



CORPORATE
SOCIAL
RESPONSIBILITY



2011 REPORT

SUSTAINABLE BUSINESS



BNY MELLON

SUSTAINABLE BUSINESS



On the Path to Business Sustainability Leadership

With its fifth annual Corporate Social Responsibility (CSR) report, BNY Mellon marks a major milestone. It is more than a fifth anniversary. It is a milestone that reflects how far we have come in integrating good corporate citizenship into everything that we do.

In 2011, we deepened our commitment to our communities, the environment, our people and our stakeholders. We deepened our commitment to operating in a way that meets the highest business standards.

This commitment drives us to make a strong, positive and sustainable difference in the world. The commitment to social responsibility starts with the board of directors and extends throughout the company in every business and geographic region.

In the years to come, BNY Mellon must continue to be adaptable and innovative. We must be vigilant in our work to maintain the trust of our stakeholders. We must be transparent and accountable in reporting. All of this will ensure that we continue to fulfill our mission of leadership in business sustainability.

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Sustainable Business

Meeting current business needs while incorporating innovation and long-term thinking in our business models to meet the future needs of our stakeholders.

Throughout the report, we have called out areas where we demonstrate sustainable business leadership.

2011 CSR Global Snapshot

BUSINESS	UNIT OF MEASURE	2011 VALUE	2010 VALUE
Assets under custody and administration	Trillion USD	\$25.8	\$25.0
Assets under management	Trillion USD	\$1.26	\$1.17
Outstanding debt serviced	Trillion USD	\$11.8	\$12.0
Global payments processed daily (average)	Trillion USD	\$1.5	\$1.6
Capitalization	Billion USD	\$24.1	\$37.5
Location of operations	Countries	36	36
Company credit rating	S&P credit rating of long-term senior debt	A+	AA-
Capital Levels	Estimated Basel III Tier 1 common equity ratio	7.1%	N/A
Client Base	Percent of Global Fortune 500	75%	75%

EMPLOYEES

Number of employees		48,700	48,000
Total compensation ¹	Billion USD	\$3.6	\$3.2
Performance reviews	Percent of employees reviewed	100%	100%
Individual development plans	Percent of employees covered	46%	25%
Training hours	Hours per employee	25	30
Code of Conduct	Percent of employees certifying compliance	100%	100%
Retention	Percent of employees	90%	91%
Managing Directors who are women	Percent of Managing Directors	25%	25%

COMMUNITY

Cash donations ²	Million USD	\$33.6	\$34.9
— Grants and charitable sponsorships	Million USD	\$19.5	\$20.9
— Employee contributions and company match	Million USD	\$14.1	\$14.0
Employee Volunteering	Hours	71,000	43,000

ENVIRONMENT

Direct CO2 emissions from operations ³	Metric tons CO2	9,474	9,483
Indirect CO2 emissions from operations ^{3,4}	Metric tons CO2	202,096	214,240
Carbon Disclosure Project	Score	81	66
Alternative energy ⁵	Percent of global electricity usage offset by alternative energy	62%	62%
ENERGY STAR coverage	Percent of owned or controlled square feet	49%	31%
Paper reduced	Percent of internal copy paper From 2008 baseline (U.S. only)	28%	20%

¹ A full explanation of total compensation and other staff expense is available within the Annual Report under Noninterest Expense <http://www.bnymellon.com/investorrelations/annualreport/2011/2011annual.pdf>

² Employee and company giving, including our two foundations: BNY Mellon Foundation and BNY Mellon Foundation of Southwestern Pennsylvania

³ Emissions data are finalized in July of each year after the reporting deadline for this document. Therefore, data within this chart represents the emissions data for 2010 and 2009, respectively

⁴ Includes scope 2 and 3 indirect emissions

⁵ Data is based on total square footage owned or controlled for actual year

OUR CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Corporate Social Responsibility (CSR) is fundamental to BNY Mellon's culture and core values. It reflects the corporate social commitments we make to our clients, shareholders, employees and communities around the world. These commitments enable us to perform with the highest standards of good governance and ethics; provide products and services that meet the rising expectations of our clients and business partners; attract and retain quality employees; provide meaningful support in our communities; and improve the social and environmental impact of our business practices and those of our suppliers.

OUR COMPANY 2011

BNY Mellon is a global financial services company focused on helping clients manage and service their financial assets, operating in 36 countries and serving more than 100 markets. BNY Mellon is a leading provider of financial services for institutions, corporations and high-net-worth individuals, offering superior investment management and investment services through a worldwide, client-focused team. It has \$25.8 trillion in assets under custody and administration and \$1.26 trillion in assets under management; services \$11.8 trillion in outstanding debt; and processes global payments averaging \$1.5 trillion per day. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation. Additional information is available at www.bnymellon.com and on Twitter @bnymellon.

OUR BUSINESSES

INVESTMENT MANAGEMENT

Asset Management

Diversified and focused investment styles. At BNY Mellon Asset Management, our goal is to build and deliver distinctive investment performance for our clients.

\$1.2 trillion
in assets under management

11th largest
global asset manager*

8th largest
US asset manager**

* Pensions & Investments, 2011.
** Institutional Investor, 2011.

Wealth Management

BNY Mellon Wealth Management is a global wealth management leader, serving individuals, families and family offices with an approach that sustains over market cycles and across generations.

\$176 billion
in private client assets

Top 3
US private bank*

Top 10
US wealth manager**

* Barron's Penta, December 3, 2011.
** Barrons, September 19, 2011.

INVESTMENT SERVICES

Securities Servicing

BNY Mellon Securities Servicing offers a full range of administrative and operational solutions that enable institutions to efficiently conduct business, invest assets and engage in transactions around the world.

\$26.6 trillion
assets under custody and administration

\$11.9 trillion
outstanding debt serviced

\$1.8 trillion
tri-party balances worldwide

Treasury Services

BNY Mellon Treasury Services provides cash management and global payments solutions designed to enable clients to conduct transactions, optimize cash flow and mitigate risk in capital markets around the world.

\$1.4 trillion
average payments processed daily

170,000
transactions conducted daily

Over 100 currencies
in which we transact

Additional information about our major businesses can be found online at www.bnymellon.com or in our [At a Glance](#) summary

Q&A with CEO Gerald Hassell

In 2011, Gerald Hassell was named Chairman, President and CEO of BNY Mellon. Over the course of more than three decades with the company, Gerald has led nearly every major division, as well as serving on its board of directors since 1998. We asked him to draw on that experience to reflect on the company's commitment to CSR.

Q: WHAT DOES OUR CSR REPORT THEME OF SUSTAINABLE BUSINESS MEAN TO YOU?

A: The history of BNY Mellon is a lesson in sustainable business practices. Alexander Hamilton founded the company in 1784 with a clear vision of how it could play a critical role in supporting the needs of a young nation and the growth of the local community. Over the years, that vision has become more expansive as we're now contributing to the growth and functioning of the global financial markets.

A couple of core principles remain the same, such as our focus on finding ways to apply our expertise and infrastructure to help our clients meet important objectives — often in ways that no one else can offer, or do as effectively. And we have held fast to our tradition of safeguarding our clients' trust. When you've been in business for 227 years, focusing on doing what's in the best long-term interests of your clients and communities is deeply ingrained. That's what drives a sustainable business.

Q: BNY MELLON IS SYSTEMICALLY IMPORTANT BECAUSE OF THE VITAL ROLE THE COMPANY PLAYS IN THE GLOBAL CAPITAL MARKETS. WHAT RESPONSIBILITIES DOES THIS ENTAIL?

A: A key responsibility for us is to maintain a strong capital position. From that position of strength, we have an opportunity to set a positive example for the industry. We have an exceptionally strong, highly liquid balance sheet, with a solid capital position and strong credit ratings.

We are also focused on driving operational excellence, which means finding ways to be smarter about how we run our business to take risk out of our company and the financial system. Our ability to serve our clients during times of market stress has been a hallmark of our company's performance in recent years and must remain so.



Q: HOW HAS THE OVERALL BUSINESS CLIMATE FOR FINANCIAL SERVICES CHANGED THE COMPANY'S VIEWS ON CSR AND ITS IMPACT ON SOCIETY?

A: No doubt, there has been increased pressure on financial companies to demonstrate that they are acting in the best interests of their stakeholders. Fortunately, we already have a strong CSR effort in place that has helped us make substantial progress as a socially responsible corporate citizen over the last few years.

As the way in which people think about CSR has evolved, we have created a new and more sophisticated definition of what corporate social responsibility means for our company and what we need to do to set a high standard for our company and industry. That work is helping us direct our long-term commitments toward the areas where BNY Mellon can make the most significant social impact. It acknowledges the importance of our focus on ethics and transparency, operational reliability, talent management — ensuring we're developing our people and making the most of their contributions — and stakeholder engagement. These areas have a direct influence on our business success criteria and are very important to our stakeholders.

Q: WHAT WOULD YOU LIKE STAKEHOLDERS TO KNOW ABOUT BNY MELLON'S COMMITMENT TO CSR?

A: CSR at BNY Mellon is embedded in our culture. It's what we stand for and how we behave. I have been with the company for 38 years, and we haven't always called it CSR; we simply referred to it as doing the right thing and doing it the right way. That means operating with integrity, honoring the trust that's been placed in us and helping to strengthen our communities. Those principles are timeless.

Fine-tuning Our Priorities for the Greatest Impact

As a financial services company entrusted with one of the most important roles in the world's financial system, BNY Mellon must be highly dependable and trustworthy. This means we must constantly be in tune with and address our many stakeholders' most critical concerns.

As part of that process, we have recognized the need to clarify where BNY Mellon can have the greatest impact, which, in turn, helped us determine the areas of CSR on which BNY Mellon should focus.

In 2011, we identified [17 issues](#) that are important aspects of BNY Mellon's social responsibility. Some are traditional CSR areas – such as employee engagement, community support and the environment – that are, indeed, important to manage. Other issues, however, strike at the core of our company's role in society, and they represent our priorities going forward:

- Ethics and transparency – being trustworthy and clear regarding our activities
- Operational reliability – being dependable in our responsibility to help keep the world's financial system operating
- Stakeholder engagement – actively listening and responding to our stakeholders to ensure we are meeting their critical needs
- Talent management – having the best talent to enable the company to effectively carry out its societal role

In addition to identifying and mapping the 17 issues, we have also changed our approach to key performance indicators and have introduced long-term commitments. For some of the traditional CSR areas, this report includes more information within specific sections on standard measures, such as CO₂ emissions, where we will strive to improve results in these areas. For other traditional areas, our measures have been evolving. For example, in philanthropy, we are now focused more on the outcomes of our community support. For the core issues listed above, which are key to both our business and social responsibility, we will use 2012 as a “learning year” to identify how best to integrate these intertwined responsibilities and report on our results.

This 2011 report represents a transition year, as we continue our regular reporting on the traditional issues and begin to expand our reporting on newer topics – for instance, we invite you to read the industry discussion where we address challenges facing our company and the financial [services industry](#). We welcome your input on this direction and the commitments we are making in each of our 17 issue areas. Our learning includes listening and, when you engage with us on these topics, you're also helping to ensure our success in stakeholder engagement. We appreciate and look forward to your [feedback](#).

Thank you,



John Buckley
Director of Corporate Social Responsibility

2011 Results

In 2011, Gerald Hassell was named Chairman, President and CEO of BNY Mellon. Over the course of more than three decades with the company, Gerald has led nearly every major division, as well as serving on its board of directors since 1998. We asked him to draw on that experience to reflect on the company's commitment to CSR.

In 2011, significant success was achieved in the following ways:

- **Employee engagement:** A pulse check survey of 5,000 employees showed overall engagement was 66 percent positive, up from 65 percent in 2010 and 63 percent in our 2007 benchmark year. A further 22 percent of our employees, while not overtly positive, more importantly were not negative in their overall responses. These are very encouraging results in a challenging operating environment for our industry.
- **Employee development:** 46 percent of employees had a documented development plan, up from 25 percent in 2010. We expect the upward trend to continue in 2012.
- **Employee diversity:** A 46 percent increase over the past three years of executive women on our three most senior management committees.
- **Community outcomes:** Grants supported 450 vulnerable youths. Of the individuals receiving support through our programs, 81 percent have successfully obtained a high school diploma or equivalency certificate and/or employment — results are far better than national statistics predicted for this population.
- **Paper use reduction:** We have so far reduced internal copy paper consumption by 28 percent relative to our 2008 baseline.
- **Carbon footprint:** We are on track to achieve a 10 percent greenhouse gas emissions reduction in our U.S. tracked offices real estate portfolio (excluding data centers) from 2008 to 2016.
- **Supplier diversity:** We exceeded our goal of spending at least 20 percent of competitive spend with diverse suppliers.

One area where progress was below our aspirations:

- **Carbon trading:** The global economic slowdown and legislative uncertainty have reduced near-term demand for most services.

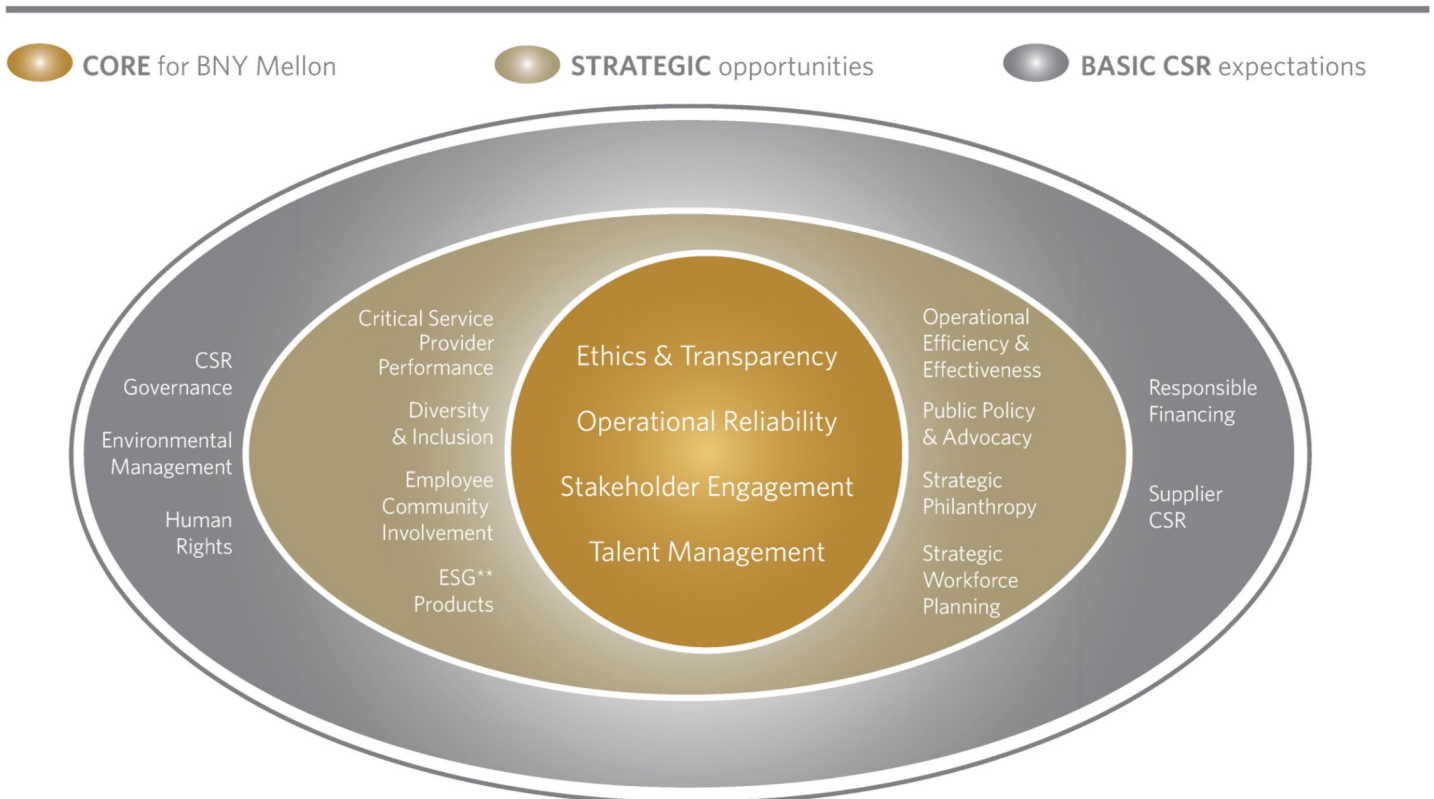
Refined Focus for Our CSR Strategy and Commitments

Another area of progress in 2011 was in CSR governance. We embarked on a project to understand the CSR issues that are most important to our stakeholders and that are directly connected to the long-term success of our company. Leaders across the company and external stakeholders participated in a dialogue to fully define and consider the relative materiality of each issue to our company.

To identify the right topic areas, we gathered a comprehensive list of issues drawn from CSR rankings, guidelines and input from socially responsible investing (SRI) firms as well as expertise from a leading consulting organization in corporate responsibility, [BSR](#). Comprehensive interviews with members of BNY Mellon’s Executive Committee and other key internal leaders provided some early themes; the [CSR Council](#) provided good discussion and feedback early in the project; and, finally, senior leaders across the company participated in a substantive workshop to fully define the issues and categories, and consider the relative materiality of each issue.

CSR ISSUE MAP*

At the center of the map are the issues that are “core” to who we are as a company. The “strategic opportunities” are issues where BNY Mellon can make a significant difference. The “basic CSR expectations” are areas where we have important work to do, but where our impact on society is going to be more limited due to the nature of our business.



* Based on the assumption of compliance with all laws and regulations

** Environmental, Social and Governance (ESG)

Creating the issue map was just one of many steps in bringing our refined CSR focus to life. Throughout 2012, we will work to implement this evolution in thinking –starting, most importantly, with the way we measure progress and what the company is committed to achieving in all the important aspects of the core issues, strategic opportunities and basic CSR expectations.

In 2012, we will also develop specific metrics for each commitment, create a communications strategy, integrate these themes into our governance practices with the CSR Committee of the board, and expand the dialogue with our stakeholders throughout the year. Another implication of the refined focus will be our reporting. You will see that this report represents a year of transition. Although certainly influenced by the strategic direction of the 2012 long-term commitments, for the most part the chapters within this report focus on what BNY Mellon accomplished and the challenges we faced in 2011. Next year’s CSR Report will fully integrate the refined focus into our reporting.

The refined focus determines our priorities for CSR in coming years. We have identified a long-term commitment that defines the direction, or vision, for what our company will strive to achieve in each issue area. Our progress toward these specific commitments will be published in next year’s CSR Report.

CSR LONG-TERM COMMITMENTS

ISSUE	LONG-TERM COMMITMENT
Core to BNY Mellon	
Ethics & Transparency	Maintain exceptional employee commitment to ethical business practices and rigorous programs to avoid business conflicts Disclose financial, operational and sustainable performance, as well as material risks and opportunities in a clear, comprehensive, comparable and accessible manner
Operational Reliability	Advance capabilities to ensure/ deliver exceptional transaction execution and reporting
Stakeholder Engagement	Advance internal and external stakeholder engagement by continuously improving and expanding engagement practices, including responsiveness to stakeholder input
Talent Management	Be highly regarded for the expertise and commitment of our people in all geographies; includes our commitment to the professional growth of staff at all levels
Strategic Opportunities	
Critical Service Provider Performance	Ensure critical service providers reflect our own operational excellence and have the financial strength and controls to ensure reliable, on-time and accurate execution
Diversity and Inclusion	Sustain a performance-driven, inclusive culture, while continuing to advance diversity in our leadership ranks, in our global workforce, and across our suppliers of professional services
Employee Community Involvement	Be highly effective in engaging employees with their communities

CSR LONG-TERM COMMITMENTS (CONTINUED)

ISSUE	LONG-TERM COMMITMENT
Strategic Opportunities (continued)	
Environmental, Social and Governance (ESG) Products	Support clients in their environmentally and socially responsible actions through providing socially responsible investments and ESG screening services
Operational Efficiency and Effectiveness	Reduce waste and improve productivity in operations through innovation and efficient use of resources
Public Policy and Advocacy	Contribute to financial services policy discussion in a meaningful way that benefits our company's business, its investors and stakeholders, as well as our reputation for responsible political engagement
Strategic Philanthropy	Be highly effective in our community investments
Strategic Workforce Planning	Enhance focus on analytic and strategic approaches to planning for future workforce requirements around the world in order to best meet business objectives as well as manage any local community impacts
Basic CSR Expectations	
CSR Governance	Develop and implement CSR strategy and programs that are integrated with our company's business and our stakeholders' evolving expectations
Environmental Management	Continue to be a leader among financial institutions in environmental sustainability
Human Rights	Work to preserve and protect human rights as reflected in our Human Rights Statement and in actions relative to employees, suppliers, clients and society
Responsible Financing	Engage in responsible financing (lending and investments) and comply with Community Reinvestment ACT (CRA) and Fair Lending practices
Supplier CSR	Partner with our suppliers to target and improve social responsibility efforts in a manner consistent with our stakeholder interests



Ensuring Strong Governance as the Foundation for Trust

At BNY Mellon, practicing sound governance is everyone's responsibility. From the board of directors to entry-level employees, the way we conduct business underscores our longstanding reputation for integrity and excellence.

SECTION CONTENTS

- [Corporate Governance](#)
- [CSR Governance](#)
- [Active Risk Management](#)
- [Ethics and Compliance – Doing What's Right](#)
- [Anti-Corruption Program](#)
- [Our Commitment to Human Rights](#)
- [Global Business Continuity](#)
- [Creating Value for Shareholders](#)
- [Advocacy and Political Engagement](#)
- [Focus on Stakeholders](#)

In the end, all business relies on the ability of the company to be trustworthy. A comprehensive system that ensures the company is constantly working to earn and keep that trust is the core of CSR and the foundation on which all business must be conducted. Strong corporate governance encompasses many critical areas that have a direct influence on the behavior of each individual within the organization and the company as a whole.

A COMMITMENT FROM LEADERSHIP— CORPORATE GOVERNANCE

BNY Mellon's board of directors is responsible for the oversight of the company's management in the interests of the company and its shareholders. Our directors are subject to the Directors' Code of Conduct, which provides guidance to help our directors recognize and address ethical issues, provide mechanisms to report possible unethical conduct, and foster a culture of honesty and accountability.

2011: KEY PERFORMANCE INDICATORS

Governance

Ensure that our risk appetite principles permeate the company's culture and are incorporated into our strategic decision-making processes

Results: The risk appetite principles were reviewed and approved at the joint meeting of the Audit and Risk Committees of the board of directors in October 2011, with no changes recommended from the prior year. These principles continue to be reinforced at our management-level risk committees, whose charters are in line with our risk appetite.

The Directors' Code of Conduct requires directors to:

- avoid any conflicts of interest between the directors and the company;
- comply with the procedures set forth in our related-party transactions policy;
- maintain the confidentiality of information entrusted to them by the company and any other confidential information about the company that comes to them, except when, and to the extent that, disclosure is authorized by the company or legally mandated;
- endeavor to deal fairly with the company's clients, suppliers, competitors and employees;
- protect the company's assets and oversee their efficient and effective use;
- comply -- and oversee compliance by employees, officers and other directors of the company -- with laws, rules and regulations applicable to the company;
- encourage the reporting of any possible illegal or unethical behavior; and
- communicate any suspected violations of the Directors' Code of Conduct promptly to our general counsel or the chairman of our Corporate Governance and Nominating Committee.

A copy of the [Directors' Code of Conduct](#) is available on our website, as well as our [Corporate Governance Guidelines](#). These guidelines address the full range of corporate governance matters, including the board's roles

GOING FORWARD: LONG-TERM COMMITMENTS

CSR Governance

Develop and implement CSR strategy and programs that are integrated with our company's business and our stakeholders' evolving expectations

Ethics

Maintain exceptional employee commitment to ethical business practices and rigorous programs to avoid business conflicts

Human Rights

Work to preserve and protect human rights as reflected in our Human Rights Statement and in actions relative to employees, suppliers, clients and society

Operational Reliability

Advance capabilities to ensure/deliver exceptional transaction execution and reporting

Transparency

Disclose financial, operational and sustainable performance, as well as material risks and opportunities, in a clear, comprehensive, comparable and accessible manner

Public Policy and Advocacy

Contribute to financial services policy discussion in a meaningful way that benefits our company's business, investors and stakeholders, and our reputation for responsible political engagement

Stakeholder Engagement

Advance internal and external stakeholder engagement by continuously improving and expanding engagement practices, including responsiveness to stakeholder input.

and responsibilities; annual self-evaluation; composition; qualifications; diversity; independence; role of the lead director; resignations; meetings, agendas and materials; information and resources; committees; orientation and continuing education; communications with directors; compensation and stock ownership; and authority delegated to management.

Non-management directors hold executive sessions without management at each regularly scheduled board and committee meeting. Any interested party, including shareholders and employees, may communicate directly with the lead director, who is independent of management. Such communications may include

complaints regarding accounting, internal accounting controls or auditing matters, and confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters. Such communications may be made by letter addressed to:

The Bank of New York Mellon Corporation
Church Street Station
P.O. Box 2164
New York, NY 10008-2164
Attn: Non-management Director

Interested parties may also send such communications to the lead director by email at non-managementdirector@bnymellon.com.

Information about our board committees is also available under Board Meetings and Board Committee Information starting on page 17 of the [proxy statement](#) for the company's 2011 annual meeting. Such information includes director independence, the role of the lead director, board leadership structure and the role of the board in risk oversight.

The board of directors has six standing committees. Each committee, other than the Executive Committee, consists entirely of independent directors and has a charter that sets forth its roles and responsibilities, and an annual self-assessment. Information concerning the members of each board committee, as well as a copy of each committee's charter, is available on our website.

Committees of the board:

- Audit Committee
- Corporate Governance and Nominating Committee
- Corporate Social Responsibility Committee
- Executive Committee
- Human Resources and Compensation Committee
- Risk Committee

Independence of the board:

- 12 independent members
- 1 non-independent member

CORPORATE SOCIAL RESPONSIBILITY GOVERNANCE

The Corporate Social Responsibility Committee of the board of directors,

5 Meetings OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OF THE BOARD OF DIRECTORS IN 2011. THE INDEPENDENT DIRECTORS PROVIDE OVERSIGHT AND MONITOR PROGRESS OF EACH LONG-TERM COMMITMENT

which is made up entirely of independent directors, regularly reviews the program and progress on the Long-term Commitments.

The CSR Council of senior managers work to build collaboration by bringing together internal subject matter experts, as well as senior leaders representing all of our businesses and major regions globally. This council serves as an important communications channel to gather input and disperse information among our internal stakeholders.

In 2011, this multi-dimensional dialogue has included advising on local sensitivities related to our CSR efforts; addressing risks and opportunities for environmental sustainability; providing early input on the materiality analysis; and confirming the direction of the company's refined CSR focus.

Dedicated CSR Specialists work with individual program areas across the company to develop and coordinate initiatives, monitor progress on material issues and facilitate dialogue. Each program area is responsible for planning and executing the initiatives specific to their business.

CSR Council Mission

- Advance the company's CSR efforts through advocacy within each business area, including raising awareness of the value of CSR, championing sustainable behavior, and engaging employee participation in employee, community and environmental programming
- Contribute to a meaningful dialogue, providing perspective and feedback on potential strategies
- Collaborate with key constituents and business leaders to build stronger CSR engagement and support throughout the company

CSR Long-Term Commitments

CORPORATE SOCIAL RESPONSIBILITY (CSR) GOVERNANCE

We identified CSR Governance as being a “basic expectation” for our company. Our long-term commitment for this issue is to:

Develop and implement CSR strategy and programs that are integrated with our company’s business and our stakeholders’ evolving expectations.

Subject Matter Experts across the company manage the day-to-day execution of each CSR topic. With this model, responsibility is truly embedded throughout the company.

ACTIVE RISK MANAGEMENT

Risk-taking is a fundamental part of financial services and arises in every transaction we undertake.

The stability of our financial condition throughout market cycles and the sustainability of our operational capabilities, especially during periods of market turbulence, are essential, given the critical role that BNY Mellon plays in supporting our clients and providing services for the global capital markets. Clients and market participants need to be able to have confidence that we will remain strong and continue to deliver operational excellence and uninterrupted service globally.

Our primary concern is operational risk. This is consistent with our business model, and our risk appetite is driven by the fact that we are a leading manager and servicer of global financial assets and play a major role in the global marketplace. That’s why we’re committed to maintaining a strong balance sheet throughout market cycles and delivering operational excellence to meet the expectations of our major stakeholders, including our clients, shareholders, employees and regulators.

The balance sheet will be characterized by strong liquidity, superior asset quality, ready access to external funding sources at competitive rates, and a strong capital structure that supports our risk-taking activities and is adequate to absorb potential losses. These characteristics support our goal of having superior debt ratings among our peers.

To that end, the company’s Risk Management Framework has been designed to: 1) ensure that appropriate risk tolerances are in place to govern our risk-taking activities across all businesses and risk types; 2) ensure that our risk appetite principles permeate the company’s culture and are incorporated into our strategic decision-making processes; 3) ensure rigorous monitoring and reporting of key risk metrics to senior management and the board of directors; and 4) ensure that there is an ongoing, forward-looking capital planning process to support our activities.

Operational and Technology Risk

Information security risks are rising, and financial services companies are among the most targeted in the world. BNY Mellon has implemented a multi-year strategy to proactively protect the company from information, technology, supplier, business continuity and other operational risks within a balanced control environment, while enabling critical business solutions.

We use state-of-the-art information security tools to protect our vital information assets and mitigate existing and new threats appropriately. Our internal auditors, internal control group, external auditors and regulators monitor and test our controls and financial reporting systems on an ongoing basis. We offer services such as business continuity planning and testing; identity and access management governance; risk assessment and data analysis; information security risk and control monitoring, reporting and key metrics; security incident management, including forensic tools and analysis; and training and communications to ensure that risk management is considered and optimized in all corporate decision-making.

ETHICS AND COMPLIANCE – DOING WHAT’S RIGHT

As the world in which we do business continues to change, one thing that has not is our steadfast commitment to ethics and compliance. The Code of Conduct embodies our commitment to “Doing What’s Right” which enabled us to navigate through an unprecedented period in our industry’s history.

More than ensuring that the company’s actions comply with applicable laws in the jurisdictions in which we do business, our commitment to Doing What’s Right bonds us together, building a strong foundation that allows us to execute our job duties with the highest ethical standards.

CSR Long-Term Commitments

ETHICS

We identified Ethics as being “core” to our company. Our long-term commitment for this issue is to:

Maintain exceptional employee commitment to ethical business practices and rigorous programs to avoid business conflicts.

These initiatives and resources are available to help guide the decisions we make every day:

- A personal commitment by all employees to understand and comply with the Code of Conduct and its key principles
- Ethics training based on real-life scenarios
- Employee communications illustrating real-life ethical situations
- A dedicated Ethics Help Line is a single point of contact for employees with questions about ethical behavior
- The Ethics Hot Line, is a resource for employees to report possible ethics violations, which is operated 24/7 by an independent service provider.

We remain committed to delivering on our commitment to our clients, communities and shareholders, fostering and maintaining a culture of the highest standards of ethical conduct.

Doing What's Right – The Code of Conduct's Six Key Principles

Respecting others — Mutual respect, professional treatment, harassment-free environment, safety, security, managers' responsibilities

Avoiding conflicts of interest — Navigating potential conflicts with regard to gifts; entertainment; outside employment; outside business dealings; outside service as a director, officer or general partner; ownership of an outside business; fiduciary responsibilities; personal investment decisions; dealing with family and close personal friends; corporate opportunities

100%
OF ALL ACTIVE EMPLOYEES
ARE REQUIRED TO CERTIFY
THEIR COMPLIANCE WITH
THE CODE OF CONDUCT

Conducting business — Fair competition, antitrust, anti-corruption, improper payments, combating financial crime, anti-money laundering and anti-bribery

Working with governments — Obligations, basic principles

Protecting assets — Financial integrity; additional standards for senior financial professionals; use of company assets; protecting client and employee records; observing our privacy principles; records management; use of computers, systems and corporate information; inside or proprietary information

Supporting our communities — Political activities; investor and media relations; charitable contributions; corporate sponsorships; participating in trade associations, conferences and speaking engagements

Additional resources available to employees include:

- Ethics Help Line operated by the BNY Mellon Ethics Office
- Ethics Hot Line operated by EthicsPoint®, an independent hotline administrator
- Incident reporting through an easy-to-use desktop application
- Correspondence with a lead director of the board through our Director's mailbox

Ethics and Compliance Training

BNY Mellon maintains a comprehensive suite of relevant, broad-based compliance and ethics training programs. These programs are designed to quickly adapt to meet the ever-changing legal and regulatory global environment in which we operate and to ensure employees have the necessary tools to conduct business lawfully and in accordance with the highest possible standards of ethical conduct.

In addition to the courses listed on the next page, new employees participate in a set of specifically designed courses that allows for flexibility to accommodate the requirements of their onboarding process and job training.

Mandatory Ethics and Compliance Training Courses

For all new employees

- BNY Mellon Code of Conduct
- Bribery and Corruption
- Ethical Conduct or Ethical Leadership (depending on employee's role)
- Global Anti-money Laundering and Suspicious Activity Reporting
- Information Protection and Classification Standards

For targeted new employees (based on location, business or level within the company)

- Foreign Corrupt Practices Act
- Government Contracting Compliance
- Insider Trading
- Privacy Practices for Protecting Information
- UK Conflicts of Interest
- UK Data Protection

For all employees

2011

- Bribery and Corruption – General Awareness
- Anti-money Laundering Refresher

2012

- Email: Proceed with Caution and Courtesy in Communications
- Anti-money Laundering Refresher
- Ethics Refresher
- Securities Firewall at BNY Mellon
- Personal Securities Trading at BNY Mellon

Security Personnel Training

Our ethics training extends to security personnel as well. Companies providing security staff to BNY Mellon in the UK are required to provide training on equality and diversity, powers of arrest, and dealing with aggressive individuals. The current staff is 100 percent compliant with this requirement. Additional ongoing training in these areas is being made available to security personnel in the near future.

BNY Mellon also has security personnel services provided by companies in Brussels. These personnel are trained on diversity, dealing with hostile people, duty of care and legal rights. The current staff is more than

95 percent compliant with this requirement; annual refresher training on these topics is also mandatory.

The security personnel companies providing services to BNY Mellon in the U.S. are required to provide training on use of force, powers of arrest, workplace violence and harassment, conflict resolution, and demonstration or protest procedures. The current staff is more than 95 percent compliant with this requirement; ongoing training in these areas is also available to the security staff.

ANTI-CORRUPTION PROGRAM

The company has a zero-tolerance policy for bribery and corruption. Our anti-corruption program is designed to facilitate compliance with applicable laws, such as the Foreign Corrupt Practices Act and the UK Bribery Act. This program extends to all the company's business dealings and transactions in all countries in which it or its subsidiaries and associates operate.

OUR COMMITMENT TO HUMAN RIGHTS

BNY Mellon is committed to the protection of human rights and has a statement, ratified by the CSR Committee of the board of directors, that provides overarching guidance to encompass corporate policymaking to protect the rights of the individual. At our company, we recognize that the value of the person and a respect for human dignity transcends borders, oceans and cultures.

In developing this statement, the company considered many models, including the United Nations' Universal Declaration of Human Rights. While such models help to stimulate dialogue on human rights, especially within governments, a succinct Human Rights Statement at our company had to take into account and embrace our business and the nature of our relationships with all major stakeholders, everywhere we operate.

CSR Long-Term Commitments

HUMAN RIGHTS

We identified Human Rights as being a "basic expectation" for our company. Our long-term commitment for this issue is to:

Work to preserve and protect human rights as reflected in our Human Rights Statement and in actions relative to employees, suppliers, clients and society.

Our Human Rights Statement

BNY Mellon is committed to the protection and preservation of human rights around the world.

Our commitment to human rights is embedded in the culture and values that define our company and is reflected in our policies and actions toward our employees, suppliers, clients, and the communities and countries where we do business.

We strive to create an environment of respect for all individuals. We do not tolerate corruption, discrimination, harassment, or forced or child labor in any form.

We are committed to an inclusive, safe and ethical workplace as demonstrated within our Code of Conduct, Equal Employment Opportunity statements and our other human resources policies. Our human resources policies require compliance with local laws concerning employment and individuals' rights in every country in which we operate.

We work with our communities and suppliers to encourage cultural, economic and social development.

We believe that, through our actions, we can be a constructive influence for human rights.

OUR COMMITMENT TO CONTINUOUS SERVICE DELIVERY - GLOBAL BUSINESS CONTINUITY

BNY Mellon's Global Business Continuity program is designed to ensure resilience and preparedness to withstand and recover from natural or man-made emergencies. On behalf of our clients around the world, we manage a robust and comprehensive business continuity program.

Our first priorities in any emergency are the safety and wellbeing of our employees, the security of our clients' financial assets and the continuity of our businesses. We maintain a commitment to the continuous delivery of critical services that avoids immediate, severe disruption to our clients or the markets in which we operate.

As a professional discipline, business continuity includes risk evaluation; crisis management; business resumption;

CSR Long-Term Commitments

OPERATIONAL RELIABILITY

We identified operational reliability as "core" to our company. Our long-term commitment for this issue is to:

Advance capabilities to ensure and deliver exceptional transaction execution and reporting.

In the 2012 CSR Report, we will develop a holistic section dedicated to operational reliability for the company. For 2011, business continuity makes up a key portion of our dedication to this issue.

technology recovery; event management and control; effective business continuity plans, including communications as well as measures and arrangements; and integrated cross-regional support.

A centralized Global Business Continuity group is augmented by business recovery coordinators. Together, they identify and manage the risks associated with operational disruption and prepare the company for continued service in the face of adverse events. We continually assess and test our business resumption readiness, providing annual business continuity training for all staff and more extensive, ongoing support for our network of more than 100 business continuity coordinators supporting the risk identification and incident management process.

Business continuity is increasingly important as BNY Mellon expands globally. Through continuous assessment, we lower the risk of disruption while also increasing our ability to assess the potential impacts of disruptions when they do occur.

BNY Mellon's overall response to any emergency is based on best practices learned from actual events and testing. During 2011, as part of our global business continuity testing program, we conducted six enterprise-wide tests, 4,114 business-specific tests, 27 information technology and data center tests, as well as 322 cross-regional tests for complete service functionality and reliability. We participate in industry-wide exercises designed to protect critical infrastructure and facilitate the sharing of best practices. During the year, our organization successfully managed three major events and nearly 30 region- or business-specific events.

Business Sustainability Leadership

BUSINESS RESILIENCE

BNY Mellon employs more than 200 staff in Tokyo, serving clients across all our businesses. When a 9.0 magnitude earthquake struck close to the northeast coast of Japan in March 2011 – triggering a tsunami and causing catastrophic loss of life and widespread devastation and destruction – the disaster hit close to home. As these tragic events unfolded, we had very clear priorities: the safety and wellbeing of our employees and an unwavering commitment to our clients.

Working closely with the company's global Business Continuity group, the region's business continuity plans were activated. Once it was determined that our employees were safe, we focused on ensuring continuity of service to our clients. Our offices in Tokyo --- determined to remain open and accessible – successfully battled rolling power outages, transportation difficulties and the widespread devastation caused by these events. Within days of the disaster, our Tokyo operations returned to business as usual. This was testament to both the tested resilience of our operational capacity as well as the resolve of our employees to focus on supporting their clients in one of the world's most established and important economies.

Simultaneously, colleagues across the company quickly rallied to provide financial support for disaster relief. Within the Asia Pacific region, employees raised \$60,000 (4.5 million yen) to directly support relief efforts. In total, BNY Mellon and its employees contributed \$770,000 (63 million yen) for disaster relief in Japan.

During 2011, we substantially added to work-at-home technology capacity, which supports pandemic preparedness strategies and results in continuity of service to clients during extreme weather or building-related incidents. We also continue to employ precautionary, proactive health strategies, such as providing free flu vaccinations and hand sanitizer to curtail infection and the spread of seasonal flu viruses in the workplace.

CSR Long-Term Commitments

TRANSPARENCY

We identified transparency as “core” to our company. Our long-term commitment for this issue is to:

Disclose financial, operational and sustainable performance, as well as material risks and opportunities, in a clear, comprehensive, comparable and accessible manner

In the 2012 CSR Report, we will develop a holistic section dedicated to transparency.

We are committed to continuing to monitor, adjust and reinforce our business continuity planning strategies and worldwide recovery processes.

CREATING VALUE FOR SHAREHOLDERS

At BNY Mellon, we are committed to creating long-term value for our shareholders.

On an ongoing basis, we provide quarterly and annual reports of our financial results, host quarterly conference calls to discuss our performance, and participate in financial services conferences to review our strategy, objectives and results. Our senior management is actively engaged with our shareholders, rating agencies and others in the investment community. We gather feedback from investors and analysts through direct interactions and also through independent surveys, conducted monthly by a third party. We use all of this feedback to make certain our financial disclosures meet the highest standards of accountability and transparency. Throughout the financial crisis, we have incorporated suggestions from the investment community in many areas, including the provision of more detailed metrics for our businesses and enhanced disclosure around our investment securities portfolio.

Visit [“Telling Our Story Responsibly” for an Investor Day spotlight.](#)

ADVOCACY AND POLITICAL ENGAGEMENT

BNY Mellon is subject to an extensive framework of laws and regulations, and changes to such laws and regulations can significantly impact our business and, in turn, our shareholders, clients, employees and communities.

BNY Mellon actively and constructively participates in the legislative and regulatory process to add the voice of the broader industry to the policy-making discussion.

Public Policy

Engaging in public policy and advocating for appropriate changes in the hundreds of new regulations impacting the global financial industry is critical to ensuring that we can continue to provide the essential asset servicing and asset management services to our customers.

We monitor legislative and regulatory activities on a daily basis and actively analyze the potential impacts – intentional and unintentional – that each relevant proposed law or regulation might have on BNY Mellon and on the broader financial markets. We engage with policy-makers when we feel it is appropriate.

We are actively engaged in implementing all changes required by new regulatory reforms around the world, including those arising out of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Markets in Financial Instruments Directive (MiFID) in Europe, as well as changes proposed to the Basel Accord.

In an effort to engage with our peers and other members of the financial industry, BNY Mellon is a member of various industry and trade organizations. As a member of such industry and trade organizations, or together with certain peer banks, we have submitted comment letters, responded to financial industry surveys, participated in meetings with legislators and regulatory agencies in the United States and overseas to exchange ideas on the financial industry, and regulatory and tax reform.

In addition to the lobbying efforts by members of Government Affairs, certain federal lobbying firms are retained to promote BNY Mellon's interests. In 2011, BNY Mellon spent approximately \$1.1 million in federal lobbying expenses.

Political Contributions

Another aspect of political engagement involves the political process and political contributions. BNY Mellon has two political action committees (PACs) funded entirely by voluntary contributions made by employees. In accordance with applicable federal, state and local regulations, the PACs have the ability to make contributions to U.S. federal candidates, state and local candidates, political party committees and other political action committees.

CSR Long-Term Commitments

PUBLIC POLICY AND ADVOCACY

We identified Public policy and advocacy as being a “strategic opportunity” for our company. Our long-term commitment for this issue is to:

Contribute to financial services policy discussion in a meaningful way that benefits our company's business, investors and stakeholders, and our reputation for responsible political engagement.

Our PACs are regulated by the Federal Election Commission (FEC) and file reports, as required, with the FEC and relevant state election commissions. Reports filed with the FEC are available to the public at www.fec.gov.

PAC disbursements vary from year to year. In 2011, BNY Mellon PACs made disbursements in the aggregate amount of \$549,000. See **Graphic 3.1** for details on BNY Mellon PAC contributions.

In 2011 BNY Mellon made no corporate contributions.

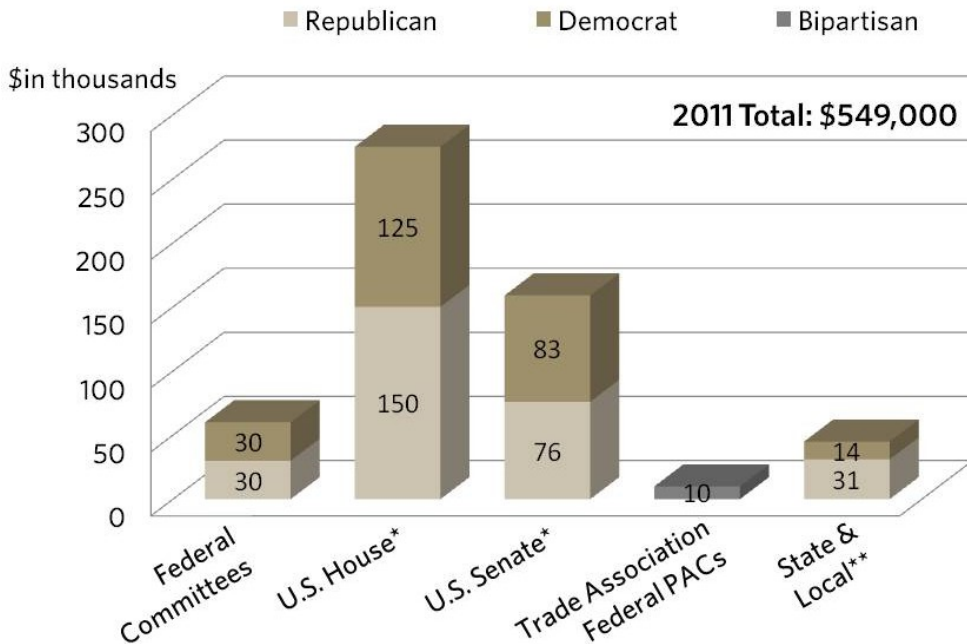
Compliance and Oversight

BNY Mellon's Government Affairs office, part of our Legal Department and under the supervision of the company's General Counsel, oversees all political activity by or on behalf of BNY Mellon, including administration of our PACs. When making specific contribution decisions, a number of factors are considered, including the candidates' positions on issues related to our business, their leadership positions, membership on legislative committees and the communities they represent.

The Corporate Social Responsibility Committee of our Board of Directors, which consists entirely of independent directors, provides oversight of BNY Mellon's corporate social responsibility programs as well as government affairs, including lobbying focus and political contributions.

BNY Mellon encourages employees to keep informed of political issues and candidates and to take an active interest in political affairs. Employees may participate in the political process by making voluntary personal contributions on their own behalf to candidates and related political entities in accordance with applicable federal and state laws and regulations and company policies.

Graphic 3.1: 2011 PAC CONTRIBUTIONS



*Includes contributions to federal candidates through federal accounts of state parties

** Includes contributions to state legislative bodies

BNY Mellon’s Code of Conduct requires all employees to obtain permission for use of BNY Mellon’s name or resources in connection with political events, political candidates and campaigns. Employees will not be reimbursed or compensated in any way for political activities or contributions.

BNY Mellon’s Compliance and Ethics Department reviews all individual employee contributions that may be affected by federal, state or local “pay-to-play” laws. These laws limit the ability of corporations to compete for business if certain of their employees have made contributions to officials in positions that have the authority to award business.

FOCUS ON STAKEHOLDERS

BNY Mellon engages in substantive and multi-dimensional interactions with our stakeholders in order to understand and inform them of our decision-making and help them understand the contributions and impact of our company. Each of these constituencies has a significant influence on our company’s reputation.

In 2011, as an important step in identifying the CSR issues that are most material to our company, BNY Mellon’s five key stakeholder groups were designated as employees, clients, shareholders, governments, and the communities where we live and work.

Throughout this report, we spotlight specific examples of our interaction and dialogue with each of these groups. Whether through targeted communications outreach, hosted industry forums and conferences to encourage informal discussions and shared expertise, or structured surveys and facilitated focus groups, we are committed to understanding our stakeholders’ concerns. See **Graphic 3.2** for details on our key stakeholder groups.

This year, with Stakeholder Engagement identified as one of our most material issues, core to our company’s long-term success, we will work to more fully utilize the lines of communication and robust mechanisms in place to engage with each group.

Engagement strengthens relationships with our clients while reinforcing our commitment to exceptional client service; fosters an engaged, dynamic and high-quality workforce; and bolsters strong relationships with our suppliers, regulators, communities and other stakeholders.

Throughout this report, we have provided examples of how we actively engage with our many stakeholders.

CSR Long-Term Commitments

STAKEHOLDER ENGAGEMENT

We have identified stakeholder engagement as “core” to our company. Our long-term commitment for this issue is to:

Advance internal and external stakeholder engagement by continuously improving and expanding engagement practices, including responsiveness to stakeholder input.

Graphic 3.2: STAKEHOLDER ENGAGEMENT FOCUS

<p>SHAREHOLDERS</p> <p>Interaction</p> <ul style="list-style-type: none"> Annual and Quarterly Reports Webcasts and conference calls Financial Service Conferences Proxy Voting Annual meeting 	<p>CLIENTS</p> <p>Interaction</p> <ul style="list-style-type: none"> Direct meetings Conference advisory boards Client conferences Client satisfaction survey External surveys 	<p>EMPLOYEES</p> <p>Interaction</p> <ul style="list-style-type: none"> Direct meetings with managers Performance Management and Development programs Town Halls and Affinity Networks Engagement survey
<p>COMMUNITIES</p> <p>Interaction</p> <ul style="list-style-type: none"> Direct meetings with local leaders Board membership Financial support (grants, spons.) Employee volunteering and fundraising 		<p>REGULATORS*</p> <p>Interaction</p> <ul style="list-style-type: none"> Ongoing advisory dialogue Advocacy of policy priorities

These five groups represent our Key Stakeholders, as defined during a strategic analysis in 2011 to refine our CSR focus. External Partners, Suppliers, Peer Companies, Nonprofits and Industry Associations are also important stakeholders for BNY Mellon.

* Assumes our full compliance and full cooperation with regulators.

** Where legally permitted, moderate political contributions are used to help elect candidates with views and positions consistent with our company's on important issues.



Leadership in Responsible Business Practices

In nearly every business transaction or decision, there is an opportunity to benefit society beyond the immediate business objective. At times, in fact, responsible business practices open new doors, new markets and new relationships. In the section below, we explore a few of our company's products that do just that.

SECTION CONTENTS

- [Industry Discussion](#)
- [Telling Our Story Responsibly and Directly](#)
- [Enhancing Confidence Through Risk Analytics and Transparency Across Financial Markets](#)
- [Helping Clients Succeed](#)
- [Socially Responsible Investing](#)
- [Environmental, Social and Governance Screening](#)
- [Global Environmental Markets: A Custody and Registry Services Platform](#)
- [Working with Our Suppliers](#)

BNY Mellon is different from traditional banks in that we are essentially in two core businesses: investment management and investment services. As a global leader in both of these areas, our core values have guided us over many years of operation. And, today, we're one of the healthiest financial services companies in the U.S.

Our industry has entered a period of difficult revenue growth, perhaps the toughest operating environment we've seen in 20 years. We attribute this to a slowdown in economic growth, political uncertainties, changing market requirements, and regulatory demands placed on our industry and those we serve.

With this in mind, we have had to work hard and smart for the results we have achieved and will continue to do so in the year ahead. To achieve the performance we expect, BNY Mellon has renewed its commitment to deepening client relationships and increasing value; driving operational excellence; demonstrating our commitment to teamwork and innovation; and being accountable and responsible.

2011: KEY PERFORMANCE INDICATORS

BNY Mellon did not publish CSR KPIs for business-related topics.

A discussion of 2011 activities and results can be found throughout this section.

GOING FORWARD: LONG-TERM COMMITMENTS

Environmental, Social and Governance (ESG) Products

Support clients in their environmentally and socially responsible actions through providing socially responsible investment and ESG screening services

Supplier CSR

Partner with our suppliers to target and improve social responsibility efforts in a manner consistent with our stakeholders' interests

INDUSTRY DISCUSSION

Sluggish economies globally, volatile financial markets, diminished investor confidence, and new legal and regulatory controls and costs are industry realities.

Because BNY Mellon plays an integral role in ensuring the safe movement and management of assets around the world, we are keenly aware of the responsibilities we have as a trusted, reliable leader in our industry and the potential impact we have on societies globally.

As a result, we are now focused on our strategic focus centers on leveraging long-established and proven business practices to help our clients succeed in an increasingly complex world. At the same time, we work to cooperatively and transparently respond in those instances where some actions may have been challenged.

\$25.8 trillion

ASSETS UNDER CUSTODY AND ADMINISTRATION

\$1.5 trillion

GLOBAL PAYMENTS PROCESSED DAILY (AVERAGE)

\$1.26 trillion

ASSETS UNDER MANAGEMENT

\$17.8 billion

ASSETS EXPLICITLY SCREENED FOR ESG FACTORS

TELLING OUR STORY RESPONSIBLY

Stakeholder Engagement—Investor Day

To help ensure a strong understanding of our business model and strategy, we held an Investor Day in late 2011 to outline how BNY Mellon will perform in a radically changed market.

Stakeholder Engagement— Industry Organizations

AS A GLOBAL COMPANY, WE PARTNER WITH DOZENS OF EXTERNAL ORGANIZATIONS

Following are some of the major industry associations with which we have substantive relationships and are engaged through board membership or senior management involvement :

- The Allegheny Conference on Community Development
- American Bankers Association
- Association of Global Custodians (AGC)
- The Clearing House
- Continuously Linked Settlement (CLS)
- Depository Trust and Clearing Corporation
- Financial Services Forum
- Financial Services Roundtable
- The Institute of International Finance (IFF)
- Investment Company Institute (ICI)
- New England Council
- Partnership for New York City
- Risk Management Association (RMA)
- Securities Industry and Financial Markets Association (SIFMA)

The core message: We can deliver consistent, solid earnings-per-share growth and attractive returns to shareholders in what will be an extended, low-growth environment for the foreseeable future.

We outlined how we would participate in the growth of financial assets globally and cross-border investment flows, providing not only the services to support the entire investment process, but also managing financial assets on a global and local level. [More information](#) is available from the day.

Foreign Exchange

With the continued challenges presented by the ongoing financial crisis and uncertainty in the financial markets, the industry in general has faced a dramatic increase in legal and regulatory scrutiny, actions and costs. BNY Mellon is no exception.

One of the issues we have been addressing is the litigation involving the foreign exchange services we provide to our institutional clients. The various complaints that have been filed all center around the allegation that the rates applied to foreign exchange transactions, executed through BNY Mellon's standing instruction channel, in connection with custody services were improper.

We deny these allegations, and believe that we acted properly at all times. We are therefore defending these allegations vigorously. We have established a [public website](#) that explains the key facts concerning our standing instruction service. Our top priority, as always, is to continue to earn the trust of our shareholders, clients and other key stakeholders.

Job Reductions

As a result of the difficult business climate and a need to address rising expenses, BNY Mellon announced job reductions that impacted approximately 1,500 positions in our global workforce of 48,900. We worked hard to minimize the impact to current staff by taking advantage of natural turnover and implementing a hiring freeze. In the case of job losses, we ensured that there was clear support across all of our businesses and business partner groups, that people were treated fairly and with respect, and that we were open and transparent about plans as quickly as possible. We also continued to reduce expenses via ongoing operational and technology efficiency efforts.

ENHANCING CONFIDENCE THROUGH RISK ANALYTICS AND TRANSPARENCY ACROSS FINANCIAL MARKETS

The global nature of today's markets makes us even more sensitive to issues emerging around the globe. The world continues to shrink as information-sharing happens more rapidly, resulting in the constant demand for services and tools that help our clients stay ahead of these forces.

Across all of our businesses, we are dedicated to making sure clients have access to the information they need to make sound decisions. The company does this at multiple levels, from providing technological tools to maintaining teams with the talents and skill to deliver high quality service. Through a commitment to quality service, we are dedicated to achieving superior performance and contributing to a healthy financial system.

Clients want to know how their investments respond to market events, and the monitoring of exposures – be it asset types, markets, currencies, or specific issuers or securities. At the same time, we continue to see increased regulatory demands across all markets and segments, with both asset owners and asset managers subject to increased filing, disclosure and reporting requirements. The result is a client base that expects more timely and granular information on their investments with greater transparency.

Following are a few examples of how we have responded.

Institutional Investors – Interactive Performance and Risk Reporting

Given the fluid market environment, institutional investors require flexible tools and analysis that help provide investors with the insight to make informed investment decisions. BNY Mellon recently introduced a dynamic interactive capability that enables clients to customize and drill down into their portfolio returns. Clients can view and manipulate a wide range of performance-related data by options including rate of return by account or asset class, and take deep dives on select data by asset classification such as country, sector or industry, for virtually any time period. They can also more deeply explore market values and cash flows used to derive investment returns.

In 2011, we successfully completed the migration of our global client base to our Compliance Monitor tool and service, allowing clients to monitor an extensive range of attributes including Environmental, Social and Governance (ESG) screening.

Money Markets – Modelling Stress During Market Turmoil

Understanding market conditions that may adversely impact money market funds is imperative. Building on BNY Mellon's strategic alliance with Investor Analytics and our experience in meeting regulatory demands on money market funds in the U.S., we launched a money market stress-testing service in the Europe, Middle East and Africa (EMEA) region. The service models the impact of interest rate, credit risk and liquidity risk shocks, or any combination of these, on the value of funds. Information is presented in high-quality reports that easily identify the conditions that could lead to a depressed Net Asset Value (NAV) below an established threshold.

Derivatives - Regulatory and Market Transformation

A global consensus has begun to emerge among regulators and market participants on a workable derivatives market structure that will help reduce risk through the use of central clearing; increase transparency by moving toward electronic price discovery and execution; and improve market stability by creating new collateral management standards. Given our leading role in the execution and processing of derivatives, we have helped to ease the path for many clients faced with mandated changes. The company introduced an award-winning, fully automated system that facilitates the entire margin call and collateralization process, improves reporting capabilities and reduces operational risk. This system underpins our growing capabilities in serving issuers and investors alike in the derivatives market, including with portfolio reconciliation, custody, accounting, cash collateral reinvestment and consolidated reporting.

HELPING CLIENTS SUCCEED

Our clients know they are doing business with a company that is truly committed to helping them succeed. Aggregating and offering our global capabilities through a variety of mechanisms contribute to the long-term, lasting relationships that help define our business sustainability.

Client Satisfaction Is Central to Our Success

Clients trust us every day with their information and assets, and that's a responsibility we take seriously. BNY Mellon is centered on achieving the highest levels of

client satisfaction so it is no coincidence that Client Focus is one of our company's core values.

We continuously partner with clients to solve problems faced by their industry or their company. This collaborative approach significantly increases the potential for loyalty, positive references and new business opportunities.

We proactively prepare our employees to be good partners through:

- increased skills training;
- enhanced industry knowledge; and
- a clear expectation to “deliver the whole company.”

One example of this is in our Asset Servicing business, where we have been conducting client assessments/satisfaction surveys for years. For 2011, we met our targets in all corporate measures, including:

- Overall satisfaction (89 percent)
- Would recommend us to others (81 percent)
- Would choose us over others (84 percent)
- Satisfaction with their service (91 percent)
- Satisfaction with BNY Mellon's products and services (83 percent)

See **Graphic 4.1** for details on 2011 survey results.

Our Wealth Management business conducts thorough reviews of scores with all of our investment teams and makes sure that the voices of our clients drive our decisions. This practice has helped us to consistently achieve best-in-class client retention rates and satisfaction ratings. For 2011:

- Overall satisfaction (90 percent)
- Would recommend us to others (93 percent)

SOCIALLY RESPONSIBLE INVESTING

BNY Mellon Asset Management is a leading global provider of investment management products and services. With a great depth and breadth of expertise, we help clients achieve their goals through a wide array of strategies, in every major sector and asset class, through a variety of distribution channels.

Our clients include some of the world's leading corporations, governments, labor unions, foundations, endowments, mutual funds and high-net-worth individuals.

Our independent investment firms provide asset management service that is responsive to our clients' needs and constraints, including transparent investment processes. We consistently work to pursue strong performance and results for clients.

The core responsibility of an asset manager is to act in a fiduciary manner, investing client funds in concert with agreed-upon objectives. In selecting investment opportunities, we evaluate all security characteristics of the underlying companies, countries or asset pools.

In socially responsible investing (SRI), clients prefer to invest in securities of entities that embody the client's non-investment values. For this subset of clients, our customized portfolios reflect this belief. In addition, we offer a number of specialized SRI funds. This section profiles specialized SRI funds and shines a light on three of our boutiques that practice socially responsible investing.

Sustainable Business Leadership

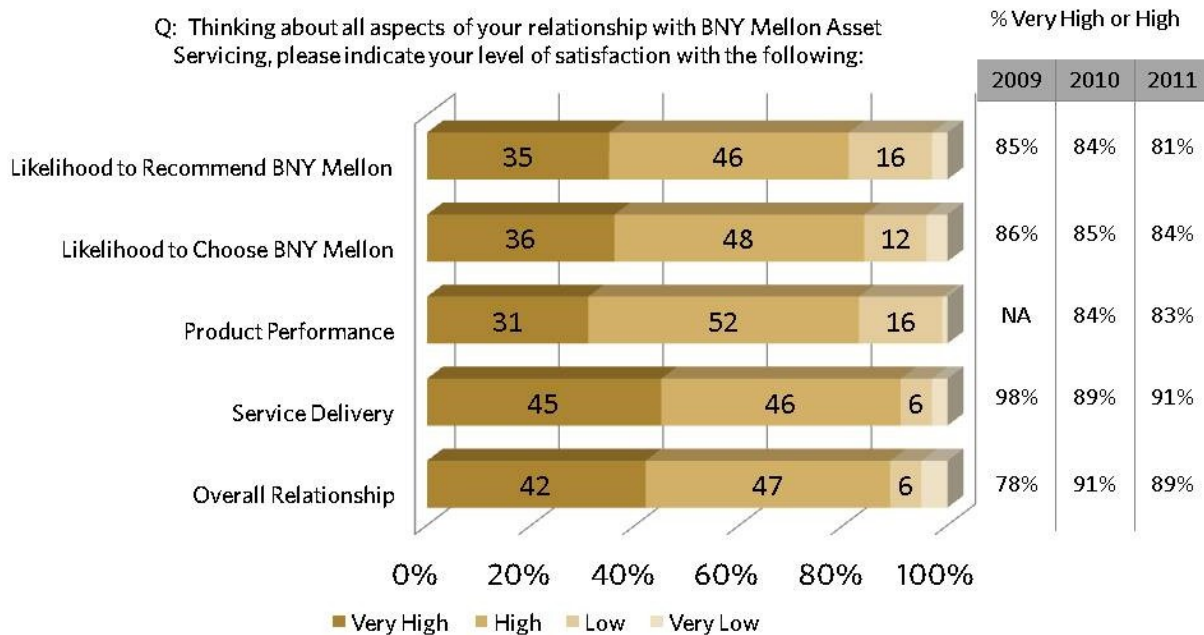
INFORMATION AND EXPERTISE TO POWER SOLUTIONS AND SUCCESS

Since our company was founded more than 225 years ago, we have experienced all market conditions and know our clients' business issues are our business issues.

We partnered with The Economist Intelligence Unit to publish a series of studies on how institutional investor perceptions about emerging market investments and practices have changed in response to the global economic turmoil. We also held conferences in every region of the world to explore these issues in depth. In addition, our market commentators offer their insights and views on a daily basis on the global economy and equity and fixed income markets as well as developments and movements in derivatives and foreign exchange.

A formal thought leadership program across our company harnesses our views and insights of our own experts, along with those of trusted third parties, to advance understanding of the evolving financial markets. We firmly believe this helps our clients and the larger community anticipate and prepare for the challenges and opportunities ahead.

Graphic 4.1: ASSET SERVICING CLIENT SATISFACTION



Awards

BELOW ARE A FEW OF THE AWARDS WE HAVE RECEIVED IN 2011, THANKS TO OUR FOCUS ON WORLD-CLASS CLIENT SATISFACTION

Asia Asset Management

Best Securities Financing House

Asiamoney

Several No. 1 Best awards: Global Cash Management Services in Asia Pacific (Overall – Large and Medium); USD Cash Management Services; Understanding Business Strategies, Objectives and Requirements; After-sales Customer Services; Implementing Cash Management Solutions

The Asian Banker

Best Trade Finance Bank in Asia

Asian Investor

Best Fund Administrator – Alternatives, Best Eurozone Fixed Income Manager (Standish Mellon Asset Management)

The Asset

Best in Corporate Trust, Best Depository Receipts Bank, Best Fund Administrator – Hedge Funds, Best Global Custodian in Asia

Financial News

Best Pensions Custodian

Fortune World's Most Admired Companies, 2011

No. 2 Superregional Bank (U.S.)

Global Custodian

Top ratings in Hedge Fund Administration, Private Equity Administration, Agent Banks in Major Markets, Global Custody, Mutual Fund Administration, Securities Lending, Tri-party Securities Financing

Global Finance

Best Custody Bank, Best Sub-custodian Bank – Canada (CIBC Mellon), four top ratings in World's Best Foreign Exchange Providers survey, Best White Label System Provider for Treasury and Cash Management

Global Investor

No. 1 Hedge Fund Respondents, first overall in Single Custodian, top ratings in Foreign Exchange surveys

International Custody and Fund Administration (ICFA) Awards

European Fund Administrator of the Year: Ireland (sixth consecutive year), European Hedge Fund Administrator of the Year (AUA > \$100MM), Custodian of the Year – The Netherlands, European Custodian of the Year, Custodian of the Year – U.S., Pension Fund Custodian of the Year – U.S., Outsourcing Provider of the Year – Highly Commended – U.S., Securities Lending Provider of the Year – Highly Commended – U.S., Broker/Dealer Custody and Clearing Provider of the Year

Investment News

No. 1 U.S. clearing firm (Pershing LLC), ranked by broker-dealer clients

National Quality Review

Two Best-in-class awards and five-star ratings for Outstanding Client Service for the first quarter (Dreyfus Retail Shareholder and Dreyfus Institutional Servicing Departments)

Pensions and Investment

Winner: Active UK Equities (Newton), Active North American Equities (Newton)



*Third Century Fund**

One of first SRI funds on the market, launched in 1972

Assets under management

2010: \$256 million

2011: \$243 million as of December 8, 2011

2011 Performance: First quartile of Lipper peer group (Class 1 shares) as of December 8, 2011

Benchmark: S&P 500

Focus: Enhances the quality of life in America**



*Socially Responsible Growth Fund**

Launched in 1993

Assets under management

2009: \$228 million

2010: \$235 million

2011: \$214 million

2011 Performance: Top third of Lipper peer group (Initial Class shares)

Benchmark: S&P 500

Focus: Enhances the quality of life in America**



*SRI Restricted Multi-Strategy, Multi-manager**

Strategy inception in 2006

Assets under management

2010: \$254 million

2011: \$253 million

Investment objective of long-term capital appreciation with moderate volatility and moderate correlation to global equity and fixed income markets, through investments in third-party hedge fund managers

Focus: Applies investment restrictions that support certain faith-based, ethical principles

*These materials do not constitute a solicitation or recommendation for any fund or securities product offering.

**Quality of life in America: protection and improvement of the environment and the proper use of our natural resources, occupational health and safety, consumer protection and product purity, Equal Employment Opportunity.

CSR Long-Term Commitments

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PRODUCTS

We identified Environmental, Social and Governance (ESG) products as being a “strategic opportunity” for our company. Our long-term commitment for this issue is to:

Support clients in their environmentally and socially responsible actions through providing socially responsible investment and ESG screening services.

HIGHLIGHTS FROM THREE OF BNY MELLON’S ASSET MANAGEMENT BOUTIQUES

Mellon Capital Responsible Investing

Mellon Capital Management Corporation, one of BNY Mellon’s boutiques, views environmental, social and governance/socially responsible investing (ESG/SRI) as a complement, not compromise, to its investment approach.

Mellon Capital incorporates ESG/SRI guidelines in indexing and active equity strategies, while staying true to its core investment philosophy and disciplines. Its systematic approach to investing emphasizes risk control and efficient implementation.

Mellon Capital’s ESG/SRI approach is client-driven. When clients have certain restrictions or principles as part of their investment policies, Mellon Capital works with them to establish an appropriate benchmark and clarify the criteria to be used in the security selection process. A client often provides a restricted list of companies that is rigorously followed. In other situations, where a client seeks to invest in companies with certain ESG/SRI attributes, a team of investment professionals aims to provide knowledgeable assistance in implementing the client’s specific criteria.

For a client who wants to implement ESG guidelines but does not have pre-specified criteria, Mellon Capital starts with a broad set of criteria and works with the client to define the scope.

For instance, if the client wants to exclude stocks involved in certain activities from the portfolio, Mellon Capital determines a list of restricted stocks, assesses the impact on the overall portfolio and establishes monitoring procedures for implementing the restrictions. Conversely, a client may be interested in investments that outperform its peers on measures such as diversity, environmental performance or labor practices. Mellon Capital identifies companies that are best-in-class in those measures and integrates them into the investment process.

Mellon Capital has provided custom ESG/SRI solutions to institutional clients for more than 20 years. In 2011, ESG/SRI-related assets under management were \$8.1 billion, of which \$5.9 billion were indexing and \$2.2 billion were active.

Newton's Approach to Responsible Investing

Responsible investment is integral to [Newton's](#) investment process. The consideration of environmental, social and governance (ESG) matters resonates with many of Newton's investment themes, such as earth matters, state intervention and global realignment.

Newton believes that responsibly managed companies are better positioned to achieve a sustainable competitive advantage and provide strong, long-term growth. Dedicated analysts for ESG matters are an important part of Newton's research team. During investment discussions, the analysts provide added expertise on ESG matters.

Newton's ESG analysts are charged with exercising voting rights, conducting research and carrying out engagement activities on ESG matters. The work of Newton's ESG analysts is not necessarily geared toward the exclusion of potential investments, but aims to achieve a better understanding of the relevant ESG risks or seek improvement in the investee company's behavior.

Newton frequently reports on ESG issues, discloses examples of engagement and publishes its voting activities. For 2011, Newton exercised its clients' voting rights at 1,738 separate company meetings. Votes were instructed against management recommendations on 1,333 resolutions, which included issues such as remuneration practices/policies, share allocations and appointments/election of board members. For 2011, Newton's analysts and fund managers held individual

meetings with 1,209 companies to initiate or maintain dialogue around financial performance and/or responsible investment matters.

Within the UK, Newton complies with seven principles of the UK Stewardship Code. These principles focus on areas such as conflicts of interest; monitoring and dialogue with companies on their appropriateness or viability of strategy, product positioning and management structure; escalation; acting collectively; voting; and reporting on how investors exercise their stewardship policies.

Some recent issues under consideration as part of the investment process have included:

- new EPA rules to impact the U.S. coal-fired power sector;
- the Chinese housing shortage; and
- transparency in the extractive industries.

Standish

[Standish](#) recognizes the importance of socially responsible investing (SRI) and seeks to facilitate its clients' objectives through comprehensive pre-trade screening that leverages client-specific guidelines and broadly used industry SRI screens like the MSCI ESG Indices. As of year-end 2011, a total of \$9.2 billion of assets under management at Standish were subject to such filters across a broad array of strategies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE SCREENING

Investors today increasingly consider environmental, social and governance (ESG) criteria in evaluating investment decisions. Although it is a departure from the traditional view of fiduciary responsibility, there is growing acknowledgement that the way results (i.e., investment returns) are achieved is as important as the results themselves.

In our Investment Servicing business, we offer extensive screening capabilities to allow our clients to monitor the characteristics of their investments, including 27 controversial business issues globally. Whether driven by value beliefs, ESG considerations or regulatory requirements, we are helping more clients to:

- screen for investments that may violate a restriction within a portfolio mandate (e.g., specific industry or business operation);
- identify business and revenue composition for a growing list of companies that operate multiple businesses; and
- meet obligations required by governments, such as the Office of Foreign Asset Control in the U.S.

Given the growing interest in this area, in 2011 we conducted a client survey on their adoption of ESG practices. We will use these responses to publish trend analysis as well as drive potential future offerings in this area.

GLOBAL ENVIRONMENTAL MARKETS: A CUSTODY AND REGISTRY SERVICES PLATFORM

Global Environmental Markets (GEM) is our proprietary, Web-based universal custody and registry services platform. GEM was created to facilitate access to and management of diverse environmental products and multi-currency cash positions through a single, flexible interface, and to provide all market participants with a universal portal to BNY Mellon's robust systems and global capabilities. For most clients with any sort of environmental portfolio, there are significant challenges in managing the variety of regulated and unregulated standards of environmental credits operating on different registries. These are typically managed separately through various systems and spreadsheets, making reporting and tracking onerous. In response to this need, the BNY Mellon GEM platform brings the following benefits to our clients:

- A single point of record and account
- Reduced reporting time and costs
- Traceability and audit-trail reporting
- A trusted, independent, credit-rated counterparty
- A committed global leader for custody and safekeeping
- Mitigation of operational risk
- Reduced operational costs
- Robust technology from a committed service provider

BNY Mellon's GEM platform provides a powerful reporting. This system performs allocations, generates detailed account statements and offers the flexibility needed to meet this sector's specialized reporting needs.

The global economic slowdown and legislative uncertainty have reduced near-term demand for most services related to carbon trading. Due to the collapsing market and our own risk appetite, we have moved away from additional carbon trading business in 2012.

WORKING WITH OUR SUPPLIERS

In addition to responsible products offered, BNY Mellon believes in forging strong supplier relationships. Our clients and shareholders expect BNY Mellon and its employees to conduct business activities in accordance with the highest standards of ethical conduct. Likewise, we maintain supplier relationships on the highest ethical basis and solely on the merit of quality, innovation, performance and cost effectiveness.

We cultivate a responsible supply chain in several ways:

- Maintaining a high-quality supplier selection and contract development through Global Procurement
- Managing supplier risk through an assessment program designed to help the individual business areas understand the risks in their vendor relationships
- Advancing responsible practices with individual areas that have a more direct ESG impact, such as corporate travel
- Fostering a diverse supplier base through the Supplier Development Program

Over the past few years, environmental, social and governance (ESG) concepts are gaining momentum, awareness and prominence in our supplier management practices.

CSR Long-Term Commitments

SUPPLIER CSR

We identified Supplier CSR as being a "basic expectation" for our company in CSR. Our long-term commitment for this issue is:

Partner with our suppliers to target and improve social responsibility efforts in a manner consistent with our stakeholders' interests.

As part of our overall commitment to human rights, it is important to understand how

our suppliers address human rights issues and risks in their business and operations. In 2011, BNY Mellon added human rights to our assessment process.

For more information on managing risk in the supply chain and throughout our operations, see the [Operation and Technology Risk](#) section.

In addition, we are working with specific businesses to be more inclusive of ESG issues in their own due diligence. For example, CSR was added as a standing agenda item for regular review meetings with top legal vendors.

Understanding that employees themselves play a key role in making sustainable choices, we developed a new resource where they can access sustainability information about selected suppliers and the green products and services that touch the various aspects of their daily work. This includes profiles on select companies in office supplies, food and dining, corporate travel, IT equipment removal, facilities and mail services.

At the industry level, we are leading a conversation on the potential development of consistent ESG measurements for financial services supplier assessments. We believe that increased dialogue about environmental, social and governance topics is effective in building stronger relationships and understanding the collective impact of the BNY Mellon supply chain.

SUPPLIER DIVERSITY

Supplier diversity is an important component of BNY Mellon's overall corporate diversity strategy. Through our company's Supplier Development Program, we take positive steps to build and maintain a diverse supplier base. See [Graphic 4.2](#) for details on diverse suppliers.

Of the 255 hotels in our 2011 program, 99 percent have stated environmental programs.

Spotlight on Corporate Travel Services

Within the supplier base, a few areas that have direct environmental impacts have developed ESG due diligence practices specific to their industry. BNY Mellon's Corporate Travel Services has required environmental sustainability information for the past three years in its annual solicitation of hotel partners. Of the 255 hotels in our 2011 program, 99 percent have stated environmental programs.

We implemented a directory enhancement this year, adding these sustainability responses to hotel profiles in the employee booking system to increase transparency about green travel choices.

In addition to gathering the hotel data, Corporate Travel Services continues to work with its travel management company, American Express, to evaluate environmental sustainability-oriented features, such as carbon calculators, for inclusion in the employee booking process. We expect a 2012 rollout to select regions. These features will enable travelers to get a personal view of the environmental impacts of their trips.

Our goal is to encourage these suppliers to become more environmentally sensitive and give employees choices during the travel selection process, with the expectation that this will build a personal commitment to the most sustainable option. Corporate Travel Services remains committed to evaluating our employees' travel patterns to both track BNY Mellon Scope 3 emissions and support good expense management.

See [Graphic 4.3](#) for details on corporate travel.

- At BNY Mellon, a diverse supplier* is defined as a company or small business 51% owned by women, minorities, veterans of all wars, lesbian, gay, bisexual and transgender individuals, or people with disabilities.

Graphic 4.2: PERCENT OF TOTAL COMPETITIVE SUPPLIER SPEND

	2009	2010	2011
Minority-owned and Women-owned Suppliers Only	10%	12%	13%
Overall Supplier Development Program	18%	27%	27%

Leadership and Partnership in the New York Region

Workshops in Business Opportunities (WBO), enables small business owners and budding entrepreneurs from underserved communities to start or grow successful companies. BNY Mellon has been a partner and staunch supporter for this series of workshops for 20 years by opening our doors as one of seven classroom locations and through in-kind donations, such as printing training manuals.

In 2011, along with 11 other major corporations and the NYC Department of Small Business Services, we helped to develop the Corporate Alliance Program, which offers coaching, certification and exclusive contracting opportunities for minority- and women-owned businesses. We sponsor corporate skills training, mentorship and construction management programs and provide classroom venues and our own employee volunteers to conduct corporate skills training.

We're also working to develop a new project in partnership with Monroe College, located just outside Manhattan, and the National Minority Business Council (NMBC). The NMBC Executive Management Program was created for seasoned minority and women business owners, to prepare them and their senior staff members to grow and compete in the global economy. BNY Mellon supports this program through financial support, in-kind donation of the classroom venue and employee volunteers to teach procurement-related courses.

- The policy for the Supplier Development Program is to report only competitive spending with direct suppliers, referred to as tier-one suppliers.

In 2011, we exceeded our 20 percent goal, spending 27 percent of total competitive supplier spend with diverse suppliers. For 2012, we look to maintain our future spending at or near 20 percent, allowing for some volatility in the supplier base.

To BNY Mellon, supplier diversity is more than the dollars spent with diverse suppliers. We have a long history of assisting these companies with capacity-building tools to grow their companies and ensure their business readiness. Capacity building includes business skills training, technical assistance, mentoring and networking opportunities. The growth of these companies, in turn, contributes to the economic growth and development of our communities.

Graphic 4.3: CORPORATE TRAVEL SUMMARY

	2009	2010	2011
Total number of hotels in BNY Mellon travel program	184	236	255
Number of U.S. hotels	106	112	118
Number of international hotels	78	124	137
Percentage with stated environmental programs	86%	93%	99%
Percentage that implemented energy-efficient technologies	-	-	92%
Percentage participating in certification programs	49%	61%	67%
Percentage with active recycling programs	80%	84%	95%
Percentage with green cleaning	67%	75%	84%
Percentage with water conservation program	78%	85%	92%
Percentage willing to provide copy of certification	51%	54%	68%

Stakeholder Engagement— Industry Organizations

AS A GLOBAL COMPANY, WE PARTNER WITH
DOZENS OF EXTERNAL ORGANIZATIONS

Following are some of the supplier diversity associations with which we have substantive relationships and are engaged through board membership or senior management involvement :

- Asian Women in Business
- Empire State Development Corporation
- Greater New England Minority Supplier Development Council
- National Hispanic Business Group
- National Association of Women Business Owners
- National Association of Veteran Business Owners
- NYC Department of Small Business Services
- NYC Department of Housing, Preservation and Development
- The National Minority Business Council
- The New York and New Jersey Supplier Development Council
- U.S. Department of Commerce – Minority Business Development Council
- U.S. Hispanic Chamber of Commerce
- Women Presidents' Educational Organization
- Western Pennsylvania Minority Supplier Development Council
- Workshops in Business Opportunities



Focusing on Talent

INTEGRAL TO BUSINESS
SUSTAINABILITY

At BNY Mellon, we believe implicitly in the need to continue to create and sustain a high-performance work culture. To achieve this, we need to do the right things to continue to develop and engage our current employees, as well as ensure we are recognized as an employer of choice for talented individuals in all fields, in all locations.

SECTION CONTENTS

- [Strong Talent Management Is a Key Part of Our Business Sustainability Strategy](#)
- [Employee Engagement at BNY Mellon](#)
- [Developing Our Talent](#)
- [Diversity and Inclusion](#)
- [Live Well](#)
- [Keeping Our Employees Informed about Our Business](#)
- [Policies and Practices](#)

We need to make certain that our culture continues to remain inclusive and that diversity in all its dimensions is valued and embraced.

We need to actively manage our talent pipeline – a vital asset - at all levels of the organization, robustly managing performance and developing our people. We view this as material to effective business sustainability.

Our people strategy is underpinned by a very simple and very clear precept – we need to ensure we have the right people in the right place at the right time.

As we continue to expand globally, we will continue to face new challenges and create new opportunities. We want our company to continue to be recognized as a great place to work – where people at every level of the organization think globally and work together to achieve results.

We know that an engaged, high-performance workforce gives us lower turnover, higher quality and client satisfaction and, ultimately, higher earnings for our shareholders.

2011: KEY PERFORMANCE INDICATORS

Engagement

Sustain positive levels of engagement by leveraging and tailoring internal employee engagement best practices globally

Development

Expand and measure manager and employee use of development planning process and associated talent development tools; track employee perceptions of the development opportunities available to them

Diversity and Inclusion

Sustain positive momentum and trends in diversity and inclusion through surveys and other mechanisms

2011 RESULTS

- A global Employee Engagement Roundtable was established to facilitate better sharing of internal best practices in this area; included active participation from management in all businesses and all geographies.
- A pulse check survey of 5,000 employees showed overall engagement was 66 percent positive, up from 65 percent in 2010 and 63 percent in our 2007 benchmark year. A further 22 percent of our employees, while not overtly positive, notably were not negative in their overall responses. These are very encouraging results in a challenging operating environment for our industry.
- The 2011 focus remained on embedding our global competencies; effective performance management and development planning; and continuing to expand our learning and development offerings for employees at all levels:
 - Forty-six percent of employees had a documented development plan, up from 25 percent in 2010. We expect this upward trend to continue in 2012.
 - Encouragingly, 71 percent of respondents in the engagement pulse check survey stated they had at least one meaningful development conversation with their manager.
 - A revised performance management rating model was successfully implemented in 2011, increasing differentiation between levels of performance and robust performance discussions.
 - Participation in learning and development programs remained high, with more than 1.2 million training hours logged.
- For the fifth successive year, scores on the three measures associated with diversity and inclusion in our Employee Engagement Survey trended positively.

Note: 2011 results continued on next page

GOING FORWARD: LONG-TERM COMMITMENTS

Talent Management

Be highly regarded for the expertise and commitment of our people in all geographies; includes our commitment to the professional growth of staff at all levels

Diversity and Inclusion

Sustain a performance-driven, inclusive culture, while continuing to advance diversity in our leadership ranks, in our global workforce and across our suppliers of professional services

Strategic Workforce Planning

Enhance focus on analytic and strategic approaches to planning for future workforce requirements around the world in order to best meet business objectives and manage local community impacts

2012 PLANS

Talent Management

- Continuous improvement in employee engagement trends, year-over-year
- Retention in key positions
- External awards and other recognition for individuals, teams and the company
- Continue positive trend in the number of employees who have a documented individual development plan
- Continuous improvement in utilization trends for all learning and development programs across the company

Diversity and Inclusion

- Continuous improvement in diversity trends in management and leadership ranks globally
- Sustain positive trends in diversity and inclusion scores measured via employee engagement surveys
- Sustain high performance in general supply chain diversity, while increasing diversity among suppliers of professional services

Strategic Workforce Planning

- Job creation in strategic delivery centers (in U.S. and internationally)
- Evidence ability as a company to ramp up effectively in new or expanding locations
- Maintain a fair and consistent approach to managing any potential job reductions

2011 RESULTS *(continued)*

- We now have 101 chapters of our four affinity networks in almost 50 cities around the world, up from 39 chapters in 2009.
- A Business Resource Group (BRG) focused on returning military personnel was established internally. The BRG provides governance around our many efforts to assist returning military personnel with their transition to civilian life through education, career guidance, recruitment and philanthropic efforts.

We remain deeply committed to three talent imperatives that are critical for sustained business success:

- Employee engagement
- Development of our talent
- An inclusive culture

Our 2011 CSR goals, were centered on these three imperatives. In 2012, our focus will continue in these areas, with additional emphasis placed on strategic workforce planning.

STRONG TALENT MANAGEMENT IS A KEY PART OF OUR BUSINESS SUSTAINABILITY STRATEGY

The significant scope and scale of our organization, along with the critical role we play in the global financial markets, mandate that strong talent management, effective employee engagement, and diversity and inclusion be integral parts of our commitment to CSR and a cornerstone of the company's business management philosophy.

Throughout 2011, the company has continued to focus on our people strategy, which is designed to optimize our ability to attract, engage, develop, incentivize and retain top talent. We want to have the best people in the industry to execute our corporate strategy.

It's clear that effective talent management practices lead to better organizational outcomes via stronger employee engagement and leadership bench strength. For our company, this includes globally consistent approaches to talent selection, development, performance management, top talent identification, succession planning and the ongoing development of people at all levels of the company.

Consistent, competency-based approaches to acquiring, managing and developing our talent remains a key

CSR Long-Term Commitments

TALENT MANAGEMENT

We identified talent management as being "core" to our company. Our long-term commitment for this issue is to:

Be highly regarded for the expertise and commitment of our people in all geographies, including our commitment to the professional growth of staff at all levels.

ongoing focus to continue to build a sustainable leadership pipeline. To ensure this sustainability, BNY Mellon has identified behavioral standards – or competencies - that are critical for success at each level of the organization. The seven global competencies we have defined for each organizational level are aligned to the seven leadership competencies that apply to our most senior leaders.

Rigorous adherence to our competencies and ongoing performance assessment will continuously build our talent pipeline and enable us to grow our managers and leaders, deepening bench strength at all levels of the company.

We have built a strong and sustainable talent management platform with programs and tools needed for the current and next phase of the company's evolution, and we are focused on continuous improvement in all of them:

- a clearly defined competency framework that applies at every level of the company;
- a comprehensive suite of custom-designed development programs for employees, managers and leaders, underpinned by our competencies;
- a global framework for performance management;
- a consistent approach to competency-based talent reviews;
- a robust approach to succession planning;
- globally deployed technology to facilitate applicant tracking, hiring, performance management, talent development, succession planning, measurement of talent management activity and recordkeeping;
- a highly visible senior executive commitment to diversity and inclusion, with accountability instilled at every level;

- a rigorous commitment to progressively measuring employee engagement.

In 2011, recognition for our talent initiatives remained very strong, as in previous years. External organizations across the globe recognized BNY Mellon's efforts in engagement and diversity and inclusion with more than 14 prestigious individual or team awards.

EMPLOYEE ENGAGEMENT AT BNY MELLON

At BNY Mellon, we believe an engaged workforce is vital to our business success. We want each of our colleagues around the globe to enjoy their work and to feel energized, proud and passionate about what we're trying to accomplish together on behalf of our clients and shareholders. When people feel highly engaged, they are regularly inclined to "go the extra mile" to deliver superior results for the organization. High levels of engagement clearly translate into higher levels of productivity and best-in-class service delivery to our clients.

A highly engaged workforce is also critical to driving our brand as an employer of choice talented individuals are drawn to work for and stay committed to – an organization where they believe they can apply their talents, make a personal impact, achieve results, and continue to learn and grow. At BNY Mellon, we strive to promote such a culture and environment, as it is clearly in the best interests of all of our stakeholders – our clients, our shareholders and our employees.

Given the critical importance of employee engagement to driving business results, we regularly survey our workforce worldwide to measure engagement, identify opportunities for improvement and track our progress in addressing needed changes. Most recently, in September 2011, our Employee Engagement Survey showed that overall engagement was 66 percent positive, up from 65 percent in 2010 and 63 percent in our 2007 benchmark year. A further 22 percent of our employees, while not overtly positive, more importantly

"We understand that engagement is not a given. We know that a diverse, engaged workforce makes us more successful in building trust, empowering teams, serving clients and outperforming our peers."

— Susan Whitewood, Head of Global Employee Engagement

were not negative in their overall responses. Based on current marketplace research and literature, this compares favorably to other companies.

BNY Mellon's overall engagement remains 3 percent higher on a net basis than it was in 2007, the first year of our survey, and trends in a number of important areas remain positive. Following the substantial shifts in the economy at large, our 2007 merger and integration activity, and the prevailing global financial uncertainty and worsening debt crisis, this general upward trend is a significant achievement.

In 2011, more than 75 percent of employees surveyed agreed with each of the following statements, resulting in some of our highest-ever ratings:

1. My immediate manager/supervisor takes action to ensure the workplace is free of all kinds of discrimination and harassment (79 percent positive, 16 percent neutral, 5 percent negative)
2. It is a safe environment in which to question potentially improper activities (78 percent positive, 16 percent neutral, 6 percent negative)
3. People are proactive about addressing clients' needs (77 percent positive, 17 percent neutral, 6 percent negative)

It is clear that our managers are doing a good job of creating an open and inclusive culture, our focus on effective risk management is evident, and our organization places a priority at all times on delivering outstanding client service.

Throughout 2011, we continued to positively address employee feedback from prior surveys. Some of this relates to our encouragement of further career development conversations between employees and their managers, as well as how performance is assessed and managed:

- Significant work has continued throughout 2011 to ensure ever-increasing alignment between pay and performance, and to improve performance management. Worldwide, we've implemented an updated ratings model for performance assessment; clearer articulation of the expectations (deliverables as well as behaviors) required for each rating; and more tools in the hands of managers to effectively manage performance, and we expect these improvements to continue to move the needle in this area positively over time (see [Developing our Talent](#)).

- We've clearly tied certain behaviors, or competencies, to each employee's role.
- We've continued to build comprehensive learning and development opportunities across our company, accessed via our MyDevelopment portal.

Our mantra is "It's all about the conversation." We continue to emphasize the joint responsibility that employees and managers have for an ongoing performance and development planning dialogue. Managers need to provide regular, meaningful opportunities for this dialogue to take place, and employees

need to take full advantage of those opportunities to articulate their interests and where they most need their manager's support to achieve their development goals.

We know from our Employee Engagement Surveys over the past five years that manager support for individual development is one of the key drivers of engagement at BNY Mellon. We also believe this is essential to a sustainable, performance-driven culture. To that end, Gerald Hassell, our Chairman, President and CEO, has asked all employees to create an annual development plan and to review progress regularly with their managers.

Employee Retention

Another positive measure of employee engagement is employee retention, and BNY Mellon business leaders around the world closely and continuously monitor it.

In 2011, employee retention at BNY Mellon was 90.4 percent overall, just slightly lower than 2010 (91 percent).

Employee retention continues to vary slightly from region to region, as can be expected. On a very positive note, retention rates for men and women at BNY Mellon remain closely aligned, with variations of less than 2 percent one way or the other in all regions. The employee retention rate for female employees globally (90.6 percent) was, for the second successive year, marginally higher in 2011 than the retention rate for male employees (90 percent).

See **Graphic 5.1** for details on employee retention globally.

DEVELOPING OUR TALENT

BNY Mellon remains fully committed to supporting the ongoing development of all of its employees, in every area of the business, at

In 2011, BNY Mellon delivered more than 1.2 million hours of training

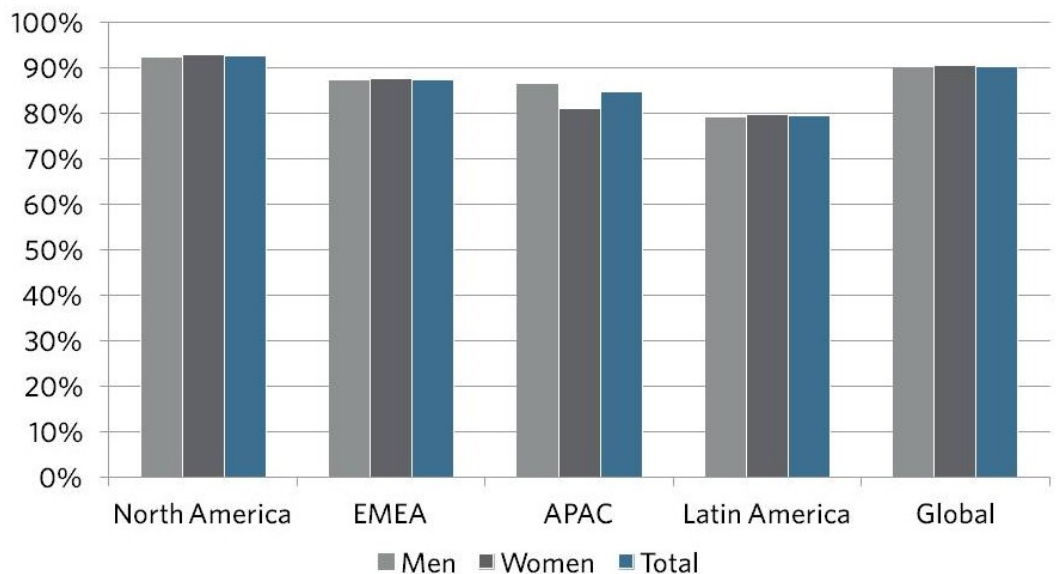
all levels and in all locations. Our company's continued investment in learning and development opportunities for our employees is paramount to our ongoing success, and a critical success factor in broadening and deepening our global talent pipeline.

In 2011, BNY Mellon delivered more than 1.2 million hours of training—this excludes external study for employees that are sponsored by the company in different parts of the world. In addition, through the company's tuition assistance programs in various locations, many employees have been able to continue external studies in a wide range of disciplines.

In 2011, the company focused on three key talent development areas:

- institutionalizing our global competencies (launched in 2010);
- rolling out a revised performance management ratings model;

Graphic 5.1: 2011 EMPLOYEE RETENTION GLOBALLY



- expanding our suite of learning and development programs for employees at all levels of the company, accessible via our global MyDevelopment portal.

As noted earlier in this report, our global competencies were launched in mid-2010, and we spent time in 2011 making sure they were further embedded into our hiring practices, succession planning process, talent reviews, performance assessments, and as the foundation for all of our learning and development programs. We view a robust, consistently defined set of core competencies at every level of the organization as fundamental to evolving and sustaining the strongest possible global talent pipeline – so the competencies are material to executing our corporate strategy.

Following a worldwide rollout in 2007-2008, in 2011 we updated our global performance management model in response to both manager and employee feedback, and specific requests for additional guidance for managers on how to differentiate between levels of performance for their team members.

We have now moved away from a numeric ratings index to phrases that better describe levels of performance attained in various assessment categories.

Training sessions on “Differentiating Performance” were held for managers around the world, and detailed guidance was provided to all employees following the launch of the new ratings model in July 2011, to ensure everyone was prepared for the 2011 year-end assessment cycle.

This updated performance management model:

- helps managers to more easily differentiate between levels of good performance and better address under-performance, in any given performance year;
- ultimately will further strengthen the connection between pay and performance, helping managers to reward employees appropriately;
- provides a new “descriptor” for each overall rating with detailed performance criteria and guidance on assigning the rating within a group; and
- continues to incorporate and reinforce the BNY Mellon global competencies; our values, risk, compliance and ethics obligations; and our company’s commitment to diversity and inclusion – truly emphasizing the need for employees to exhibit certain behaviors for success in addition to achieving results.

CSR Long-Term Commitments

STRATEGIC WORKFORCE PLANNING

We identified strategic workforce planning as being a “strategic opportunity” for our company. Our long-term commitment for this issue is to:

Enhance our focus on analytic and strategic approaches to planning for future workforce requirements around the world, in order to best meet business objectives and manage local community impacts

In terms of learning and development, the company has continued to broaden and deepen its range of programs available to employees and managers around the world. Our MyDevelopment portal now houses more than 1,000 in-classroom and e-learning programs. Additionally, four longer-term development tracks for employees at all levels of the company, incorporating a carefully selected and sequenced mix of classroom time, e-learning activity, reading assignments and peer partnerships, were fully embedded into our offerings in 2011. Each of these development tracks builds on competency development and transferable skills, critical to long-term sustainability.

DIVERSITY AND INCLUSION

To execute our corporate strategy – while delivering outstanding client service, achieving shareholder expectations, inspiring and engaging employees, and remaining innovative – we must, as a global financial services company, exhibit a genuine commitment to diversity and inclusion – inclusive of all of our talent.

Our goal is to create an environment where all employees feel comfortable contributing their unique skills and talents to deliver measurable results.

The diversity in our talent pipeline continues to strengthen:

- More than 25 percent of our corporate Operating Committee members were born or raised outside the U.S.
- More than 85 percent of regional Operating Committee members were born or raised outside the U.S.

In our view, a company that does not represent the broad diversity of the world in its thinking, in its external relationships and in its culture will become increasingly challenged and, likely, irrelevant. See **Graphic 5.2** for details on our diverse thought leadership. BNY Mellon's robust Diversity and Inclusion program focuses on:

- visible, actionable, sustainable and measurable global efforts;
- creating a clear sense of accountability, starting with our executive management;
- awareness of and recognition for inclusive behavior;
- providing direction and resources for our employee networks; and
- adopting best practices and tools to advance our objectives.

Our actions are bold – we have strong commitment from our board of directors and the highest levels of corporate leadership to sustain our momentum. Our efforts have become an intrinsic and powerful part of our culture.

To ensure accountability, all executives, managers and employees at BNY Mellon maintain a mandatory Diversity and Inclusion goal in their annual performance plan. Support for the company's efforts in this area is assessed at year-end, and results for each individual are considered in our compensation actions.

This raises awareness, drives accountability, and reinforces the diversity and inclusion connection to our business strategy.

Our Global Diversity and Inclusion Council is chaired by Gerald Hassell, Chairman, President and CEO. Five other members of our Executive Committee sit on this council, along with 14 members of our Operating Committee and seven other senior managers from locations around the world. The council is organized around four committees:

- Supplier and Client Diversity;
- Education and Awareness;
- Cross-Affinity Network Governance; and
- Diversity in the International Arena.

The council continues to sponsor four global employee affinity networks and, in 2011, we established a Business Resource Group to govern our efforts on behalf of returning military servicemen and servicewomen in the U.S. and UK, with plans to expand this to other locations in the future.

Graphic 5.2: 2011 DIVERSITY OF THOUGHT LEADERSHIP AT BNY

198 Leaders from 39 Countries*



Regional Operating Committees

*2011 data

“We are enormously proud that 198 managers from 39 countries make up our three most senior management groups at BNY Mellon. These leaders provide diversity of thought leadership on a unique global platform.”

— Sheena Wilson,
Global Head of Talent
Strategy

CSR Long-Term Commitments

DIVERSITY AND INCLUSION

In 2011, we identified diversity and inclusion as being “strategic” to who we are as a company in CSR and have set a long-term commitment covering this issue:

Sustain a performance-driven, inclusive culture, while continuing to advance diversity in our leadership ranks, in our global workforce, and across our suppliers and professional services.

The impact of our diversity and inclusion efforts on our culture is measurable. For the fifth consecutive year, scores on several key measures in our annual Employee Engagement Survey continued to trend positively:

1. Employees with diverse backgrounds are valued. (75 percent of employees felt this was the case in 2011, compared to 68 percent in 2007)
2. My immediate manager/supervisor creates an equitable and inclusive work environment. (75 percent positive in 2011; 70 percent in 2007)
3. My immediate manager/supervisor takes action to ensure the workplace is free from all kinds of discrimination and harassment. (79 percent positive in 2011; 75 percent in 2007)

Our multifaceted approach to attracting and engaging people from many diverse backgrounds includes:

- sustaining an inclusive organizational culture, and measuring this directly via annual Employee Engagement Surveys;
- ensuring external talent acquisition partners understand our equal employment opportunity expectations for sourcing diverse candidates;
- training internal recruiters in competency-based selection practices, eliminating the potential for unconscious bias during the recruitment process;
- leveraging the diversity in our leadership ranks in both internal and public speaking forums;

BNY Mellon named 16 individuals and two teams from 11 cities around the globe as Diversity and Inclusion Champions in 2011

The trend of female talent in our succession pipeline is strong. Today, 67 women serve on our top management committees globally. That’s up from 54 women in 2010 and 46 in 2009 – a 46 percent increase in three years.

Stakeholder Engagement— Employees

AFFINITY NETWORKS

Our four affinity networks have experienced explosive growth. In 2009, the four networks had 39 chapters in 12 countries. By the end of 2011, there were 101 chapters of the networks in 20 countries. Additionally in 2011, we launched our Business Resource Group for returning military personnel.

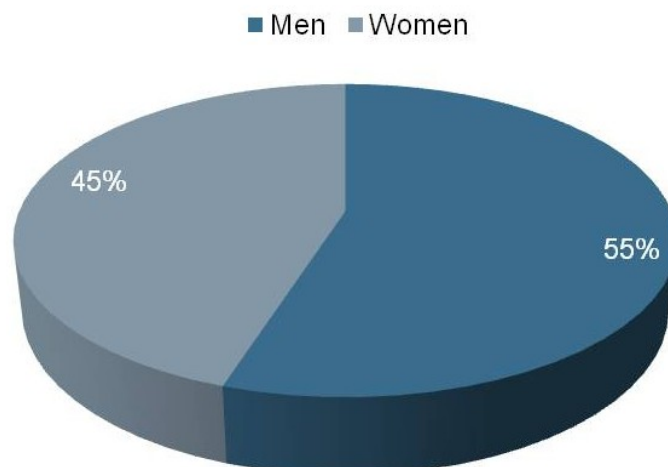
Each of our company-sponsored networks is open to all, and more than 7,500 employees are members of one or more networks. Membership, however, is not a requirement for participation in any of our network events, and many more employees regularly participate in a wide variety of events held each year in cities as diverse as Shanghai; Sydney; Tokyo; Milan; Brussels; Edinburgh, Leeds, Manchester and Poole, UK; Chennai and Pune, India; London; Dublin; New York; San Francisco; Houston; Pittsburgh; Chicago and many others. Our networks include:

- **WIN** – a global resource for the professional development and advancement of women who work at BNY Mellon
- **IMPACT** – brings together people from multicultural backgrounds
- **PRISM** – promotes an open and supportive environment for lesbian, gay, bisexual and transgender employees
- **HEART** – increases awareness of the needs of those with disabilities
- **Returning Military Personnel Business Resource Group** – provides governance around our many efforts to assist returning military servicemen and servicewomen with their transition from military to civilian life through education, career guidance, recruitment and connection to BNY Mellon opportunities

“Our recent focus has been on recruiting returning military, more actively supporting workplace transitions and providing mentoring opportunities for our veterans. Extending our philanthropic support to programs that help our returning heroes with critical basic needs and workforce skills and development.”

— Lisa Peters, Chief Human Resources Officer

Graphic 5.3: 2011 GLOBAL GENDER DIVERSITY



LIVE WELL

Live Well is a program devoted to improving the health and wellbeing of BNY Mellon employees and their family members, and creating and sustaining a culture of wellbeing at BNY Mellon. It brings together a wide range of resources to empower employees and their families to enjoy healthy, happy and fulfilling lives.

In 2011, Live Well launched in the U.S. We plan to expand elements of the program to other locations and look for opportunities to offer a truly global wellbeing program.

BNY Mellon’s commitment to the health and wellbeing of our employees dovetails with our goal of continuing to create and sustain a high-performance work culture.

KEEPING OUR EMPLOYEES INFORMED ABOUT OUR BUSINESS

At BNY Mellon, our employees are deeply invested in us being a smart, socially responsible company. It’s critical that we keep them well-informed about our activities and sustainable business practices because they often have suggestions for how we can meet the rising expectations of the clients and communities we serve.

- being highly visible in the community by volunteering via our Community Partnership program;
- closely monitoring pay equity and market-based compensation in all locations, and offering flexible, highly competitive employee benefits; and
- ensuring all hiring and onboarding processes, learning and development opportunities, mentoring programs, succession-planning activities, talent reviews, job descriptions, approaches to performance management and internship programs are underpinned by an uncompromising adherence to our robust equal employment opportunity principles worldwide.

It’s clear that BNY Mellon’s commitment to diversity and inclusion is sustainable, especially considering that our efforts have continued to strengthen during the most challenging economic period in recent history for our industry. See [Graphic 5.3](#) for details on gender diversity. Since 2009, our affinity networks have grown at an impressive pace, and we have an unwavering commitment from our board of directors and the company’s leaders to ensure we sustain momentum on all aspects of diversity through an established culture of accountability, governance, measurement, recognition and awareness.

Among many other areas of diversity, we continue to focus on the advancement of women in our company.

Today:

- 25 percent of BNY Mellon’s Managing Directors are women.
- 19 percent of BNY Mellon Executive Committee members are women.
- 67 executive women sit on our top management committees globally*—up 46 percent in three years.

*Top management committees globally include: Executive Committee, Operating Committee and Regional Operating Committees

“Our commitment to diversity and inclusion runs much deeper than simply acknowledging differences - we also welcome and leverage those differences to effectively serve our clients, create a competitive advantage and grow our business.”

— Gerald Hassell, Chairman, President and CEO

The Tone at the Top

Sustainable business is all about long-term thinking. That’s the very core of BNY Mellon, which has been serving clients since 1784, and it also defines Gerald Hassell, our Chairman, President and CEO, who joined the company more than three decades ago and was promoted to his current role in August 2011.

Gerald’s appointment as our company’s leader presented an opportunity to engage with clients, employees and shareholders in the midst of a prolonged, challenging economic environment. He led the development of an ambitious communications plan to ensure that our employees understood his commitment to the company’s existing business model and strategy, and he called upon them to reinforce this stability and continuity of focus with our clients. In all of his communications, Gerald demonstrated his commitment to the company’s best interests over the course of his long tenure as well as his deep experience managing and overseeing client relationships.

A few days into his new role, Gerald reached out to our employees on the 10th anniversary of the September 11 attacks on the World Trade Center – first in an email to all employees remembering and honoring the company’s two lost colleagues and the resilience of our many employees affected by the tragedy, then by greeting employees in person at two of the company’s New York locations.

In his first month on the job, Gerald conducted his first town hall in Pittsburgh – where many employees weren’t as personally familiar with him– and stopped by the cafeterias for informal chats. He quickly followed with town halls in several other locations around the world, introducing himself and other members of the Executive Committee team to employees – emphasizing his focus on teamwork and collaboration through all areas and levels of the company.

And employees responded:

- “[He is] honest, sincere and committed to the company.”
- “The beauty of Gerald’s message was in its sincerity and clarity.”
- “It was refreshing to see how comfortable the executive team was with one another and how they supported each other.”
- “Gerald brought pride into my heart about this company.”

To keep in touch with employees throughout our global company, Gerald also launched a new communications forum, “A few thoughts on ...” on MySource, the company intranet, which he uses to share his thoughts and ideas on pressing issues for the company, our clients and industry.

Innovating to Support and Engage Our People

BNY Mellon spent the past year continuing to develop innovative new ways to support, educate and engage employees.

A variety of internal communication channels increasingly emphasized our businesses – their strategies, challenges and successes – as well as our industry expertise and thought leadership.

The company launched MySource TV, a network news-style video feature that brings employees a short, focused and lively look at the topics, places and people that are making company news across the globe. This new communications channel included stories on:

- **Community Partnership** – How company matching donations are helping employees in Dublin make a difference for a homeless charity coping with increasing demand;
- **Information Risk Management** – Five simple steps each employee can take to protect client, company and employee information;
- **Returning Military Personnel** – How BNY Mellon’s Boots to Business program is helping returning servicemen and servicewomen connect to employment opportunities in their communities; and
- **Information Technology** – How the company’s implementation of the Microsoft Outlook email and calendaring platform in 2012 will be a key component of a new suite of productivity tools.

We also engaged with our employees by sharing important messages via digital signs in several of our largest locations; by expanding our Media Center, which houses corporate and business multimedia content for employees; and by launching an archive of leadership and company announcements for their reference.

Most important, we continued to focus on transparency in our communications, whether discussing how we are working to continuously improve employee engagement, issues raised through new litigation or how we are positioning ourselves for the future through a time of great economic change. Our global staff relies on us for trustworthy information about how our company is supporting them now – and what we're doing to look forward and deliver a sustainable business to future generations of employees.

POLICIES AND PRACTICES

Equal Employment Opportunity

Our company is committed to Equal Employment Opportunity (EEO) in every market in which we have staff. Our policy in the U.S. is as follows:

The Corporation, as well as its subsidiaries, affiliates and related companies, is committed to providing equal employment opportunities to every employee and applicant by establishing employment practices and terms, conditions and privileges of employment regardless of race, religion, color, sex, national origin, age, familial or marital status, ancestry, citizenship, genetic information, sexual orientation, gender identity, veteran or military status, being a qualified individual with a disability, or any other factor protected by federal, state and/or local laws.

Published EEO policies in our other locations align with this policy; any differences in language relate only to those required by local laws or regulations. In locations where there may not be a specific local published policy on EEO, the spirit of our company's U.S. EEO policy applies, subject to all local laws, regulations and statutes.

All managers and employees in our company have a responsibility to ensure compliance with the company's EEO policy in all aspects of employment at BNY Mellon. Measures in our annual Employee Engagement Survey show positive trends year-over-year regarding employee perceptions that their managers and immediate supervisors take necessary steps to ensure the workplace is free from all kinds of discrimination and harassment.

Affirmative Action

As a U.S. government contractor, the company implements various affirmative action measures to ensure equal employment opportunities for minorities, women, qualified individuals with disabilities, qualified special disabled veterans and veterans protected by U.S. federal law.

Child Labor and Forced or Compulsory Labor

As a financial services organization, and because of the related nature of our business activities, BNY Mellon has no operations with any risk of child labor or forced or compulsory labor. BNY Mellon is committed to fair employment practices and compliance with all local labor laws in all locations in which we operate worldwide.

Commitment to Human Rights

BNY Mellon's position on human rights is reinforced by the Human Rights Statement, which serves as an overarching statement that encompasses corporate policymaking to protect the rights of the individual. The purpose of this statement is to provide a vision and set the expectation that everyone at BNY Mellon is expected to make the right decisions for the right reasons at all times. We recognize that the value of the person and a respect for human dignity are the foundation for how we operate, everywhere we operate. For more information about the statement, please see the [Governance section](#) of this report.

Practice of Hiring Locally

It is BNY Mellon's policy worldwide to post all open positions internally and, in many cases, externally, other than for certain very senior roles where open posting is at the discretion of executive management. This means that the vast majority of all positions in the company are filled by individuals local to the hiring entity and from within the same country or region of operation.

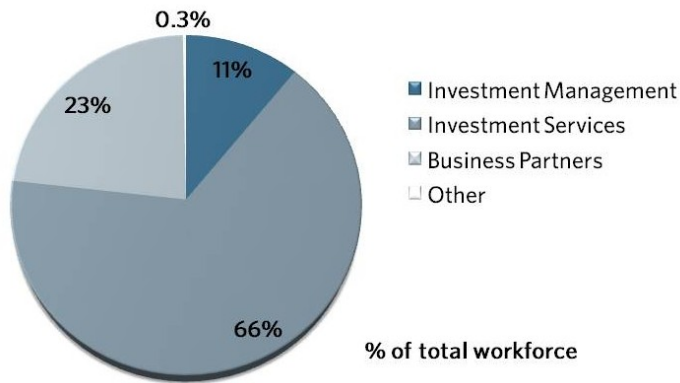
Evidence of how this ultimately manifests itself at the most senior levels of our organization is that members of our Executive Committee, Operating Committee and Regional Operating Committees were born or raised in more than 39 countries. In our Europe, Middle East and Africa region, more than 85 percent of Regional Executive/Operating Committee members are from countries within that geographic region. And in Asia-Pacific, more than two-thirds of Regional Executive/Operating Committee members are from that region.

BNY Mellon prides itself on this aspect of diversity and inclusion, which is essential for a global company to succeed. See **Graphic 5.4** for details on global employment at all levels.

Benefits

As a global company, BNY Mellon's benefits programs vary from country to country. Local statutory requirements, as well as local practices and business requirements, are always factors in determining the best range of offerings in a particular market. In addition to health, holiday and other benefits, BNY Mellon offers a comprehensive retirement program for its eligible employees, which is competitive in the markets in which we operate. We support our employees with programs and resources designed to educate and empower them to enjoy healthy and productive lives.

Graphic 5.4: 2011 GLOBAL EMPLOYMENT BY BUSINESS





Partnering to Create Sustainable Communities

At BNY Mellon, we take a comprehensive approach to giving back to our communities through Community Partnership, a global program that combines charitable donations, sponsorships and the dedicated involvement of our employees to support organizations and activities that create sustainable communities.

SECTION CONTENTS

- [Community Partnership with a Focus on Powering Potential](#)
- [Our Focus on Powering Potential](#)
 - [Vulnerable Youth](#)
 - [Spotlights](#)
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 - [Providing Food to Those in Need](#)
 - [Our Commitment to Returning Military Personnel](#)
 - [Helping Individuals with Disabilities Obtain Competitive Employment](#)
- [Community Partnership: The Evolution of the Employee Giving Program](#)
- [2011 Outperforming Team Award Winners](#)
- [Employee Program: Key Metrics](#)
- [Challenges and Opportunities](#)
- [Awards and Recognition](#)
- [The Community Reinvestment Act](#)

Powering Potential is BNY Mellon's targeted philanthropic focus and is designed to help others by focusing on basic needs and workforce development. We recognize the importance of a strategic approach to serving our communities, which requires a long-term focus, a commitment of our company's resources, and our employees' time and talent. The ultimate aim is to achieve a meaningful impact that enhances the quality of life in communities around the world.

COMMUNITY PARTNERSHIP WITH A FOCUS ON POWERING POTENTIAL

Through Community Partnership, BNY Mellon seeks to identify and support initiatives that improve the social and economic conditions of residents where the company does business and where our employees live and work. Community Partnership encompasses foundation and corporate grants, philanthropic sponsorships, employee giving, company matching donations and employee volunteer time. Community Partnership is an important, visible component of BNY Mellon's CSR program.

Powering Potential has helped to leverage our corporate and employee resources to create a significant impact for the most disadvantaged in our communities. It includes providing support to charities that help vulnerable youth become independent; providing disaster relief; supplying food for those in need; supporting veterans; and funding programs for those with disabilities. Forty percent of our total charitable giving supports this focus area. The remainder supports a broad range of community needs including economic development, art, education, and health and human services. See **Graphic 6.1** for details on Powering Potential giving and **Graphic 6.2** for details on annual donations.

Through the Community Partnership employee program, we engage and inspire our employees around the world to give back through individual donations and team-oriented volunteering and fundraising, as well as individual volunteer activities. To guide employee participation, BNY Mellon offers support that includes

company matching donations, paid time off to volunteer and employee recognition. The company also encourages employees to give to Powering Potential charities. Through surveys, employees have indicated their strong satisfaction with the Community Partnership program in that it gives them the opportunity to provide much-needed help to local charities, have useful team-building experiences, raise BNY Mellon's profile in their local communities, enhance employee engagement, increase their pride in the company, have a greater understanding of the needs and problems in their local communities, and develop important leadership, management and communications skills.

Our support outside of the U.S. has grown significantly in the last five years. The vast majority of company funding is provided to charities that fall within the Powering Potential focus. Over the past two years, this growth has been primarily driven by support for disaster relief and vulnerable youth.

2011: KEY PERFORMANCE INDICATORS

- Quantify impact and outcomes achieved through Powering Potential
- Sustain significant growth rate in employee community engagement

2011 RESULTS

- Accumulated 2011 results of impact from \$3.9 million in funding for broad Powering Potential program
- A portion of Powering Potential grants supported 450 vulnerable youths. Of the individuals receiving support through our programs, 81 percent have successfully obtained a high school diploma or equivalency certificate and/or employment — results are far better than national statistics predicted for this population
- Completed another successful year in a very difficult environment, with \$14.1 million contributed, a 1 percent increase from 2011
- Team volunteering and fundraising activity grew 26 percent in 2011
- Collected information for the first time on individual volunteering; identified 71,000 team and individual volunteer hours in 2011

GOING FORWARD: LONG-TERM COMMITMENTS

Strategic Philanthropy

- Be highly effective in our community investments

Employee Community Involvement

- Be highly effective in engaging employees in their communities

2012 PLANS

Strategic Philanthropy

- Achieve a 5 percent increase in the number of low-income individuals/families meaningfully helped with basic needs (food, shelter and clothing) by BNY Mellon's philanthropy programs
- Significantly advance the education and employment outcomes of vulnerable youth, as measured by program completion/certificate attainment

Employee Community Involvement

- Increase amount of monetary donations, number of employees involved, number of volunteer hours and number of team activities

Graphic 6.1: POWERING POTENTIAL



Powering Potential

is our concentrated philanthropic focus that addresses basic needs and workforce development.

A set of themes has developed within Powering Potential, including:

providing disaster relief and food for those in need and helping veterans, individuals with disabilities and vulnerable youth.

IN 2011, POWERING POTENTIAL COMPRISED 40% OR \$33.6M TOTAL CASH DONATIONS

In order to comply with applicable laws and company guidelines, all charities supported by BNY Mellon are put through a vetting process. In the U.S., they must have an IRS designation of 501(c)(3) or be recognized as tax-deductible under Section 170(c) of the Internal Revenue Code. In England and Wales, the organization must be a charity registered by the Charity Commission or accepted or exempt according to the Charities Act 1993. Charities in other countries need to meet requirements for their respective country's governance. In addition, all supported charities must be vetted in accordance with the U.S. Patriot Act and other applicable laws.

OUR FOCUS ON POWERING POTENTIAL

Powering Potential is designed to help others in need by concentrating on basic needs provisions and workforce

CSR Long-Term Commitments

STRATEGIC PHILANTHROPY

We identified strategic philanthropy as being a “strategic opportunity” for our company. Our long-term commitment for this issue is to:

Be highly effective in our community investments.

development. BNY Mellon works with its community partners to accomplish this.

Powering Potential: Vulnerable Youth

BNY Mellon plays a leadership role in solving social problems by funding initiatives that aid vulnerable youth. In 2011, \$2 million was devoted to charities that work in this area. This multi-year initiative to support vulnerable youth has officially launched in Boston; London; New York; Pittsburgh; and Pune, India, targeting disengaged young people and youth aging out of foster care. This population often struggles to achieve traditional markers of adulthood in education, employment, housing and social behavioral adjustment.

The initiative has three major goals:

1. make a significant difference in advancing employment and education outcomes for the targeted population;
2. decrease the rates of negative outcomes for these youths, such as homelessness, teen pregnancy, substance abuse and incarceration; and
3. ensure that vulnerable youths are gainfully employed through adulthood and become successful, independent, productive citizens.

“Our BNY Mellon Community Partnership program is like no other. I love the fact that my company will support me in helping someone less fortunate than myself. I love the fact that the program reaches so many people and allows so many cultures to come together. It is just awesome.”

— Community Partnership Employee Survey Respondent



A team of 16 BNY Mellon employees volunteered to help students enrolled in the Auberle agency's education and vocational training programs with beautifying Auberle's main campus in McKeesport, Pennsylvania. In addition, the volunteers had the opportunity to speak with the young people about their education and career paths.

against peer groups and the national average. \$750,000 of the grants provided in 2011 had measurable outcomes. These grants supported more than 450 vulnerable youths. Of the individuals receiving support through our programs, 81 percent have successfully obtained a high school diploma or equivalency certificate and/or employment — results that are far better than national statistics predicted for this population.

Powering Potential Program: Spotlights

London

A young woman, who was previously disengaged, neither working nor going to school, joined the Future Links program and dramatically changed her life. She graduated from the program after completion of her courses and receiving accreditations in Training and Presentation Skills, First Aid Emergency Life Support, Health and Safety at Work, and Money Management.

In 2011, BNY Mellon began to evaluate the results of this initiative. Success is being measured by comparing the performance of BNY Mellon's partner charities

Recently, she enrolled in a legal secretarial course and will be starting a part-time job as a receptionist to help support her through college. She now plans to work for the Youth Justice Team with a goal of becoming a prison warden.

Boston

A young woman was abandoned by her family shortly after emigrating from Africa. She lived in foster care until she was 18 and then secured an apartment, but soon discovered she wasn't ready to manage the challenges of independent living. After she found herself homeless, a judge put her in touch with the transitional living program run by Youth Villages. With the help of her transitional living counselor, she has secured two jobs and recently completed the Job Prep training program, where she was matched with a career coach and mentor.

Graphic 6.2: TOTAL CASH DONATIONS



community college but, before registering, she is improving her budgeting skills and financial literacy. She proudly reports that she likes school, has embraced the process for achievement and is now on track to achieve her goals.

New York

A young father aspires to create a stable and loving environment in a permanent home for himself and his son when he leaves the foster care system. With the help of his counselors at Good Shepherd Services, he has developed a plan for the future, applied for public housing and has been working steadily. He is also participating in the Youth Financial Empowerment training program with the goal of saving up to \$3,000 toward his apartment and has developed strong ties to two stable, healthy adults – his mentor and his foster mother. Counselors are closely tracking him to determine whether his progressive planning, participation in life skills training, utilization of family and community supports, and financial goal planning will ensure a successful transition from foster care.

Disaster Relief Response

Disaster relief response is at the core of sustainable business and is part of BNY Mellon's Powering Potential focus on helping our communities meet basic human needs. Throughout the year, BNY Mellon's disaster relief efforts totaled more than \$1.9 million, including corporate contributions, employee donations and company



BNY Mellon employees regularly volunteer at Second Harvest Japan, a food bank that collects food that would otherwise go to waste and distributes it to people in need. Second Harvest Japan played an important role in disaster relief efforts in 2011.

Stakeholder Engagement— Community

WORKFORCE DEVELOPMENT CONFERENCES AND WORKSHOPS FOR YOUTH AGING OUT OF FOSTER CARE

In 2011, BNY Mellon supported workforce development conferences for youth aging out of foster care in Pittsburgh and New York; career development workshops for youth aging out of foster care in Boston and an innovative program, called Future Links, to assist young people who are not in education, employment or training in London to become independent and progress toward sustainable employment.

The company's support of these activities is part of BNY Mellon's multi-year global workforce development initiative targeting vulnerable youth making the transition to adulthood. By supporting these events, BNY Mellon engaged a variety of community stakeholders, including employers, educators, youth workforce development professionals, civic leaders, foster parents and community-based organizations. These events offered a variety of interactive workshops on resume writing, interviewing and networking, as well as youth-led discussions on finding and a job and job fairs.

In addition, several hundred BNY Mellon employees volunteered for these activities to coordinate activities and offer guidance in several workshops.

matching donations. The company and its employees provided support to disaster relief efforts for the Japan earthquake and tsunami, major U.S. storms, the Horn of Africa drought, and the floods in Brazil and Australia.

Disaster Relief Spotlight: BNY Mellon and its employees contribute \$770,000 for disaster relief in Japan

In March, a tsunami produced by one of the largest earthquakes on record hit the northeastern coast of Japan, killing hundreds, causing catastrophic damage and disabling a nuclear power plant, compromising the integrity of the plant and the safety of nearby residents

who had to be evacuated. In response, BNY Mellon and its employees reached out to provide relief and support to those affected.

Employees across the globe made individual donations, and many formed Community Partnership teams to raise funds for disaster relief. Including a company contribution, these efforts resulted in nearly 63 million yen, or US \$770,000, to eligible charities, including the International Federation of Red Cross and Red Crescent Societies, the American Red Cross, Second Harvest Japan and Crossroads Foundation.

Second Harvest has established a network that delivers food and other basic items to distribution centers that allocate them to emergency shelters. The charity is also working to develop a more efficient distribution system for those affected by the disaster who will continue to need long-term help. The Crossroads Foundation used BNY Mellon's contribution to send warm blankets and more than 2,000 jackets to Minami Sanriku and Ongawa, both fishing villages affected by the tsunami. These items were practical and provided encouragement for the fishermen and the people in Japan to persevere despite their difficult circumstances.

Providing Food to Those in Need

BNY Mellon has continued to increase our support of food banks across the U.S. and around the world. This year, our company and its employees have provided the equivalent of 5 million meals. Employees have also volunteered their time, with the most popular team volunteering choice being working in food banks and soup



A BNY Mellon employee team volunteers at the Food Bank for New York City sorting, organizing and packaging food.



BNY Mellon employees serve food once a month at the New England Center for Homeless Veterans, an organization that has been recognized as one of the most effective private veterans transition programs in the U.S.

kitchens. By providing this support, BNY Mellon is investing in the essential services people need to rebound out of the emergency food network and, ultimately, to self-sufficiency.

Our Commitment to Returning Military Personnel

Service members have made personal and serious sacrifices to preserve peace and security, yet many return home from duty to face a difficult transition back to the workplace. Many BNY Mellon stakeholders, including our employees and their families, have been affected directly and indirectly by this. At BNY Mellon, we assist returning military personnel with their transition from military to



BNY Mellon employee teams frequently volunteer to cook and serve breakfast for homeless people at the Whitechapel Mission in London.

civilian life through education, career development, and recruitment and connection to BNY Mellon opportunities. BNY Mellon combines a wide variety of targeted efforts to support returning military personnel, including education, networking and recognition events, such as Salute to Veterans events that were hosted by Gerald Hassell, Chairman, President and CEO, and Lisa Peters, Chief Human Resources Officer, to recognize and honor company employees who served in the military. In 2011, the company and its employees provided \$740,000 in support of several veterans organizations in the U.S. and UK. In addition, BNY Mellon blends its financial support with efforts that support veterans through formal employee, community and academic initiatives. By combining our efforts into a unified global program, BNY Mellon is making a meaningful impact in helping to honor and support these men and women.

Helping Individuals with Disabilities Obtain Competitive Employment

In 2011, BNY Mellon and its employees provided \$950,000 in support to charities devoted to supporting basic needs and providing workforce development opportunities for individuals with disabilities so that they can achieve self-sufficiency. Supported charities help individuals with physical and intellectual disabilities to overcome multiple challenges and tear down barriers as they attempt to enter the workforce and obtain competitive employment.

In addition, these charities fill a number of other gaps that exist in ensuring those with disabilities have access to the basics, such as housing, transportation and education.



BNY Mellon and its employees in Pune, India, help to support Kamayani, a school for mentally disabled children, with monetary donations and volunteer time.

Measuring the Impact of Powering Potential Investments

The impact of Powering Potential in 2011 included:

- **450 vulnerable youth** were supported by grants. Of the individuals receiving support through our programs, 81 percent have successfully obtained a high school diploma or equivalency certificate and/or employment — results are far better than national statistics predicted for this population.
- **\$1.9 million** was provided for disaster relief efforts including the Japan earthquake and tsunami, major U.S. storms, Horn of Africa drought, and floods in Brazil and Australia.
- **5 million meals** were provided to vulnerable individuals and families across the globe — a 66 percent increase over 2010.
- **2,000 students** received tutoring that resulted in successful completion of certificate and/or other educational programs.
- **9,600 unemployed or underemployed individuals** received training to enter or re-enter the workforce.
- **1,800 homeless men, single mothers and their children** were provided with emergency and transitional housing, and 70 percent of those who were eligible moved from transitional to permanent housing within 12 months.
- **13,000 vulnerable children** received winter coats, clothing and educational supplies.

As a result of BNY Mellon's support, individuals with disabilities are being empowered to be independent, which enriches their lives.

COMMUNITY PARTNERSHIP: THE EVOLUTION OF THE EMPLOYEE GIVING PROGRAM

Created in 2008, the Community Partnership employee program engages our employees around the world in giving back. This includes everything from individual donations and team volunteering to fundraising and individual volunteering. The program is global in scope but regional in implementation. It leverages the power of the company's worldwide workforce and provides employees with opportunities to build their skills.

Community Partnership: Employee Program Overview

VOLUNTEERING AND FUNDRAISING

- Launched team volunteering and fundraising in 2008
- Year-round program
- Three days of Paid Volunteer Time
- Company donations or matching contributions for volunteering and fundraising

DISASTER RELIEF MATCHED GIVING

- Online program, launched in 2010, has raised money for 10 major disasters
- 100 percent company match available for Powering Potential charities

INDIVIDUAL MATCHED GIVING

- Launched for U.S. and UK employees in 2008 and for other international employees in 2010
- Online program provides employees with the opportunity to give to local charities
- A 100 percent company match is available for Powering Potential charities, 50 percent for 3,000 other charities

Surveys were sent to employees in early 2011 to assess specific components of the Community Partnership program. Based on the feedback, the company has taken action to increase employee awareness, identify and attract new leadership givers, simplify communications, expand the list of eligible international charities and seek manager endorsement and support. Many survey respondents reported high satisfaction and many positive outcomes of team volunteering and team fundraising, including providing much-needed support for charities, team building, skill building, personal enrichment and increased pride in the company.

Throughout 2011, 23,000 employees participated in the Community Partnership employee program as volunteers and through donations. Combined with company matching contributions, this resulted in \$14.1 million in donations and 71,000 hours of volunteering. And, throughout the year, 1,400 teams around the world participated in the year-round team volunteer and

CSR Long-Term Commitments

EMPLOYEE COMMUNITY INVOLVEMENT

We identified employee community involvement as being “strategic opportunity” for our company. Our long-term commitment for this issue is to:

Be highly effective in engaging employees with their communities.

fundraising portion of the Community Partnership program. Supported by ongoing manager and employee communications, this program continues to grow.

An increase in reported volunteer hours occurred this year because of the launch of a new global individual volunteer program. This exciting new component of Community Partnership provides company donations in recognition of individual volunteer services.

Also in 2011, BNY Mellon conducted its annual Community Partnership Campaign, designed to encourage all types of workplace giving and educate employees and managers about the many aspects of the Community Partnership program and Powering Potential. A comprehensive communication plan enhanced employee awareness, including an online video, Web-based training, broadcast emails and a variety of tools on BNY Mellon’s intranet.

COMMUNITY PARTNERSHIP: 2011 OUTPERFORMING TEAM AWARD WINNERS

First Quarter

Asia-Pacific Regional Team Fundraisers for Disaster Relief in Japan

Through impressive teamwork and cross-border communication, team fundraisers across the Asia-Pacific region raised more than \$50,000, including the company match, for disaster relief in Japan. The efforts – which consisted of ribbon sales; morning tea, wish card and lucky bag fundraisers; dress-down days and homemade chocolate sales – included employees in Tokyo; Sydney and Melbourne, Australia; Singapore; Taiwan; Hong Kong; Seoul, South Korea; and Mumbai, India.

Second Quarter

Pirate Pack Club for Irving Park Elementary School in Greensboro, North Carolina

When employees in Greensboro, North Carolina, learned that students in their local community needed assistance with weekend meals, they responded by volunteering to develop menus, shop for items, pack backpacks full of nutritious food and deliver the backpacks to the school guidance counselor at Irving Park Elementary School so that they could be discreetly distributed to students in need. Since the BNY Mellon team started this project in 2009, it has invested more than 800 hours of volunteer time. In addition, a portion of the more than \$11,000 in company matching donations that the team has earned for the school was used to purchase new playground equipment for the students to enjoy.

Third Quarter

La Maisonnée Art Exhibition in Brussels

In September, the Regional Community Partnership Committee in Brussels formed a team of 18 employees to set up and participate in an exhibition with art created by the residents of La Maisonnée, which provides a home and full-time coaches for people with mental disabilities. BNY Mellon employees were invited to attend the opening, learn more about the charity and the artists, and have the opportunity to purchase the art. Eleven pieces of art were sold to BNY Mellon employees, raising more than €5,200, including the company matching donation to the charity.

Fourth Quarter

Satchels of Caring Team Volunteering in Pittsburgh

In October, a team of 22 employees volunteered more than 160 hours for Satchels of Caring, earning a company matching donation of \$1,605. Satchels of Caring provides women who are undergoing chemotherapy with satchels filled with therapeutic and inspirational contents, including a soft turban, headscarf, journal, bookmark, relaxation music CD, hand and body creams, lip balm and an inspirational message. Finished satchels are distributed through local hospitals and treatment and support programs. As these women are faced with the overwhelming adversity and challenges that come with battling cancer, this small gift makes a big impact on their lives. This BNY Mellon team sewed buttons on 80 satchels, decorated 240 journals, filled more than 15 satchels, folded and bagged 250 scarves, made 500 outside tags for satchels, put 300 face plates on journals,

assembled more than 125 kits and cut stacks of new fabric pieces to make kits.

EMPLOYEE PROGRAM: KEY METRICS

Since 2008, driven by employee interest and contributions and program enhancements:

- Funds contributed have increased by 42 percent with more than one third going to our Powering Potential focus in 2011. See **Graphic 6.3** for annual fund contributed.
- Number of employees participating in Community Partnership has nearly doubled as more employees embrace a program that has been enhanced and offers more giving options, including a global disaster relief program, a matched giving program for international employees and more eligible international charities. See **Graphic 6.4** for annual employee participation.
- Team volunteer hours have almost tripled as interest has grown across Europe, India, the U.S. and locations around the world.
- The global program was enhanced in 2011 by offering an online program for employees to request a donation in recognition of their individual volunteering activities; employees have already reported 17,000 individual volunteer hours See **Graphic 6.5** for details on employee volunteering.

Graphic 6.3: ANNUAL FUNDS CONTRIBUTED BY EMPLOYEES AND COMPANY MATCH

(\$ in millions)



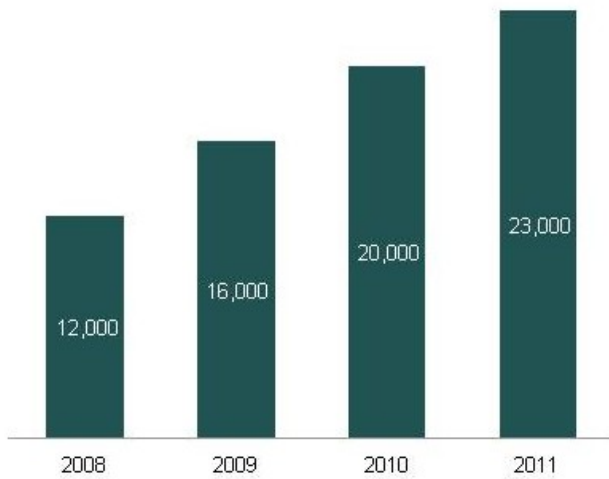
42% Increase since 2008

CHALLENGES AND OPPORTUNITIES

Several challenges provide us with the opportunity to continue to shape Community Partnership and our Powering Potential focus.

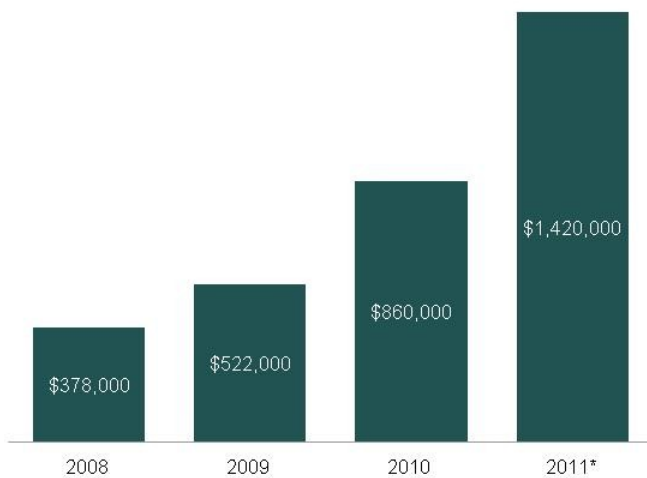
Given the current state of the economy, and the resulting altered financial landscape, the number of people in need in communities around the world has increased.

Graphic 6.4: ANNUAL EMPLOYEE PARTICIPATION IN COMMUNITY PARTNERSHIP



92% Increase since 2008

Graphic 6.6: VALUE OF VOLUNTEER TIME*

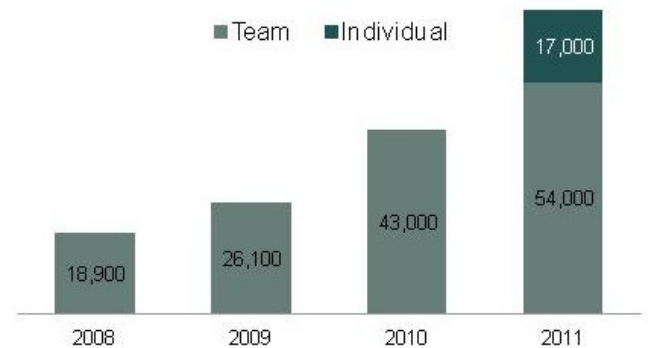


276% Increase since 2008

* The value of volunteer time used in this calculation is \$20 per hour. This is based on the estimate that charitable organizations use to quantify the value that volunteers provide. This amount is not included in the total funds contributed.

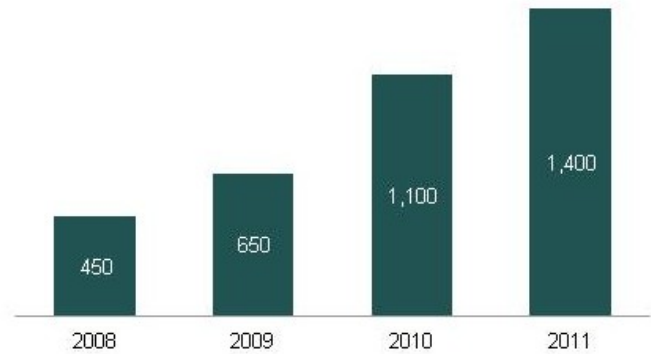
Graphic 6.5: ANNUAL VOLUNTEERING

Volunteer Hours



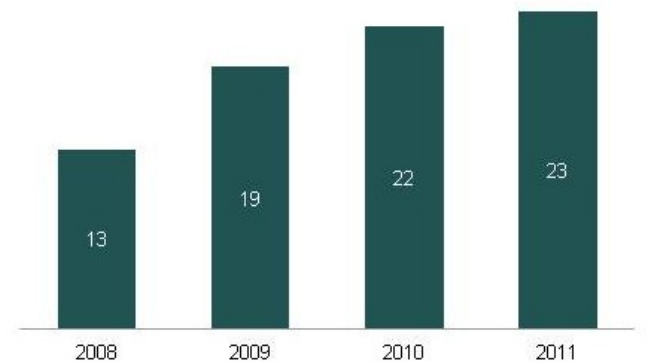
276% Increase since 2008

Total Number of Volunteer and Fundraising Teams



211% Increase since 2008

Number of Countries with Employees Participating



77% Increase since 2008

Our challenge is to respond through organizations that are chosen partners and to educate other companies and organizations about critical needs and potential responses.

It is a challenge to identify qualified support organizations in diverse countries and cultures. The organizations may have a compelling mission and fill important societal roles, but may struggle to meet required vetting standards because of language barriers or the lack of necessary charity registration within their countries. In many of these situations, local employees have volunteered to help the charities through this process.

As our employee program continues to gain momentum, we have responded to the significant growth by adding many online tools for employees. Much of the communication about the employee program has also moved online. These changes also assist with our paper reduction goals and, ultimately, our environmental sustainability. We also have an opportunity to educate employees who are not accustomed to using company programs to leverage their personal giving by providing information on how company matching donations can help them maximize their charitable commitments.

AWARDS AND RECOGNITION

Total number of community awards received in 2011: 28

One of the many honors our program received was a national award from the American Red Cross, a Powering Potential charity. The Circle of Humanitarians award is one of the American Red Cross' highest honors, recognizing companies and individuals whose generous annual giving provides life-saving support of humanitarian efforts provided through Red Cross programs.

Six of the awards recognized BNY Mellon and its support of vulnerable youth:

- Business Charity Award for charity partnership in London
- The *Boston Business Journal* Partner of the Year Award for Innovation – presented at the Annual Corporate Citizenship Summit in Boston
- Good Shepherd Services – honored as Corporate Honoree in New York (awarded in late 2010)
- The Children's Aid Society – recipient of 2011 Corporate Leadership Award in New York

- Auberle Community Partner Award – presented at an Auberle annual meeting in Pittsburgh
- Association of Fundraising Professionals 2011 Outstanding Philanthropic Organization Award – presented at the National Philanthropy Day Reception in Pittsburgh

COMMUNITY REINVESTMENT ACT

As Powering Potential illustrates, BNY Mellon has embraced not only the letter but the spirit of the Community Reinvestment Act, making a commitment to do more to serve the credit needs of the communities in which we operate. Find current Community Reinvestment Act ratings on our [website](#).

In keeping with the philanthropic focus of Powering Potential, our company's grant funding priorities include:

- Affordable housing
- Economic development
- Financial literacy and homeownership education
- Human services

CSR Long-Term Commitments

RESPONSIBLE FINANCING

We identified Responsible Financing as being a “basic expectation” for our company. Our long-term commitment for this issue is:

Engage in responsible financing (lending and investments) and comply with Community Reinvestment Act (CRA) and Fair Lending practices.

In the 2012 CSR Report, we will develop a holistic section dedicated to responsible finance for the company. For 2011, our CRA section makes up an aspect of our dedication to this issue.



Building a Sustainable Environment

Sustainability, once primarily associated with environmental matters, has now spread into every aspect of commerce. To be sure, the environmental area is where some of the early progress was made regarding sustainable approaches to business. At its core, sustainability is about ensuring that future generations will have access to the same resources we enjoy today.

SECTION CONTENTS

- [Environmental Sustainability Commitments](#)
- [Energy and Water](#)
- [LEED Projects](#)
- [ISO 14001 Certification](#)
- [Emissions Tracking, Reporting and Performance](#)
- [Emissions Offsets through Renewable Energy Investments](#)
- [Achieving Operating Efficiencies through Waste Management](#)
- [Paper Reduction through PaperWise](#)
- [Employee Engagement and Sustainability](#)

At BNY Mellon, our commitment to environmental sustainability encompasses everything we do – from how we build and manage our facilities to how we use energy, water and paper.

Because BNY Mellon is a global leader in our industry, we recognize that our company must be a model for sustainable behavior and responsible management of its carbon footprint. In the spirit of transparency required to achieve the highest standards of sustainability, we track and report our emissions. And we actively work to improve our commitment to environmental stewardship by expanding our renewable energy investments around the world.

Our environmental sustainability program supports the company's pursuit of operational excellence. Momentum from employee-led initiatives, coupled with clear business cases, will propel the program forward by taking sustainability from individual projects to integrated operations and the way we work globally.

2011: KEY PERFORMANCE INDICATORS

- Continue to be a leader among financial institutions in environmental sustainability
- Achieve 28 percent reduction in internal copy paper usage from 2008 baseline
- Achieve 10 percent electrical energy reduction in our tracked U.S. office portfolio by 2015 from 2007 baseline
- Continue to offset 75 percent of domestic electricity consumption from 2009 through renewable energy investments and more than 50 percent of EMEA energy consumption through direct energy purchases
- Achieve significant improvement in our Carbon Disclosure Project (CDP) score

2011 RESULTS

- Achieved a 30 percent reduction in internal copy paper usage from 2008 baseline, equivalent to \$1 million in savings
- On track to achieve a 10 percent greenhouse gas emissions reduction in our U.S. offices – tracked real estate portfolio (excluding data centers) from 2008 to 2016. Implemented a new database in Q4 2011 to provide high-quality global data on energy and emissions.
- Continued to offset 75 percent of U.S. electricity consumption from 2009 through renewable energy investments and more than 50 percent of EMEA energy consumption through direct energy purchases
- Achieved a 2010 CDP score of 81, up 15 points from our 2009 score; moved to third among peers in 2010 from eighth in 2009

GOING FORWARD: LONG-TERM COMMITMENTS

Manage our direct environmental impacts through the continual maintenance and improvement of our Corporate Environmental Sustainability Strategy

2012 PLANS

- Develop programs to achieve significant reductions in all paper usage, in line with the 28 percent reduction achieved in U.S. copy paper usage in 2011
- Developing plans to engage business leaders on paper reduction; the EMEA region has also set targets for reducing the region's copy paper consumption by 20 percent from a 2011 baseline by 2016, with a 30 percent reduction to be achieved by 2019
- Achieve a 10 percent greenhouse gas emissions reduction in our U.S., tracked real estate portfolio (excluding data centers) from 2008 to 2016
- Maintain our best-practice energy-efficiency optimization of data centers and publicly disclose performance data
- Increase renewable energy investments to include acquisitions in 2010 and sustain offsets equal to 62 percent of global electricity consumption
- Maintain our CDP ranking relative to peers
- Expand the company's water consumption tracking and management plan
- Launch an enterprise-wide sustainability database for tracking and managing GHG emissions and other sustainability metrics including energy, water, waste and paper
- Publish a corporate Environmental Sustainability Policy Statement
- Achieve our first ISO 14001 certification and continue to expand the program to other EMEA locations
- Implement a sustainable leasing strategy
- Continue to develop employee engagement by broadening membership in existing Sustainability Ambassadors groups and launching new groups in the US and APAC

Environmental Sustainability Strategy

AT BNY MELLON, WE PURSUE BUSINESS OBJECTIVES WITH ENVIRONMENTAL STEWARDSHIP IN MIND.

We have adopted a disciplined, holistic approach to environmental sustainability founded on teamwork, innovation and excellent resource management. Our commitment to CSR includes the environmentally prudent management of our facilities and operations around the world; collaboration with suppliers to improve our indirect environmental impacts; environmental programs and education for employees; green investments and socially responsible products offered to clients; and acting as a facilitator to help all market participants meet the challenges and seize the opportunities presented by the environmental markets.

Five significant areas comprise a cohesive, enterprisewide sustainable operations agenda:

1. Enterprisewide energy and carbon tracking

A global, Web-based energy and environmental management database will record, track and manage energy and carbon emissions, as well as other sustainability metrics, from every facility around the world.

2. Sustainability long-term capital planning

Starting with the Global Facilities group, our strategy will direct capital to achieve specific sustainability goals in energy efficiency and resource management.

3. Building operation and maintenance best practices

Our Global Facilities teams will implement operational principles based in part on the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) Operating and Maintenance best practices. These will apply to all properties under company management.

Property management staff will follow specific tracking and reporting requirements as they apply to solid waste management, green cleaning, indoor air quality, sustainable procurement and purchasing, refrigerant management and interior extermination.

4. Green design principles

Principles and guidelines are being developed for all office design and construction projects to further

For example, in addition to improved air quality, increased visibility and light, open office spaces are designed to promote energy and water efficiency, collaboration and employee engagement.

Beyond facilities, our green designs include process improvements to achieve savings in time, money and resources. Near-term opportunities for green process design include internal information processing routines; client-facing reporting that gives clients direct, electronic access to data when they want it; employee travel; and food services.

5. Promoting sustainable work habits

Sustainable options are available in every aspect of our work life, from choosing paperless pay statements to substituting business travel with increased use of communications technologies.

Employee communication is the cornerstone of the effort to develop sustainable habits throughout the company. There are numerous examples of how engagement can be achieved through a sustainability program to yield process improvement and optimization objectives. We share them throughout the company on our Environmental Sustainability intranet site and through multiple ambassador networks the company has established in the U.S. and the Europe, Middle East and Africa region.

These five areas form the operational core of our Global Sustainability Strategy, and will lead to new metrics and resource reduction targets to push our achievements to a new level. Throughout this section we indicate how the strategy correlates to our program.

ENERGY AND WATER

Utilities are typically the largest operating expense in commercial real estate, second only to real estate taxes. At BNY Mellon, we are committed to a

Applies To Our Strategy

BUILDING OPERATION AND MAINTENANCE BEST PRACTICES

common-sense approach to energy conservation and building operations that does not compromise occupancy comfort or our ability to conduct business.

As shown in **Graphic 7.1** our aggressive energy management initiatives are deployed throughout BNY Mellon's EPA ENERGY STAR® program which, by 2011,

included 7.7 million square feet of the company's owned and controlled real estate portfolio.

Owned and controlled square footage not in the tracked EPA ENERGY STAR program represent facilities outside of the EPA's program criteria, including building designation, operating characteristics and availability of energy data.

Facilities tracked but not awarded with an ENERGY STAR are monitored for better efficiency and performance.

In the U.S., all facilities that are awarded the ENERGY STAR are evaluated for LEED Existing Building (EB) certification potential. Capital and expense projects are identified and reviewed for return on investment before a determination is made to proceed with the certification process. In 2011, 2.7 million sq ft were LEED certified.

We have invested \$9.4 million on capital projects related to energy savings since 2005. This investment avoided costs of more than \$3.5 million in 2011 and \$8.5 million since 2005.

Applies To Our Strategy

LONG-TERM CAPITAL PLANNING

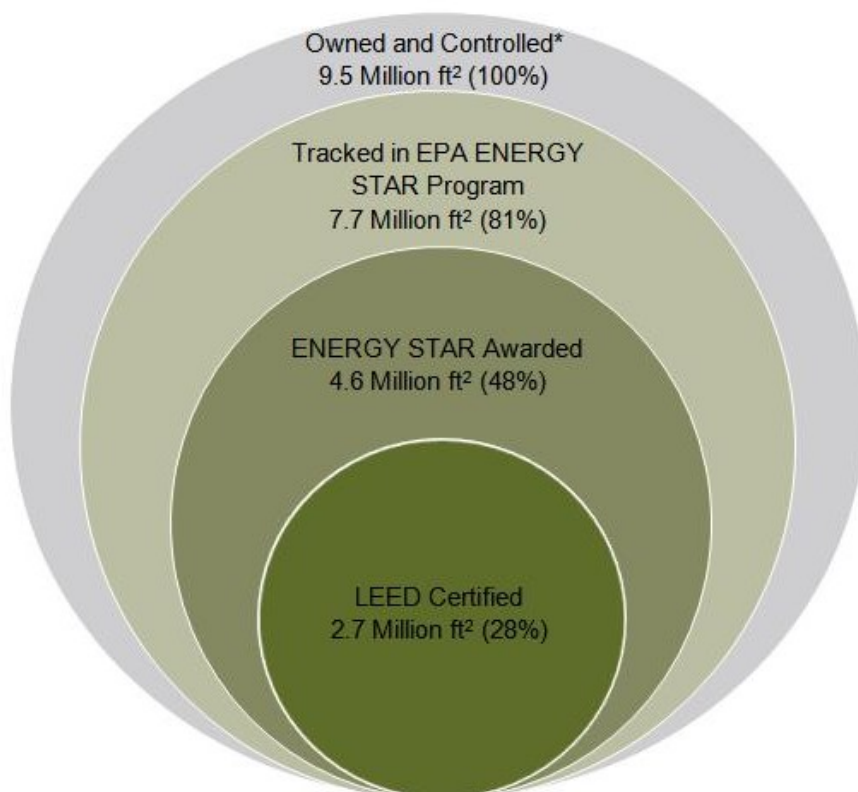
During 2010, BNY Mellon's total real estate portfolio increased by 8 percent, or 1.2 million square feet, as a result of acquisitions. These locations have been integrated into the company's 2011 global energy management strategy, which involves implementing an enterprisewide energy and environmental database to record and track energy usage and alternative energy investments for every facility around the world.

At the company's six largest tracked locations, consisting of BNY Mellon's headquarters and our major operations centers, total energy usage has decreased by an average of 11 percent. Energy projects in our offices have saved over 100 million kilowatt hours, equal to approximately \$8.5 million in avoided energy costs.

The global strategy of making investments in energy-saving technologies, setting reduction targets and reducing energy consumption began with focusing our efforts in the largest energy-consuming portion of our portfolio – primarily in the U.S. – and at locations that were closest to achieving the ENERGY STAR rating.

The next phase of our building efficiency strategy includes directing investments and initiatives to low-efficiency locations worldwide. Our goal will be to demonstrate improvements in energy consumption reduction equal to or greater than the properties that have achieved ENERGY STAR certification.

Graphic 7.1: 2011 OWNED AND CONTROLLED SQUARE FOOTAGE



*Owned and controlled square footage makes up 60% of our total 2011 global corporate footprint

More Information

ON REGIONAL ENERGY STAR AWARDS IS AVAILABLE IN OUR CSR REGIONAL INSERTS.

<http://www.bnymellon.com/aboutcorporatesocialresponsibility.html>

Our Power Usage Effectiveness program, implemented at every data center, has saved 147 million kilowatt hours, equal to \$11 million, since the program's launch in 2006. See **Graphic 7.2** for Power Usage Effectiveness savings

\$3.5 million 2011
\$3.1 million 2010

COSTS THAT ARE BEING AVOIDED ANNUALLY OVER THE LIFETIME FO OUR ENERGY EFFICIENCY PROJECTS IN OUR FACILITIES

BNY Mellon's Green Computing program aims to reduce the environmental impact of our Information Technology tools and processes. In January 2012, we launched a global power management initiative that places PCs into low-power states when not in use and outside of regular business hours. With an intelligent power management system in place, BNY Mellon can reduce the amount of electricity a PC uses from approximately 506 kilowatt-hours (kWh) to 200 kWh annually.

In addition to energy, we rely on water for almost every aspect of our operations, including building maintenance, sanitation, heating and cooling, and drinking. We have begun to build the infrastructure that will allow us to record, monitor and set targets to manage our water

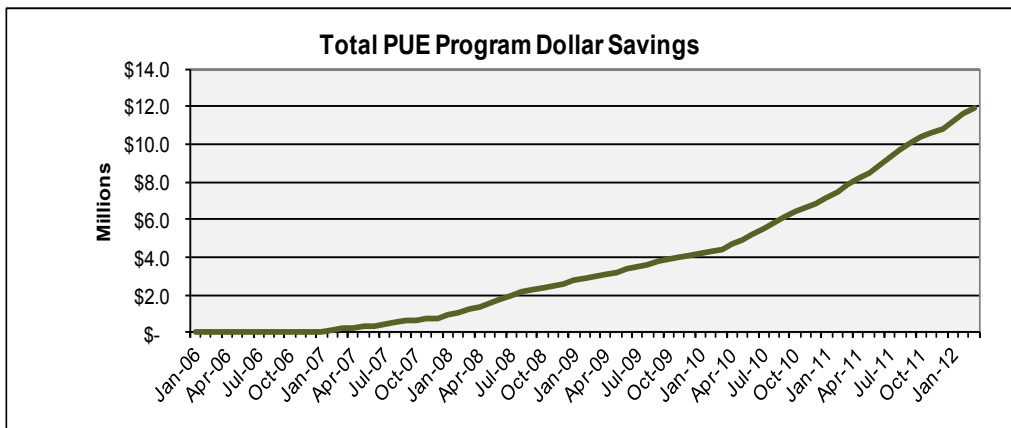
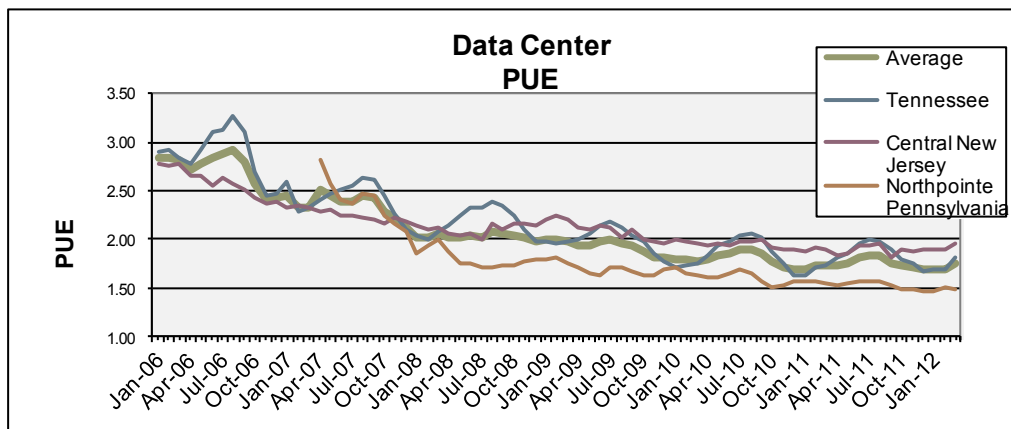
consumption in a way that is appropriate to each region's needs.

Our global, Web-based energy and environmental management database, launching in 2012, will also help us track water, waste, project-related activities and electricity consumption for our facilities.

Understanding water management as a priority, we have engaged certain regional legislators on environmental issues related to water. For example, we've approached a state government entity on the implementation of a nutrient tracking system that allows for the monetization of credits for the implementation of best practices to

reduce nitrogen and phosphorus run-off into watershed areas.

Graphic 7.2: POWER USAGE EFFECTIVENESS (PUE)



“Our Critical Infrastructure team accounts for how every kilowatt is used. The company's capital improvements and sustainability measures at our data centers have saved 147 million kilowatt hours, avoiding \$11 million in energy costs.”

— Dan Gaffney,
 Director of Critical Infrastructure

LEED PROJECTS

Our approach to “green” buildings, established in 2009, is now a standard operating strategy. Our objective is to consistently and proactively maintain building operating equipment to ensure efficient operation, maximize service life and create a healthy working environment for our employees.

In 2011, we received an additional three LEED Existing Building (EB) and three LEED Commercial Interiors (CI) certifications. See **Graphic 7.3** and **Graphic 7.4** for details.

Applies To Our Strategy

BUILDING OPERATION AND MAINTENANCE BEST PRACTICES

GREEN DESIGN PRINCIPLES

LONG-TERM CAPITAL PLANNING

Sustainable Business Leadership

ENGAGEMENT WITH THE CARBON DISCLOSURE PROJECT (CDP)

As a signatory and survey participant of the CDP, BNY Mellon advances sustainable leadership through our ongoing engagement. CDP and member organizations, work with the world’s largest investors, businesses and governments to measure, disclose manage and share environmental information. When provided to the investment community, with the necessary information, these measures can provide a more fulsome long-term success outlook.

In 2011 CDP score was 81, up from a 2010 score of 66, and included expanded information in areas regarding incentives, company targets, risk assessment, and engagement with policy makers.

Graphic 7.3: BNY MELLON LEED EXISTING BUILDINGS

LOCATION	EXISTING BUILDING	DATE
135 Santilli Highway, Everett, Massachusetts	Gold	February 2010
525 William Penn Place, Pittsburgh	Gold	September 2010
101 Barclay Street, New York	Gold	July 2011
111 Sanders Creek, Syracuse, New York	Silver	July 2011
Northern Pennsylvania Processing Center	Gold	September 2011

Graphic 7.4: BNY MELLON LEED COMMERCIAL INTERIORS

LOCATION	COMMERCIAL INTERIORS	DATE
Wealth Management Office, Newport Beach, California	Silver	May 2009
BNY Mellon Center, Pittsburgh, floors 30 and 31	Gold	June 2009
One Wall Street, New York, floor 12	Silver	June 2010
One Wall Street, New York, floor 13	Silver	April 2011
One Wall Street, New York, floor 23	Gold	July 2011
BNY Mellon Center, Pittsburgh, floor 32	Platinum	September 2011

ISO 14001 CERTIFICATION

BNY Mellon has chosen the globally recognized ISO 14001 certification for several of our facilities outside the U.S.

A key component of ISO 14001 is the development of an Environmental Management System (EMS). Establishing an effective EMS assists with regulatory compliance and demonstrates that we are committed to continual environmental improvement. Certification of the EMS through the ISO 14001 program ensures that elements, such as a global sustainability policy statement, are assessed and updated for continual improvement.

As with the LEED program, there are inherent costs associated with training, capital investments and fees, but we see ISO certification as an opportunity to establish our environmentally conscientious business credentials and respond positively to our clients' requests, particularly in Europe.

We are looking to gain ISO 14001 certification for 160 Queen Victoria Street in London, our largest operations center in the Europe, Middle East and Africa region.

EMISSIONS TRACKING, REPORTING AND PERFORMANCE

We continue to voluntarily track, measure, manage and report our carbon emissions.

BNY Mellon is a signatory and participates in the Carbon Disclosure Project (CDP), publicly disclosing carbon emissions for every owned, controlled or leased facility in the 36 countries in which the company operates. BNY Mellon's greenhouse gas emissions are calculated using consumption data from electric utilities, heating oil, natural gas, corporate aircraft and car fleets, and corporate travel.

Our electricity consumption goal has been restated as an emissions goal, which now matches our target in the 2011 CDP report.

Applies To Our Strategy

BUILDING OPERATIONS

MAINTENANCE BEST PRACTICES

Applies To Our Strategy

ENTERPRISEWIDE ENERGY AND CARBON TRACKING

LONG-TERM CAPITAL PLANNING

Emissions Performance

We are on track to achieve our goal of an absolute GHG Global Scope 1 and 2 reduction of 10 percent for U.S.-based owned or controlled corporate locations (not including data centers) over an eight-year period from a baseline year of 2008. By the end of 2010, we achieved a 20 percent Scope 1 and Scope 2 reduction compared to the base year of 2008 for this subset of properties. Though we achieved a 20% reduction by the end of 2010, we do not yet consider our 8-year goal to be achieved since we must maintain a total absolute reduction of 10% through 2016. Since 2008, our cumulative emissions reductions represent \$5.9 million in avoided costs. See **Graphic 7.5** and **Graphic 7.6** for details.

Additional findings include :

- The 6% reduction in Scope 2 CO2 emissions from 2009 to 2010 is largely due to (a) our on-going progressive data center Power Utilization Effectiveness improvement program that avoided 27,224 metric tonnes of CO2 in 2010 and (b) benefits from our strategy of earning voluntary certifications (ENERGY STAR and LEED) for energy efficiency and environmental design for owned and controlled facilities.
- The 20% increase in CO2 from business travel from 2009 to 2010 is largely due to a combination of (a) corporate-wide restrictions on travel in 2009 due to the business climate and (b) a sizable acquisition in 2010 that added 4500 employees.
- The 20% decrease in Scope 1 & 2 emissions per employee between 2009 and 2010 is due to a combination of 14% increase in the number of employees and a 6% reduction in CO2 emissions.

Although not required for emissions disclosure, BNY Mellon does track elements of Scope 3 indirect emissions, which include employee air miles traveled, number of hotel stays and commutes by rail.

This data will be used to improve our sustainable corporate travel program's performance, and it will help us better manage expenses. Preliminary work in gathering supplier information began in 2008, when the Corporate Travel Services (CTS) group introduced the first online request-for-proposal tool for our annual solicitation of hotel partners and included five environmental sustainability questions as a part of the required responses. The CTS group continues this work.

Graphic 7.5: Greenhouse Gas Emissions Summary

	2010	2009
Scope 1 direct emissions ¹	Total: 9,500 metric tonnes CO₂	Total: 9,500 metric tonnes CO₂
USA	9,400	9,400
International	60	70
<hr/>		
Scope 2 indirect emissions from purchased electricity ¹	Total: 202,100 metric tonnes CO₂	Total: 214,200 metric tonnes CO₂
USA	172,600	184,600
International	29,500	29,600
Electricity Consumption²	Total: 371,360,600 kWh	Total: 371,921,300 kWh
USA	307,225,100 kWh	307,616,800 kWh
International	64,135,500 kWh	64,304,500 kWh
Emissions reductions achieved through alternative energy	Total: 124,900 metric tonnes CO₂	Total: 69,400 metric tonnes CO₂
USA	114,200 metric tonnes CO ₂ of renewable offsets	61,000 metric tonnes CO ₂ of renewable offsets
International	10,700 metric tonnes CO ₂ via direct purchases	8,400 metric tonnes CO ₂ via direct purchases
<p>Our 5 year green power investments earned us the US EPA Green Power Leadership Award in 2010.</p> <hr/>		
Scope 3 indirect emissions from Business Travel (Transportation and Hotel Stays)	Total: 26,900 metric tonnes CO₂	Total: 22,500 metric tonnes CO₂
USA Business Travel	21,900 metric tonnes CO ₂	18,400 metric tonnes CO ₂
International Business Travel	5,000 metric tonnes CO ₂	4,100 metric tonnes CO ₂
<hr/>		
Activity-related intensity measurements (Scope 1 & 2)		
Metric tons CO ₂ per million dollar revenue ³	15.25	29.23
Metric tons CO ₂ per full time employee:	4.41	5.30

Emissions performance (continued)

Our goals are to encourage travel suppliers to disclose their environmental performance, provide tools to improve employee awareness of our travel impacts, and offer employees sustainable choices during the travel selection process.

In the EMEA region, BNY Mellon participates in several emissions reduction programs. The European Union Emissions Trading Scheme (EU ETS) is the European Union's climate change policy tool, which encourages industries to reduce their CO2 emissions by requiring a cap on emissions for all large CO2 emission sources. Launched in 2005, the EU ETS recently added requirements for the aviation industry. BNY Mellon's Corporate Aircraft Division continues to participate in the EU ETS.

Under the Kyoto Protocol, the European Union (EU) member states are committed to reduce greenhouse gas (GHG) emissions, such as carbon dioxide (CO2), by eight percent by 2012 from a 1990 baseline.

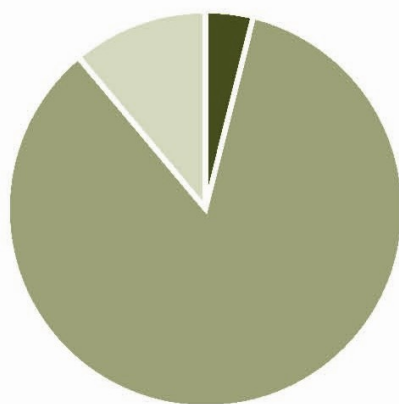
The United Kingdom (UK) has agreed to go further and aims to reduce GHG emissions by 12.5 percent. In 2010, the UK's Carbon Reduction Commitment (CRC) Energy Efficiency Scheme was introduced. This mandatory program is designed to address those emissions not already covered by Climate Change Agreements and the EU Emissions Trading Scheme (EU ETS). All sites which have at least one half-hourly electricity meter (HHM) settled on the half-hour market, meaning that the organization is billed based on half-hourly records of electricity consumption recorded by the meter, and sites that are not supplied energy by a landlord will be required to disclose information. For BNY Mellon, these include five UK offices. As of August of 2011, BNY Mellon has submitted all required forms to the UK CRC.

EMISSIONS OFFSETS THROUGH RENEWABLE ENERGY INVESTMENTS

We are expanding our renewable energy investments worldwide. In the U.S., we are engaged in a five-year contract with NextEra Energy Resources to purchase

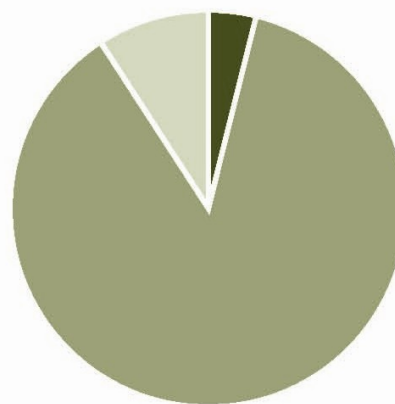
Graphic 7.6: Greenhouse Gas Consumption Overview

Sources of Emissions - 2010



■ Scope 1 - Direct Emissions (4%)
■ Scope 2 - Indirect Emissions - Energy (85%)
■ Scope 3 - Indirect Emissions - Travel (11%)

Sources of Emissions - 2009



■ Scope 1 - Direct Emissions (4%)
■ Scope 2 - Indirect Emissions - Energy (87%)
■ Scope 3 - Indirect Emissions - Travel (9%)

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

² Includes steam consumption.

³ Decrease in this measure of intensity is a result of both a decrease in the output of CO2 by 12,000 metric tones (5%) and an increase in revenue of \$6221 million (81%).

We strive to reduce emissions through a combination of direct and offsets energy management

We use the World Resources Institute/World Business Council for Sustainable Development Green House Gas Protocol Initiative tool and the U.S. Environmental Protection Agency Climate Leaders Simplified GHG Emissions Calculator to guide how we report this data.

Through NextEra, BNY Mellon's renewable energy credit (REC) investments are placed in the EarthEra Renewable Energy Trust, of which 100 percent of the program revenue is directed to building new renewable energy facilities in the U.S. As a result of REC investments from nearly 70 organizations, including BNY Mellon, the first renewable energy facility, Paradise Solar Energy Center in West Deptford, New Jersey, was completed in 2011. The site is home to 26,000 solar panels capable of producing 5.2 megawatts a day – enough electricity to power 700 average homes for one year.

225 million kWh of Green-e certified renewable energy credits per year from 2010 to 2014. For international locations, BNY Mellon purchases percentages of renewable energy at specific locations. These past commitments were based on 2009 consumption levels. For 2012, we will increase our renewable energy investments to include acquisitions in 2010 and sustain our offset level at 62 percent of our global electricity consumption.

ACHIEVING OPERATING EFFICIENCIES THROUGH WASTE MANAGEMENT

Our biggest priority in waste management continues to be reducing the amount of overall trash generated by using less, reusing and recycling. In 2011, we tracked waste volumes in the 9.4 million square feet of office space,

data centers, operational centers and warehouses where approximately 26,000 employees work. As seen in the below charts, for

2011, we recorded 13.6 million pounds of office trash generated, a reduction of more than 1.4 pounds from the previous year. A lower recycling volume in 2011 is a result of our reduction in overall trash volume.

A major challenge lies within data collection and integrity, given that waste hauling and recycling services vary by country, region and county. Facility managers at our tracked locations continue to challenge their waste hauling vendors for more accurate information and are beginning to determine methods for standardizing trash volume estimates. See **Graphic 7.7** for disposal volume and **Graphic 7.8** for details.

We continue our efforts to divert waste from landfills. Recycled components of our waste streams now include:

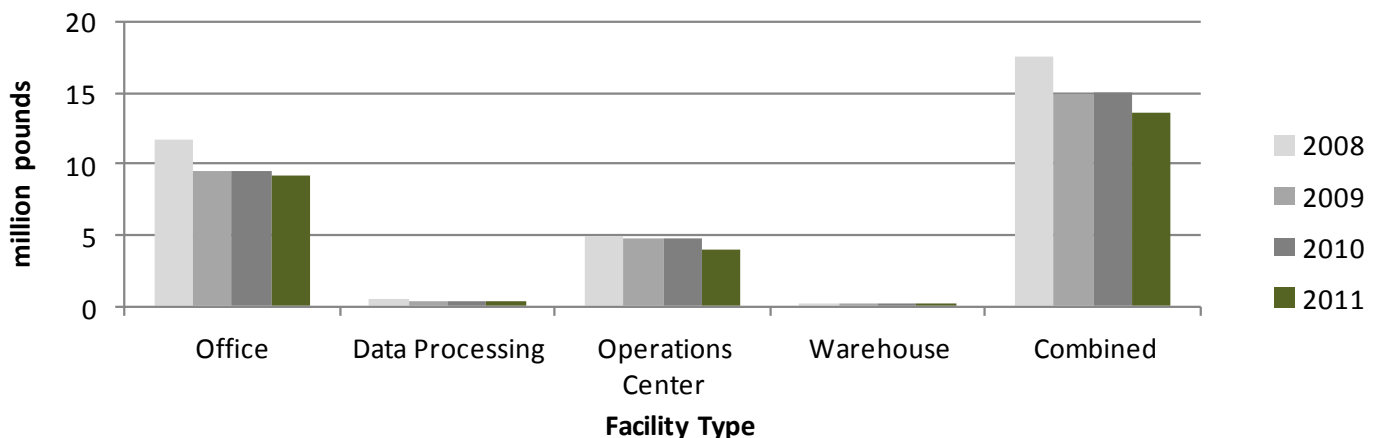
- Desktop and notebook computer equipment;
- data center hardware assets;
- components pertaining to design and construction projects;
- operations and maintenance components, such as light bulbs; and
- components that are more visible to employees, such as consumer batteries.

Applies To Our Strategy

BUILDING OPERATION AND MAINTENANCE BEST PRACTICES

In 2011, we recycled 7.7 million pounds of office waste and 215,000 pounds of monitors, printers and PCs.

Graphic 7.7: Annual Waste Disposal Volume



Graphic 7.8: Annual Waste Disposal Detail

	Unit	2011 Value	2010 Value
Employees at tracked facilities	Number	26,200	26,000
Square footage at tracked facilities	Million square feet	9.4	9.4
Total Waste	Million pounds	13.6	15
Recycling			
General office paper—white/mixed/confidential	Million pounds	5.9	6.9
Cardboard	Million pounds	1.0	0.8
Aluminum, glass and plastic	Million pounds	0.7	0.7
Total waste recycled	Million pounds	7.7	8.4
Total waste recycled per employee	Pounds per employee	294	322
Waste to Landfill			
Office	Million pounds	1.9	2.1
Perishable	Million pounds	3.8	4.5
Total waste to landfill	Million pounds	5.9	6.6

Additionally, the Office of Media Management continues to adhere to a no-landfill policy to ensure that all data center hardware equipment is recycled or incinerated at a waste-to-energy facility.

PAPER REDUCTION THROUGH PAPERWISE

In 2010, we launched PaperWise, a global environmental sustainability initiative with the initial purpose of engaging employees in understanding the impact of paper use and how to make

smart choices when printing and copying documents. In the U.S, we met our goal of 30 percent reduction in internal copy paper by the end of 2011, and we're aiming for a 40 percent reduction by 2013. The EMEA region has also set targets to reduce its copy paper consumption by 20 percent by 2016 and 30 percent by 2019, from a 2011 baseline. See details on paper purchases in [Graphic 7.9](#).

The next phase of PaperWise will promote improved operating efficiencies by centering on reengineering paperless technologies and processes to gain greater efficiency while enhancing the client experience.

Applies To Our Strategy

BUILDING OPERATION AND MAINTENANCE BEST PRACTICES

PROMOTING SUSTAINABLE WORK HABITS

In 2011, individual strides included a personal printer purchasing policy, which is intended to limit the number of deskside printers and encourages the use of more efficient, multifunction print and copy machines. Employees who voluntarily relinquish their deskside printers receive a tree in their names to be planted in a national forest of their choice.

CSR Long-Term Commitments

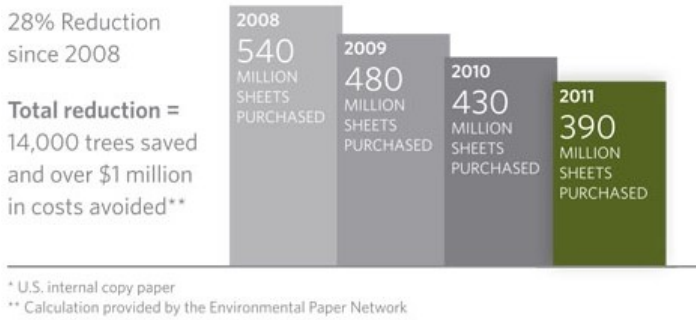
OPERATIONAL EFFICIENCY AND EFFECTIVENESS

We identified operational efficiency and effectiveness as a “strategic opportunity” for our company. We developed a long-term commitment covering this issue:

Reduce waste and improve productivity in operations through innovation and efficient use of resources.

In the 2012 CSR Report, we will develop a holistic section dedicated to operational efficiency and effectiveness. For 2011, our PaperWise program makes up a key portion of our dedication to this issue.

Graphic 7.9: ANNUAL PAPER PURCHASE



While our U.S. internal copy paper reduction has saved 180 million sheets of paper, equivalent to approximately \$1 million, there is considerable potential for cost savings, paper savings and revenue through paperless applications in our businesses. For example, paperless initiatives implemented by our businesses have already resulted in savings of more than \$10 million.

EMPLOYEE ENGAGEMENT AND SUSTAINABILITY

Engaging employees in our environmental sustainability program remains a priority. Employees support our program through

Applies To Our Strategy

PROMOTING SUSTAINABLE WORK HABITS




their individual actions and are a resource for new initiatives and innovative ideas. In 2011, many employees chose videoconferencing and Web-based meetings over travel, accounting for more than 140,000 remote meetings worldwide.

We are continually developing tools and resources to encourage employees to become sustainability champions – from offering a variety of environmental volunteering and awareness events, to compiling a sustainable suppliers listing, to establishing a global network of sustainability ambassadors, a volunteer group of onsite champions who advocate for the corporatwide environmental sustainability program.

While cost and energy efficiency are integral aspects of the strides we've made in operational excellence, our employees, through their actions and use of the tools we provide, ensure that our environmental stewardship commitment remains connected to business sustainability.

Global Reporting Initiative (GRI) Map

In preparation of the BNY Mellon 2011 CSR Report, we used the Global Reporting Initiative (GRI) G3 Sustainability guidelines. This year, we are self-declaring a “B” Application Level. This index either provides the location within the 2011 report or points to the external report or website where the information is available.

Report Application Level	C	C+	B	B+	A	A+
Standard Disclosures  Profile Disclosures	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Same as requirement for Level B			
 Disclosures on Management Approach	Not Required	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured	Management Approach disclosed for each Indicator Category	Report Externally Assured
 Performance Indicators & Sector Supplement Performance Indicators	Report fully on a minimum of any 10 Performance Indicators, including at least one from each of: social, economic, and environment.**	Report Externally Assured	Report fully on a minimum of any 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.***	Report Externally Assured	Respond on each core and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	Report Externally Assured

* Sector supplement in final version

** Performance Indicators may be selected from any finalized Sector Supplement, but 7 of the 10 must be from the original GRI Guidelines

*** Performance Indicators may be selected from any finalized Sector Supplement, but 14 of the 20 must be from the original GRI Guidelines

GRI Indicator	Page	Location within report/ Comments
Strategy and Analysis		
1.1 Statement from senior decision-maker	5-6	Q&A with CEO Gerald Hassell
1.2 Key impacts, risks, and opportunities (KPI's)	5-11	Q&A with CEO Gerald Hassell; Fine Tuning Our Priorities for the Greatest Impact; 2011 Goals 2011 Results; Refined Focus for Our CSR Strategy and Commitments
Organizational Profile		
2.1 Name of the organization	4	Our Company 2011
2.2 Primary brands, products, and/or services	4; 23	Our Company 2011; Leadership in Responsible Business Practices
2.3 Operational structure of the organization		Annual Report
2.4 Headquarters location	4	Our Company 2011; Annual Report
2.5 Number of countries where the organization operates	4	Our Company 2011; Annual Report
2.6 Ownership and legal form		Annual Report
2.7 Markets served	4	Our Company 2011
2.8 Scale of the reporting organization	3	2011 CSR Global Snapshot; Annual Report
2.9 Significant changes during reporting period		Annual Report
2.10 Awards received during the reporting period	28; 57; 63	Client Satisfaction Awards; Community Partnership; Environmental Awards

GRI Indicator		Page	Location within report/ Comments
Report Parameters			
Report Profile			
3.1	Reporting period for information provided	80	Basis for the Report
3.2	Date of most previous report	80	Basis for the Report
3.3	Reporting cycle	80	Basis for the Report
3.4	Contact point for questions regarding the report	80	Basis for the Report
Report Scope and Boundary			
3.5	Process for defining report content	80	Basis for the Report
3.6	Boundary of the report	80	Basis for the Report
3.7	Limitations on the scope or boundary of the report	80	Basis for the Report
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities	80	Basis for the Report
3.9	Data measurement techniques and the bases of calculations	80	Basis for the Report
3.10	Evaluation of the effect of any restatements of information	80	Basis for the Report
3.11	Significant changes from previous reporting periods in scope or methodology	7; 9-11; 80	Fine-tuning Our Priorities for the Greatest Impact; Refined Focus for Our CSR Strategy and Commitments; Basis for the Report
3.12	Table identifying the location of the Standard Disclosures in the report	70-79	GRI Map
Assurance			
3.13	Policy and current practice with regard to seeking external assurance	80	Basis for the Report
Governance, Commitments & Engagements			
Governance			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks	13-15	Ensuring Strong Governance as the Foundation for Trust; Proxy Statement pp 17-21
4.2	Indicate whether chair of highest governance body is also an executive officer	14	Ensuring Strong Governance as the Foundation for Trust; Proxy Statement pp 24-33
4.3	State the number of members of the highest governance body that are independent and/or non-executive members	4	Ensuring Strong Governance as the Foundation for Trust; Proxy Statement pp 25
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	14	Ensuring Strong Governance as the Foundation for Trust; Proxy Statement pp 1-3
4.5	Linkage between compensation for the highest governance body, senior managers, and executives, and the organization's performance		Proxy Statement "Director Compensation" pp 36-38, "Compensation Discussion and Analysis" pp 42-67
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	13-14	Ensuring Strong Governance as the Foundation for Trust; Proxy Statement pp 24-29

GRI Indicator		Page	Location within report/ Comments
Governance, Commitments & Engagements (continued)			
Governance (continued)			
4.7	Process for determining the qualifications of the members of the highest governance body for guiding the strategy on economic, environmental, and social topics	13-14	Ensuring Strong Governance as the Foundation for Trust; Proxy Statement "Director Qualifications" pp 6-7
4.8	Statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance	4; 8-11; 16	Our Corporate Social Responsibility Statement; CSR Long-term Commitments; Ethics and Compliance - Doing What's Right
4.9	Board procedures for overseeing economic, environmental, and social performance	14-15	Ensuring Strong Governance as the Foundation for Trust
4.10	Processes for evaluating the board's own performance	13	Ensuring Strong Governance as the Foundation for Trust (second paragraph)
Commitments to External Initiatives			
4.11	Explanation of whether and how the precautionary approach is used	15	Active Risk Management; BNY Mellon does not use the precautionary approach to address climate change impact at the organizational level
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	61-69	Building a Sustainable Environment (note: this includes organizations such as CDP, ENERGY STAR, LEED, etc.)
4.13	Memberships in associations (such as industry associations) and/or advocacy organizations	24	Leadership in Responsible Business Practices
Stakeholder Engagement			
4.14	List of stakeholder groups engaged by the organization	21-22	Focus on Stakeholders
4.15	Basis for identification and selection of stakeholders	21-22	Focus on Stakeholders
4.16	Approaches to stakeholder engagement	21-22	Focus on Stakeholders
4.17	Key topics and concerns that have been raised through stakeholder engagement	7; 9-11; 21-22; 24-25; 38-39; 56	Fine-tuning Our Priorities; Refined Focus for Our CSR Strategy and Commitments; Creating Value for Our Shareholders; Telling our Story Responsibly and Directly; Employee Engagement at BNY Mellon; Community Challenges and Opportunities
Economic Performance			
DMA	Disclosure on Management Approach	18; 19; 25-27	Global Business Continuity; Creating Value for Shareholders; Enhancing Confidence through Risk Analytics and Transparency Across Financial Markets
Economic Performance			
EC1	Economic value generated and distributed	3; 47-57	2011 CSR Global Snapshot; Partnering to Create Sustainable Communities; Annual Report
EC2	Financial implications, risks & opportunities due to climate change	23, 61-64	Leadership in Responsible Business Practices; Emissions Offsets through Renewable Energy Investments; Carbon Disclosure Project Response www.cdproject.net

GRI Indicator		Page	Location within report/ Comments
Economic Performance (continued)			
Economic Performance (continued)			
EC3	Coverage of defined benefit plan obligations	45-46	Policies and Practices
EC4	Significant financial assistance received from government		Not Reported
Market Presence			
EC5	Ratio of standard entry level wage compared to local minimum wage		Not Reported
EC6	Proportion of spending on locally-based suppliers		Not Reported
EC7	Procedures for local hiring and proportion of local senior management	45-46	Policies and Practices
Indirect Economic Impacts			
EC8	Development and impact of infrastructure investments through commercial, in-kind, or pro bono engagement		Not Reported
EC9	Understanding and describing significant indirect economic impacts		Not Reported
Environmental			
DMA	Disclosure on Management Approach	58-60	Building a Sustainable Environment
Materials			
EN1	Materials used by weight or volume	67-68; 68-69	Achieving Operating Efficiencies through Waste Management; Paper Reduction through PaperWise
EN2	Percentage of materials used that are recycled input materials	67-68; 68-69	Achieving Operating Efficiencies through Waste Management; Paper Reduction through PaperWise
Energy			
EN3	Direct energy consumption by primary energy source	65-68	Energy and Water
EN4	Indirect energy consumption by primary source	65-68	Energy and Water
EN5	Energy saved due to conservation and efficiency improvements	65-68	Energy and Water
EN6	Initiatives to provide renewable energy based products and services and reductions achieved	26-30	<i>Partial (do not detail reductions achieved)</i> Leadership in Responsible Business Practices
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	65-68	Energy and Water
Water			
EN8	Total water withdrawal by source		Not Reported
EN9	Water sources significantly affected by withdrawal of water		Not Reported
EN10	Percentage and total volume of water recycled and reused		Not Reported

GRI Indicator		Page	Location within report / Comments
Environmental (continued)			
Biodiversity			
EN11	Land in protected areas and areas of high biodiversity value		Not Applicable
EN12	Significant impacts on biodiversity		Not Applicable
EN13	Habitats protected or restored		Not Applicable
EN14	Strategies and current actions for managing impacts on biodiversity		Not Applicable
EN15	IUCN Red List species & national conservation list species affected		Not Applicable
Emissions, Effluents & Waste			
EN16	Total direct and indirect greenhouse gas emissions by weight	65	BNY Mellon Greenhouse Gas Emissions Summary
EN17	Other relevant indirect greenhouse gas emissions by weight	65	BNY Mellon Greenhouse Gas Emissions Summary
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	61-69; 69	Emissions Tracking, Reporting and Performance; Emissions Offsets through Renewable Energy Investments
EN19	Emissions of ozone-depleting substances by weight		Carbon Disclosure Project Responses www.cdproject.net
EN20	NOx, SOx, and other significant air emissions by type and weight		Carbon Disclosure Project Responses www.cdproject.net
EN21	Total water discharge by quality and destination		Not Reported
EN22	Total weight of waste by type and disposal method	67-68; 68-69	Achieving Operating Efficiencies through Waste Management; Paper Reduction through PaperWise
EN23	Total number and volume of significant spills		Not Applicable
EN24	Transported, imported, exported, or treated hazardous waste		Not Applicable
EN25	Water bodies significantly affected by discharges of water and runoff		Not Applicable
Products & Services			
EN26	Initiatives to mitigate environmental impacts of products and services	68-69	Paper Reduction through PaperWise
EN27	Products sold and packaging materials that are reclaimed		Not Applicable
Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		Not Reported
Transport			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	65-66; 33	BNY Mellon Greenhouse Gas Emissions Summary; Working with Our Suppliers

GRI Indicator		Page	Location within report / Comments
Environmental (continued)			
Overall			
EN30	Total environmental protection expenditures and investments	60-61	<i>Partial (includes only investments for energy efficiency products)</i> Energy and Water
Labor			
DMA	Disclosure on Management Approach	35-46	Focusing on Talent - Integral to Business Sustainability
Employment			
LA1	Total workforce by employment type, employment contract, and region	40-43; 46	<i>Partial (disclose by gender and region)</i> Diversity and Inclusion; Policies and Practices
LA2	Total number and employee turnover rate by age, gender, and region	39	<i>Partial (disclose by gender and region)</i> Employee Retention
LA3	Difference in benefits for full-time, part-time or temp. employees		Not Reported
Labor/Management Relations			
LA4	Percentage of employees covered by collective bargaining agreements		Not Reported
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements		Not Reported
Occupational Health & Safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees		Not Reported
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region		Not Reported
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce regarding serious diseases	18-19	Global Business Continuity
LA9	Health and safety topics covered in formal agreements with trade unions		Not Reported
Training & Education			
LA10	Average hours of training per year per employee	3; 39	2011 CSR Global Snapshot; Developing Our Talent
LA11	Programs for skills management and lifelong learning	38-39	Developing Our Talent
LA12	Percentage of employees receiving regular performance and career development reviews	3	2011 CSR Global Snapshot
Diversity & Equal Opportunity			
LA13	Composition of governance bodies and breakdown of employees per category by gender, age and minority group membership	43	<i>Partial (breakdown of management governance bodies by gender only, approach to board diversity in Proxy Statement)</i> Diversity and Inclusion; Proxy Statement pp 7
LA14	Ratio of basic salary of men to women		Not Reported

GRI Indicator		Page	Location within report / Comments
Human Rights			
DMA	Disclosure on Management Approach	17	Our Commitment to Human Rights
Investment & Procurement Practices			
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening		Not Reported
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken		Not Reported
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained		Not Reported
Non-discrimination			
HR4	Total number of incidents of discrimination and actions taken		Not Reported
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights		Not Reported
Child Labor			
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	17; 45	Our Commitment to Human Rights; Policies and Practices
Forced & Compulsory Labor			
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor	17; 45	Our Commitment to Human Rights; Policies and Practices
Security Practices			
HR8	Percentage of security personnel trained in aspects of human rights	15-17	Ethics and Compliance - Doing What's Right
Indigenous Rights			
HR9	Violations involving rights of indigenous people and actions taken		Not Reported

GRI Indicator	Page	Location within Report / Comments
Society		
DMA Disclosure on Management Approach	15-16; 19-21; 47-54	Ethics and Compliance - Doing What's Right; Political Engagement; Partnering to Create Sustainable Communities
Community		
SO1 Programs that manage the impacts of operations on communities		Not Reported
FS13 Access points in low-populated or economically disadvantaged areas		Not Reported
FS14 Initiatives to improve access to financial services for disadvantaged people	57	The Community Reinvestment Act
Corruption		
SO2 Percentage and total number of business units analyzed for risks related to corruption		Not Reported
SO3 Percentage of employees trained in organization's anti-corruption policies and procedures	17	Ethics and Compliance Training
SO4 Actions taken in response to incidents of corruption		Not Reported
Public Policy		
SO5 Public policy positions and participation in public policy development and lobbying	19-21	Political Engagement
SO6 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	20-21	2011 Contributions and Expenditures; Federal Election Commission filings www.fec.gov
Anti-Competitive Behavior		
SO7 Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes	77	GRI Map, see footnote below*
Compliance		
SO8 Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	77	GRI Map, see footnote below*

* As a public company with securities traded on the New York Stock Exchange, The Bank of New York Mellon Corporation (the "Company") is required to file periodic reports with the Securities and Exchange Commission ("SEC"), including a quarterly report for the first three calendar quarters on Form 10-Q and an annual report on Form 10-K. These reports are publicly available from the SEC's website (sec.gov), and are also available on the Company's website (<http://www.bnymellon.com/investorrelations/financialreports/index.html>).

Under the SEC's disclosure rules, the Company must disclose certain legal proceedings in its quarterly and annual reports on Form 10-Q or 10-K. These rules require that the Company describe any material legal proceedings, other than ordinary routine litigation incidental to its business, to which the Company or any of its subsidiaries is a party or of which any their properties is subject. The description must include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties to the proceeding, a description of the factual basis alleged to underlie the proceeding and the relief sought. The Company must disclose similar information as to any such proceeding known to be contemplated by government authorities. The SEC's rules include specific instructions on how these rules are applied, including certain exceptions for matters that do not need to be disclosed.

The Company's disclosures as to these legal proceedings can be found under the caption "Legal Proceedings" included in its periodic reports on Form 10-Q or 10-K, as well as the "Legal Proceedings" section in the Notes to Consolidated Financial Statements accompanying the financial statements included in those reports.

GRI Indicator		Page	Location within Report / Comments
Product Responsibility			
DMA	Disclosure on Management Approach	23-25	Leadership in Responsible Business Practices
Financial Services Sector Supplement			
FS1	Policies with specific environmental and social components applied to business lines	15-17	<i>Partial (Listed generally and with regard to employee conduct)</i> Ethics and Compliance - Doing What's Right (Six Key Principles)
FS2	Procedures for assessing and screening environmental and social risks in business lines		Not Reported
FS3	Processes for monitoring clients' environmental and social requirements included in agreements or transactions	23-31	Leadership in Responsible Business Practices
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines		Not Reported
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	30-31	Environmental, Social and Governance Screening
Customer Health & Safety			
FS6	Percentage of the portfolio for business lines by specific region, size, and by sector		Not Reported
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	26-32	Socially Responsible Investing
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	24; 26-32	Industry Discussion; Socially Responsible Investing
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures		Not Reported
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues		Not Reported
FS11	Percentage of assets subject to positive and negative environmental or social screening	24	<i>Partial (List total screened, not percentage of all)</i> Leadership in Responsible Business Practices
FS12	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organisation holds the right to vote shares or advises on voting		Not Reported
FS15	Policies for the fair design and sale of financial products/services		Not Reported
Customer Health & Safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures		Not Applicable
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes		Not Applicable

GRI Indicator		Page	Location within Report / Comments
Product Responsibility (continued)			
Product & Service Labeling			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements		Not Reported
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes		Not Reported
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	26-27	Helping Clients Succeed
Marketing Communications			
FS16	Initiatives to enhance financial literacy by type of beneficiary		Not reported
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship		Not reported
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes		Not reported
Customer Privacy			
PR8	Substantiated complaints regarding breaches of customer privacy and losses of customer data	77	GRI Map, see footnote on page 77
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	77	GRI Map, see footnote on page 77



Statement GRI Application Level Check

GRI hereby states that **BNY Mellon** has presented its report "Corporate Social Responsibility, Sustainable Business" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 20 July 2012

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a large, faint watermark of the GRI globe logo.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 10 July 2012. GRI explicitly excludes the statement being applied to any later changes to such material.

Basis For the Report

This report was prepared to demonstrate BNY Mellon's global commitment to CSR, meet the transparency expectations of key stakeholders, provide a basis for measuring CSR performance, and serve as a foundation for external communications and internal awareness-building activities centered on CSR at BNY Mellon.

This is an annual report for the calendar year 2011, (our 2010 report was published in April 2011). The report includes consolidated data from wholly-owned subsidiaries but excludes data from joint ventures and suppliers, except where indicated.

BNY Mellon uses the World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol Initiative tool and the U.S. Environmental Protection Agency Climate Leaders Simplified GHG Emissions Calculator as guides for reporting environmental data. Environmental data includes actual utility data and annualized watts-per-square-foot estimates for every owned, leased or controlled facility.

This year, as an important step to engage stakeholders in our reporting process, a group of BNY Mellon CSR Council members conducted a critical review of the full 2011 CSR Report. The group provided feedback on the report's authenticity, content, structure, tone and readability. In addition to providing numerous recommendations that have been implemented to improve the report, this valuable exercise aided in identifying ways to strengthen our reporting in future years.

This 2011 report does not include external assurance. To obtain an external perspective on the development of this report, we consulted with a leading organization on corporate responsibility, Business for Social Responsibility (BSR), regarding key content and material issues, including our refined focus.

This report does not include any major restatements, however some updates were made to the 2010 data within the Environmental section where numbers were approximated.

The content of this report reflects our CSR program as set forth in the CSR Statement. In keeping with that emphasis, the preparation of this report was guided by the following principles:

- **Relevance** — Address topics that reflect our most significant social and environmental impact
- **Completeness** — Include all significant information needed for informed CSR evaluations on the part of relevant stakeholders
- **Accuracy** — Present information accurately and in sufficient detail
- **Clarity** — Ensure that information is easily understandable and accessible and, where possible, provide year-over-year data

In keeping with current reporting best practices and our desire to conserve natural resources, we do not print this full report. We have printed a limited number of the Highlights Report version; please see the paper benefits associated with the Highlights Report described below.

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