annually evaluate this structure, which is used by most of our financial services peers.

Strength in Diversity

We believe Board diversity is a strength that delivers value across our business. Twenty-five percent of our Board members are women. In 2018, we updated the [Corporate Governance Guidelines](#) for our Board of Directors to include sexual orientation among diversity criteria for new Board members. This change makes BNY Mellon one of only six Fortune 500 companies to consider lesbian, gay, bisexual, transgender/transsexual plus (LGBT+) an attribute of Board diversity.

Ongoing Board Evolution

By refreshing our Board regularly, we combine legacy knowledge and new points of view. This practice enables us to address the firm’s needs relative to strategy, prepare for

director retirements, and respond to stockholder feedback. Since April 2014, our Board has added nine new directors. We also regularly review and refresh Board and committee leadership to reflect changes in the Board’s composition.

Board Skills and Evaluation

Our Corporate Governance, Nominating and Social Responsibility (CGNSR) Committee identifies and recommends nominees to the Board. It looks for diverse, experienced candidates with skills applicable to our businesses and strategy.

Investors and stakeholders want greater transparency and easier ways to assess Board skills. Annually, the Board and each of our standing committees conduct a self-evaluation to continually enhance performance. The Board and management then work together to enhance Board and committee effectiveness in light of the results of the self-evaluations. Areas of consideration in the Board self-evaluations include director contribution and performance, Board structure and size, Board dynamics, the range of business, professional and other backgrounds of directors necessary to serve the company, and the range and type of information provided to the Board by management. Self-evaluation results are compared to prior year results to track improvements and promote long-term accountability. As part of the Board self-evaluation process, directors participate in annual, individual interviews which allow them an opportunity for candid self-reflection on their personal contributions to the Board.

Executive Compensation

Our executive compensation program is intended to drive results over the long term. We pay bonuses and incentives based on performance against goals, including those on specified corporate social responsibility (CSR) topics such as diversity and inclusion and risk management. Seventy-five percent of our CEO’s compensation and generally 70 percent of our other senior executives’ compensation is delivered in equity awards with the balance paid in cash. The Board reviews and agrees on the executive compensation program every year. We highly value dialogue and engagement with our stockholders and have given them the opportunity for an advisory vote on our executive compensation program each year since 2009. See our [2019 Proxy Statement](#) for compensation discussion and analysis.

Stockholder Rights

BNY Mellon stockholders enjoy ample stockholder rights:

- No staggered Board (i.e., voted on every year).
- Special individual or group meeting rights for stockholders who hold 20 percent of our outstanding common stock.
- Proxy access for stockholders, individually or in a group of up to 20, who hold 3 percent of our outstanding stock for at least three years to nominate up to 20 percent of the Board.
- No plurality voting in uncontested director elections (each director must be elected by majority of votes cast).
- No supermajority voting; stockholder actions require only majority of votes cast (not majority of shares present and entitled to vote).
- No “poison pill” (stockholders’ rights plan).
- Right to act by written consent.

Investor Engagement

Our governance and investor relations teams meet with our top 25 investors regularly. We offer meetings on governance issues between top investors and Board members and track the discussions and outcomes.

Our analysts and executives meet with broader investor audiences in our offices. Our senior leaders attend and speak at industry conferences and host individual and group meetings with investors. On March 8, 2018, we held an Investor Day for our stockholders and analysts who cover our stock. The event’s focus was to provide an overview of our business model, how we serve clients, and how we’re positioned for the future.

Tax Policy

Our firm’s culture of “Doing What’s Right,” as represented in our Code of Conduct, extends to paying taxes. Internal controls include periodic analysis and review of the financial impact of taxes on our company and business operations so taxes are paid to all taxing authorities in accordance with applicable laws. We communicate openly with tax authorities and regulators and develop real-time working relationships, where possible. More information related to taxes is in our [Annual Report](#).

Advocacy and Political Engagement

The financial industry globally is subject to extensive and evolving laws and regulations that affect the way we do business. We engage in policy development and the political process, including through thought leadership and policymaker discussions.

Public Policy and Lobbying

BNY Mellon Global Regulatory Policy and Government Affairs teams monitor legislative and regulatory activities in the U.S., Europe and Asia, analyzing potential impacts on financial markets. They partner with senior management and businesses on lobbying and report their outcomes. We implement all regulatory reform requirements.

Through association memberships or with peer banks, we submit comment letters and respond to financial industry surveys. We educate legislators, regulators and policymakers on BNY Mellon’s business model to help them understand the potential unintended consequences of new reforms and regulations.

BNY Mellon retains lobbying firms to advocate for our legislative interests at U.S. federal and state levels. These activities and disclosure reports are regulated pursuant to federal and state laws. In 2018, our federal lobbying expenses were \$1,530,000, as disclosed [here](#). Our state and local legislative lobbying is concentrated in New York and Pennsylvania, where BNY Mellon’s main business operations are located. Expenses are of a de minimis nature and disclosed where required by applicable law.

2018 Key Data: Political Engagement

Federal lobbying expenses: **\$1,530,000**

Political action committee (PAC) contributions: **\$311,600**

Corporate contributions: **\$0**

Compliance and Oversight

Our General Counsel supervises the Government Affairs team. This team is responsible for all political activity by or on behalf of BNY Mellon, including PAC administration. When making contribution decisions, PAC officers and Government Affairs staff consider candidates' views on issues related to our business, leadership positions and legislative committee memberships and communities they represent.

The CGNSR Committee of our Board of Directors (all independent directors) oversees our public policy advocacy, lobbying focus and political contributions.

See the [BNY Mellon Annual Report](#) for more information.

Industry Participation

BNY Mellon belongs to several financial industry and general business associations. We regularly review our memberships for priority alignment and may not always agree with an association's or its members' positions or priorities.

As a general rule, we ask associations to not use our membership fees to fund federal, state or local level election-related activity. This includes contributions and expenditures (including independent expenditures¹¹) to support or oppose any candidate for any office, political party committee or political committee.

¹¹ An independent expenditure is an expenditure for a communication that expressly advocates the election or defeat of a clearly identified candidate and which is not made in coordination with any candidate or his or her campaign or political party.

Principal Association Memberships

American Bankers Association

Investment Company Institute

The Clearing House

SIFMA (Securities Industry and
Financial Markets Association)

Financial Services Forum

GFMA (Global Financial Markets Association)

AFME (Association for Financial Markets in Europe)

EFAMA (European Fund and
Asset Management Association)

The Investment Association

TheCityUK

ASIFMA (Asia Securities Industry and
Financial Markets Association)

New York Bankers Association

Pennsylvania Bankers Association

Insured Retirement Institute

Institute of International Finance

Political Contributions

BNY Mellon has two PACs funded entirely by voluntary employee contributions. In accordance with applicable federal, state and local regulations, our PACs can contribute to U.S. federal candidates, state and local candidates, political party committees and other PACs.

We do not reimburse or compensate employees for attending political events, engaging in political activities, or making political contributions. Our Compliance and Ethics department reviews all individual employee contributions that may be affected by federal, state or local “pay-to-play” laws. They also review contributions that limit corporations’ abilities to compete for business if certain employees contribute to officials with the authority to award business. Employees must comply with our [Code of Conduct](#) and policy on engaging in personal political activities.

The Federal Election Commission (FEC) regulates our PACs, which file required reports with the FEC and state election commissions. Reports are available to the public at <http://www.fec.gov>. BNY Mellon PAC contributions totaled \$311,600 in 2018. Details of our 2018 PAC contributions are available [here](#).

BNY Mellon did not make any corporate contributions¹² in 2018. When we make such contributions, we disclose it semiannually on our website. We do not use corporate funds for independent political expenditures to support or oppose any candidate for office.

POLITICAL ACTION COMMITTEE CONTRIBUTIONS IN 2018 (USD)

	Republican	Democratic	Total
U.S. House	\$104,500	\$47,000	\$151,500 (54% House)
U.S. Senate	\$64,500	\$62,500	\$127,000 (46% Senate)
Total	\$169,000 (61% Republicans)	\$109,500 (39% Democrats)	\$278,500 ¹³

¹² A corporate contribution is defined to include a state candidate committee, a 501(c)4, 527 or ballot initiatives.

¹³ Additional contributions include \$23,100 made to Pennsylvania candidates and \$10,000 made to trade association PACs, resulting in \$311,600 in total PAC disbursements.

Our People

BNY Mellon relies on a highly skilled, global workforce to deliver value to our clients and society. We invest in our employees' development by helping them adapt to the changing workplace, giving them opportunities to grow and advance, and maintaining a culture of inclusion. We believe the success of our people and our company are maximized when we empower talented individuals to achieve their full potential.

Leadership and Development

As market needs, social norms and digital technology transform the world and the workplace, opportunities emerge for people to develop new skills, improve ways of working, and even pursue different career paths at a much faster pace than before. Furthered by high employment rates in the U.S. and other developed countries, workers can be more selective based on the development programs, advancement possibilities, culture and experiences that employers offer. To attract and retain the best talent, companies must continuously evolve their approaches to engagement, recruiting, learning, professional development, workplace experience and performance management.

Our Opportunity and Approach

Our employee development programs invest in our employees' careers and equip them to meet our rapidly changing business and client needs. We support employees' development as individual contributors and leaders by providing opportunities for them to develop new skills and competencies at every stage of their BNY Mellon journey. Employee performance metrics and compensation are tied to the company's commitments to increase accountability and reward differentiated results.

Our commitments to diversity and inclusion, high performance and professional development start with our executive leaders and are embraced at every level of the organization. We continue to build a healthy pipeline of diverse talent and an inclusive culture. Employees have access to robust learning resources, training programs and performance management tools that enable them to drive their own career development. We are also investing in programs that provide education, training and support to help the workforce of today and tomorrow be successful in the digital world.

2018 Achievements

Received 2018 Learning In Practice Awards from Chief Learning Officer for (1) our risk culture programs, (2) our learning and development tools for business development and client service roles, and (3) our campus and pipeline strategy to attract early-career, high-potential talent.

Received three Brandon Hall Awards for our risk culture program, Effective Risk Management for Managers: (1) talent management technology, (2) learning and development technology, and (3) assessment and survey technology.

Our Lifelong Learning Culture

The evolving workplace requires employees to regularly learn new skills to address new challenges. In 2018, BNY Mellon delivered more than 700,000 learning hours and supported our learning culture by:

- Improving content curation via a new learning portal.
- Increasing content choices and providing easy access to a variety of learning materials across topics.
- Continuing to develop interactive and engaging scenario-based simulations. Data leveraged from these simulations is enabling follow-up learning to reinforce desired behaviors.
- Enhancing our Client Experience Playbook, supporting competencies for critical business development, including for new employees.
- Structuring skills training within a career path framework.

2018 Key Data: Leadership and Development

Learning hours delivered: more than 700,000

Open positions filled internally: 39%

Training and Development

We help employees grow and achieve their career goals from internship to executive management. Courses and role-specific training in global financial markets, specialized finance, management and leadership are presented on-demand, in virtual classrooms and via onsite learning experiences.

Emerging Talent Programs

- Summer Analyst Program (SAP): 10-week internship to give undergraduate students strategic project work and extensive learning, networking and mentoring opportunities.
- Emerging Leader Program (ELP): 12-month program for high-potential, emerging leaders; participants rotate across a business or function to work on strategic projects, develop leadership skills, and build networks.
- Technology Leaders Program (TLP): 14-month program in which students work in our Technology department and experience technical software development training, and networking support from corporate leaders.
- Sophomore Summit: Full-day program for sophomores who want to learn about financial services careers and diversity and inclusion at BNY Mellon.
- Returning Military Program (RMP): A 6-week program that aims to assist UK Military Personnel during their re-settlement period from the Armed Forces. The program, based in the UK, provides a work placement opportunity within a specific line of business and offers participants various learning & development experiences.

Professional Development

- New-Hire Program: Provides a comprehensive onboarding process to welcome new hires and provide tools, courses and support to start their career journeys.
- Professional Foundations: Helps those who are new to business or developing foundational professional skills to adopt winning standards for workplace effectiveness.
- Advanced Professional Skills: Focuses on interpersonal skills such as collaboration, change management, emotional intelligence, goal-setting and problem-solving.
- Virtual Classrooms: Offer an interactive blended learning experience where participants develop skills such as decision-making, presentation and time management.

- Professional Excellence Portal: Curates content by topic for on-demand, self study; includes Harvard ManageMentor modules and Intuition tutorials on all financial services areas.

Management and Leadership Development

- New to Management: Equips people moving from individual contributors to managers with knowledge and tools for a positive transition.
- Frontline Management: Helps managers develop fundamental skills and competencies to manage and develop others.
- Middle Management: Develops experienced managers' skills and competencies to lead others and drive strategy, alignment and execution.
- Senior Leadership Development: Increases senior managers' business and leadership acumen to accelerate organizational impact and optimize the client experience.
- Open Enrollment: Develops fundamental skills and competencies to manage and develop others; more than 5,300 managers attended across 2018.

Performance Management

Employees set results-based and individual development goals. Our ongoing performance, feedback and development processes include:

- Talent reviews focused on real-time development needs and opportunities.
- Succession planning for management and leadership roles.
- 360 developmental feedback through an online tool with feedback from multiple sources.
- Manager upward feedback tool, allowing employees to provide feedback to their manager on an annual basis, which is embedded in the performance system.
- Employee goals that include individual results-based goals specific to their role and corporate goals for risk management and diversity.

Engagement and Wellbeing

In a competitive labor market, employees have greater opportunity to seek out employers and workplaces that align with their preferences in culture, work-life balance, benefits, social impact and other aspects of the work environment. Many want to be part of organizations whose values align with theirs, where diversity and inclusion are priorities, where employees' voices are valued and heard, and where companies invest in employee wellbeing. To attract and retain top talent, employers must strive to meet these expectations and create a culture where employees feel valued and engaged.

Our Opportunity and Approach

Engaged, healthy employees are critical to our ability to serve clients with excellence and achieve our goals. When employees are at their best, they improve productivity and contribute to a purposeful, inclusive culture.

We continually evaluate our employee engagement and wellbeing programs in light of employees' pursuit of a sense of purpose in the workplace. We encourage employees to share ideas and feedback through our annual employee survey, internal social media site and listening culture. We are implementing a workplace design strategy to increase employee engagement, enhance collaboration, and create an environment where people can do their best work. From a wellbeing perspective, we offer programs to encourage and enable employees to care for their physical, emotional and financial health and maintain social connections.

Employee Engagement

We engage with employees to encourage innovation, show appreciation for their contributions, and gather feedback on how we can build a more rewarding, inclusive workplace. By listening and responding to employees' voices, we retain valuable people who share our purpose and attract new talent to help us succeed in the future.

2018 Achievements

71% of employees shared their feedback in our employee survey.

98% (8,330) of managers globally completed online manager mental health training.

Delivered "Preventing Workplace Harassment" training to 7,200 managers and 35,300 employees in the U.S. and Asia Pacific region. We will launch a program tailored for our Europe/Middle East/Africa (EMEA) managers and employees in 2019.

Extended paid parental leave for U.S. employees from 12 to 16 weeks, effective January 2019.

2018 Key Data: Employee Engagement



Global voluntary retention: **88%**



Employee survey response rate: **71%**

Employee Survey

We gather employee feedback annually through an all-employee survey. In 2018, we changed our approach, moving away from traditional benchmarks to focus on a new set of expectations and cultural norms we want to instill across our company. These expectations include a commitment to excellence, accountability, being client-driven and efficient decision-making. Most of the survey questions were new and established a baseline from which to measure the results of our cultural transformation.

Results

Seventy-one percent of our employees shared their feedback in 2018, and it was clear from the results and comments that our employees are passionate about delivering excellent work and energized to do their part to meet our current

business challenges. We provided high-level results to senior managers and shared with management teams as appropriate. Key takeaways from the survey included:

- Our employees are confident in the quality of our products and services, are encouraged to collaborate with those outside their immediate teams, and generally feel empowered to make decisions and deliver their best work.
- We should continue to reinforce our new cultural expectations that we are instilling across the company.

Employee Retention

We track employee retention globally and regionally. In 2018, our company-wide retention rate was 88.4 percent, a 2 percentage point decrease from 2017.

GLOBAL VOLUNTARY RETENTION RATES, 2017–2018

	2018	2017
Women	88.3%	89.7%
Men	88.5%	90.4%
Overall	88.4%	90.1%

VOLUNTARY RETENTION RATES, BY REGION/GENDER, 2017–2018

Region	2018			2017		
	Female	Male	Total	Female	Male	Total
Asia Pacific	82.4%	83.7%	82.9%	85.7%	89.7%	88.3%
EMEA	89.1%	89.1%	89.1%	88.4%	89.0%	88.8%
Latin America	91.6%	90.7%	91.1%	90.4%	88.8%	89.5%
U.S. and Canada	91.6%	90.8%	91.2%	91.6%	91.3%	91.4%
Total	88.3%	88.5%	88.4%	89.7%	90.4%	90.1%

Employee Wellbeing

BNY Mellon supports a healthy, vibrant workforce through a holistic wellbeing approach. We encourage employees to prioritize their own health and wellbeing so they can be their best at work, at home and in their communities. Our programs give employees easy access to resources and encourage them to take steps to improve their physical health, emotional resilience, financial wellbeing and social connections.

IN Wellbeing Program

IN is BNY Mellon's global wellbeing program, which we promote to employees via multiple internal communication channels. Through a partnership with Virgin Pulse, we engage employees and their covered spouses/domestic partners in wellbeing activities through a digital wellbeing app and website to encourage connecting and getting healthy with others.

Throughout the year, we conduct healthy habit challenges, global activity challenges, training and events to increase employee awareness of and engagement in their health and wellbeing. In 2018, for example, IN's global priorities were to reduce the stigma of mental health, educate employees on how to increase personal energy, and help employees prevent serious health risks through lifestyle choices, screenings and health exams.

We will achieve our 2020 vision to support a healthy, vibrant workforce through a holistic wellbeing approach by:

- Increasing awareness of the IN BNY Mellon Wellbeing Program through new-hire orientations and via email, intranet, internal social media and award applications.
- Enhancing our culture of wellbeing through global initiatives, policies, wellbeing champions, quarterly executive meetings, blogs, articles and other communications.
- Increasing employee engagement by encouraging Virgin Pulse registration and engagement, offering wellbeing incentives, and promoting services such as dependent care, financial counseling and biometric screenings.

2018 Key Data: Wellbeing

Global

Wellbeing digital platform users: **21,500**

Employees who completed wellbeing assessments: **20,300**

Biometric screenings: **19,700**

Flu shots: **13,000**

Participants in manager online mental health training: **8,800**

U.S. Only

Onsite health center appointments: **20,700**

Health coaching participants: **8,700**

Financial planning and education users: **4,200**

Employee Assistance Program (EAP) users: **1,300**

WELLBEING PROGRAMS AND RESOURCES

Physical	Emotional	Social	Financial
Digital health risk assessments	EAP ¹⁴	Team-based activity challenges	Financial education seminars and webinars
Onsite Health Centers	Educational trainings and webinars (positive psychology, stress management and others)	Flexible work arrangements	Digital planning tools
Health coaching	Digital self-care tools	Maternity and paternity programs	Personalized financial counseling
Tobacco cessation	Manager mental health training	Adoption support services	
Flu vaccinations	Remote psychological consultations	Child and elder care programs	
Healthy food options	Domestic violence training	Onsite nursing mother rooms	
Fitness discounts	Legal services		
Biometric screenings			
Preventive screenings and exams			
Telemedicine			
Onsite fitness classes			
Bicycle racks			
Designated walking routes			
Recreational leagues			
Race entry discounts			

Facilities: Showers, bicycle racks, wellbeing rooms, first aid room, healthy food, tobacco free, walking route signposts, onsite health centers

Communications and Marketing: Intranet, newsletters, brochures, posters, surveys, vendors

Information Support: Education programs, campaigns, wellbeing fairs, champions

Health and Safety

We protect our employees and their families in our facilities and through programs, policies and competitive health and wellbeing benefits. See details in our [Health and Safety Statement](#).

Workplace Experience

At BNY Mellon, we believe the work environment impacts employee engagement and our ability to deliver quality client experiences. Our standard workplace design seeks to create spaces that encourage innovation, are client-centric and collaborative, and encourage innovation. We implement the best elements of workplace design, such as open floor plans and collaborative breakout rooms.

Technology plays a crucial role in the workplace experience. We are investing in technology solutions and tools to enable our teams to work anytime, in a variety of locations and with a new level of collaboration. Senior Site Leaders in our principal locations help employees adapt to new workspace environments and collaborate with other local leaders to enhance the workplace experience.

One of the recent renovation projects took place at BNY Mellon headquarters at 240 Greenwich Street in New York City. We transformed our office to an open floor plan with no private offices, including the Executive Committee space. The facility features collaboration areas, updated conference rooms, on-demand meeting rooms, cafeteria renovations and service enhancements. Our new headquarters reflects our culture as a technology-enabled, collaborative, and client-focused business.

¹⁴ Through the EAP, all BNY Mellon employees and their household members have access to personal and professional resources to help with everyday challenges. Whether they need help managing their time or personal concerns, balancing work and family life, or with a legal consultation, the EAP can assist. Eligible members can speak confidentially with a consultant by telephone. Onsite EAP counselors are available in Pittsburgh, Pennsylvania; New York City, New York; and Jersey City, New Jersey.

Workplace Design Principles

Use technology, physical design and environmental best practices to **support collaboration and healthy workspaces**.

Create energized and ergonomic workspaces that **encourage innovation and mobility**.

Promote wellbeing through healthy dining guidelines focused on education, convenient access to healthy and nutritious food and beverage options, and sourcing of fresh and local ingredients where possible.

Human Rights

We support human rights and treat employees with fairness, dignity and respect at work. BNY Mellon is a staunch advocate of equal rights for all in our workforce and in society. See [page 40](#) for initiatives related to our advocacy and support of lesbian, gay, bisexual, transgender/transsexual plus (LGBT+) rights. We are committed to preventing [modern slavery and human trafficking](#) in our operations, supply chain and communities. These values help define our company, and we reinforce them in our policies, including:

- [Human Rights Statement](#)
- [Equal Employment Opportunity/Affirmative Action \(EEO/AA\) policy](#)
- [Notice of Affirmative Action Programs and Notice to Veterans and Individuals with Disabilities](#)
- [Sexual and Other Discriminatory Harassment policy](#)
- [Drug- and Alcohol-free Workplace policy](#)
- [Health and Safety Statement](#)
- [UK Modern Slavery Act Statement](#)
- [Supplier Code of Conduct](#)
- [Gender Equality Statement](#)

Minimum Wage Increase

In 2018, many companies used the savings they expected from the new U.S. tax legislation to make sizable and meaningful investments for their employees, communities and businesses. BNY Mellon did the same and decided to share the benefit with our employees. Effective March 1, 2018, we increased the minimum wage for all our U.S.-based employees to \$15 per hour, which has the potential to make a significant difference in affected employees' lives.

Pro Bono Legal Services

BNY Mellon lawyers provide pro bono legal services to advance human rights. For example, in 2018 lawyers in the U.S. partnered with Catholic Charities Community Services to conduct legal research in support of attorneys advocating for asylum-seekers hoping to obtain immigration relief. Employees also provided free legal services as part of the organization's New York Immigration Court Help Desk Project. In addition, our lawyers in the UK partnered with Reed Smith to provide legal advice to clients of The Aire Centre, a charity that counsels individuals on human rights and other European law rights.

What We Expect of Nonprofit Organizations

We also expect our philanthropic fund recipients to share our commitment to protect human rights. We ask nonprofit organizations (e.g., charities and nongovernmental organizations [NGOs]) applying for financial sponsorship or donations to certify they comply with BNY Mellon's Non-Discrimination Policy Certification for Non-Profits and to complete a thorough vetting process.

Diversity and Inclusion

Research continues to confirm the positive impact of a diverse workforce and an inclusive environment on employee engagement and company performance. Studies show businesses above the median on employee engagement and gender diversity drove 46 to 58 percent higher financial performance. Inclusive teams make better decisions up to 87 percent of the time and diverse teams' decisions yield 60 percent better results. Highly diverse and inclusive organizations saw a 26 percent increase in team collaboration and an 18 percent increase in team commitment.¹⁵ Diversity and inclusion are not only ideals, but also imperatives that drive business performance.

Our Opportunity and Approach

Diversity and inclusion is central to high performance, competitive advantage, innovation and growth. We empower our people to do their best work, make unique contributions, and build purposeful careers in an environment where they are treated with fairness, dignity and respect. We set specific goals, deliver programs, and create policies that embed diversity and inclusion in our operating model. We prioritize diversity and inclusion throughout the talent life cycle, from recruitment and development to retention and advancement.

Our commitment and approach to diversity and inclusion deliver benefit and impact beyond our business and industry. Clients and peer companies often seek our advice and guidance on diversity and inclusion, and we share our ideas, practices and experiences with them. We partner with clients, think tanks, professional associations, community organizations and nonprofit organizations to discuss, challenge and collaborate on diversity and inclusion issues.

2018 Achievements

Advanced lesbian, gay, bisexual, transgender/transsexual plus (LGBT+) advocacy with our *Transgender Guidelines: Gender Transition, Identity and Expression*, and the addition of sexual orientation to Board nomination criteria.

Convened clients and key stakeholders as a founding sponsor of the first interbank Diversity & Inclusion Conference in Brazil, hosted by Associação Brasileira de Bioinovação (ABBI).

Celebrated International Women's Day with a global webcast, engaging hundreds of clients and employees in a solutions-oriented conversation to #PressforProgress.

¹⁵ Duris, S. "What Diversity and Inclusion Mean for Employee Engagement," ICMI, October 1, 2018.

Broadly Defined Diversity

Our people are seen and see themselves through more than one diversity lens or social identity. Their value and contributions are shaped by a combination of attributes they are born with and attributes they earn and develop through life experiences:

- Gender
- Race and ethnicity
- Sexual orientation
- Veteran status
- Nationality
- Generations
- Cognitive diversity
- Gender identity
- Multiracial, multicultural and multilingual
- Global mind-set
- Socioeconomic diversity
- Generational savvy
- Family status
- Military background
- Work-life agility
- Value systems and beliefs

2018 Recognition

AnitaB.org Leadership Index

Asia Society Best Employer for LGBT Asian Employees: Distinguished Performance

Bloomberg Gender-Equality Index

Human Rights Campaign Foundation 2018 Corporate Equality Index 100% Score and 2018 Best Places to Work for LGBTQ Workplace Equality

UK Ministry of Defence Armed Forces Covenant Gold Award

Working Mother/AVTAR Group's Top 100 Best Companies for Women (BNY Mellon Technology Private Limited)

Morningstar® Women's Empowerment IndexSM

2018 Diversity Representation

GENDER (GLOBAL, UNLESS OTHERWISE NOTED)



RACE/ETHNICITY (U.S.)



¹⁶ "Mid-level leaders" are inclusive of BNY Mellon's vice president level employees.

¹⁷ "Senior leaders" are inclusive of BNY Mellon's director and above level employees, excluding executive leaders.

¹⁸ "Executive leaders" are inclusive of BNY Mellon's Executive Committee.

Company-Wide Strategy

Diversity and inclusion is integral to who we are as a company. Our diversity and inclusion strategy is not separate, but built into our business strategy, operating model, talent experience and client value proposition. Our strategy is built on four pillars:



Progress Against Our Strategy

Our diversity and inclusion efforts have led to some success, but we can do more to improve outcomes and accelerate progress. We pilot new initiatives, monitor and learn from what works and what doesn't, and scale successful practices across more of the organization.

Increased Accountability

- **Executive ownership:** Our Executive Committee has committed to specific goals to improve workforce diversity, with particular emphasis on diversifying our senior leader ranks. Bonuses and incentives for our leaders are tied to performance against goals, including diversity and inclusion goals.
- **Shared responsibility:** All BNY Mellon employees have diversity and inclusion goals in their performance management plans.
- **Governance:** We are engaging more leaders across the company to bring fresh perspectives to our diversity

and inclusion work through a restructured governance model, which includes an interactive, results-oriented and forward-looking Diversity & Inclusion Advisory Council, chaired by our Chief Executive Officer (CEO).

Increased Transparency

- **Evidence-based discussion and decisions:** BNY Mellon publishes workforce representation data and our Workforce Strategy team tracks diversity throughout the talent life cycle. This helps us identify diversity representation changes and how we can improve.
- **Public commitments:** We signed on to the UK HM Treasury's Women in Finance Charter and met our women hiring goal in Europe/Middle East/Africa (EMEA) ahead of schedule. Led by our senior women, BNY Mellon championed and joined similar gender-lens charters and industry goal setting in Belgium and Luxembourg.

Integrated Diversity and Inclusion

- Operating model: We systemically integrate diversity and inclusion as part of who we are and how we deliver.
- Dedicated resources: Our Office of Global Diversity and Inclusion has an appointed global head and regional heads in Asia Pacific, EMEA and India. They lead our global diversity and inclusion strategy and engage our businesses, leaders and employees in owning and implementing it.
- Employee-led inclusion: Our six employee/business resource groups (E/BRGs) exemplify our vibrant workforce and create value through employee engagement, professional development and grassroots activation.

Diversity Performance

We aim to build a diverse global team that represents the increasingly diverse markets and clients we serve. We see particular value in diverse senior leaders whose varying viewpoints, backgrounds and experiences inform critical strategic decisions. Highlights of our work and progress include:

Senior Leadership

Diversity in our senior leader ranks gives us visible role models who sponsor top diverse talent to increase representation at other leadership levels. Women representation among BNY Mellon executive leaders rose from 17 percent in 2016 to 28 percent¹⁹ in 2018. Women representation among senior leaders increased from 27 percent in 2016 to 28 percent in 2018. Ethnic/racial representation in our U.S. workforce increased from 32 percent in 2016 to 34 percent in 2018, with year-over-year improvement in senior and mid-level leadership ranks for the past three years.

External Talent Pool

To increase our talent pool diversity, we work with professional associations, learning institutions, think tanks and nonprofits to deepen engagement with Black/African American, Hispanic/Latino, Asian, LGBT+, people with disabilities and other talent from underrepresented backgrounds. We aim for more than fair inclusion of diverse talent by requiring diverse candidate slates for all roles, at all levels. We are creating gender-neutral job descriptions

to generate gender-equal applicant pools and expanding recruitment to include nontraditional candidates, such as those who have taken extended leaves of absence from work and are looking to return.

Entry-Level Talent

Our 2018 intern class was 33 percent women and 32 percent ethnically/racially diverse. Participants highly rated their BNY Mellon experiences, citing our inclusive and welcoming culture and environment.

We hosted dozens of events in 2018 in partnership with diversity-focused student clubs and associations to engage prospective interns. We convened more than 25 colleges and universities to discuss best practices and collaboration to strengthen student body and talent pipeline diversity. Our new Sophomore Summit engaged younger students in a full day of development workshops on personal brand, resume writing and interview skills. We plan six Sophomore Summits in 2019, each aligned with a BNY Mellon E/BRG to grow distinct talent pools.

Internal Talent Pipeline

We embed diversity and inclusion in our talent review process that identifies top performers, our succession bench planning, and our development plans to improve promotion readiness and advancement of diverse talent.

Our E/BRGs play an essential role in employee engagement and advancement. In a 2018 survey of members, respondents said participation in E/BRGs helped them feel more engaged as an employee, at rates ranging from 28 percent to 46 percent across the six groups; and membership enhanced their professional experience and/or advanced their careers, at rates ranging from 22 percent to 33 percent.

Suppliers

We value [diversity in our supply chain](#) and support businesses owned and operated by women, minorities, veterans, individuals with disabilities and LGBT+ individuals.

¹⁹ Due to the departure of several executives in early 2019, this percentage may differ at time of publication.

Inclusion Performance

Unconscious bias diminishes the quality of our thinking, decisions and interactions. To help employees understand and overcome bias and promote inclusion, unconscious bias training is part of our new employee curriculum, with a 92 percent completion rate.

We invest in inclusion through workshops, experiential learning, storytelling and more-collaborative workspaces. In 2017, our Uncovering Talent workshops used live actors role-playing realistic scenarios to engage approximately 500 executive and senior leaders in candid discussion on topics including gender, race and sexual orientation. In 2018, we expanded these workshops and coaching sessions for managers and employees in Asia Pacific, and plan to add more in 2019.

Achieving equality and equity for women and LGBT+ individuals is foundational to achieving a truly inclusive culture. Our CEO joined the U.S. 30% Club²⁰ and supports voluntary self-reporting on diversity and inclusion. BNY Mellon hosted the 2017 and 2018 OPEN Finance Forums and several of our out and ally leaders participated as speakers.

Equitable Pay and Benefits

We support equal pay for equal work and periodically review our pay practices and processes. In 2019, we voluntarily published the results of our [pay equity analysis](#), which measures whether men and women are being paid equally for doing equivalent jobs with similar levels of experience and skill. Our global analysis found that, on average, women are paid more than 99 percent of what men are paid when accounting for certain factors, including geography, level and job, to make the comparisons more relevant. We also found that in the U.S., minority employees are paid on average more than 99 percent of what non-minority employees are paid when accounting for certain factors, including geography, level and job.

As part of our commitment to equality, we published our second [UK Gender Pay Gap report](#), in accordance with the UK Government's criteria. The gender pay gap is a measure of the difference between the average earnings of men and

women, which is not the same as measuring equal pay. As of April 5, 2018, the disclosable median pay gap at BNY Mellon's London Branch is 20% and mean pay gap is 18%. Analysis shows that this gender pay gap is influenced by the greater proportion of men than women in senior higher-paid roles. Until we have more balanced representation of men and women at every level of the organization, a pay gap is likely to persist. We are actively supporting the advancement of women into senior management and, with a focus on equality, we continue to take actions to improve gender balance and the overall diversity of our teams, at all levels in the UK and around the world.

Also in 2018, we increased fully paid parental leave from 12 to 16 weeks for all U.S. employees, regardless of gender and tenure with the company.

²⁰ The 30% Club's CEO members aim to develop a diverse pool of talent for all businesses and achieve better gender balance at all levels of their organizations.

Support for LGBT+ Individuals

To be our best, we must be our most authentic selves. We regularly participate in legislative and social initiatives to promote and protect the rights of LGBT+ people and improve financial and social inclusion. Our people are located all over the world, so our LGBT+ advocacy crosses borders. In 2018, BNY Mellon:

- Signed on to the U.N. LGBTI (lesbian, gay, bisexual, transsexual and intersex people) Standards of Conduct for Business, which tackle discrimination and violence against the LGBT+ community and encourage faster global progress toward equality.
- Joined hundreds of companies in signing a [business statement](#) supporting transgender equality. The statement was organized by approximately 15 community organizations working for LGBT+ equality and includes companies from a broad range of industries including financial services, consumer products and technology.
- Joined a coalition of financial institutions in a landmark Hong Kong LGBT+ case, resulting in the Court of Appeals ruling in favor of a lesbian expatriate who had been denied a spousal visa.
- Introduced *Transgender Guidelines: Gender Transition, Identity and Expression*, a handbook for U.S. employees and managers to support transgender or transsexual employees and assist managers who have team members undergoing or planning gender transition.
- Updated the Corporate Governance Guidelines for our Board of Directors to include sexual orientation among diversity criteria for new Board members. BNY Mellon is one of only six Fortune 500 companies to consider LGBT+ a Board diversity attribute.
- Supported BNY Mellon lawyers conducting pro bono legal screenings of people seeking U.S. asylum because of persecution for LGBT+ and/or HIV-positive status. Based on the interviews, our volunteers make recommendations to Legal Services NYC attorneys on which cases to pursue.

Employee-Led Inclusion

BNY Mellon proudly sponsors six E/BRGs that engage more than 13,000 employee volunteers—one in four employees—in nearly 180 chapters in more than 25 countries. With Executive Committee member sponsorship, these groups connect our people around the world, enable them to contribute their unique value, give them access to development opportunities, and empower them to leverage their differences to achieve our business objectives and build purposeful careers.

GENEDGE taps into and shares our multigenerational workforce's knowledge capital, energy and talents to solve business problems.

HEART raises awareness and understanding of the needs of people with disabilities.

IMPACT supports recruitment, retention, professional development and advancement of multicultural employees.

PRISM fosters an open and supportive environment for LGBT+ employees.

VETNET is a resource for the recruitment, retention, professional development and advancement of military members transitioning to new careers and civilian life.

WIN promotes a culture of leadership and sponsorship to support women's professional development and advancement.

Our World

The challenges facing society today require innovative solutions and collaborative action for a more sustainable future. BNY Mellon strives to make a positive impact by providing social investing products and services; donating money, skills and expertise to worthwhile causes; promoting supply chain responsibility; and mitigating environmental risk in our operations. Together with our employees and partners, we use our influence and resources to better people's lives and the planet.

Social Investing

Investment activities that consider social and/or environmental performance consume a growing share of the world's financial assets. Several factors are driving this trend: intensifying pressure on the private sector to invest in sustainable global development; sociocultural momentum behind gender, racial, ethnic, and lesbian, gay, bisexual, transgender/transsexual plus (LGBT+) equity and inclusion; and the transfer of wealth to a new generation of socially motivated investors. Cumulative global social investing assets are now in the tens of trillions of dollars.²¹ Growing global urgency to address the United Nations (U.N.) Sustainable Development Goals (SDGs) and mitigate and adapt to climate change will propel significantly greater sums of impact-driven capital over the next decade.

Our Opportunity and Approach

Social investing at BNY Mellon refers to investment activities that seek to generate financial returns while considering social and/or environmental factors. As custodian for more than \$33 trillion in assets and manager of nearly \$2 trillion in assets, we help clients and the financial services industry create positive impact through the specific investment management and investment services we provide. We engage with a broad range of stakeholders and support strategic decisions throughout the investment life cycle. Also, our internal Social Investing Business Council convenes social investing leaders from across our businesses to share knowledge and support product development.

2018 Achievements

Asset Servicing: Launched new environmental, social and governance (ESG) analytics capability.

Investment Management: Launched several new responsible investment (RI) strategies and two new model portfolios that align with mission-driven investors.

2018 Key Data: Social Investing

Investment Management—Assets incorporating values-based ESG screens, ESG themes and/or impact criteria: **\$ 115.6 billion**²²

Investment Management—Assets overseen by investment firms that are U.N. Principles for Responsible Investment (UNPRI) signatories: **\$1.3 trillion, or 75 percent, of our total assets under management**^{23 24}

Asset Servicing—Market value of portfolios screened for ESG factors: **\$937 billion**

Corporate Trust—Green bonds administered: 44 representing approximately **\$24.1 billion in issuance volume**

Low-Income Housing Tax Credit (LIHTC) equity investments: **\$119.6 million**

²² This number includes assets classified as responsible investment, which includes exclusionary screening, positive ESG screening, ESG thematic, impact and ESG integrated assets under management (AUM).

²³ UNPRI AUM represents the aggregate total of investment firm signatories' AUM, and does not include assets managed by investment firm personnel as dual officers of The Bank of New York Mellon and The Dreyfus Corporation. Siguler Guff AUM is not included in this calculation, given the minority interest in the firm held by BNY Mellon.

²⁴ Insight's AUM is represented by the market value of cash, securities and derivatives held in client accounts. Where a client mandate requires INA to manage some or all of a client's liabilities, and INA is to be paid an investment management fee based upon the value of such liabilities, the AUM for the account will be based on the value of the liabilities plus the gross notional value of any derivatives used in the management thereof.

SUPPORTING OUR CLIENTS' SOCIAL INVESTING OBJECTIVES

Individual Investors

BNY Mellon provides responsible investment options and technology to empower underserved populations

Institutional Investors

BNY Mellon provides responsible investment options and greater access to ESG data

Corporate and Public Sector Issuers

BNY Mellon advises firms and facilitates socially responsible projects

Asset Managers

BNY Mellon enables the execution of ESG strategies

BNY MELLON SOCIAL INVESTING CAPABILITIES

CLEARING, MARKETS AND CLIENT MANAGEMENT

Capital Markets:^(A)

Asset Origination and Advice (Innovative Social Investing Vehicles)

Sales and Trading (e.g., Green Bonds)

Treasury Services:

Real-Time Payments

ASSET SERVICING

ESG Investment Analysis and Monitoring

ESG Fintech Development

ABLE Savings Plan Solution

ESG Analytics

INVESTMENT MANAGEMENT

Responsible Investment Products (e.g., Mutual Funds, Separate Accounts, Custom ESG and Values Screening, Impact Bonds)

Responsible Investment Strategy Evaluation

Proxy Voting and Issuer Engagement

ISSUER SERVICES

Corporate Trust:

Debt Administration for Responsible Bonds and Infrastructure Projects

Specialty Products & Services

Depository Receipts:

ESG Advisory Solutions*

*Non fee-based services offered to select Depository Receipts clients

Across our firm, educating stakeholders through thought leadership is a key focus. Other activities across the firm include:

Affordable Housing Lending and Investments

Small Business Investment Corporation (SBIC) Lending

Tax Credit Investments (e.g., State Tax Credits)

Strategic Partnerships

Thought Leadership

(A) Products are offered through BNY Mellon Capital Markets, LLC, which is an indirect-wholly-owned subsidiary of The Bank of New York Mellon Corporation and a member of FINRA/SIPC. This information is for reference purposes only and is not a solicitation, recommendation or offer to buy/sell a financial instrument or adopt any investment strategy and must not be construed as such in any jurisdiction where such an offer, solicitation or trading strategy would be illegal

Investment Management

Multi-Investment Firm Model

BNY Mellon Investment Management is composed of Asset Management and Wealth Management. The Asset Management business consists of eight investment firms, each with its own style, strategy and investment management teams. This model enables us to offer a wide range of diversified and customizable investment strategies. As of December 31, 2018, we managed \$115.6 billion in assets that we classify as responsible investments; these assets incorporate values-based ESG screens, ESG themes, impact criteria, and/or are presented as ESG integrated.²⁵

Responsible Investment Framework

Responsible investment (RI) is the subset of social investing most relevant to Investment Management. It encompasses investment strategies that seek to offer investors financial returns while incorporating environmental, social and/or governance considerations.

BNY Mellon Investment Management breaks RI strategies into three classifications based on investor objectives: Values Expression, Influence Change and Return Enhancement. By isolating and understanding investors' motivations for pursuing RI, we may better navigate the RI landscape and build products that meet investors' goals. The three classifications are not mutually exclusive, however; one strategy may encompass two or three of these objectives simultaneously. Implementation tactics including exclusionary screening, positive screening, ESG integration, thematic investing, impact investing and active ownership are used to pursue one or all of these objectives.

25 This number includes assets classified as responsible investment, which includes exclusionary screening, positive ESG screening, ESG thematic, impact and ESG integrated assets under management (AUM).

RESPONSIBLE INVESTMENT FRAMEWORK

Values Expression	Influence Change	Return Enhancement
Describes the intent of investors whose objective is to align investments with their environmental and/or social principles. This approach is most often implemented through exclusionary screens that eliminate organizations misaligned with the investor’s personal values, such as weapons or tobacco manufacturers.	These strategies support solutions to social, environmental and economic challenges and/or encourage organizations to improve their ESG behavior. The influence that RI strategies offer varies widely; we further classify these strategies according to the scope and magnitude of influence they target.	ESG risks and opportunities are increasingly integrated into investment strategies to support long-term, risk-adjusted investment performance. Additionally, managers cite elements of active ownership, including engaging with companies and casting proxy votes, to encourage and directly affect companies’ ESG practices to support long-term shareholder value.

Investment Firm RI Capabilities

Many Investment Management investment firms have developed independent RI expertise and capabilities. Newton, Walter Scott and Siguler Guff²⁶ integrate ESG risks and opportunities into investment decisions when the ESG consideration is relevant, i.e., has potential financial impact. Insight believes ESG risks are relevant to credit and sovereign analyses. Mellon²⁷ incorporates ESG criteria into investment decisions to support several RI strategies.

Newton’s dedicated RI team conducts ESG research and actively engages with companies on ESG behavior. Many of our investment firms screen portfolios for ESG criteria based on custom client-directed mandates.

In addition to ongoing ESG training and participation in RI events, notable activity in 2018 included several RI strategy launches. Newton expanded its suite of sustainable investment strategies into global equity, fixed income and real return asset classes. Investment Management launched the Dreyfus Japan Womenomics Fund*, giving U.S. investors access to Asset Management Japan’s gender-oriented portfolio.

* Investors should consider the investment objectives, risks, charges and expenses of any mutual fund or variable annuity sub-account carefully before investing. Contact your financial advisor or visit Dreyfus.com to obtain a prospectus or summary prospectus, if available, that contains this and other information about the fund or sub-account and read it carefully before investing. MBSC Securities Corporation, distributor.

Investment Firm	Personnel	Investment Process/Products	RI/ESG Policy
Newton	Six-person dedicated RI team	ESG integration across all portfolios; dedicated sustainability products	Yes
Mellon	Dedicated ESG officer; fixed income investment personnel trained to analyze relevant ESG risks; ongoing training of analysts to incorporate ESG factors	ESG risks integrated across relevant credit and sovereign investment decisions; dedicated impact bond strategies; Carbon Efficiency Strategy incorporates carbon and ESG data into the investment decision	Yes
Insight	Dedicated ESG analyst, all fixed income investment personnel trained to analyze relevant ESG risks	ESG integration across relevant credit and sovereign investment decisions; dedicated sustainability products	Yes

²⁶ BNY Mellon owns an approximate 20 percent interest in Siguler Guff & Company, LP, and certain related entities.

²⁷ Investment Management’s Mellon Capital Management Corporation (Mellon Capital), Standish Mellon Asset Management Company LLC (Standish) and The Boston Company Asset Management, LLC (The Boston Company) were merged into a single business unit on February 1, 2018, which was branded Mellon effective January 2, 2019.

Select RI Strategies at BNY Mellon

Strategy	Managed By	Invested as of December 31, 2018
<p>Sustainable U.S. Equity Invests in equity securities of U.S. companies that demonstrate attractive investment attributes and sustainable business practices and have no material unresolvable ESG issues. The strategy is available to U.S. investors in the Dreyfus Sustainable U.S. Equity Fund, Inc.* (a Dreyfus mutual fund sub-advised by Newton) and as a variable account.</p>	Newton Investment Management [NA] Limited	\$473 million
<p>Carbon Efficiency Seeks to provide broad equity exposure while minimizing investment in companies with high carbon emissions and supporting companies that have made strides toward being environmentally responsible.</p>	Mellon	\$476 million
<p>Global Farmland Fund Limited Seeks to provide global exposure to farmland, farmland businesses and the agricultural commodities grown on those farms. It invests in direct holdings including, but not limited to, farmland companies, specially incorporated vehicles established to hold farmland assets (either alone or jointly with one or more third parties) and farmland real estate. This fund is closed to investors and is no longer accepting new subscriptions.</p>	Insight Investment Management (Global) Limited	\$229 million
<p>Sustainable Euro Corporate Bond Aims to deliver attractive total returns in excess of a credit benchmark by investing predominately in investment-grade euro-denominated corporate bonds while taking ESG factors into account. It favors issuers with superior sustainability profiles, and Insight actively engages with companies held in the portfolio if their sustainability profiles deteriorate to try to rectify issues. The strategy is available only in select European markets and is not available to U.S. investors.</p>	Insight Investment Management (Global) Limited	\$459 million
<p>Japanese Womenomics Invests in Japanese equities considered attractive medium- to long-term investments under the theme of women's empowerment. The strategy focuses on companies that actively hire and promote women, provide products or services that target women, and benefit directly or indirectly from the economic potential of improved gender parity in the workforce. The strategy is available for U.S. investors in the Dreyfus Japan Womenomics Fund* (a Dreyfus mutual fund sub-advised by AMJ) and, separately, for Japanese investors.</p>	BNY Mellon Asset Management Japan (AMJ)	\$21 million

This report is intended for informational purposes only; it does not constitute investment advice and it should not be relied upon as such. It should not be considered a solicitation to buy or an offer to sell any investment or investment product. It does not take into account any investor's or potential investor's particular investment objectives, strategies, tax status, risk appetite or investment horizon. Investors should always obtain and read an up-to-date investment services description or prospectus before deciding whether to appoint an investment manager or to invest in a fund or strategy. If you require investment advice, you should consult your financial, tax or other professional advisor. Investing entails risks and there can be no assurance that BNY Mellon will achieve profits or avoid incurring losses.

- * Investors should consider the investment objectives, risks, charges and expenses of any mutual fund or variable annuity sub-account carefully before investing. Contact your financial advisor or visit Dreyfus.com to obtain a prospectus or summary prospectus, if available, that contains this and other information about the fund or sub-account and read it carefully before investing. MBSC Securities Corporation, distributor.

Responsible Investing Initiatives

In addition to its independent RI strategies, each BNY Mellon Investment Management investment firm participates in initiatives to advance industry-wide RI efforts. Each firm owns the requirements of being a signatory or participant in such initiatives.

A cross-cutting RI initiative is the UNPRI, a set of six voluntary, aspirational principles for incorporating ESG issues into investment practices. Launched in 2006, the UNPRI now has more than 1,900 signatories, which, as of December 31, 2018, include Newton, Mellon, Insight, Siguler Guff, Walter Scott and Alcentra.

As of December 31, 2018, the BNY Mellon Investment Management investment firms that are UNPRI signatories oversaw \$1.3 trillion, or nearly 75 percent, of our total assets under management.^{28 29}

Other investment firm-specific RI initiatives include:

- Institutional Investors Group on Climate Change (IIGCC): Insight, Newton (Newton sits on the IIGCC scenario analysis group and resolutions subgroup)
- CDP (formerly the Carbon Disclosure Project): Mellon, Insight, Newton
- International Corporate Governance Network (ICGN): Newton (Newton Head of Governance sits on the ICGN board)
- Climate Bond Initiative (CBI): Mellon
- Green Bond Principles: Mellon
- UK Sustainable Investment and Finance Association (UK SIF): Insight
- Task Force on Climate-related Financial Disclosures (TCFD): Newton, Insight
- Climate Action 100+: Mellon, Newton

Wealth Management

BNY Mellon Wealth Management works with high-net-worth individuals, families and institutional investors on comprehensive wealth planning and investment support. The Wealth Management group offers a growing selection of internally and externally managed equity, customized fixed income and alternative RI strategies—including ESG-aligned strategies—customized to align with our clients' unique social, faith-based and family values. We increasingly field queries from clients about RI options and continue to build out our RI offering across asset classes. We also have several initiatives to enhance communication and understanding of strategic philanthropy and social investing opportunities.

In 2018, we launched two new model portfolios that align with certain mission-driven investors. The Promotion of Women's Engagement and Representation Strategy (PWER) is designed for investors who seek broad U.S. market exposure while screening for companies with female chief executive officers (CEOs) and/or with boards composed of at least 30 percent female members. Also launched in 2018, the ESG Total Market portfolio is an actively managed portfolio designed to provide investors broad U.S. market exposure that stays true to their core values and avoids firms involved in ESG controversies. Both portfolios track the S&P 1500 Index.

Proxy Voting and Issuer Engagement

The BNY Mellon Proxy Voting and Governance Committee (PVGC) is responsible for casting proxy votes on behalf of six of IM's investment firms/business units.³⁰ Equity professionals from each participating firm are members of the committee and make voting decisions on behalf of their clients—the equity owners of the assets they manage. The PVGC has detailed, predetermined, documented voting guidelines for specific types of proposals and matters commonly submitted to shareholders, including those related to ESG concerns. The PVGC is supported by the BNY Mellon Proxy Voting and Governance (PVG) Research team, which researches companies and shareholder proposals, leads engagement efforts, and oversees all operational aspects of the proxy-voting process. The combined efforts of the involved IM investment firms, with the support of the PVGC and PVG Research team, determined vote decisions at more than 12,000 annual and special shareholder meetings for U.S. and international companies in 2018.

³⁰ Lockwood Advisors, an Asset Servicing business unit, also participates in the PVGC.

²⁸ UNPRI AUM represents the aggregate total of investment firm signatories' AUM, and does not include assets managed by investment firm personnel as dual officers of The Bank of New York Mellon and The Dreyfus Corporation. Siguler Guff AUM is not included in this calculation, given the minority interest in the firm held by BNY Mellon.

²⁹ Insight's AUM is represented by the market value of cash, securities and derivatives held in client accounts. Where a client mandate requires INA to manage some or all of a client's liabilities, and INA is to be paid an investment management fee based upon the value of such liabilities, the AUM for the account will be based on the value of the liabilities plus the gross notional value of any derivatives used in the management thereof.

In addition to proxy voting, the PVGC participating firms seek to hold engagement meetings with companies on a range of issues. These firms generally engage on three areas they believe strengthen alignment between company leaders and shareholders: transparency in corporate governance practices, board of directors’ support of the company’s business strategy, and alignment between executive compensation and performance. Engagement dialogue is additionally leveraged to inform proxy voting decisions.

Newton, which is not a member of the PVGC, has a dedicated RI team that works alongside Newton investment professionals to engage companies and exercise voting rights on behalf of its clients and the long-term value of its clients’ holdings. Newton publishes a quarterly report on its RI-related voting decisions and engagement activities.

Asset Servicing

Asset Servicing supports institutional investors by safekeeping assets and enhancing client investment administration. We offer services that process, monitor and measure clients’ investment data and help them better understand their portfolios through analysis of rates of return, asset allocation, security selection and risk exposure.

ESG Screening and Scoring

BNY Mellon has offered innovative ESG screening capabilities for more than a decade. In 2018, the number of BNY Mellon clients using ESG rules or screens increased 4 percent from 2017, and 64 percent from 2012. In dollar terms, the market value of portfolios we screen for ESG factors reached \$937 billion in 2018, up 3 percent from 2017 and 110 percent from 2012.

MOST COMMON ESG SCREENS³¹

Tobacco	20.8%
Weapons and Military	19.6%
Global Sanctions (e.g., Iran, Sudan, North Korea, Syria)	12.9%
Alcohol	11.7%
Environment	7.9%

³¹ Data reflects usage of Asset Servicing’s ESG screening product offering in 2018 and is as of December 31, 2018.

Many institutional investors use our services to monitor their investment managers’ adherence to ESG investment guidelines. As more investors migrate toward using ESG factors to mitigate financial risk and enhance long-term performance, our services help asset owners and asset managers improve ESG implementation and integration, especially as they attempt to consolidate sustainability data from multiple sources into actionable portfolio monitoring, analysis and reporting. Indeed, 84 percent of global asset owners are pursuing or actively considering ESG integration, with almost as many seeking alignment to the 17 U.N. SDGs.³²

In 2018, BNY Mellon Asset Servicing launched a new ESG Analytics tool that allows clients to monitor and assess the impact of ESG factors. Using data from sustainable asset management firm Arabesque, our measurement tool scores clients’ portfolios on overall ESG factors and on the U.N. Global Compact’s (UNGC) principles for sustainable and socially responsible business. The tool also aims to give clients a clearer understanding of how ESG and UNGC scores relate to their portfolio’s investment performance. The product was derived from a two-day Asset Servicing-sponsored Social Investing Innovation Challenge designed to incubate new ESG data solutions. Participants formed teams that included BNY Mellon developers, client-facing product specialists and ESG specialists tasked with exploring the potential to combine asset allocations and performance data with ESG data.

ESG Thought Leadership

In 2018, Asset Servicing launched a white paper covering the spectrum of ESG investing issues for asset owners and managers. *ESG Investing: Setting A Course For A Sustainable Future* delves into measuring and comparing ESG-themed investments’ nonfinancial performance and the challenges of building new ESG products and strategies.

³² Sustainable Signals: Survey conducted by the Morgan Stanley Institute for Sustainable Investing, 2018.

Client Advisory Boards

We regularly discuss social investing opportunities with our client advisory boards (CABs), which consist of institutional investors, including public and private pension funds, university endowments and foundations. These discussions help us understand client perspectives, establish priorities, and identify needed services. For example, in 2018, we shared a mockup of the ESG Analytics capability with a subset of interested members of the Asset Owner CAB to obtain their feedback. This helped ensure the final product would meet their needs.

529 College and ABLÉ Savings Plans

Two tax-advantaged savings plans, codified in the Internal Revenue Code's section 529, were created to help individuals and families save for important expenses. 529 college savings plans allow individuals and families to save for educational goals, while 529 ABLÉ plans enable people with disabilities to invest for the future without compromising important state and federal benefits.

BNY Mellon simplifies delivery of these plans by providing states with service delivery, service management and customer support. We helped early adopter states Oregon and Maryland launch their ABLÉ plans, which totaled 4,032 accounts as of January 2019. In 2018, we launched Washington's 529 college savings plan and converted Oregon's college savings plan from another provider.

For individual savers, our simple and intuitive digital platform helps account holders set and work toward savings goals, make transfers, and receive gifts from friends and family.

Issuer Services

Corporate Trust

Corporate Trust offers the infrastructure, technology and processing services to help financial institutions, corporations, insurers, governments and nonprofit organizations navigate the debt capital markets. Corporate Trust supports our clients' ESG needs with a diverse range of products and solutions.

Green Bonds

We administer debt securities that fund projects with environmental benefits, such as clean transportation or renewable energy projects. In 2018, we administered 44 green bonds representing approximately \$24.1 billion in issuance volume, up from 37 green bonds representing \$19.3 billion in issuance volume in 2017. Notable examples from 2018 include our appointment by [Canada Pension Plan Investment Board \(CPPIB\)](#) to service the world's first green bond issued by a pension fund, and by [Manulife Financial Corporation](#) to service its first green bond offering in Canada.

BNY Mellon acts as a listing agent for issuers listing securities on the Luxembourg Green Exchange (LGX), a platform exclusively for 100 percent green, social or sustainable securities. We also continue to maintain "Observer" status to the International Capital Market Association's (ICMA) Green Bond Principles, which are voluntary process guidelines to promote integrity and transparency in the market.

As part of our ongoing support for the green bond market globally, we are striving to change the investment conversation in [Asia Pacific](#) on the ESG investing trend and demonstrate the value we can offer as the [race for assets](#) drives further green bond activity in the region.

Project Agent And Public-Private Partnerships

As urban areas and populations grow, a number of infrastructure systems around the world require extensive development, expansion and upgrades. Corporate Trust administers bonds and loans that help finance a wide range of infrastructure projects.

In 2018, BNY Mellon was appointed by [Macquarie Capital](#) to administer a transaction for the construction of Australia's first thermal waste-to-energy power generation facility. BNY Mellon was also appointed by [Superstrada Pedemontana Veneta S.P.A](#) to administer a €1.57 billion bond to cover construction and other costs for a tollway connecting key cities in one of Northern Italy's most urbanized and industrialized areas.

Insurance-Linked Securities

Catastrophe (CAT) bonds are a type of Insurance Linked Securities that help to reduce the cost of insuring risk from natural disasters by transferring the exposure to financial investors willing to take on the risk. Corporate Trust is an active administrator of these structures and, as such, is seeing a greater expansion of CAT bond sponsors across a range of actors, including corporations, government agencies and supranational institutions, looking to mitigate the risk of increased financial losses from extreme climate events.

Corporate Trust also administers longevity swaps that help defined benefit pension funds adjust to demographic changes. In 2018, we demonstrated how we can support market growth for longevity risk structures in our article [Reducing Counterparty Risk in Longevity Swaps](#).

Other Products And Services

- Administering social bonds, such as a \$75 million bond issued by Turkey's [Garanti Bank](#) to finance women entrepreneurs in Turkey. This was the first such issue by a private bank in an emerging market, and the first from a Turkish entity.
- Administering PACE bonds in the U.S. to help residential, commercial and industrial property owners finance energy efficiency upgrades and renewable energy installations. Under PACE programs, private and commercial property owners can repay funds for eligible energy efficiency projects by accepting a special assessment on their property tax bills.
- Setting up and administering trust and escrow accounts to help clients comply with financial responsibility requirements from regulators on environmental issues, such as chemical emissions and nuclear decommissioning.

Depository Receipts

Depository receipts (DRs) play a major role in helping securities issuers access the world's financial markets. They facilitate cross-border trading, allow companies to access investors outside their home markets, and help investors in the U.S. and elsewhere invest in companies worldwide.

BNY Mellon is the world's leading provider of sponsored DR programs. As of December 31, 2018, we served as depository for 809 sponsored ADR programs on behalf of companies from 56 countries.

ESG Advisory Solutions

BNY Mellon's DR business offers ESG advisory solutions to help DR issuer clients navigate the evolving ESG landscape and develop effective ESG strategies that align with global investors' growing expectations. We support our DR issuer clients in:

- 1 Education and Benchmarking:** We provide them with their company-specific ESG ratings, industry and thematic research. We also create bespoke peer benchmarking to help them focus on ESG themes most relevant to their investors.
- 2 Engagement Policy and Strategy:** We advise them on how to best implement and position ESG practices to better align with the needs of the global ESG investment community.
- 3 Intermediary Engagement:** We help them navigate and engage effectively with ESG service providers, including ESG raters and rankers, sustainability index providers and proxy advisors.
- 4 Investor Engagement:** We facilitate engagement between them and the investment community on ESG and other topics.

In June 2018, we convened a forum of investors and issuers in Milan, Italy, to facilitate discussion on key areas of ESG symmetry and divergence to help issuers understand how investors use ESG data and to inform investors of the challenges issuers experience in disclosing ESG information.

Clearing, Markets and Client Management

Treasury Services

BNY Mellon Treasury Services provides global payment, trade and cash management services, enabling our clients to move money around the world quickly, safely and reliably. Through an extensive network of correspondent financial institutions, we help bank and non-bank financial institutions, corporations, nonprofits and government agencies streamline transactions, optimize cash flow, manage liquidity, and make payments efficiently. For our clients, this means improved, faster access to working capital and other financial services—both key enablers of a more inclusive and productive global economy.

Payment Modernization

In the last few years, we have seen a radical shift in the payment services industry to enable safer, smarter and more efficient transactions, and a transformation into more open banking models. BNY Mellon is at the forefront of these shifts:

- We were the first bank in the U.S. to launch and initiate 24/7/365 transactions through the Real-Time Payments (RTP®) service in conjunction with The Clearing House.
- Our SWIFT global payments innovation (gpi) solution offers increased cross-border payment speed, transparency and end-to-end tracking.
- We are growing our Tokenized Payments solutions that allow clients to make payments with electronic aliases, such as email addresses or U.S. mobile numbers, with Zelle®.³³ In 2018, we became the first bank to resell these capabilities to our own financial institution clients.

Through these efforts, BNY Mellon continues to provide access to the latest payments capabilities and technologies in the industry.

BNY Mellon Capital Markets

BNY Mellon Capital Markets, LLC (Capital Markets) is a full-service securities broker/dealer and an indirect, wholly owned subsidiary of BNY Mellon. Capital Markets provides underwriting services in debt and equity capital across public and private markets. We actively engage with a range of financial products, including U.S. Treasuries, U.S. government agencies, mortgage-backed securities, municipal securities, commercial paper, corporate bonds, high yield debt, supra-sovereign debt, mutual funds and brokered certificates of deposit. We are actively involved in trading common stocks and listed options.

Public finance is a particularly important part of our Capital Markets business. We have a long track record of successfully structuring tax-exempt and taxable bond transactions for general obligation and revenue bond issuers throughout the U.S.

Impact Capital

Capital Markets provides a number of products and services that can meet the needs of both investors in and users of socially responsible capital. We have been active in the affordable housing space since the early 1990s and continue to serve clients in this space. In 2018, we facilitated a bond issuance for the redevelopment and renovation of two housing properties: Garden Spires and Spruce Spires in Newark, New Jersey. The financing enabled the developer, Omni NYC, to ensure the properties would remain affordable and, importantly, to execute a renovation plan that allowed tenants to remain housed during construction and upgrades.

In response to the growing volume of socially driven capital and increasingly sophisticated financial structures entering the market, Capital Markets leverages its deep experience and track record in the bond markets to introduce new impact financing options and investment opportunities. Our work supports issuer and investor interests in transactions that involve:

- **Nonprofit and community organizations** looking for creative capital to promote economic opportunity and inclusion. We are developing a unique bond model to finance community development. The structure is designed to offer residents and small businesses in transitional communities the opportunity to participate in and profit from local economic growth. The first transaction is expected to close in Q2 2019.
- **Social businesses** searching for more patient alternatives to traditional venture capital to enable growth and scale impact. We are arranging an impact note for an early-stage company seeking capital to support a plastics recycling program and education in a low-income area.
- **Municipalities, public agencies and corporations** in need of cost-effective capital for environmental projects. We acted as underwriter for a green bond for New York State Environmental Facilities Corporation to finance wastewater treatment and underwrote and remarketed a green bond for Overseas Private Investment Corporation (OPIC) to finance a windfarm in Pakistan.

³³ Zelle and the Zelle related marks are wholly owned by Early Warning Services, LLC and are used herein under license.

Community Reinvestment Act at BNY Mellon

In the U.S., two BNY Mellon banking entities—BNY Mellon N.A. and The Bank of New York Mellon—are evaluated in accordance with the Community Reinvestment Act (CRA). Regulators rated BNY Mellon N.A. as “Outstanding,” and The Bank of New York Mellon as “Satisfactory” for their performance related to community development lending, investments and community service activities. The banks’ range of CRA activities include:

Financing housing affordability and community

innovation: One of the most significant ways BNY Mellon’s banking entities can meet their CRA obligations is by providing financing to expand affordable housing. Many U.S. metropolitan areas face growing demand for convenient, quality, affordable, energy-efficient housing. By financing affordable housing developments, BNY Mellon helps clients produce innovative, sustainable responses to this need while improving quality of life in low-income communities and benefitting from tax credits and economic returns.

A prime example of this work is our commitment to the Archer Green mixed-income, mixed-use project in Jamaica, Queens, New York. The project, being developed on a former New York Police Department parking garage, is consistent with New York City’s 2015 “Jamaica Now Action Plan” supporting Jamaica’s revitalization and growth. It will include two towers with 387 affordable and moderate-income residential units (including 20 units for homeless households) as well as a grocer, community space and parking. BNY Mellon’s \$29.7 million investment and \$91.4 million in financing will add much-needed affordable housing in the neighborhood and support green development. Archer Green is seeking Leadership in Energy and Environmental Design (LEED) Gold certification and will feature a green roof, solar panels, a co-generation plant and battery storage for backup power.

2018 Key Data: Affordable Housing Investments

New LIHTC equity investments: 5 totalling **\$119.6 million**

Construction and line of credit financing: **\$339.9 million**

Units produced (LIHTC investments only): **945 units**

Small Business Investment Corporation portfolio: Small Business Investment Corporation (SBIC) corporations are CRA-eligible investment vehicles authorized and regulated by the U.S. Small Business Administration. Companies with little or no access to conventional financing turn to SBICs to grow their businesses. BNY Mellon’s SBIC portfolio consists of investments totaling \$102.8 million in 13 corporations.

Philanthropy and community service: BNY Mellon’s corporate commitment to philanthropy and volunteerism contributes to the banks’ CRA record. Monetary donations, in-kind services and employee involvement in certain qualified activities and organizations are tracked through our Community Partnership portal, adding to the banks’ reputation and rating and to community wellbeing. In 2018, CRA-qualified giving represented an \$8.9 million commitment to American communities.

Responsible Financing and the Equator Principles

The Equator Principles is an internationally recognized framework used by financial institutions to assess the social and environmental risks of their project financing³⁴ activities. Although BNY Mellon is not and does not plan to become active in project financing and is not an Equator Principles signatory, we adhere to guidelines consistent with the Equator Principles for other lending activities, such as large-scale infrastructure projects. Our periodic lending portfolio evaluations against these guidelines show minimal exposure to environmental and social risk.

Social Investing Partnerships

In 2018, our thought leadership and partnership efforts focused on three key themes:

1 Impact investing: BNY Mellon partners with organizations driving best practices in the broader impact investing ecosystem. In 2018, we were a member and strategic partner of the Global Impact Investing Network (GIIN). We were also a strategic partner to impact investor Village Capital. For the second year in a row, we funded one of Village Capital's three-month startup accelerator programs. This year the cohort's focus was on fintech's role in driving financial inclusion.

- 2 Gender-lens investing:** In 2018, BNY Mellon and the United Nations Foundation published their second gender-lens investing report. *Powering Potential: Increasing Women's Access to Financial Products and Services* focuses on how increasing women's access to finance could unlock \$330 billion in potential market opportunities while transforming millions of women's lives worldwide.³⁵ We are also part of a multiyear commitment to support GIIN's gender-lens investing working group.
- 3 ESG data:** BNY Mellon provided funding to the World Resources Institute to develop a harmonized framework for financial institutions to set climate targets that include their investing and lending portfolios in line with the Paris Climate Agreement. A representative of Newton, one of our Investment Management boutiques, is a member of the initiative's Expert Advisory Group. In 2018, we also sponsored the fourth annual Berkeley Sustainable Business and Investment Forum, a gathering of leading academics, government officials, corporate executives and institutional investors. A Newton representative participated in a panel discussion on ESG data uses and challenges.

³⁴ The Equator Principles uses the Basel Committee on Banking Supervision's definition of project finance, which is "a method of financing in which the lender looks primarily to the revenues generated by a single Project, both as the source of repayment and as security for the exposure. This type of financing is usually for large, complex and expensive installations that might include, for example, power plants, chemical processing plants, mines, transportation infrastructure, environment, and telecommunications infrastructure." Basel Committee on Banking Supervision, International Convergence of Capital Measurement and Capital Standards ("Basel II"), November 2005.

³⁵ "Powering Potential: Increasing Women's Access to Financial Products and Services," BNY Mellon and the United Nations Foundation, 2018.

Supplier Responsibility

In recent years, many companies have added supply chain sustainability to their procurement and sourcing criteria.³⁶ They have become increasingly aware of and interested in minimizing supply chain risks such as modern slavery and environmental impact, and they want to know how the companies they do business with handle these issues. As a result, BNY Mellon, like other supply chain leaders, is moving beyond regulatory compliance to create shared value with our stakeholders.

Our Opportunity and Approach

BNY Mellon suppliers are partners who help us bring quality products and services to clients and enable us to operate efficiently and effectively. We value the ambition, ingenuity and perspectives of diverse businesses and entrepreneurs and we work with them to achieve our shared objectives.

We expect suppliers to adhere to our [Supplier Code of Conduct](#), human rights policies, and applicable laws, regulations and standards in the countries where they operate. We look for suppliers whose products, services and/or expertise meet our clients' and our company's needs. New companies that want to become BNY Mellon suppliers should register on our [Supplier Registration Portal](#) and explain how their products or services benefit us.

2018 Achievements

Ratified our updated UK Modern Slavery Act Statement to reflect the steps we take to prevent human rights abuses.

Supplier Diversity

Diversity in our supply chain brings valuable perspectives to our company. Our Supplier Diversity Program increases opportunities in the U.S. for small and diverse businesses owned and operated by women, minorities, veterans, individuals with disabilities and LGBT+ individuals. The program helps level the playing field and enables small and diverse suppliers to compete with bigger and more established companies for our business.

We are members of many diverse supplier organizations, including the National Minority Supplier Development Council (NMSDC), Women's Business Enterprise National Council (WBENC) and WEConnect International. Our participation magnifies our outreach and interest in working with diverse vendors. In 2018, we partnered with these groups to host seven workshops and events to promote supply chain responsibility internally and externally, and to inform diverse suppliers of business best practices and facilitate networking.

We will continue growing our relationships with diverse suppliers, including professional service providers such as lawyers, accountants and technology experts. We plan to expand our diverse supplier tracking beyond the U.S. to include UK suppliers.

Local Sourcing

We are committed to local sourcing especially in the New York City area where we are headquartered. We have a close relationship with the NYC Department of Small Business Services, which certifies New York City small businesses so they can do business with the city government.

Protecting Human Rights

We are committed to acting ethically and with integrity. Our governance framework and related corporate policies empower our employees and contractors to report and escalate concerns of unethical conduct, such as modern slavery and human trafficking.

We are also committed to preventing acts of modern slavery and human trafficking in our business and supply chain. In 2018, we ratified our updated [UK Modern Slavery Act Annual Transparency Statement](#), which reflects our awareness of modern slavery and steps we take to prevent it. In 2019, we intend to continue our review of governance, due diligence and training practices to promote understanding of Modern Slavery Act principles.

Community Commitment

The transformation to a digital world is accelerating, opening exciting new opportunities for business growth and rewarding careers. In the U.S., for example, technology jobs are expected to increase 120 percent between 2016 and 2026.³⁷ In this new environment, technology-based skills are not the only competencies required. The human-machine dynamic will make people skills such as strategic decision-making, ethical thinking and collaboration critically important.³⁸

In the next 10 to 20 years, artificial intelligence, robotics and other advanced technologies could replace up to 47 percent of U.S. jobs that existed in 2010.³⁹ Workers will require reskilling and upskilling, and companies will need new approaches to talent development. To maintain healthy, vibrant communities, companies must use their resources to tackle these and other societal issues for positive impact on business, economies and lives.

Our Opportunity and Approach

Recognizing these pressing societal changes, BNY Mellon directed its corporate charitable giving accordingly. In 2018, we evolved our philanthropic strategy to focus on developing the workforce of the future by filling the critical technology and business skills gaps that many underserved communities face. Through corporate donations and employee volunteerism, we invest in programs that provide education, training and support to help people build viable, rewarding careers in the digital world.

2018 Key Data: Community Commitment

Total community support⁴⁰: **\$38.2 million**

Employee donations: **\$4.2 million**

Employee volunteer hours: **143,000**

2018 Achievements

Leveraged social entrepreneurship, awarding more than \$1.3 million to help scale innovative solutions to pressing global problems.

Committed \$1 million to the City University of New York to equip high-achieving, underrepresented students with the knowledge and skills necessary for the next-generation workforce.

Provided more than 2,300 hours of technical expertise pro bono to nonprofit partners, services valued at more than \$400,000.

³⁷ Martin, E. "Money is flooding into these 10 industries that are adding jobs and thriving," CNBC, October 18, 2018.

³⁸ "How to Address the Workforce Skills Gap," Cornerstone.

³⁹ "Deep Shift Technology Tipping Points and Societal Impact," World Economic Forum, September 2015.

⁴⁰ Community support includes donations, grants and charitable sponsorships made by BNY Mellon and employee donations to charities that qualify for our matching program.

2018 TOTAL COMMUNITY SUPPORT (\$ MILLIONS)

Total*	\$38.2
Employee and Company Matching Donations	\$11.0 (29%)
Foundation Giving	\$6.4 (17%)
Corporate Grants and Sponsorships	\$20.8 (54%)

* Includes value of pro bono volunteerism, in kind donations, grants and charitable sponsorships made by BNY Mellon.

Learn more about our community support on our [Global Philanthropy webpage](#).

Philanthropic Giving

Building the Workforce of the Future

In 2018, we intentionally adjusted our giving strategy to better align with our company’s expertise and resources to make an even greater impact. We leverage our resources and partnerships to help build the workforce of the future, lowering barriers to employment for underprivileged populations, enabling them to enrich their communities, and helping them thrive in future economies. We follow a dual approach:

- **Develop Professional Skills:** Invest in education, training and experiences for underserved youth that develop professional and leadership skills and foster adaptable, innovative thinking. Advance social entrepreneurship.
- **Build Diverse Pathways to Technology Careers:** Support technology education, training programs and mentoring, especially for women and people of color.

Humanitarian Aid

Each year, BNY Mellon provides funds to relief organizations to help victims of major disasters.

In 2018, the U.S. experienced a number of devastating disasters, to which BNY Mellon quickly responded. We directed \$500,000 in humanitarian aid to critical agencies, including the American Red Cross, Save the Children, The Legal Aid Society and the Hispanic Federation. We also

donated to the Anti-Defamation League and the Jewish Federation of Greater Pittsburgh after the synagogue tragedy in Pittsburgh, Pennsylvania, where we have a large employee presence. In addition, when eligible employees contribute to approved relief efforts, the company matches what they give through our Community Partnership Disaster Relief Program.

Employee Giving and Volunteerism

Research shows 88 percent of Millennials feel their jobs are more fulfilling when they have opportunities to make a positive impact on social or environmental issues.⁴¹ BNY Mellon’s year-round Community Partnership program offers our employees several options to increase their impact.

Employees can give, raise funds and volunteer for any approved charity they choose. Eligible employees may take up to three days of paid volunteer time per year. We give company matching donations to approved charities for employee giving, fundraising and volunteer time. Since the program’s 2008 launch, BNY Mellon employees have volunteered more than one million hours valued at more than \$20 million.⁴²

2018 Key Data: Employee Giving and Volunteerism

Employee and company matching donations: **\$11 million**

Volunteering and fundraising teams: **1,400**

Estimated employee participants: **23,000 from 16 countries**

Employee volunteer hours: **143,000**

Estimated value of volunteerism: **\$3.5 million**

⁴¹ 2016 Cone Communications Millennial Employee Engagement Study.

⁴² Based on a valuation developed by Independent Sector.

COMMUNITY PARTNERSHIP PROGRAM

	Volunteering			Giving		
Company Support	Company Match Three Days Paid Volunteer Time			Company Match		
Employee Options	Individual	Team	Board Service	Individual	Fundraising	Disaster Relief

EMPLOYEE COMMUNITY INVOLVEMENT IN 2018 (\$ MILLIONS)

Total	\$11.0
Employee Donations	\$4.2
Company Match for Employee Donations	\$6.8
Employee Volunteer Hours	143,000
Skills-Based and Pro Bono Volunteer Hours	62,400

Skills-Based and Pro Bono Volunteering

BNY Mellon employees give back to society through skills-based volunteering, where they use their professional experience to help others, and pro bono volunteering, where they apply job-specific skills to help nonprofit organizations build capacity and impact. In 2018, 44 percent of employee volunteer hours were skills-based and pro bono.

Our signature pro bono program pairs employees with nonprofit organizations' most pressing needs. In 2018, employees in New York City, New York; Pittsburgh, Pennsylvania; and Boston, Massachusetts, brought expertise in technology, marketing, finance and human resources to 29 charities. Based on a fair market valuation of this support and pro bono Legal Department services, BNY Mellon provided more than \$400,000 in consulting to nonprofits.⁴³ We continue to expand this program across our footprint.

2018 Key Data: Skills-Based and Pro Bono Volunteering

Percent of volunteer hours that were skills-based and pro bono: **44%**

Number of nonprofit organizations benefitted: **500**

Pro bono volunteer hours: **2,300**

Pro bono volunteering value: **\$400,000**

⁴³ Based on the framework of the CECP 2018 Giving in Numbers Survey, Valuation Guide.

Environmental Management

Climate risk mitigation and management is one of the most pressing concerns for global companies today.⁴⁴ Businesses are challenged by increasingly intense weather events, regression on global carbon dioxide emission cutting,⁴⁵ and heightening demand from investors for stronger environmental, social and governance (ESG) strategies and performance. Pressure on companies' environmental strategies and practices will only intensify amid the growing threat of climate-related impacts.⁴⁶

Our Opportunity and Approach

As a global company, BNY Mellon is committed to addressing climate-related risks and opportunities through a comprehensive approach that touches all aspects of our business. Our day-to-day practices include:

- 1 Resource conservation:** Responsible use of energy, water, paper and travel.
- 2 Risk management:** Environmental risk consideration in corporate lending risk assessments and business continuity planning.
- 3 Client service:** Serving clients' environmental finance needs through environmental solutions, dialogue and environmental leadership promotion.

Continual improvement and expansion of environmental management and resource efficiency is a core component of our corporate social responsibility (CSR) framework. We strive to design and implement processes that reduce our environmental footprint, offer employees opportunities to contribute to conservation, and demonstrate favorable sustainability practices to our industry peers and supply chain partners.

2018 Achievements

Achieved CDP's Climate A list for the sixth year in a row and were one of three U.S.-based financial services firms of the 139 companies listed on the A list.

Upheld carbon neutrality⁴⁷ for the fourth year in a row.

⁴⁴ Kottasová, I. "Climate is the biggest risk to business (and the world)," CNN Business, January 17, 2019.

⁴⁵ "CO2 emissions on the rise for first time in four years, U.N. agency warns," U.N. News, November 27, 2018.

⁴⁶ The Global Risks Report 2018, 13th Edition, World Economic Forum.

⁴⁷ For Scope 1 and Scope 2 GHG emissions including our data centers, as well as Scope 3 business travel emissions.

2018 Key Data: Environmental Management

Greenhouse gas (GHG) emissions reduction:

55% from a 2008 baseline⁴⁸

Energy cost avoidance since 2007: **\$113 million**

Percent of renewable energy purchased:
**336,100 megawatt hours (MWh), equivalent
to 100% of electricity used**

Carbon offsets purchased globally: **32,000 metric tons
of carbon dioxide equivalent (mtCO₂e)**

Global water consumption reduction: **8.6% from 2015**

Waste diverted and recycled: **71%**

Pages deleted, eliminated or avoided: **20 million pages⁴⁹**

Kilowatt hours (kWh) saved through data center energy
efficiency since 2006: **472 million**

Percent of real estate with sustainability certifications:
50% of square footage

Sustainability certifications: **41 Leadership in Energy
and Environmental Design (LEED); 11 ISO 14001;
7 ENERGY STAR**

Environmental Sustainability Ambassadors:
300 in 13 chapters

Carbon Neutrality and Emissions Reduction

BNY Mellon has been carbon neutral (zero net GHG emissions) since 2015. Our program covers Scope 1, Scope 2 and Scope 3 business travel GHG emissions associated with the electricity, steam, natural gas, automotive fuel, jet fuel, refrigerants and business travel we use worldwide.

We reduced our GHG emissions by 55 percent from our 2008 base⁵⁰ through LED lighting upgrades; heating, ventilation and air conditioning (HVAC) and building control upgrades; and window and roof insulation improvements.

Independent Verification

Accurate accounting of GHG emissions allows us to identify opportunities for cost savings and energy efficiency. BNY Mellon engages a third-party verifier to ensure accurate data tracking and reporting. An independent party verified BNY Mellon's total electricity consumption, 100 percent of Scope 1 and Scope 2 emissions, Scope 3 business travel emissions, renewable energy purchases and carbon neutrality status at a limited assurance level. See the [full verification statement](#).

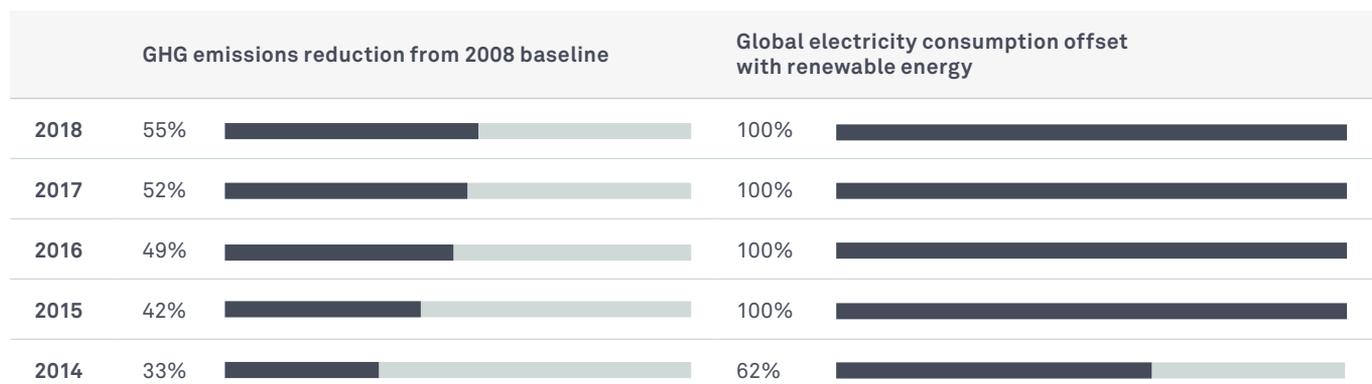
CDP Climate A List

In 2018, BNY Mellon was included in the CDP Climate A list for leadership in climate change performance for the sixth consecutive year. Only 2 percent of companies that disclosed their emissions received this grade. We were one of three U.S.-based financial services firms of the 139 companies listed on the A list.

⁴⁸ Baseline includes Scope 1 and 2 emissions excluding datacenters.

⁴⁹ Deleted print jobs were sent to the printer but never released because the user or the system deleted it. Eliminated pages were those reduced through duplex printing or no cover pages. Avoided pages were allowed to expire and not released.

⁵⁰ Base is composed of tracked facilities excluding data centers.



HOW WE MAINTAIN CARBON NEUTRALITY

After reducing our Scope 1 and 2 emissions by 55 percent since 2008 for all tracked locations, excluding data centers, we matched our remaining emissions, including those from data centers, with the purchase of carbon offsets and renewable energy products.

CARBON OFFSETS: GREENHOUSE GAS EMISSIONS (CARBON DIOXIDE EQUIVALENT [CO₂e])

To offset our Scope 1 and 3 business travel emissions, as well as Scope 2 steam, we purchased offsets that provide financing to projects around the world that achieve emissions reductions and other social and environmental benefits.

Scope 1	8,000 metric tons (MT)
Scope 2 (steam)	2,500 MT
Scope 3	17,200 MT
Total CO₂e	27,700 MT CO₂e
Total GHG Offsets Purchased	32,000 MT CO₂e

RENEWABLE ENERGY PRODUCTS: ELECTRICITY USE

We matched our Scope 2 electricity usage, excluding steam, by purchasing renewable energy products and certificates, depending on the location.

Scope 2	311,700 MWh
Renewable Energy Certificates	264,000 MWh
International Renewable Energy Certificates (outside Europe)	3,800 MWh
Renewable Energy Guarantees of Origin	28,500 MWh
PowerPlus and International Renewable Energy Certificates	39,800 MWh
Total Renewable Energy Products Purchased	336,100 MWh

TYPE OF EMISSION:

MARKET INSTRUMENT:

Scope 1 Direct GHG emissions	▶ Carbon offsets
Scope 2 Electricity and steam – Indirect GHG emissions	▶ Carbon offsets ▶ Renewable energy products
Scope 3 Other – Indirect GHG emissions	▶ Carbon offsets

Data Center Efficiency

In 2018, BNY Mellon data centers accounted for approximately 33 percent of the electricity used in our global properties, producing approximately 33 percent of our total Scope 1 and Scope 2 carbon emissions.

Our Enterprise Data Center Power Usage Effectiveness (PUE) program helps to maintain or improve energy efficiency even as we grow in our data centers. Airflow management and building envelope and ancillary systems improvements saved 42 million kWh of electricity in 2018. Since we started the PUE program, we have saved \$33 million through electricity cost avoidance.

2018 Key Data: Data Centers and Energy

86 petabytes of data storage

570,000 square feet of enterprise data center building space

104 million kWh used in 2018

42 million kWh saved in 2018, enough to power more than 4,000 homes in the U.S. for one year⁵¹

Zero downtime across enterprise data centers in 2018

Zero downtime at primary data centers for more than 12 years

DATA CENTER EFFICIENCY RESULTS

PUE: Power entering a data center vs. power used to run the computer infrastructure inside

2018	1.72
2017	1.71
2016	1.72
2015	1.70
2014	1.75

Cumulative program dollar savings (in millions)

2018	\$33.4
2017	\$30.8
2016	\$25.8
2015	\$22.8
2014	\$19.1

Workspaces and Real Estate

We lessen our environmental impact through building system efficiencies, employee education and high-performing workspaces. We use best-practice sustainability frameworks to improve our office spaces and environmental management programs, including the U.S. Green Building Council's (USGBC) LEED certification program and international standards such as ISO 14001.

In buildings where we control operations, we use green cleaning, waste management, integrated pest management and other indoor environmental quality measures. In locations where we lease space but do not control operations, we work with landlords through our green leasing program to assess and improve space health and sustainability.

⁵¹ Calculation based on average annual electricity consumption for a U.S. residential utility customer in 2017, as reported by the U.S. Energy Information Administration.

2018 Key Data: Workspaces and Real Estate

Percent of real estate by square foot with third-party sustainability certification from LEED, ISO 14001 or ENERGY STAR: **50%**

LEED certifications: **41**

ISO-14001 certifications: **11**

Resource Conservation

Sustainability Ambassadors

BNY Mellon has more than 300 Sustainability Ambassadors from 35 cities who have formed 13 chapters. They led 34 events in 2018 to help create positive environmental change in our business, in our communities and for the planet.

Their role is to:

- Educate and involve colleagues in behaviors to benefit their workplaces, homes and communities.
- Participate in BNY Mellon and community sustainability efforts.
- Encourage sustainable innovation to reduce our environmental impact and bring employees' ideas to BNY Mellon leaders.

2018 Key Data: Resource Conservation

Global water consumption reduction since 2015: **9%**

Percent of waste recycled: **67%**

Waste and recycling rates tracked: **64% of real estate by square foot and 68% of employees**

Waste diverted from landfills: **71%**

Technology devices (including printers) reused or recycled since 2010: **115,000, equal to 775 tons of equipment**

Trees planted since 2017: **79,200**

Trees planted in 2018: **28,000**

Water Conservation

In 2018, we decreased our global water consumption by 9% percent compared to a 2015 baseline. In addition to installing low-flow fixtures and aerators, efficient irrigation systems and chiller plants, we repaired or replaced leaking water systems. We work with our facilities management team to systematically assess sites for additional opportunities.

Waste Diversion

We continue to divert office waste from landfills through recycling, composting, waste-to-energy plants and educating employees on proper disposal. By 2020, we want to divert 80 percent of our waste from landfills. In 2018, we recycled 67 percent of waste by leveraging binless workspace designs, our no-landfill policy for end-user technology waste, and employee engagement. For example, to reduce disposable bottle use, we raised awareness about alternatives such as filtered water filling stations and offered incentives such as reusable cup discounts in our cafés.

In 2018, we tracked waste and recycling rates in 8.4 million square feet of our locations, accounting for 64 percent of global real estate and 68 percent of employees. We diverted an average of 71 percent of waste from landfills, recycled more than 800 printers, and reused or recycled more than 44,000 technology devices.

Paper

To reduce paper consumption, we implement best practices such as print reduction and digital storage. Since 2014, we have reduced global print volumes by 34 percent. In the U.S., we became paper neutral in 2017, retroactively covering printing since 2015. Through 2018, we have planted 79,200 trees, which is equivalent to the pages we printed. We centrally manage printing for consistent double-sided and black-and-white settings.

Global Reporting Initiative (GRI) Index

The following is supplemental information to BNY Mellon's 2018 Corporate Social Responsibility Report. It is arranged according to the Global Reporting Initiative (GRI) Standards indicator list. All data is reported as of December 31, 2018, unless otherwise noted. This index provides responses for individual GRI indicators in the following ways: (1) section and page references to our 2018 CSR Report; (2) direct responses within the index; (3) references to other company reports (e.g., Annual Report or Proxy); or (4) materials located on our website.

Category: Standard Disclosures

Aspect: Organizational Profile

Standard	Disclosure	Our Response
GRI 102: General Disclosures 2016	102-1 Name of the organization	BNY Mellon Annual Report 2018, General, p.4
	102-2 Activities, brands, products, and services	1) BNY Mellon At A Glance* 2) BNY Mellon Annual Report 2018, Results of Operations, p.4
	102-3 Location of headquarters	BNY Mellon Annual Report 2018, Corporate Information, Inside Back Cover
	102-4 Location of operations	1) BNY Mellon Annual Report 2018, International Operations, p.21 2) BNY Mellon Location Directory
	102-5 Ownership and legal form	BNY Mellon Annual Report 2018, General, p.4
	102-6 Markets served	1) BNY Mellon CSR Report 2018, About BNY Mellon, p.2 2) BNY Mellon Annual Report 2018, International Operations, p.21
	102-7 Scale of the organization	1) BNY Mellon CSR Report 2018, CSR Data, p.12 2) BNY Mellon At A Glance* 3) BNY Mellon Annual Report 2018, Financial Highlights, p.XXII
	102-8 Information on employees and other workers	EE01 Document, p.80
	102-9 Supply chain	BNY Mellon CSR Report 2018, Supplier Responsibility, p.53
	102-10 Significant changes to the organization and its supply chain	BNY Mellon Annual Report 2018, Key 2017 events, p.4
	102-11 Precautionary principle or approach	1) BNY Mellon CSR Report 2018, Environmental Management, p.58 2) BNY Mellon CSR Report 2018, Responsible Financing and the Equator Principles, p.52
	102-12 External initiatives	1) UNPRI: Newton, Insight, Standish, Mellon Capital, Siguler Guff, The Boston Company, Walter Scott 2) Investor Network on Climate Risk: Newton 3) CDP: BNY Mellon, Newton, Insight, Standish, Mellon Capital 4) UK SIF: Insight 5) FTSE4Good: BNY Mellon 6) DJSI: BNY Mellon 7) UK Stewardship code: Newton, Insight 8) Institutional Investors Group on Climate Change: Newton, Insight 9) Climate Bond Initiative: Standish 10) SRI Connect Alcentra 11) Asian Corporate Governance Association: Newton 12) UK Corporate Governance Forum: Newton 13) International Corporate Governance Network: Newton 14) Council of Institutional Investors: Newton 15) PLSA (Pension and Lifetime Savings Association) Stewardship Advisory Group: Newton 16) Group: Newton 17) ISG (Investor Stewardship Group) endorser: Newton 18) Climate Action 100: Insight
	102-13 Membership of associations	1) In 2018, our memberships included: Business for Social Responsibility (BSR), Banking Environmental Initiative (BEI), Global Impact Investing Network (GIIN), World Resources Institute (WRI), and Aspen Institute's Leaders Forum 2) BNY Mellon CSR Report 2018, Advocacy and Political Engagement, p.24 3) BNY Mellon 2019 Proxy Statement Item 1 Election of Directors, p.8

* At A Glance is updated quarterly, and information and data found in the document will depend on date of access.

Aspect: Strategy		
Standard	Disclosure	Our Response
GRI 102: General Disclosures	102-14 Statement from senior decision makers	BNY Mellon CSR Report, Message from our CEO, p.4
Aspect: Ethics and Integrity		
Standard	Disclosure	Our Response
GRI 102: General Disclosures	102-16 Values, principles, standards, and norms of behavior	BNY Mellon CSR Report 2018, Our Risk Management Framework, p.15
	102-17 Mechanisms for advice and concerns about ethics	BNY Mellon CSR Report 2018, Our Risk Management Framework, p.15
Aspect: Governance		
Standard	Disclosure	Our Response
GRI 102: General Disclosures 2016	102-18 Governance structure	BNY Mellon 2019 Proxy Statement, Our Corporate Governance Practices, p.18
	102-19 Delegating authority	BNY Mellon CSR Report 2018, CSR Governance, p.10
	102-20 Executive-level responsibility for economic, environmental, and social topics	BNY Mellon CSR Report 2018, CSR Governance, p.10
	102-21 Consulting stakeholders on economic, environmental, and social topics	1) BNY Mellon 2019 Proxy Statement, Committees, p.5 2) BNY Mellon 2019 Proxy Statement, Stockholder Proposal, p.77
	102-22 Composition of the highest governance body and its committees	BNY Mellon 2019 Proxy Statement, Committees, p.5
	102-23 Chair of the highest governance body	BNY Mellon 2019 Proxy Statement, Board Leadership Structure, p.21
	102-24 Nominating and selecting the highest governance body	BNY Mellon 2019 Proxy Statement, Director Qualifications, p.15
	102-25 Conflicts of interest	BNY Mellon 2019 Proxy Statement, Director Qualifications, p.15
	102-26 Roles of highest governance body in setting purpose, values, and strategy	1) BNY Mellon CSR Report 2018, CSR Governance, p.10 2) BNY Mellon 2019 Proxy Statement, Committees, p.5
	102-27 Collective knowledge of highest governance body	1) BNY Mellon CSR Report 2018, CSR Governance, p.10 2) BNY Mellon 2019 Proxy Statement, Committees, p.5
102-28 Evaluating the highest governance body's performance	BNY Mellon 2019 Proxy Statement, Evaluation of Board and Committee Effectiveness, p.20	

102-29 Identifying and managing economic, environmental, and social impacts	1) BNY Mellon CSR Report 2018, CSR Governance, p.10 2) BNY Mellon 2019 Proxy Statement, Committees, p.5
102-30 Effectiveness of risk management processes	1) BNY Mellon 2019 Proxy Statement, Committees, p.5 2) Risk Committee Charter
102-31 Review of economic, environmental, and social topics	1) BNY Mellon CSR Report 2018, CSR Governance, p.10 2) BNY Mellon 2019 Proxy Statement, Committees, p.5
102-32 Highest governance body's role in sustainability report	1) BNY Mellon CSR Report 2018, CSR Governance, p.7 2) BNY Mellon 2019 Proxy Statement, Committees, p.5
102-33 Communicating critical concerns	BNY Mellon 2019 Proxy Statement, Our Corporate Governance Practices, p.18
102-35 Remuneration policies	1) BNY Mellon CSR Report 2018, CSR Governance, p.10 2) BNY Mellon 2019 Proxy Statement, Director Compensation, p.31
102-36 Process for determining remuneration	1) BNY Mellon CSR Report 2018, CSR Governance, p.10 2) BNY Mellon 2019 Proxy Statement, Compensation Consultants, p.29
102-37 Stakeholders' involvement in remuneration	1) BNY Mellon CSR Report 2018, CSR Governance, p.10 2) BNY Mellon 2019 Proxy Statement, Advisory Vote on Compensation, p.33

Aspect: Stakeholder Engagement

Standard	Disclosure	Our Response
GRI 102: General Disclosures 2016	102-40 List of stakeholder groups	BNY Mellon CSR Report 2018, Strong Governance, p.22
	102-41 Collective bargaining agreements	BNY Mellon fully complies with local laws regarding employee rights and collective bargaining. In certain locations outside of the U.S. we have works councils, engage with trade unions, and adhere to applicable national collective bargaining agreements. We also have client and vendor relationships with trade unions. Our Code of Conduct applies to our employees globally and emphasizes the company's commitment to foster a culture where all employees feel valued and engaged and are able to bring their whole selves to the workplace. Employees are encouraged to raise any concerns through multiple channels identified in the Code of Conduct.
	102-42 Identifying and selecting stakeholders	BNY Mellon CSR Report 2018, Strong Governance, p.22
	102-43 Approach to stakeholder engagement	BNY Mellon CSR Report 2018, Strong Governance, p.22
	102-44 Key topics and concerns raised	BNY Mellon CSR Report 2018, Strong Governance, p.22

Aspect: Reporting Practice		
Standard	Disclosure	Our Response
GRI 102: General Disclosures 2016	102-45 Entities included in the consolidated financial statements	1) BNY Mellon Annual Report 2018, Review of businesses, p.13 2) BNY Mellon At A Glance*
	102-46 Defining report content and topic boundaries	1) BNY Mellon CSR Report 2018, About this Report, p.2 2) BNY Mellon CSR Report 2018, Our Approach to CSR, p.5
	102-47 List of material topics	All material topics are reported against in this GRI Index. More information is in our CSR Report, Our Approach to CSR, p.3
	102-48 Restatements of information	None
	102-49 Changes in reporting	None
	102-50 Reporting period	BNY Mellon CSR Report 2018, About This Report, p.2
	102-51 Date of most recent report	BNY Mellon CSR Report 2018, About This Report, p.2
	102-52 Reporting cycle	BNY Mellon CSR Report 2018, About This Report, p.2
	102-53 Contact point for questions regarding the report	BNY Mellon CSR Report 2018, About This Report, p.2
	102-54 Claims of reporting in accordance with the GRI Standards	BNY Mellon CSR Report 2018, About this Report, p.2
102-56 External assurance	We do not currently seek external assurance over our CSR report but we do have limited assurance over our Scope 1, 2 & 3 emissions as indicated in our CDP** Response 2018	

* At A Glance is updated quarterly, and information and data found in the document will depend on date of access.

** CDP formerly the Carbon Disclosure Project www.cdp.net

Category: Economic

Aspect: Economic Performance

Standard	Disclosure	Our Response
GRI 103: Management approach disclosure		1) BNY Mellon CSR Report 2018, CSR Data, p.12 2) BNY Mellon Annual Report 2018, 2018 Financial Performance p.iv
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	1) BNY Mellon CSR Report 2018, CSR Data, p.12 2) BNY Mellon Annual Report 2018, 2018 Financial Performance p.iv 3) BNY Mellon CSR Report 2018, Community Commitment, p.55 4) BNY Mellon CSR Report 2018, Community Reinvestment Act at BNY Mellon, p.51
	201-2 Financial implicated and other risks and opportunities due to climate change	See CDP* Response 2018
	201-3 Defined benefit plan obligations and other retirement plans	N/A
	201-4 Financial assistance received from government	Data not currently available

Aspect: Indirect Economic Impacts

Standard	Disclosure	Our Response
GRI 103: Management approach disclosure		1) BNY Mellon CSR Report 2018, Project Agent and Public-Private Partnerships, p.48 2) BNY Mellon CSR Report 2018, Impact Capital, p.50 3) BNY Mellon CSR Report 2018, Community Reinvestment Act at BNY Mellon, p.51
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	1) BNY Mellon CSR Report 2018, Project Agent and Public-Private Partnerships, p.48 2) BNY Mellon CSR Report 2018, Impact Capital, p.50 3) BNY Mellon CSR Report 2018, Community Reinvestment Act at BNY Mellon, p.51
	203-2 Significant indirect economic impacts	1) BNY Mellon CSR Report 2018, Project Agent and Public-Private Partnerships, p.48 2) BNY Mellon CSR Report 2018, Impact Capital, p.50 3) BNY Mellon CSR Report 2018, Community Reinvestment Act at BNY Mellon, p.51

* CDP formerly the Carbon Disclosure Project www.cdp.net

Aspect: Procurement Practices		
Standard	Disclosure	Our Response
GRI 103: Management approach disclosure		BNY Mellon CSR Report 2018, Supplier Responsibility, p.53
GRI 204: Indirect Economic Impacts 2016	204-1 Proportion of spending on local suppliers	Data not currently available
Aspect: Anti-corruption		
Standard	Disclosure	Our Response
GRI 103: Management approach disclosure		1) BNY Mellon CSR Report 2018, Our Risk Culture, p.16 2) BNY Mellon Employee Code of Conduct
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	1) BNY Mellon CSR Report 2018, Our Risk Culture, p.16 2) BNY Mellon Employee Code of Conduct
	205-2 Communications and training about anti-corruption policies and procedures	1) BNY Mellon CSR Report 2018, Our Risk Culture, p.16 2) In addition to the Code training mentioned in the CSR report, the company delivers anti-Corruption training through a new hire module, an all employee biannual refresher course and targeted training for high-risk employees. A robust communications program includes regular messaging from the Chief Risk Officer that outlines expectations regarding our overall risk and compliance program, reinforces desired behaviors, and highlights success stories as well as covers information related to key regulatory changes. 3) BNY Mellon's anti-corruption policies and procedures have been communicated to the general public via BNY Mellon's website, and communicated to all employees and the Board of Directors. BNY Mellon Employee Code of Conduct
	205-3 Confirmed incidents of corruption and actions taken	BNY Mellon Annual Report 2018, Legal Proceedings, p.186

Aspect: Anti-competitive behavior		
Standard	Disclosure	Our Response
	Management approach disclosure	BNY Mellon Annual Report 2018, Legal Proceedings, p.186
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	BNY Mellon Annual Report 2018, Legal Proceedings, p.186

Category: Environmental

Aspect: Energy

Standard	Disclosure	Our Response
	Management approach disclosure	1) BNY Mellon CSR Report 2018, Environmental Management, p.58 2) See CDP* Response 2018
GRI 302: Energy 2016	302-1 Energy consumption within the organization	<p>a. Total fuel consumption from nonrenewable sources in joules or multiples, including fuel types used: 137,521 gigajoules (includes natural gas, fuel oil, car gasoline and jet fuel)</p> <p>b. Total fuel consumption from renewable fuel sources in joules or multiples, including fuel types used: While BNY Mellon does not purchase fuel from renewable sources directly, we do purchase carbon offsets and renewable electricity products to offset all of our emissions generated from Scope 1, Scope 2 and Scope 3 business travel.</p> <p>c. Report in joules, watt-hours or multiples, the total: Electricity consumption, Heating consumption, Cooling consumption, Steam consumption Electricity consumption: 1,122,197 gigajoules (BNY Mellon purchases renewable electricity products to offset our entire electricity use). BNY Mellon does not have any heating or cooling consumption. Steam consumption: 39,480 gigajoules</p> <p>d. In joules, watt-hours or multiples, the total: Electricity sold, Heating sold, Cooling sold, and Steam sold: BNY Mellon does not sell any electricity, heating, cooling or steam</p> <p>e. Total energy consumption in joules or multiples: 1,299,198 gigajoules</p> <p>f. Standards, methodologies, and assumptions used: BNY Mellon follows The Corporate Standard Greenhouse Gas Protocol for calculating emissions and energy use. An Operational Control boundary is used.</p> <p>g. Source of the conversion factors used: Conversions for Fuel and Electricity were done with the U.S. Energy Information Administration's Energy Conversion Calculator. Steam was converted from BTU to joules using the factor: 1 BTU=1055.05585 joules as defined by the International Energy Agency's Unit Converter.</p>

Standard	Disclosure	Our Response
GRI 302: Energy 2016 continued	302-2 Energy consumption outside of the organization	9,851,497 gigajoules. BNY Mellon follows The Corporate Standard Greenhouse Gas Protocol for calculating emissions and energy use. An Operational Control boundary is used. BNY Mellon considers energy consumed from purchased goods and services, capital goods, fuel-and-energy-related activities, upstream transportation and distribution, business travel, employee commuting, downstream leased assets, and investments relevant to our operations. For more detail on methodologies and assumptions used, please see CDP* response 2018. Conversions for Fuel and Electricity were done with the U.S. Energy Information Administration's Energy Conversion Calculator. Steam was converted from BTU to joules using the factor: 1 BTU=1055.05585 joules as defined by the International Energy Agency's Unit Converter.
	302-3 Energy intensity	<p>a. Energy intensity ratio: 79.26 gigajoules per million dollars; 0.098 gigajoules per square foot</p> <p>b. Denominators: 2018 revenue (16,392 million dollars); 2018 average rentable square feet of real estate portfolio (13,196,638 sq. ft.)</p> <p>c. Fuel, electricity and steam are included; BNY Mellon does not consume additional sources of heating or cooling</p> <p>d. The ratio uses energy consumed within the organization within BNY Mellon's operational control scope 1 and 2</p>
	302-4 Reduction of energy consumption	<p>327,202 gigajoules.</p> <p>Fuel, electricity and steam are included; BNY Mellon does not consume additional sources of heating and cooling.</p> <p>BNY Mellon's base year is 2010 for energy tracking. 2010 was chosen as the base year because this was this first year we were able to effectively measure energy consumption. Energy consumption in 2010 was rebaselined due to increase in accuracy of activity data.</p> <p>BNY Mellon's energy reduction was calculated by subtracting 2018 energy consumption from the base year's energy consumption. This reduction is the result of ongoing real estate portfolio optimization initiatives and specific energy reduction projects.</p> <p>BNY Mellon sets its energy reduction targets in the form of emission reduction targets, as these are a surrogate for energy targets. BNY Mellon calculates its total energy consumption in conjunction with calculating its greenhouse gas inventory. Therefore, <i>The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)</i> is the published methodology and standard used in energy and emission calculation.</p>

Aspect: Water and Effluents		
Standard	Disclosure	Our Response
GRI 103: Management approach disclosure		BNY Mellon CSR Report 2018, Resource Conservation, p.63
GRI 303: Water and Effluents 2016	303-1 Interactions with water as a shared resource	<p>BNY Mellon withdraws all of its water from municipal sources. Water is consumed in our office and data center facilities. Water is discharged through municipal sewer sources.</p> <p>Water-related impacts are assessed and addressed on a local site basis and from a corporate-wide basis.</p>
	303-2 Management of water discharge-related impacts	All wastewater is discharged through municipal sewer sources
	303-3 Water withdrawal	<p>BNY Mellon withdraws all of its water from municipal sources. BNY Mellon withdrew a total of 464.54 megaliters of water in 2018 (338.96 megaliters in the U.S. and 125.58 megaliters in international locations).</p> <p>All water withdrawals are freshwater</p> <p>This number accounts for 45 of our facilities or 59% of our real estate portfolio by square foot, and for about 31,000 employees or 61% of our population. Facility Managers account for all water withdrawn from sources based upon water bills and report to Sustainability team for data collection.</p>
	303-4 Water discharged	BNY Mellon does not actively track water discharge volumes, category, or area. All water is discharged through third-party municipal sewer sources.
	303-5 Water consumption	<p>1) BNY Mellon uses water in our office facilities for our cafeterias, cooling and heating needs, restrooms, and irrigation</p> <p>2) BNY Mellon CSR Report 2018, Resource Conservation, p.62</p>

Aspect: Emissions		
Standard	Disclosure	Our Response
GRI 103: Management approach disclosure		1) BNY Mellon CSR Report 2018, Carbon Neutrality and Emissions Reduction, p.59 2) See CDP* Response 2018
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	See CDP* Response 2018
	305-2 Energy indirect (Scope 2) GHG emissions	See CDP* Response 2018
	305-3 Other indirect (Scope 3) GHG emissions	See CDP* Response 2018
	305-4 GHG emissions intensity	See CDP* Response 2018
	305-5 Reduction of GHG emissions	1) CSR Report, Carbon Neutrality and Emissions Reduction, p.59 2) See CDP* Response 2018

Aspect: Effluents and Waste		
Standard	Disclosure	Our Response
GRI 103: Management approach disclosure		BNY Mellon CSR Report 2018, Environmental Management, p.58
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	BNY Mellon does not actively track water discharge volumes. All water is discharged through third-party municipal sewer sources.
	306-2 Waste by type and disposal method	BNY Mellon does not produce hazardous waste Recycling = 7,520,630 pounds Composting = 805,486 pounds Incineration (mass burn) = 739,409 pounds Landfill = 3,775,449 pounds Waste was disposed of by the waste hauler contractor Waste data is provided to facility manager regarding frequency of pickup, quantity of pickup, and fate of waste
	306-3 Significant spills	There were no significant spills that occurred at BNY Mellon in 2018
	306-4 Transport of hazardous waste	Not applicable, as BNY Mellon does not transport hazardous waste.
	306-5 Water bodies affected by water discharges and/or runoff	BNY Mellon discharges all water withdrawals through third-party municipal sewer sources.

Aspect: Environmental Compliance		
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Standard	Disclosure	Our Response
GRI 103: Management approach disclosure		BNY Mellon CSR Report 2018, Risk Management and Reliability, p.14
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	No environmental fines or sanctions were imposed on BNY Mellon in 2018

Aspect: Supplier Environmental Assessment		
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Standard	Disclosure	Our Response
GRI 103: Management approach disclosure		Environmental section of the Supplier Code of Conduct
GRI 308: Environmental Compliance 2016	308-1 New suppliers screened using environmental criteria	Contributing to the World Around Us section of the Supplier Code of Conduct
	308-2 Negative environmental impacts in the supply chain and actions taken	Contributing to the World Around Us section of the Supplier Code of Conduct

Category: Social		
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Aspect: Employment		
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Standard	Disclosure	Our Response
GRI 103: Management approach disclosure		BNY Mellon CSR Report 2018, Our People Section, p.27

GRI 401: Employment 2016	401-1 New employee hires and employee turnover	1) BNY Mellon CSR Report 2018, Employee Engagement, p.30 2) BNY Mellon CSR Report 2018, Diversity Performance, p.35
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	In the U.S., benefit programs include: health, dental and vision dental insurance, retirement plans, life and disability insurance, holiday and vacation time, family medical and parental leave and commuter benefits; dependent and health flexible spending accounts and health savings accounts, voluntary benefits such as long-term care insurance, pet insurance, auto and homeowners insurance and legal services; and paid time off to volunteer
	401-3 Parental leave	BNY Mellon CSR Report 2018, Equitable Pay and Benefits, p.39

Aspect: Training and Education

Standard	Disclosure	Our Response
GRI 103: Management approach disclosure		BNY Mellon CSR Report 2018, Leadership And Development, p.28
GRI 404: Training and Education 2016	404-1 Average hours of training for employees	BNY Mellon CSR Report 2018, Leadership And Development, p.28
	404-2 Programs for skills management managing career endings	BNY Mellon CSR Report 2018, Leadership And Development, p.28
	404-3 Employees receiving performance and career development reviews	BNY Mellon CSR Report 2018, Leadership And Development, p.28

Aspect: Diversity and Equal Opportunity

Standard	Disclosure	Our Response
GRI 103: Management approach disclosure		1) BNY Mellon CSR Report 2018, Diversity and Inclusion, p.35 2) 2019 Proxy Statement 3) Pay Equity at BNY Mellon 4) BNY Mellon EEO/AA Policy
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	BNY Mellon CSR Report 2018, Broadly Defined Diversity, p.34
	405-2 Ratio of basic salary and remuneration of women to men	BNY Mellon Gender Pay Gap Report 2018

Aspect: Human Rights Assessment		
Standard	Disclosure	Our Response
GRI 103: Management approach disclosure		BNY Mellon CSR Report 2018, Human Rights, p.34
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	1) BNY Mellon CSR Report 2018, Human Rights, p.34 2) BNY Mellon Human Rights Statement 3) BNY Mellon Supplier Code of Conduct 4) BNY Mellon Modern Slavery Act
	412-2 Employee training on human rights policies or procedures	In order to respond to the UK Modern Slavery Act, we have conducted due diligence in partnership with our legal counsel, procurement team and Human Resources, and our Corporate Social Responsibility Committee of the Board of Directors has signed our statement and disclosure. We will report annually on our policies, training, due diligence processes and the effectiveness of our measures to combat modern slavery and trafficking. These efforts build on our Supplier Code of Conduct and Master Agreement templates, which include human rights provisions for all potential new suppliers.
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	We have a Human Rights policy and due diligence process with robust governance, including oversight by our CSR Committee of the Board and Executive Committee. In 2016, we created and published a Modern Slavery Act Statement, which provides details around our risk mitigation process for our operations and supply chain. This statement was ratified by the CSR Committee of the Board of Directors and progress is assessed and is published annually. In 2017, we strengthened our vendor risk management by updating the Supplier Code of Conduct and added a vendor assessment/attestation to ensure that expectations around human rights issues are clear.

Aspect: Human Rights Assessment		
Standard	Disclosure	Our Response
GRI 103: Management approach disclosure		1) BNY Mellon CSR Report 2018, Human Rights, p.34 2) BNY Mellon Human Rights Statement 3) BNY Mellon Supplier Code of Conduct 4) BNY Mellon Modern Slavery Act
GRI 413: Local Communities 2016	413-1 Local community engagement, impact assessments and development programs	1) BNY Mellon CSR Report 2018, Community Commitment, p.55 2) BNY Mellon CSR Report 2018, Community Reinvestment Act at BNY Mellon, p.52

Aspect: Supplier Social Assessment		
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Standard	Disclosure	Our Response
GRI 103: Management approach disclosure		1) Modern Slavery Act Statement 2) BNY Mellon Human Rights Statement
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	1) Modern Slavery Act Statement 2) BNY Mellon Human Rights Statement
	414-2 Negative social impacts in the supply chain and actions taken	BNY Mellon Supplier Code of Conduct

Aspect: Public Policy		
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Standard	Disclosure	Our Response
GRI 103: Management approach disclosure		BNY Mellon CSR Report 2018, Advocacy and Political Engagement, p.24
GRI 415: Public Policy 2016	415-1 Political contributions	BNY Mellon CSR Report 2018, Political Contributions, p.26

Aspect: Customer Privacy		
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Standard	Disclosure	Our Response
GRI 103: Management approach disclosure		1) BNY Mellon CSR Report 2018, Risk Management and Reliability, p.14 2) Privacy at BNY Mellon
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	BNY Mellon Annual Report 2018, Legal Proceedings, p.186

Aspect: Socioeconomic Compliance		
Standard	Disclosure	Our Response
GRI 103: Management approach disclosure		BNY Mellon CSR Report 2018, Our Risk Culture, p.16
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	BNY Mellon Annual Report 2018, Legal Proceedings, p.186

U.S. Workforce Demographics: EEO-1 Document 2018

	Non-Hispanic or Latino							Overall total
	Hispanic or Latino	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or More Races	
Job categories	Male							
Executive/ SR Officials & MGRS	0	8	0	0	1	0	0	9
First/Mid Officials & MGRS	124	2,816	129	1	451	1	50	3,572
Professionals	296	4,682	329	6	1,347	7	115	6,782
Technicians	4	50	6	0	3	0	1	64
Sales Workers	4	96	4	0	2	0	0	106
Administrative Support	363	3,073	647	8	461	3	136	4,691
Craft Workers	0	0	0	0	0	0	0	0
Operatives	1	0	0	0	0	0	0	1
Laborers & Helpers	0	0	0	0	0	0	0	0
Service Workers	1	0	0	0	0	0	0	1
Total	793	10,725	1,115	15	2,265	11	302	15,226
Previous Report Total	787	11,176	1,139	19	2,173	14	190	15,498
Job categories	Female							
Executive/ SR Officials & MGRS	0	5	0	0	0	0	0	5
First/Mid Officials & MGRS	100	1,389	172	1	219	3	31	1,915
Professionals	259	2,764	366	2	825	4	84	4,304
Technicians	3	42	2	0	2	0	1	50
Sales Workers	2	34	2	0	6	0	0	44
Administrative Support	570	3,215	1,369	8	702	9	142	6,015
Craft Workers	0	0	0	0	0	0	0	0
Operatives	0	1	1	0	0	0	0	2
Laborers & Helpers	0	0	0	0	0	0	0	0
Service Workers	0	0	0	0	0	0	0	0
Total	934	7,450	1,912	11	1,754	16	258	12,335
Previous Report Total	950	7,868	2,055	13	1,782	21	141	12,830
Male and Female Combined Totals								
Total	1,727	18,175	3,027	26	4,019	27	560	27,561
Previous Report Total	1,737	19,044	3,194	32	3,955	35	331	28,328



VERIFICATION STATEMENT GREENHOUSE GAS EMISSIONS

Bureau Veritas North America, Inc. (BVNA) was engaged to conduct an independent verification at a limited assurance level of the greenhouse gas (GHG) emissions, purchased renewable energy certificates, and GHG Offsets reported by BNY Mellon for the calendar year (CY) 2018. This Verification Statement applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of BNY Mellon. BVNA's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze, and review the information.

Boundaries of the reporting company GHG emissions covered by the verification:

- Operational Control
- Worldwide for Scope 1 and 2 Emissions
- USA and UK only for Scope 3 Emissions

Emissions data verified:

Electricity Consumption Megawatt Hours (MWH) for CY 2018	
Electricity Consumption MWH	311,730
Purchased Renewable Energy Certificates (RECs), Guarantees of Origin (GOs) and other renewable electricity instruments in MWH applied to Scope 2 Emissions from Purchased Electricity	336,142
BNY Mellon Entity-Wide GHG Emissions for CY 2018	
Scope 1 Emissions Metric Tonnes (mt) of CO ₂ equivalent (CO _{2e})	8,005
Scope 2 Emissions – Location Based mt CO _{2e}	142,152
Scope 2 Emissions – Market Based mt CO _{2e} (purchased steam emissions)	2,485
Scope 3 Emissions – Category 6 Business Travel CO _{2e}	17,194
Total Scope 1 + Scope 2 Market Based + Scope 3 Business Travel CO_{2e}	27,684
GHG Emission Offsets and Net Emissions for CY 2018	
Purchased GHG Emission Offsets mt CO _{2e}	32,000
Net Emissions CO_{2e} (Scope 1 + Scope 2 Market Based + Scope 3) - Purchased GHG Emission Offsets	0

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Data and information supporting the Scope 1 and Scope 2 GHG emissions were in most cases historical in nature and in some cases estimated.

Data and information supporting the Scope 3 GHG emissions assertion were in some cases estimated, rather than historical in nature.

Period covered by GHG emissions verification:

- Calendar Year 2018 – January 1 to December 31, 2018

GHG Reporting Protocols against which verification was conducted:

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol, Corporate Accounting and Reporting Standard, Revised Edition (Scope 1 and 2) and the GHG Protocol Scope 2 Guidance, an amendment to the GHG Protocol Corporate Standard.
- WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

GHG Verification Protocols used to conduct the verification:

- ISO 14064-3: Greenhouse gases -- Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions

Level of Assurance and Qualifications:

- Limited
- This verification used a materiality threshold of 5% for aggregate errors in sampled data for each of the above emission scopes.
- Qualifications: None

GHG Verification Methodology:

- Interviews with relevant personnel of BNY Mellon;
- Review of documentary evidence produced by BNY Mellon;
- Review of BNY Mellon data and information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions at BNY Mellon's Pittsburgh, Pennsylvania office;
- Review of data and methodology for tracking purchases, certification and retirement of RECs, GOs, and GHG Offsets; and,
- Audit of samples of data used by BNY Mellon to determine GHG emissions.

Assurance Opinion:

Based on the process and procedures conducted, there is no evidence that the GHG emissions assertion shown above:

- is not a fair representation of the GHG emissions data and information; and
- has not been prepared in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2), and WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3).



BNY Mellon
April 30, 2019

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It is our opinion that BNY Mellon has established appropriate systems for the collection, aggregation, and analysis of quantitative data for determination of GHG emissions, and systems for tracking purchased RECs, GOs, other renewable electricity instruments and GHG Offsets for the stated period and boundaries.

Statement of independence, impartiality and competence

The Bureau Veritas Group is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 185 years history in providing independent assurance services.

No member of the verification team has a business relationship with BNY Mellon, its Directors, or Managers beyond that required of this assignment. We conducted this verification independently and, to our knowledge, there has been no conflict of interest.

The Bureau Veritas Group has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

The verification team has extensive experience in conducting assurance over environmental, social, ethical, and health and safety information, systems, and processes, and has over 20 years combined experience in this field and an excellent understanding of The Bureau Veritas Group standard methodology for the verification of greenhouse gas emissions data.

Attestation:

Mary E. Armstrong-Friberg, Lead Verifier
Principal Consultant
Climate Change and Sustainability Services
Bureau Veritas North America, Inc.

David Reilly, Technical Reviewer
Principal Consultant
Climate Change and Sustainability Services
Bureau Veritas North America, Inc.

April 30, 2019

This verification statement, including the opinion expressed herein, is provided to BNY Mellon and is solely for the benefit of BNY Mellon in accordance with the terms of our agreement. We consent to the release of this statement by you to the CDP in order to satisfy the terms of CDP disclosure requirements but without accepting or assuming any responsibility or liability on our part to CDP or to any other party who may have access to this statement.

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