

Invested

2014 Corporate Social Responsibility Report



BNY MELLON

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

Gerald Hassell, Chairman & CEO

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A blurred city street scene at sunset, featuring a street lamp on the left and buildings in the background. In the foreground, there are green plants. A dark circular overlay is centered on the image, containing the text.

**Corporate
Social
Responsibility
at
BNY Mellon**

Overview

Responsibility is at the core of our business strategy. Our CSR practices help us earn the trust of our clients and other stakeholders. They also promote transparency and encourage innovation for a better world.

We are guided by our Corporate Social Responsibility Statement:

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

Our CSR Strategy Pillars



Our CSR reporting highlights our firm's ongoing progress, including our approach and activities related to the most material CSR areas for our business. We have organized our reporting by the three pillars of our CSR strategy:

- Market Integrity
- Our People
- Our World

These pillars and related priority areas aim to focus our efforts where we can have the greatest impact.

The data and examples presented throughout this report represent our global operations, unless otherwise noted.

A [PDF version of our CSR content](#) can be downloaded along with our [Global Reporting Initiative \(GRI\) G3 index and a data summary](#). All data included within this report is as of December 31, 2014, unless otherwise stated. To learn more about BNY Mellon and our businesses, visit [Who We Are](#) and [What We Do](#). For an overview of our CSR highlights, please view our [highlights document](#). We welcome any [questions, comments or feedback](#) you may have about our reporting or about CSR at BNY Mellon.

Investments Company for the World

We are a global investments company. We provide investment management and investment services that help institutions and individuals succeed in markets all over the world. With a dedicated business presence on six continents and in 35 countries, we deliver global scale at the local level.

Our values of client focus, integrity, teamwork and excellence guide each decision we make and transaction we process. Our diverse global workforce is more than 50,000 strong, with some of the sharpest minds and most innovative thinkers in the investment industry.


Who we are

INVESTMENT SERVICES
INVESTMENT MANAGEMENT


We deliver expertise at each stage of the investment lifecycle:

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


Who we serve



CORPORATIONS




INVESTORS





INSTITUTIONS


- Asset Managers
- Banks
- Broker-Dealers
- Central Banks
- Companies
- Family Offices
- Financial Intermediaries
- Governments
- High-Net-Worth Individuals
- Insurance Companies
- Investment Advisers
- Nonprofit Organizations
- Pension Funds
- Sovereign Institutions


Our reach


- 

75%
of the top 100 endowments
- 

76%
of Fortune 500 companies
- 

90%
Our central bank clients' assets make up over 90% of global central bank reserves
- 

67%
of the top 1,000 pension and employee benefit funds
- 

50%
of the top 200 life/health insurance companies
- 

46%
of the top 50 universities

All statistics represent the minimum number of BNY Mellon client relationships in each category · Fortune 500 // *Fortune Magazine*, Copyright 2014 Time Inc. · Pensions & EB Funds // Reprinted with permission of *Pensions & Investments*, Copyright 2014 · Endowments // Reprinted with permission of NACUBO, Copyright 2014 · Life & Health Insurance Companies // Reprinted with permission of A.M. Best Company Inc., Copyright 2014 · QS World University Rankings® Top 50 // www.topuniversities.com/university-rankings/world-university-rankings/2014 · Central Banks // The World Bank, Copyright 2014



CEO Message

–Gerald Hassell

What global trends are you seeing this year?

Our role as the investments company for the world gives us a unique perspective on the forces that shape opportunities for our clients, which include a unique set of financial market leaders encompassing a broad range of industries and markets. For more than a decade, one of the most pervasive trends we've seen play out across financial services and the broader business world is the accelerating pace of global change, enabled by technological advances.

We believe that trend is approaching an inflection point. New thinking is transforming industries, seemingly overnight. Companies such as ours are expected to deliver more, better and faster than we did before.

The challenge for this generation of business leaders is to drive that transformation. Change can no longer be incremental.

At BNY Mellon, we've been taking action from top to bottom to further transform our company. We've strengthened our executive management team by hiring and promoting outstanding new leaders with proven track records of driving change and improving

performance — some from other industries or segments of financial services, allowing them to bring fresh eyes and new perspectives. Our new Chief Risk Officer, for example, is a recognized expert in his field who will help us continue to meet or exceed regulatory requirements with respect to our financial strength, risk management practices and integrity. We're also challenging ourselves, from how we're organized to how we operate. The creation of a Markets Group that brings together the capabilities and talents of our Foreign Exchange, Securities Finance, Collateral Management and Segregation, Capital Markets, and Prime Brokerage businesses. That is helping us deliver improved value to both the buy and sell side.

How has CSR evolved over the last several years? How is the mindset on business alignment and the benefits of CSR changing?

The scope of CSR programs has traditionally been quite narrow, consisting largely of community support and environmental initiatives. That has significantly evolved in the past decade. We've seen a recognition from CEOs and boards that a company's responsibility to and impact on society doesn't end with its community support and environmental commitments.

Those commitments remain core components of CSR programs, but companies are increasingly aligning their CSR strategy with their purpose by honing in on issues of significant importance to the business. They're applying more rigor and developing interdisciplinary CSR strategies that are mutually reinforcing and aligned with the company's role, brand and values.

While a company's top executives, board and CSR specialists are instrumental in business alignment, employees throughout an organization have a significant role to play in CSR alignment and success. Over the past few years, there's been more of a focus on broader participation from our business lines at all levels.

At BNY Mellon, we've aligned our CSR strategy with business objectives by considering our critical role in the markets and identifying the issues that are likely to most significantly impact our stakeholders. We periodically revisit our analysis because global trends not only impact our business, but also our CSR strategy. The rapid pace of change, particularly in technology, presents risks as well as opportunities, and we'd be remiss if we didn't account for those in our CSR efforts.

What are some key accomplishments this year?

Our focus on social finance (see Q&A with our President on page 15) represents a more coordinated and strategic approach to CSR aligned with our role as part of the global financial markets. We are tapping into our investments expertise to create products that aim to address our clients' needs for attractive financial returns and also support positive social and environmental outcomes.

Reflecting our continued progress, our company has been named to the [Dow Jones Sustainability World Index \(DJSI World\)](#),¹ which is one of the most highly regarded global sustainability indices. We were one of only two U.S. diversified financial services companies selected for inclusion in 2014. In addition, we received perfect scores for climate change disclosure and performance in [CDP's S&P 500 Climate Performance Leadership Index 2014](#) and its [S&P 500 Climate Disclosure Leadership Index 2014](#),² becoming the only U.S. financial company and one of only two S&P 500 companies to achieve the top score two years in a row.

We are proud to be among the leaders in CSR and excited to explore and pioneer new opportunities to strengthen our impact. It's the right thing to do and it's good for business.

¹ Dow Jones Sustainability Indices, 2014.

² CDP S&P 500 Climate Change Report, 2014.

Materiality

As the investments company for the world, it is our business to understand where resources can have the greatest impact and how our firm can engage and enrich society. We apply this thinking to our CSR strategy, identifying areas where we can foster positive change. Additionally, we are increasingly focused on connecting programs to create interdisciplinary strategies that allow for optimized value and performance.

In 2014, we conducted a materiality refresh through a comprehensive evaluation to ensure that we are focusing on areas with the highest importance and relevance to our firm. The evaluation included research and interviews with a diverse group of internal and external stakeholders to gather their feedback on our existing CSR framework and the proposed evolution of our CSR strategy. The outcomes of the materiality refresh were reviewed by our Executive Committee and by the CSR Committee of the Board of Directors. While some areas have evolved from our materiality analysis completed in 2011, our core strategy continues to comprise the three pillars of Market Integrity, Our People and Our World, which are described as follows:

- **Market Integrity:** We earn clients' trust every day by upholding the highest standards of integrity and responsibility in our practices and products. We contribute to the health of global markets through the resiliency and effectiveness of our operations.
- **Our People:** We provide our talented, diverse workforce with the opportunities they need to grow and succeed.
- **Our World:** We make our local communities better places to live and work and contribute to solutions for the world's most pressing issues.

Based on key findings from the materiality refresh, our strategy has evolved in the following ways:

Market Integrity

An increased emphasis on **risk**.

- Effective risk management helps to protect markets, which is core to our responsibility as a financial institution that safeguards one-fifth of the world's assets.³ Under the pillar of *Market Integrity*, our focus on Risk and Reliability comprises Risk Management (on page 30), Financial Strength (on page 38), Ethics and Operational Reliability (on page 47).

Our People

An emphasis on **how** we achieve excellent talent and are invested in our employees.

- We cultivate excellent talent through Leadership and Development (on page 62), Engagement and Wellbeing (on page 71), and Diversity and Inclusion (on page 78).

Our World

The addition of Social Finance and the expansion of Environmental Management.

- Due to client demand, Social Finance (on page 85) has emerged as both a business driver and a way to have a positive impact on society and the environment. Working with our clients, we can use investments to help solve some of the world's toughest challenges.
- Environmental Management has been broadened to include all areas related to our environmental efforts such as Climate Change Leadership (on page 111) and Environmental Efficiency (on page 113).

³ Based upon the value of assets held in custody reported by the top 51 custodians, as reported by GlobalCustody.net in March 2014.

Objectives, Research Methods, and Stakeholder Engagement

As the investments company for the world, it is our business to understand where resources can have the greatest impact and how our firm engages and enriches society. We apply this thinking to our CSR strategy, identifying areas where we can foster positive change.

In 2014, we refreshed our 2011 materiality assessment to ensure that we are focusing on CSR topics with the highest importance and relevance to our firm. The evaluation process included research and interviews with a diverse group of internal and external stakeholders to gather feedback on our existing CSR framework and evolution of our CSR strategy. The outcomes of the materiality refresh were reviewed by our Executive Committee and CSR Committee of the Board of Directors.

CSR Materiality

Tier 1:

Topics that are critically important to society and our business

RISK AND RELIABILITY

INCLUDES:

- Risk Management
- Financial Stability
- Ethics & Compliance
- Operational Reliability

Tier 2:

Topics that are important to society and our firm's strategy

DIVERSITY AND INCLUSION

ENGAGEMENT AND WELLBEING

LEADERSHIP AND DEVELOPMENT

SOCIAL FINANCE

STRONG GOVERNANCE

Tier 3:

Topics that are beneficial to society and some of our business and operations

COMMUNITY COMMITMENT

ENVIRONMENTAL MANAGEMENT

Tier 1 Risk and Reliability

Why It's Important

BNY Mellon processes more than 3 billion transactions every month, making our ability to manage risks essential for the global economy. We recognize that this fundamental importance to the health and operations of the financial markets carries with it a responsibility to maintain the highest standards of excellence. Our ability to manage risk and operate reliably is critical to our business and the needs of our stakeholders.

Strategy

To help meet business and stakeholder needs in light of shifting regulations, risks and client demands, we focus our approach on risk management (including embedding a risk culture), financial stability, ethics and operational reliability.

Tier 2 Diversity and Inclusion

Why It's Important

In this global marketplace, we rely on our workforce to provide creative insights and innovative solutions that meet the wide-ranging needs of our clients around the world. To adequately serve our stakeholders, we aim to have the very best talent and provide an engaging and inclusive environment that leverages diversity and differences, so that all of our employees can thrive.

Strategy

We strive for continuous improvement in diversity trends for our management and leadership ranks globally and sustain positive trends in diversity and inclusion on employee survey scores.

Tier 2 Engagement and Wellbeing

Why It's Important

Our ability to meet and exceed client needs depends on maintaining an engaged, motivated workforce. We believe that caring for our people, including their wellbeing, promotes higher levels of engagement to best serve our clients.

Strategy

Engagement — We enhance key drivers of employee engagement including leadership, management, empowerment, collaboration and career opportunities. Wellbeing — We educate, encourage and empower employees to enjoy healthy, happy and fulfilled lives.

Tier 2 Leadership and Development

Why It's Important

By driving a high-performance culture that stems from great talent, leadership and learning, we will achieve business success and help to build meaningful careers for our people.

Strategy

We support a learning culture that builds leaders at all levels. By providing employees with opportunities to learn, develop and receive ongoing feedback, we help them realize their full potential.

Tier 2 Social Finance

Why It's Important

We believe that investments are key to enabling positive change in society and for the environment. Capital will be needed in sectors from health to education to agriculture to meet the needs of a growing population as the world becomes increasingly resource constrained.

Strategy

We formalized a focus on social finance that leverages our collective knowledge, skills and resources to help attract mainstream investors, unlock capital, and shift more financing toward positive social and environmental outcomes. We drive progress in three areas: products and services, thought leadership and research, and partnerships.

Tier 2 Strong Governance

Why It's Important

Good governance promotes accountability, compliance and the highest ethical standards from the Board of Directors to all levels of the firm.

Strategy

We meet evolving stakeholder needs and expectations by enhancing and sustaining practices for substantive stakeholder engagement, corporate social responsibility, and responsible political engagement.

Tier 3 Community Commitment

Why It's Important

Operating in 35 countries, our global presence gives us a unique vantage point on major problems facing society today. We are committed to contributing solutions to address these challenges and target our efforts toward programs that make our communities better places to live and work.

Strategy

We demonstrate a measurable positive impact in our communities through philanthropic activity, employee community involvement, supplier management and relationships and human rights advocacy.

Tier 3 Environmental Management

Why It's Important

Prudent management of natural resources is one of the world's most pressing issues. We strive to make our operations as efficient and effective as possible, driving increased standards for environmental performance. Our strategic management of resources achieves a positive effect on the bottom line, helps manage risk, inspires ways to help our clients succeed and supports our communities around the world.

Strategy

We integrate continuous environmental improvement and sustainability across our operations and into everything we do — from cutting carbon emissions in the way we travel and the design of our offices to providing our clients with investment options that manage climate risks and opportunities.



Q&A with the President

–Karen Peetz

How did BNY Mellon’s approach to corporate social responsibility change in 2014?

Corporate social responsibility is deeply embedded in who we are as a company. It’s woven into our culture, from the way we engage and develop our global workforce to the way we partner with clients to develop solutions. Because CSR is inextricably linked to our business, we refreshed our approach in 2014, which was driven by the financial markets and the trends we saw across our business.

As a leading global financial institution, risk management continues to be among BNY Mellon’s highest priorities. We have a responsibility to our clients, the financial markets and society to effectively identify and mitigate risk. Risk management has always been a core tenet of our investment in market integrity. We’re emphasizing that commitment as a part of our culture by explicitly connecting risk and reliability to our CSR strategy in our 2014 materiality analysis.

We also see investment implications emerging from global environmental, social and governance trends. In 2014, we formalized a focus on social finance, as we recognized the potential for investors to protect and generate long-term value, while driving positive social and environmental change.

Describe some of the ways BNY Mellon has made understanding and managing risk a priority.

Risk management has always been a significant priority for us. Under the leadership of our Chief Risk Officer, James Wiener, who joined BNY Mellon in 2014, we’re furthering that focus by strengthening the integration of risk into our culture and throughout our lines of defense. We’re continuing to instill a sense of accountability about risk management in our employees at every stage of their employment, starting with recruitment.

Tell us more about social finance at BNY Mellon. How is the firm responding to macro environmental and societal challenges with its products and services?

We define social finance as any investment activity that includes both financial returns and significant social and/or environmental impact. By expanding the definition of “social finance” to include socially responsible investing, development finance, environmental investing and impact investing, we demonstrate that BNY Mellon has a significant footprint in a growing segment that addresses both clients’ needs for financial return and their desire to see positive impact.

Our focus on this area is both a response to the opportunities and risks we see from complex global issues and recognition that creating a bridge between strategies allows investors to put more of their money to work to earn financial return and — for those that value it — have a social impact. Because we work with corporations, institutions and investors across every stage of the investment process, we see social finance's full potential from investment servicing to investment management.

It sounds like social finance is a significant opportunity for BNY Mellon. How will it benefit clients?

It's an exciting area of innovation for our company. We have significant expertise in areas of social finance including socially responsible investing. Clients are looking for innovative, strategic ideas and opportunities. Our social finance focus is one way we're delivering those.

How are you building capacity internally so BNY Mellon can deliver a diversified and integrated suite of social finance offerings to clients?

We're building from a strong base of internal expertise. Several of our investment boutiques have been active in socially responsible investing for over a decade. A number of highly skilled investment employees have also come forward with ideas and enthusiasm about social finance. With their cross-business expertise, they're developing practical financial solutions that meet our clients' needs and offer social benefits at the same time.

Product development, employee engagement and partnerships are important areas of focus for us in the year ahead as we expand our social finance capabilities.

What do you hope to achieve in 2015?

Social finance could be a tremendous opportunity for our clients, our firm, the broader investment community and society — and it doesn't end with our business capabilities. We're partnering with leading organizations to conduct research, contribute to the conversation and advance the field to positively impact our world through investments.

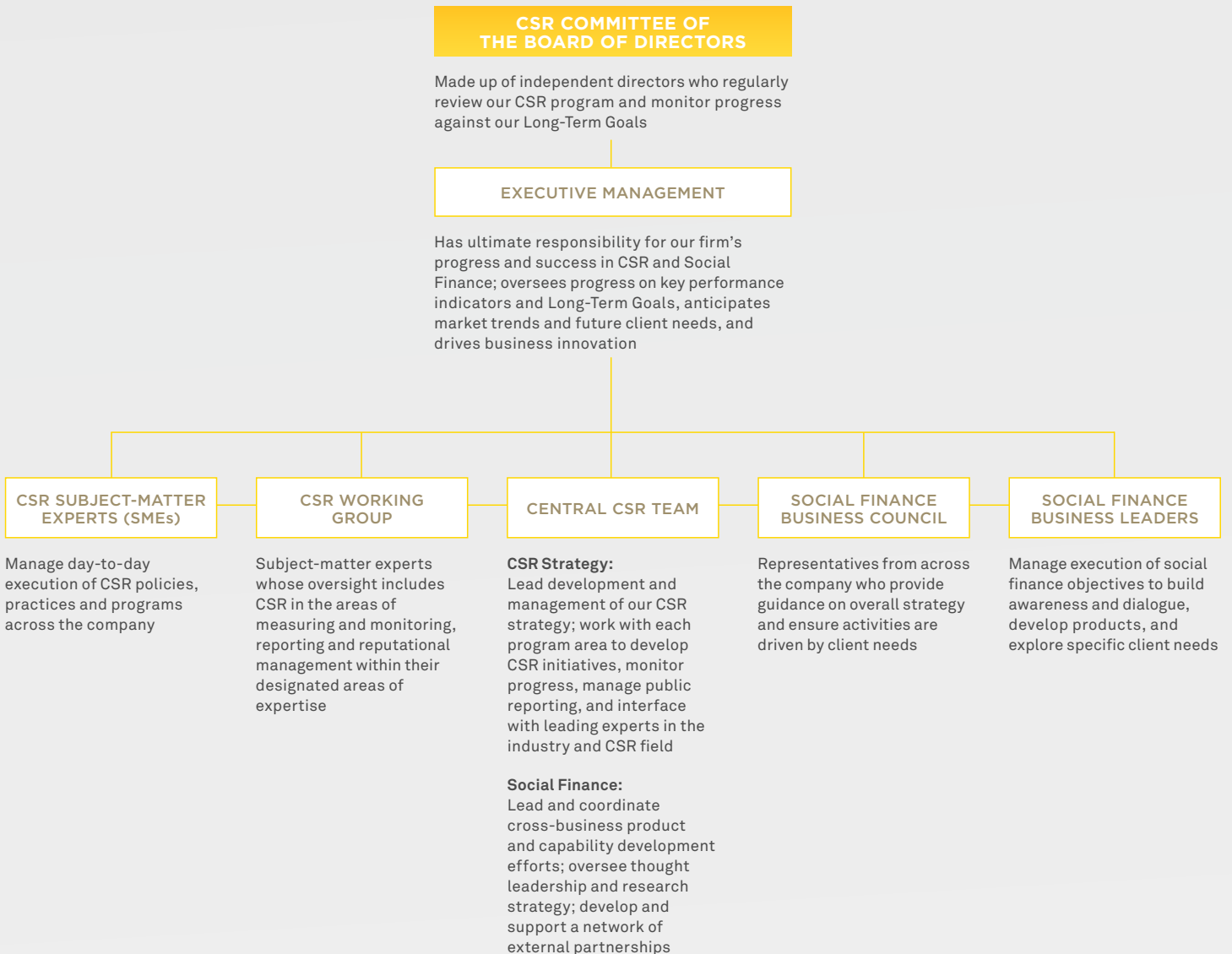
We believe one of the areas with the most potential is making investing in developing and emerging markets safer and more attractive to mainstream investors. Increasing capital flow to these markets requires strong rule of law and improved governance to decrease investment and business risk. This could lead to business opportunities for our firm and also contribute to economic development and improved social conditions in these nations.

To support the inclusion of a robust goal calling for broad access to rule of law within the forthcoming post-2015 United Nation's Sustainable Development Goals (SDGs), we began a partnership with the United Nations Foundation (UNF) in 2014. The SDGs will set the global stage and norms for development from 2016 to 2030. Through our partnership with UNF, we are building a coalition of support from the private sector and civil society. We look to advance the rule of law within the SDGs, helping to impact trillions of dollars in investments and billions of lives between 2016 and 2030.

CSR Governance

We have in place a strong CSR governance structure that starts at the top of our firm. Our robust governance and reporting practices enable transparency and accountability at BNY Mellon. The independent Corporate Social Responsibility Committee of the Board of Directors regularly and actively reviews our CSR program, monitors progress against our Long-Term Goals and provides guidance on our CSR efforts. Our firm’s executive management holds ultimate responsibility for our CSR progress and success, as

CSR Governance Structure



they review and evaluate Key Performance Indicators and Long-Term Goals in their respective business units and associated management.

Internal CSR specialists and subject-matter experts work to instill CSR practices and behavior throughout our company. Our core team of CSR specialists works with each area to develop initiatives specific to our businesses, monitors progress on material issues, facilitates dialogue and develops strategies that coordinate across disciplines. These specialists also engage with experts in the financial services industry and the CSR field. More than 50 subject-matter experts help manage the day-to-day execution of CSR policies, practices and programs across the company. These experts are responsible for achieving targets related to annual CSR key performance indicators, and often organize groups and committees to engage employees and communities on CSR initiatives. Subject-matter experts also engage with the CSR Committee of the Board.

In 2014, we established two specialized working groups to replace our former CSR Council. The CSR Working Group and the Social Finance Business Council are able to provide focused guidance across a broader range of topics and functions than the Council that they replaced. The CSR Working Group members have day-to-day responsibilities that are tied directly to the measuring, monitoring, reporting and reputational management of major CSR topics. This group is tied to tangible output, including CSR Long-Term Goals, reporting activities and engagement with the CSR Committee of the Board. Its members advocate for CSR advancement and engagement within their respective areas and the broader firm. The Social Finance Business Council consists of representatives across our company who ensure social finance activities are coordinated and driven by client needs. This group informs the corporate-wide effort, builds on each other's knowledge of the field and drives related growth opportunities in their own businesses. Learn more on page 85 about our work on social finance.

Annual CSR Goal-Setting & Implementation Process



CSR GOVERNANCE GROUPS

CSR COMMITTEE OF THE BOARD OF DIRECTORS (CSR BOARD COMMITTEE)

Independent directors who review BNY Mellon's CSR program and monitor progress against Long-Term Goals.

EXECUTIVE MANAGEMENT

Oversee progress on key performance indicators and Long-Term Goals, and have ultimate responsibility for CSR progress and success.

CSR SPECIALISTS

Lead the development and management of BNY Mellon's CSR strategy, help create initiatives, monitor progress, manage public reporting, and interface with leading experts in the industry and CSR field.

CSR WORKING GROUP

Subject matter experts whose responsibilities are tied directly to CSR in the areas of measuring and monitoring, reporting and reputational management.

GROUPS & COMMITTEES

Groups which engage employees locally and regionally on CSR initiatives. Examples of these include employee resource groups, as well as committees focused on volunteering and philanthropic fundraising.

Note: In Progress Toward CSR Goals on page 21, the 'Notable 2014 Progress' column provides information on 2014 results.

Stakeholder Engagement

We actively solicit feedback and adapt our products and practices to match the evolving demands of our diverse stakeholders. We believe dialogue and engagement contribute to business excellence. We use a multidimensional approach to stakeholder engagement.

Stakeholder engagement is an overarching mechanism for achieving strong performance within each of our CSR strategic priorities. Throughout our reporting, we have highlighted specific examples that emphasize the importance of engaging key stakeholders. For instance, when developing our Social Finance initiative, we participated in extensive dialogue with clients, investors and employees, among other stakeholders, to gather feedback. For specific examples of these engagements, see our section on Social Finance on page 85.

Stakeholder Engagement Mechanisms

SHAREHOLDERS	COMMUNITIES	CLIENTS	EMPLOYEES
Annual and quarterly reports	Direct meetings with local leaders and advocacy groups	Direct meetings	Direct meetings with managers
Webcasts and conference calls	Board membership	Conference advisory boards	Performance management and development programs
Financial services conferences	Financial support (grants, sponsorships)	Client conferences	Town halls and Employee Resource Groups
Proxy voting	Employee volunteering and fundraising	Client satisfaction survey	Engagement survey
Annual meeting		External surveys	

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

Transparency

We build trust with stakeholders and enable collaborative problem-solving by promoting transparency throughout our business operations and communications. We play a vital role in the global financial markets, and it is important that our stakeholders see that we are conducting business openly and with integrity and endeavor to hold our business partners and suppliers to the same high standard. This year, we have increased the depth of our CSR reporting around some key issues, including:

Our business activities:

A robust discussion of our technology improvements related to operational reliability, including cybersecurity, system availability and transaction execution quality

BNY Mellon University (BKU):

A more detailed overview of learning and development offerings, as well as of the strategy employed to streamline our curriculum and our processes for tracking and analyzing the effectiveness of our training

Environmental disclosure:

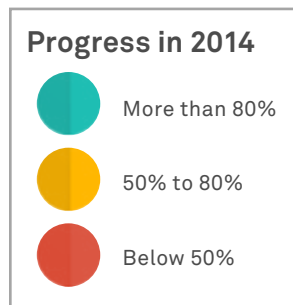
An in-depth discussion of how and why we manage our environmental footprint through investments in environmental efficiency, and the formation of our new Business and Environmental Sustainability group in 2014

Progress Toward CSR Goals

We have made long-term commitments for each of our CSR priority areas, measuring our progress through Key Performance Indicators. We provide regular status updates to the CSR Committee of the Board of Directors using the color-coded rating system below to indicate our progress. Executive management has

ultimate responsibility for achieving progress toward the Long-Term Goals.

The long-term commitments listed below are based on our 2011 materiality analysis, and we will continue reporting on these through the end of 2015. Next year’s report will provide highlights of our accomplishments from 2012 through 2015. Starting in 2015, we will also be transitioning to new Long-Term Goals to align with outcomes based on our refreshed 2014 materiality analysis (on page 10).



Ethics & Transparency

Long-Term Goal

Uphold high standards for fostering and maintaining a culture that promotes mutual respect, avoids conflicts, conducts business based on honest competition, and observes the heightened diligence required in government interactions. We do this through leadership and transparent communication of material and critical information, and by ensuring our training and program resources remain relevant and engaging.



Notable 2014 Progress

- We increased the number of monitored employees on our personal security trading platform.
- We continue to engage and educate our employees about significant and evolving matters within the organization, across the industry and at applicable regulatory bodies throughout the world via focused training sessions and routine internal communication mechanisms.
- We are seeing heightened employee engagement scores in employees’ understanding of our risk framework.

Learn more:

- Ethics on page 43
- Transparency on page 20

Note: In 2015, our long-term goals will be changing as a result of the 2014 materiality analysis refresh to better align with the areas that are of prominent concern to our business and that could benefit from CSR oversight.

Operational Reliability & Effectiveness

Long-Term Goal

Contribute to the health of the financial system through excellence in transaction quality, reliability of systems and service providers, and resiliency during potential disruptions; demonstrate leadership in the effective use of resources, including those with environmental impacts



Notable 2014 Progress

- Core and significant applications achieved 99.7 percent availability
- Launched ISO 27001 program with the objective of enhancing information security management of our global operations
- *We are working towards including cyber-specific metrics, as we believe the topic is relevant to Operational Reliability based on the current environment. In the interim, we have taken the position of rating this goal at amber due to the complexity and impact of potential cybersecurity attacks. We recognize that cybersecurity threats are constantly evolving and will continue to strengthen our controls that are designed to detect, prevent and respond to such threats.*

Learn more:

- Risk Management on page 30
- Operational Reliability on page 47
- Environmental Efficiency on page 113

Strong Governance

Long-Term Goal

Meet evolving stakeholder needs and expectations by enhancing and sustaining practices for substantive stakeholder engagement, corporate social responsibility, and responsible political engagement



Notable 2014 Progress

- One of only two U.S. diversified financial services companies listed on the [Dow Jones Sustainability World Index](#),⁴ and one of only two S&P 500 companies with a perfect score on [CDP](#) indexes for two consecutive years⁵
- Improved company score on [CPA-Zicklin Index of Corporate Disclosure and Political Accountability](#)⁶ by 50 percent since 2012
- Renewed our CSR strategy to reflect industry and company evolution, and successfully created a programmatic structure for a social finance focus

Learn more:

- Stakeholder Engagement on page 20
- Advocacy and Political Engagement on page 56
- Corporate Governance on page 54

⁴ Dow Jones Sustainability Indices, 2014.

⁵ CDP S&P 500 Climate Change Report, 2014.

⁶ CPA-Zicklin Index of Corporate Disclosure and Political Accountability, 2014.

Responsible Investments

Long-Term Goal

Be highly focused on clients' interests by providing substantive programs to support clients' environmental, social and governance (ESG) needs, and be mindful of ESG risks and impact when lending and investing company funds



Notable 2014 Progress

- Launched two new boutique-led ESG products in Investment Management and laid the groundwork for 2015 penetration across the ESG platform
- Developed ESG education materials for investment staff in select boutiques
- Maintained the number of clients using the ESG screening services in Asset Servicing through 2014, while increasing the number of screens by 23 percent and growing assets screened by 34 percent

Learn more:

Social Finance on page 85

ESG Risk Management on page 36

Excellent Talent

Long-Term Goal

Be a performance-driven organization with an inclusive culture that attracts, engages, develops and retains a talented team of diverse professionals, experts and leaders



Notable 2014 Progress

- Built a 3-year strategy map to achieve our long-term extraordinary talent goal aspirations, with aligned annual incremental goals throughout all levels of our company
- Significant progress in building an innovative and dynamic learning and development curriculum and improving learning experiences for employees; received two prestigious industry awards for excellence
- Perceptions about diversity and inclusion initiatives trended favorably both in our employee engagement survey and among the talent pool; some progress has been made in diverse representation overall and this continues to be a key focus area for improvement
- Overall employee engagement survey scores were largely unchanged from our 2012 survey

Learn more:

Leadership and Development on page 62

Engagement and Wellbeing on page 71

Diversity and Inclusion on page 78

Community Commitment

Long-Term Goal

Demonstrate a measurable positive impact in our communities through philanthropic activity, employee community involvement, environmental stewardship, diverse supplier development, and human rights advocacy



Notable 2014 Progress

- \$38.1 million: Total company and employee cash donations, a \$3.7 million year-over-year increase
- 127,000: Total employee volunteer hours, a 20 percent year-over-year increase
- Advancing our commitment to human rights advocacy through a partnership with the United Nations Foundation to support rule of law and engaging with key suppliers related to human rights practices
- Published a Supplier Code of Conduct
- Achieved a 32.4 percent reduction in our Scope 1 and 2 carbon emissions, surpassing our target of a 10 percent reduction by 2016, against a 2008 baseline for our global-tracked real estate portfolio. We have established a new goal to achieve a 40 percent reduction in global carbon emissions by 2020, against a 2008 baseline.

Learn more:

Social Finance on page 85

Philanthropy and Community

Involvement on page 96

Supplier Responsibility on page 106

Climate Change Leadership on page 111

Environmental Efficiency on page 113

Performance Data

Please find below a summary of our performance data. For a comprehensive list of our key performance indicators and performance see our [performance data spreadsheet](#).

Dollar amounts in billions USD, unless otherwise noted	2014	2013	2012
MARKET^(a)			
Assets under custody and/or administration (AUC/A)	\$28,500	\$27,600	\$26,300
Assets under management	\$ 1,710	\$ 1,583	\$ 1,386
Total revenue	\$15,692	\$15,048	\$14,555
Non-U.S. total revenue	38%	37%	37%
Market capitalization	\$ 45.4	\$ 39.9	\$ 29.9
Company credit rating (S&P credit rating of long-term senior debt)	A+	A+	A+
Number of countries of operations	35	35	36
Capital levels (Estimated Basel III Tier 1 common equity ratio — Non-GAAP) ^(b)			
Standardized approach	10.6%	10.6%	N/A
Advanced approach	9.8%	11.3%	9.8%
Active employees certified compliant with the Code of Conduct	100%	100%	100%
OUR PEOPLE			
Global employees (full-time)	50,300	51,100	49,500
Total compensation ^(c)	\$ 3.63	\$ 3.62	\$ 3.53
Training hours per employee, on average	21	28	31
Employee retention	88%	90%	91%
Managing Director and above positions held by women	26%	26%	26%
Employee engagement globally (percentage of overall positive survey results)	76%	78%	77%

Dollar amounts in billions USD, unless otherwise noted	2014	2013	2012
OUR WORLD			
Assets explicitly screened for ESG factors	\$ 80.0	\$ 73.0	\$ 35.0
Assets covered by the UN Principles for Responsible Investment	38%	40%	23%
Cash donations (millions USD) ^(d)	\$ 38.1	\$ 34.4	\$ 33.6
Grants and charitable sponsorships (millions USD)	\$ 22.9	\$ 19.9	\$ 19.1
Employee contributions and company match (millions USD)	\$ 15.2	\$ 14.5	\$ 14.5
Total employee volunteering hours	127,000	105,000	84,000
CDP score (disclosure and performance)	100 A	100 A	90 B
Global greenhouse gas emissions reductions (from 2008 baseline) ^(e)	32.4%	30.6%	28.5%
Global electricity usage offset by alternative energy	63%	63%	72%
Internal paper reduction (from 2008 baseline, U.S. only)	52%	42%	38%
Annual savings through owned or controlled buildings' energy-efficiency projects (millions USD)	\$ 13.3	\$ 12.6	\$ 12.0
Real estate certified for sustainability (by at least one third party, including LEED, ISO 14001 or ENERGY STAR, and by percentage of sq. ft.)	34.3%	34.1%	34%

(a) For a full explanation of statistics, please see www.bnymellon.com/csr or the corporate [2014 Annual Report](#).

(b) Beginning in 2014, risk-based capital ratios include the net impact of the total consolidated assets of certain consolidated investment management funds in risk-weighted assets. These assets were not included in the risk-based ratios prior to 2014. At Dec. 31, 2014, the CET1 risk-based regulatory capital ratios are based on Basel III components of capital, as phased-in, and asset risk-weightings using the Advanced Approach framework. The capital ratios prior to Dec. 31, 2014 are based on Basel I rules (including Basel I Tier 1 common in the case of the CET1 ratio). The estimated fully phased-in CET1 ratios are based on our interpretation of the final capital rules released by the Federal Reserve on July 2, 2013 (the "Final Capital Rules"), which are being gradually phased-in over a multi-year period. For further explanation of the capital ratios, please see the "Capital" section of the 2014 Annual Report. Please also see "Supplemental Information — Explanation of GAAP and Non-GAAP Financial Measures" beginning on page 128 of the 2014 Annual Report for a calculation of these ratios.

(c) A full estimate of total compensation and other staff expense is available within the corporate 2014 Annual Report under "Noninterest Expense."

(d) Employee and company giving, includes our two foundations: BNY Mellon Foundation and BNY Mellon Foundation of Southwestern Pennsylvania.

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

Select Awards

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM 



FTSE4Good



- **Dow Jones Sustainability World Index**
—DJSI World⁷
- **Dow Jones Sustainability North America Index**
—DJSI North America, for second consecutive year⁸
- **S&P 500 Climate Disclosure Leadership Index (CDLI)**
—CDP, for third consecutive year⁹
- **S&P 500 Climate Performance Leadership Index (CPLI)**
—CDP, for second consecutive year¹⁰
- **FTSE4Good Global Benchmark Index**
—FTSE4Good, for third consecutive year¹¹
- **Best in Asset Servicing/Securities in Lending/
Collateral Management/Custody Mandate/
Corporate Trust Mandate**
—Triple A Asset Servicing Awards¹²
- **Financial Services Diversity Corporation of
the Year**
—National Business Inclusion Consortium (NBIC)¹³
- **Human Rights Campaign Foundation's Corporate
Equality Index, 2015**
—for seventh consecutive year with a perfect,
100-percent score¹⁴
- **Most Innovative Company for Asian
Pacific Americans¹⁵**
—Asia Society
- **Most Innovative Project of the Year (Wholesale
Margin Segregation (SM))**
—Custody Risk Americas Awards¹⁶
- **No. 1 Global Custodian**
—R&M GlobalCustody.net Survey¹⁷
- **No. 1 Global Provider of Corporate Trust Services
for Corporate and Insurance Debt Issuance and
Financial Institution Stand-Alone Debt Issuance**
—Thomson Reuters, Dealogic¹⁸
- **Top Companies for Women Technologists Award**
—Anita Borg Institute¹⁹
- **Top U.S. Private Bank and Top Private Bank
Offering for Family Offices**
—Family Wealth Report²⁰

7 Dow Jones Sustainability Indices, 2014.

8 Dow Jones Sustainability Indices, 2014.

9 CDP S&P 500 Climate Change Report, 2014.

10 CDP S&P 500 Climate Change Report, 2014.

11 FTSE4Good Index, 2014.

12 The Asset, 2014.

13 National Business Inclusion Consortium.

14 HRC Corporate Equality Index, 2015.

15 Asia Society, 2014.

16 Custody Risk, 2014.

17 R&M GlobalCustody.net, 2014.

18 Clearstream, 2014.

19 Anita Borg Institute, 2015.

20 Family Wealth Report, 2014.



**Market
Integrity**

Overview

As the investments company for the world, we play a significant role in helping financial markets remain stable, efficient and resilient. We are committed to a rigorous risk culture across our businesses. We provide employees and clients with the guidance, skills and tools to anticipate and mitigate risk, enabling them to make profitable decisions for the long term. A foundation of strong governance complements an evolving suite of policies, training and technologies that support consistent performance and high ethical standards in all market conditions.

Our Leaders Discuss How Risk Culture is Embedded in BNY Mellon

[Gain insight](#) into our risk culture and hear from James Wiener, Chief Risk Officer; Monique Herena, Chief Human Resources Officer; and Lucille Mayer, Chief Information Officer of Client Experience Delivery.

Risk and Reliability

Our brand is built on trust. BNY Mellon processes more than 3 billion transactions every month, making our ability to manage risks essential for the global economy. We recognize that this fundamental importance to the health and operation of the capital markets carries a responsibility to maintain the highest standards of excellence. Our ability to manage risk and operate reliably is critical to our business and the needs of our clients. To help meet these needs in light of shifting regulations, risks and client demands, we focus our approach on risk management, financial stability, ethics and operational reliability.

Risk Management

Stable, well-functioning markets help communities around the world grow and thrive. As a leading global financial institution, we have a critical role to play — we want to contribute to the stability and integrity of these markets by conducting business in a reliable, trustworthy manner. This responsibility makes our company's superior risk management framework essential to safeguarding the financial markets.

In order to be successful, we have to be innovative and precise and our risk framework widely understood. We have incorporated risk management practices throughout our organization, giving employees the tools to manage risk in their roles through the entirety of their careers. Our Three Lines of Defense framework holds all employees accountable for risk management, and informs how we work together to protect the company's assets, brand and reputation.

Risk Appetite

BNY Mellon defines risk appetite as the aggregate level of risk we are normally willing to assume after considering topics such as its strategic business objectives and business plan, the major risks facing the company and its risk capacity.

The company's risk management framework has been designed to:

- Ensure that appropriate risk tolerances ("limits") are in place to govern our risk-taking activities across all businesses and risk types
- Ensure that our risk appetite principles permeate the company's culture and are incorporated into our strategic decision-making processes
- Ensure rigorous monitoring and reporting of key risk metrics to senior management and the Board of Directors
- Ensure that there is an ongoing and forward-looking capital planning process to support our risk-taking activities

For more information about the company's risk appetite, please visit our [2014 Annual Report](#).

Primary Risk Categories

TYPE OF RISK	DESCRIPTION
OPERATIONAL	Operational risk arises from inadequate or failed internal processes or systems, human errors or misconduct, or adverse external events. Operational losses result from internal fraud; external fraud; inadequate or inappropriate employment practices and workplace safety; failure to meet professional obligations involving clients, products, and business practices; damage to physical assets; business disruption and systems failures; and failures in execution, delivery, and process management.
MARKET	Market risk arises from changes in the value of either trading portfolios or other obligations that are entered into as part of distributing risk. These portfolios typically are subject to daily price movements and are accounted for primarily on a mark-to-market basis. This risk occurs most significantly from market-making, dealing and position-taking in interest rate, foreign exchange, equity, commodities and credit markets.
CREDIT	Credit risk arises from the potential loss we would suffer if any of our borrowers or other counterparties were to default on their obligations. Credit risk is found in all activities in which settlement or repayment depends on counterparty, issuer or borrower performance. It exists any time bank funds are extended, committed, invested or otherwise exposed through actual or implied contractual agreements, whether reflected on or off the balance sheet.
LIQUIDITY	Liquidity risk arises from an inability to meet obligations when they come due. Liquidity risk includes the inability to access funding sources or manage fluctuations in funding levels.

BNY Mellon's Three Lines of Defense Against Risk



Risk Culture

BNY Mellon has a comprehensive risk management framework in place — one that encompasses company policies, internal controls, corporate governance, training and more. Yet, the most important components are our people and the values and behaviors we share as an organization. This is confirmed by our employee engagement survey, where 96 percent of our employees indicated that they are aware of the risks relevant to their work. This result

stems from all we have done to underscore every employee’s role as a risk manager in the workplace.

In addition, we are strengthening risk culture in ways that further embed the core concepts of personal responsibility for risk awareness and management in our organization. This approach brings our four key risk principles to life and makes risk management something our people think about and take appropriate action around.

The Four Principles of Risk Culture

<p>LEADING BY EXAMPLE</p>	<p>Our senior leaders continue to play a visible and vocal role in supporting enterprise-wide risk management through robust communications on key concepts, such as Risk Appetite and Three Lines of Defense that underscore personal responsibility and expand on risk initiatives</p>
<p>PUTTING OUR CLIENTS FIRST</p>	<p>Enhancing our processes for measuring business and client risk; developing a consistent framework for addressing client issues; and creating a gauge for the impact of our decisions on clients</p>
<p>ORGANIZING AROUND OWNERSHIP</p>	<p>Strengthening first-line (all employees) risk ownership; creating risk business plans; and making sure all employees understand their roles in managing risk</p>
<p>INSTITUTIONALIZING ETHICAL BEHAVIOR</p>	<p>Embedding risk management throughout the employee lifecycle from recruitment to selection to career advancement to transitions from the company; measuring all employees against a risk goal in their annual performance evaluations</p>

Our risk culture will continue to evolve as regulations, markets and businesses evolve, but our commitment to a risk culture of personal responsibility, prudent risk-taking and excellence in all we do will never change.

Working Together: Business Acceptance Committees

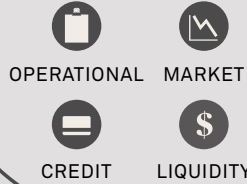
At BNY Mellon, Business Acceptance Committees (BACs) across our businesses and regions make critical judgments in evaluating opportunities. BACs

reinforce the concept that risk management starts with risk ownership. This idea is not new to our company; our businesses have had vetting processes all along. We have now built a formalized and codified structure across the company. Together senior business leaders and their partners in Risk, Legal, Operations and other key areas measure a transaction against a checklist of factors to determine if it is acceptable to the company. For example, there have been instances where the company has turned down new business because of risk concentration.

Risk Culture at BNY Mellon

Risk Situation Arises

Primary risk categories:



Employees Consider Risk and Take Action

Decisions made with long-term perspective in mind
Concerns escalated immediately
Risk, Compliance and Legal functions consulted as needed

Appropriate Resolution Developed

Value delivered to clients
Company and reputation protected
Responsibility to society upheld

Principles of Risk Culture

LEAD BY EXAMPLE

- Visible and vocal senior leaders
- Robust communication on key risk concepts and personal responsibility
- Role model behavior is recognized

INSTITUTIONALIZE ETHICAL BEHAVIOR

- Risk management embedded throughout employee lifecycle
- Recruitment
 - Training
 - Performance Evaluation
 - Progression

PUT CLIENTS FIRST

- Enhanced measurement of business and client risks
- Consistent framework for addressing issues and assessing client impact

ORGANIZE AROUND OWNERSHIP

- Risk appetite statements embedded across our global organization
- All employees are risk owners and understand risk management roles

Our Leaders Discuss How Risk Culture is Embedded in BNY Mellon

[Gain insight](#) into our risk culture and hear from James Wiener, Chief Risk Officer; Monique Herena, Chief Human Resources Officer; and Lucille Mayer, Chief Information Officer of Client Experience Delivery.

Accuracy

Consistently delivering accuracy in all of the work we perform is core to our business. Our clients and the global community rely on the rigor of our processes and controls to help pursue economic stability and vehicles for growth. We expect accurate and predictable outputs from all of our processes while emphasizing a responsibility for accuracy from all of our teams that work within a strong controlled environment. A few examples include our internal auditing procedures, marketing activities and the safeguarding of data and transactions.

Audit

Internal Audit is an independent, objective assurance function that reports directly to the Audit Committee of the company's Board of Directors. It helps the company accomplish its objectives by bringing a systematic, disciplined, risk-based approach to evaluating and improving the effectiveness of the company's risk management, control and governance processes. The scope of Internal Audit's work includes the review and evaluation of the adequacy, effectiveness and sustainability of risk management procedures, internal control systems, information systems and governance processes. Internal Audit provides assurance related to the effectiveness of the company's internal control environment and the safeguarding of company and client assets.

The Audit Committee meets on a regular basis to perform an oversight review of the (i) integrity of the financial statements and financial reporting process, (ii) compliance with legal and regulatory requirements, (iii) our independent registered public accountant's qualifications and (iv) independence and the performance of our registered public accountant and internal audit function. The Audit Committee also reviews management's assessment of the adequacy of internal controls.

Responsible Marketing

We are committed to maintaining and protecting our reputation, with a clear focus on integrity and transparency in our communications with our key stakeholders, including clients and prospects, partners, regulators and the communities in which we live and work. We understand that our success depends on our clients' trust in our management of their financial assets and expectations that we are always acting in their best interest. With that in mind, our approach to responsible marketing centers on adherence to global compliance principles and on managing our risks while highlighting topics that are critical to our clients.

Our Partnerships

We realize that there is strength in having an external perspective, which is why we continue to partner with leading research, consulting and media organizations to provide our clients with innovative and varied thinking. We actively host and participate in client, executive and network roundtables to ensure we are considering and sharing comprehensive information to support our thought leadership and client service communications.

A Commitment to Risk Management

Given the globally complex regulatory environment, our marketing and communications efforts are assessed and reviewed on a regular basis. Our approach to maintaining best-in-class standards includes a cross-functional effort between our Business Marketing, Corporate Marketing, Corporate Communications, and Global and Regional Legal teams to ensure we are maintaining and, when necessary, evolving our marketing and communications policies to ensure compliance.

Accuracy in Transactions

When we execute transactions properly, we advance the goals of our clients and help the markets run smoothly. We seek to meet our execution goals through comprehensive oversight processes and the deployment of advanced technology. With a complex network of systems, processes and employees handling data, we have a comprehensive mechanism for ensuring the accuracy of information. This approach includes the use of advanced encryption

techniques, such as Enforced Transport Layer Security, for storing and sending information, which allows all emails to be automatically secured with no additional steps taken by sender or recipient. For clients without this facility, we provide a dedicated messaging portal that also encrypts information and requires a password to access messages.

ESG Risk Management

Our firm mitigates environmental, social and governance (ESG) risk to protect our business, investors and society. For more information on our products that address ESG risk, see our work in Social Finance on page 85.

The Equator Principles

Financial institutions seeking to assess social and environmental risks in their lending activities have generally turned to the Equator Principles, an internationally recognized framework. These principles, modeled after the World Bank's environmental standards and the International Finance Corporation's social policies, are meant to serve as a baseline for a financial institution's policies and procedures around responsible project finance.

Because we are not active in project financing, BNY Mellon is not a signatory to the Equator Principles. However, consistent with industry best practices, we recognize the need to apply social and environmental criteria to lending activities related to large-scale infrastructure projects. While we have no current plans to change the scope of our activities, our lending guidelines reflect a framework consistent with the Equator Principles. Our lending professionals will be required to follow these guidelines for future project finance activities.

We also periodically evaluate our lending portfolio against guidelines based on the Equator Principles to determine our exposure to potential social and environmental risks through non-project finance lending activities. The evaluations reveal a minimal level of environmental and social risk based on these guidelines.

Community Reinvestment Act

The 1977 U.S. Community Reinvestment Act (CRA) encourages banks and savings associations to

help meet the needs of borrowers in low- and moderate-income neighborhoods. We seek to provide meaningful, beneficial and innovative community development solutions through our CRA activities.

Our most recent CRA ratings for BNY Mellon Bank, N.A., our private wealth bank, and The Bank of New York Mellon, our institutional bank, are "Outstanding" and "Satisfactory," respectively. These performance evaluations can be found by [clicking here for BNY Mellon Bank, N.A.](#) and by [clicking here for The Bank of New York Mellon](#). Our private wealth bank is regulated by the Office of the Comptroller of the Currency, while our institutional bank is regulated by the Federal Reserve Bank of New York and New York State Department of Financial Services.

Both our private wealth and institutional banks continue to identify and finance new CRA-related opportunities that meet community development needs in their very competitive CRA markets. Both banks target affordable housing opportunities for low- and moderate-income residents as their primary community development focus. Other investments promote small business growth through small business investment companies under the Small Business Investment Act, and community development initiatives through national equity funds created by community development financial institutions.

Our CRA efforts are complemented by our community involvement activities, many of which also target underserved communities. For more on these efforts, please visit Our World on page 84.

Financing Wind Energy Projects

BNY Mellon has a long-standing commitment to high-quality projects that have a positive social impact, as well as attractive risk-adjusted financial returns. In the U.S., financing alternative energy projects provides investors with economic benefits that include tax credits, while enabling support for renewable energy expansion. In 2014, BNY Mellon committed approximately \$380 million in financing to various energy companies responsible for the development and operation of five wind energy projects.

Proxy Voting and Issuer Engagement

Our Proxy Voting and Governance Committee (PVGC) seek to provide transparency to the issuer community through its publication of the firm's proxy voting guidelines. The committee members, equity professionals who represent their member firms, vote their clients' shares to maximize the value of the investments. The PVGC has established detailed, predetermined and written voting guidelines for specific types of proposals and matters commonly submitted to shareholders; for more information, see [PVGC Voting Guidelines](#).

We leverage this disclosure to engage with U.S. and international companies on issues including boards, governance, compensation, transactions, contested meetings and shareholder proposals. The PVGC focuses on three areas that strengthen the alignment between company leadership and shareholders:

- Overall review of corporate governance at the firm
- Consideration of how the Board of Directors represents our underlying shareholder interests
- Structure and execution of the executive compensation program relative to performance and benchmarked to peers

In reviewing the proxy voting guidelines, the committee considers the evolving regulatory environment and investor sentiment to ensure BNY Mellon delivers best practices.

The committee has implemented a revised policy on direct voting to allow more detailed consideration of proxies with the most material economic impact. Further, the direct voting policy and the PVGC accommodate our member firms that are signatories to the UN Principles of Responsible Investing on environmental, social and governance matters.

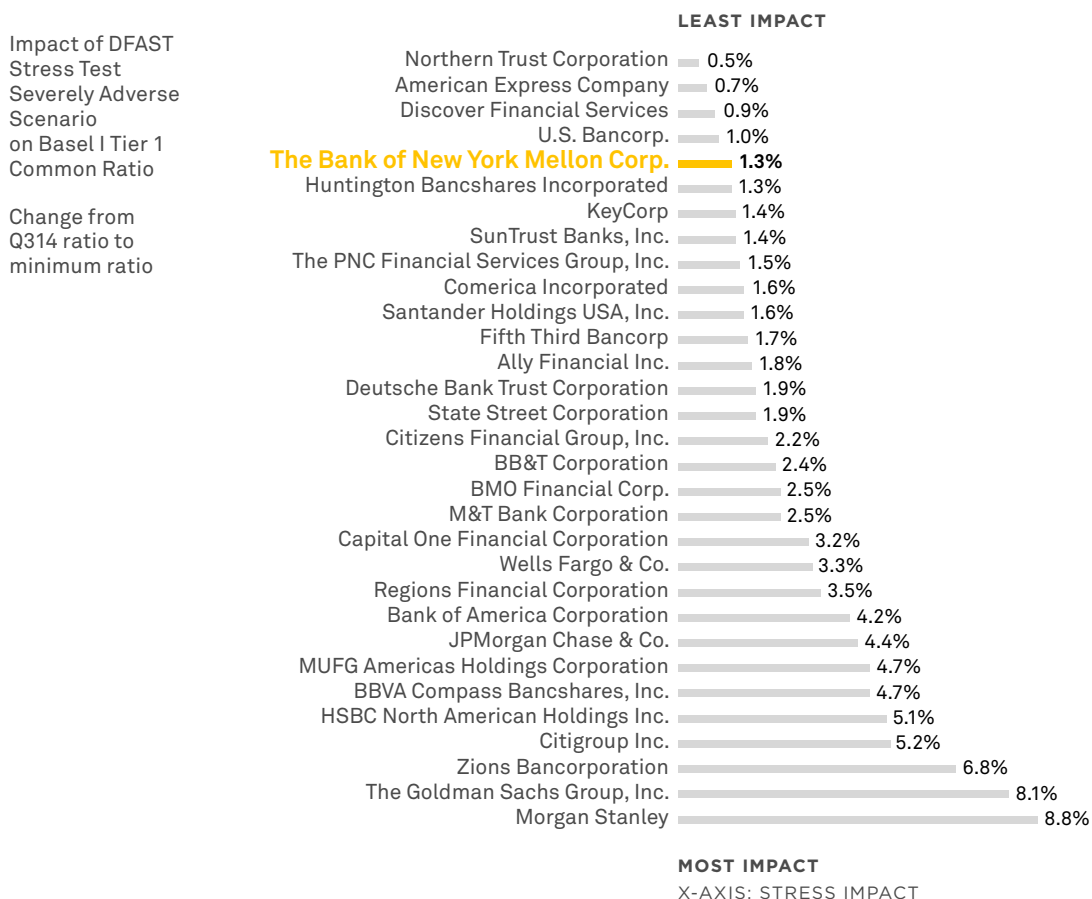
The Proxy Voting and Governance Research team supports the committee's efforts to employ corporate governance research and financial analytics to discern value-enhancing vote decisions at nearly 12,000 meetings for U.S. and international issuers each year. The team researches voting proposals for the committee, leads engagement efforts and maintains oversight of all operational aspects of the proxy-voting process. The concerted efforts of the equity professionals who serve on the committee, and the research professionals who frame and implement the voting requirements, provide our clients with proxy-voting best practices to enhance the value of their investments.

Financial Strength

Our ability to maintain stability in the face of market volatility is essential. In 2014, a year in which there were promising signs of a recovery following the financial crisis, geopolitical events continued to jeopardize growth. From conflict in the Middle East to the crashing of oil prices, to the economic uncertainty in the European Union, we have worked hard to maintain consistent high performance for our clients and protect the larger financial markets. Our strong capital position and low-risk business model is designed to enable us to meet obligations to clients and shareholders, as well as help protect the stability of the larger financial markets. We also offer products and services to our clients to help protect their financial strength. In 2014, we formed the BNY Mellon Markets Group (on page 42), and continued to reinforce our business continuity, internal stress testing and cybersecurity programs.

Stress Testing

Well-Positioned for Stress Scenarios



Source: Federal Reserve — Dodd-Frank Act Stress Test (DFAST) 2015: *Supervisory Stress Test Methodology and Results*.

Our focus on capital adequacy and business continuity excellence is the foundation of our stress-testing program. Through enterprise-wide stress tests, we gauge our resiliency to macroeconomic and idiosyncratic risk scenarios, such as adverse market events, counterparty defaults, liquidity pressures, technology failures, operational events (such as cyberattacks) and litigation.

These tests evaluate BNY Mellon’s financial and capital position under adverse conditions, as well as second-order impacts on counterparties, clients and markets, to increase awareness of our potential to affect financial markets and the potential impact stressed markets have on us, given our unique

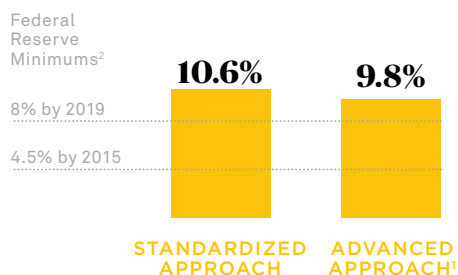
business profile and significant role in the global markets. BNY Mellon’s processes for managing and allocating capital resources are critical not only to our own health and performance, but also to the stability and effective functioning of the financial system.

We have developed our stress-testing program that is designed to meet industry best practices and regulatory expectations. The tests are also a critical component of BNY Mellon’s capital adequacy and risk management frameworks. BNY Mellon is fully committed to maintaining a well-capitalized position under the new Basel III framework and has revised its stress-testing practices to include metrics related to the revised rules.

BNY Mellon Capital Levels

as of December 31, 2014

Estimated Basel III Common Equity
Tier 1 ratio — Non-GAAP



- 1) For further explanation of the capital ratios, please see the "Capital" section of the 2014 Annual Report. Please also see "Supplemental Information — Explanation of GAAP and Non-GAAP Financial Measures" beginning on page 128 of the 2014 Annual Report for a comparison of fully phased-in Basel III capital components and ratios to those amounts determined under the currently effective rules using the transitional phase-in requirements.
- 2) On a fully phased-in basis, we expect to satisfy a minimum CET1 ratio of at least 7% (4.5% minimum CET1 plus 2.5% conservation buffer), expected to rise to 8% or more, assuming an additional buffer of at least 1%. BNY Mellon could be subject to a greater G-SIB buffer than 1%.

The governance structure for enterprise-wide stress tests includes senior representatives from Risk, Legal, Finance and all businesses, demonstrating that a broad spectrum of expertise is represented across working groups and committees. Our Board of Directors oversees our stress-testing activities and approves the annual capital plan for the company before submitting it to the Federal Reserve.

In addition to enterprise-wide stress tests, BNY Mellon conducts reverse stress tests to analyze risk sensitivities across primary businesses, liquidity stress tests to identify significant vulnerabilities with respect to liquidity, and entity-specific stress tests to understand risks to the enterprise's unique legal entities, as well as a variety of business-specific stress tests. Stress testing is appropriately integrated with the Capital Management program at BNY Mellon. Lessons learned from stress tests inform our risk culture and contribute to decision-making on strategic initiatives and continuous improvement across BNY Mellon.

Measuring Core Equity Capital Against Risk-Weighted Assets

Results of the Dodd-Frank Act Stress Test on Our Basel III Common Equity Tier 1 (CET1) Ratio and Leverage Ratio:²¹ Following stress testing under the supervisory severely adverse scenario, BNY Mellon's risk-based capital ratios remain resilient. In the Federal Reserve's Dodd-Frank Act disclosures made as part of the 2015 Dodd-Frank Act annual stress tests, for example, BNY Mellon had one of the highest projected minimum CET1 ratios at 12.6 percent over the nine-quarter planning horizon in the severely adverse scenario. BNY Mellon also had one of the highest projected minimum CET1 ratios of 12.7 percent over the nine-quarters in the adverse scenario. BNY Mellon maintained a resilient minimum U.S. Tier 1 leverage ratio of 5.2 percent in both the severely adverse and adverse scenarios.

²¹ Federal Reserve — Dodd-Frank Act Stress Test (DFAST) 2015: Supervisory Stress Test Methodology and Results.

Risk-Related Products

Following the financial crisis, and with fast-evolving technologies and an expanding global market, The Bank of New York Mellon (BNY Mellon) operates in an increasingly complex and regulated environment. To reduce BNY Mellon's and its clients' exposure to these risks, we continue to invest in new and improved technologies and services. In 2014, this included, among other important work by our Broker-Dealer Services (BDS) line of business, BDS key initiatives to reduce intraday credit risk as part of the BNY Mellon U.S. tri-party repo infrastructure reform efforts. These initiatives are geared toward reducing systemic risk, "practically eliminating" intraday credit risk and enabling market participants to continue to efficiently and effectively fund their operations.

Broker-Dealer Services — U.S. Tri-Party Repo

BDS has been at the forefront in developing technology to significantly reduce our intraday credit risk associated with the U.S. tri-party repurchase (repo) market, where we are the industry leader. We have made significant investments in technology enhancements to implement new processes, procedures, controls and reporting — an investment that sets BDS apart in the financial industry. Given our role in the U.S. clearing and tri-party repo market, we recognize the importance of reducing intraday credit risk without creating market disruptions.

BNY Mellon is a leader in both global and U.S. Government securities clearance. We settle securities transactions in over 100 markets, act as a clearing agent for 18 of the 22 primary dealers and handle most of the transactions cleared through the Federal Reserve Bank of New York (by volume). As more fully described below, we are a leader in servicing tri-party repo collateral with approximately \$2.2 trillion globally. We currently service approximately \$1.4 trillion of the \$1.7 trillion tri-party repo market in the U.S.

BNY Mellon offers tri-party collateral agency services to dealers and cash investors active in the tri-party repurchase, or repo, market and currently has approximately 86 percent of the market share of the U.S. tri-party repo market.

BNY Mellon has reduced the amount of secured intraday credit it provides to dealers in connection with their tri-party repo trades in a number of ways, including limiting the collateral used to secure intraday credit to certain more liquid asset classes, reducing the amount of time during which we extend intraday credit, reducing the amount of credit provided in connection with processing collateral substitutions, introducing a functionality that enables us to "roll" maturing trades into new trades without extending credit, and requiring dealers to prefund their repayment obligations in connection with trades collateralized by Depository Trust Company sourced securities. This combination of measures, together with the technological enhancements put in place in 2014, have practically eliminated intraday credit related to tri-party repo processing.

U.S. Tri-Party Repo Services Explained

BNY Mellon offers U.S. tri-party repo services as agent and intermediary in tri-party repurchase (or "repo") trades to its clearing clients (sellers) and their investor counterparties (buyers). BNY Mellon facilitates settlement between the two principals. Our involvement in a transaction commences after a buyer and seller agree to a tri-party repo trade and send instructions to us. BNY Mellon settles the trade, maintains custody of the collateral (i.e., the subject securities of the tri-party repo trade), monitors the eligibility and sufficiency of the collateral, and executes payment and delivery instructions provided to BNY Mellon by the parties.

BNY Mellon Markets Group

Regulations and the changing dynamics of financial transactions worldwide are pushing risk management to the forefront of the financial marketplace. To help our clients manage risk, capital and liquidity needs in this new environment, we formed the BNY Mellon Markets Group, which brings together our broad suite of foreign exchange, securities finance, collateral management and segregation, capital markets,^a and prime brokerage^b services.

The BNY Mellon Markets Group has more than 1,000 professionals across four continents, delivering services such as equity and fixed income investment solutions, equity and debt underwriting, public finance, global tri-party collateral management, derivatives collateral management, collateral segregation, foreign exchange execution, and agent lending. These services leverage our expertise, technology and operational strength to support clients around the globe throughout the investment lifecycle, helping them manage risk and liquidity and drive performance.

The Markets Group at a Glance

FOREIGN EXCHANGE	SECURITIES FINANCE	COLLATERAL MANAGEMENT AND SEGREGATION	CAPITAL MARKETS ^(a)	PRIME BROKERAGE ^(b)
Broad range of currency execution channels, analytics, reporting and world-class commentary to support your cross-border needs	Securities financing tools to source liquidity, borrow securities (as needed), and lend securities to help enhance portfolio returns	Segregation, collateral optimization and liquidity services to help mitigate counterparty risk and manage liquidity and margin requirements	Access to execution and underwriting services for a wide range of equity and debt instruments to help you enhance your portfolio or capital raising needs	A comprehensive suite of global prime brokerage solutions for alternative fund managers

See corresponding disclaimer on page 138.

(a) Services are provided by BNY Mellon Capital Markets, LLC, a FINRA-registered broker-dealer.

(b) Pershing Prime Services is a service of Pershing LLC, member FINRA, NYSE, SIPC, a wholly owned subsidiary of The Bank of New York Mellon Corporation (BNY Mellon).

Ethics

At BNY Mellon, ethics and honesty drive our corporate culture. Our employees at every level are dedicated to “Doing What’s Right,” and we are steadfast in our belief that the benefits of their commitment extend beyond our businesses to the broader financial services industry and society as well. Our commitment to ethical behavior and transparent communication builds trust with our clients, service providers, communities and employees, while reducing risk to the company and the financial services industry. Our Code of Conduct reinforces the high ethical standards that guide our global employee base.

We also create and nurture a risk-aware culture, and protect against unnecessary risks through the use of a well-defined risk management framework with clear-cut roles, policies, responsibilities and boundaries for all employees.

Ethics and Transparency Long-Term Goal

To uphold high standards for fostering and maintaining a culture that promotes mutual respect, avoids conflicts, conducts business based on honest competition and observes the heightened diligence required in government interactions. We accomplish this through effective leadership, transparent communication of material and critical information and ensuring that our training and program resources remain relevant and engaging.

Notable 2014 Progress

- 100 percent of our active employees certified having read and understood all of the provisions of our [Code of Conduct](#) and the [Personal Securities Trading Policy](#)
- We continue to engage and educate our employees about personal security trading and other evolving matters within the organization, across the industry and at applicable regulatory bodies throughout the world via focused training sessions and routine internal communication mechanisms

Employee Commitment

We operate with integrity in all aspects of our business and promote this quality to every employee. Through training, we ensure that employees have the tools to support our commitment to ethical business practices and require that they speak up if they notice questionable behavior and escalate their concern if they feel it is not being addressed. We also emphasize transparency in our communications with stakeholders.

Code of Conduct

All BNY Mellon employees certified having read and understood all of the provisions of our Code of Conduct, which outlines six key principles:

RESPECTING OTHERS: We insist on a respectful, inclusive and professional workplace.

AVOIDING CONFLICTS OF INTEREST: We help our workforce navigate all potential conflicts of interest and require that conflicts be identified and mitigated.

CONDUCTING BUSINESS: We inform our employees in detail about fair competition, antitrust, anti-corruption, and improper or illegal activities that can occur in our sector and require compliance with all applicable laws, rules and regulations.

WORKING WITH GOVERNMENTS: Our employees learn and comply with the obligations and principles related to working with governments.

PROTECTING ASSETS: Our Code and related training stress the importance of financial integrity, privacy and data protection.

SUPPORTING OUR COMMUNITIES: We take an active part in our communities around the world, both as individuals and as a company. Our long-term success is linked to the strength of the global economy and the strength of our industry. We are honest, fair and transparent in every way we interact with our communities and the public at large.

Over the past year, 100 percent of active employees* certified having read and understood all of the provisions of the Code of Conduct through our Annual Code of Conduct Questionnaire/Certification attestation program.

*May vary because of launch date, employee acquisitions or legal restrictions.

Ethics, Risk and Compliance Training

We continually reinforce the importance of ethics, compliance and managing risk for our overall success. This is evidenced by the development and rollout of three new training programs (Global Anti-Corruption, Information Risk Refresher and the Three Lines of Defense) in 2014 and the annual Anti-Money Laundering Refresher course. Each of these online courses was deployed to the vast majority of our employees and used a series of narrative scenarios to help them understand how ethics, compliance and risk awareness apply to their everyday work experience. In 2014, we launched the first two “missions” in a series titled “Navigate through Risk — The Journey,” which address overviews of BNY Mellon’s major business areas along with the risks they face and electronic communication protocols.

Additionally, all new employees receive comprehensive training in:

- The BNY Mellon Code of Conduct
- Escalation and speaking up
- Global anti-corruption
- Ethics at BNY Mellon
- Global anti-money laundering and suspicious activity reporting
- Information protection and classification standards
- Information risk awareness
- Securities firewalls and personal securities trading

New employees in applicable roles and regions also receive courses in:

- Government-contracting compliance
- Insider trading
- The importance of risk culture at BNY Mellon
- UK conflicts of interest
- UK data protection
- CASS awareness

For more information on the Global USA PATRIOT Act certification, [click here](#).

Employee Resources

We encourage transparency by requiring employees at every level of our company to speak up promptly to their managers, or to our Compliance or Legal teams, about any issue of concern, and to continue to escalate concerns until a satisfactory answer is provided. In addition, we prohibit and monitor for retaliation against any employee who raises a concern in good faith. Finally, to ensure that our ethical standards are followed, we provide our staff with various resources to raise issues or concerns, including:

ETHICS HELPLINE: Operated by the BNY Mellon Ethics Office (anonymous reporting available)

ETHICS HOTLINE: Operated by EthicsPoint,[®] an independent hotline administrator (anonymous reporting available)

INCIDENT REPORTING SYSTEM: An easy-to-use desktop application for reporting suspicious activity

DIRECTOR'S MAILBOX: Communications may be directed to an independent director of the Board

As an additional resource for our leadership team, BNY Mellon maintains a sponsoring partner membership in the Ethics and Compliance Officers Association. This nonprofit group allows members to enhance their expertise and works to advance ethics and integrity globally. Our participation in the Corporate Executive Board's Compliance and Ethics Leadership Council Roundtable also helps us promote ethical leadership.

To contact Ethics regarding the above resources, please [click here](#) for more information.

Anti-Corruption

We have a zero-tolerance policy regarding bribery and corruption. Both our Code of Conduct and our Directors' Code of Conduct spell out detailed expectations regarding anti-corruption compliance. We help monitor potential conflicts through our Anti-Corruption Compliance program, which covers business dealings and relationships in countries where BNY Mellon or our subsidiaries or associates operate. The Compliance program is designed to facilitate compliance with national and international laws, including the U.S. Foreign Corrupt Practices Act and the UK Bribery Act. Key program components cover various business activities and regulatory requirements, including oversight of gifts and entertainment, charitable contributions, hiring practices and third-party intermediary due diligence.

Operational Reliability

BNY Mellon plays an integral role in transactions that keep the global economy functioning, and therefore we must strive to operate reliably and effectively. In an effort to improve reliability, we continue to

seek to enhance our systems availability, business continuity, transaction execution quality, technology improvements and cybersecurity. Our approach is intended to provide a first line of defense against risks for our firm and our clients, and to help maintain the stability of financial markets we serve.

Operational Reliability and Effectiveness Long-Term Goal

Contribute to the health of the financial system through excellence in transaction quality, reliability of systems and service providers, and resiliency during potential disruptions; demonstrate leadership in the effective use of resources, including those with environmental impacts.

Notable 2014 Progress

- Core and significant applications: 99.7 percent availability
- Launched ISO 27001 program, with the objective of enhancing information security management of our global operations
- *We are working toward including cyber-specific metrics, as we believe the topic is relevant to Operational Reliability based on the current environment. In the interim, we have rated this goal at amber* due to the complexity and impact of potential cybersecurity attacks. We recognize that cybersecurity threats are constantly evolving and will continue to strengthen our controls that are designed to detect, prevent and respond to such threats.*

*For more information on this rating, see our [Progress Toward CSR Goals section](#).

Operational Reliability

What We Strive to Protect




\$28.5T
Assets under custody and/or administration




\$3.1T
Average in treasury securities and depositary receipts serviced annually



\$190B
In private client assets



3.7B
Mainframe transactions a month



35.7
Petabytes of digital storage



\$1.7T
Assets under management

What We Strive to Protect Against

All technology and frontline professionals globally are expected to act as risk managers

Geographic diversification of our processing centers

Multiple backup facilities

How We Do It

Enterprise-wide stress tests

Tracking system for IT risk issues

Hack assessments

Automated transaction processes

Monitoring of manually processed transactions




Cyberattacks and Email Viruses




Natural or Human Disasters



Technology Failure



Human Error



Power Outages



Adverse Market Events

System Availability

With an average of more than 3.7 billion transactions per month, we continue to invest in the robustness and performance of our technology. In 2014, we achieved a 21.2 percent improvement over the previous year in production and stability incidents that could cause significant disruptions to our clients, exceeding our goal of a 20 percent reduction. We also ensured our Core and Significant applications were available 99.7 percent of the time. We achieved these improvements through a number of enhancements, including expanded use of our BNY Mellon Extreme Platform (BXP), our cloud-based platform-as-a-service, which virtualizes applications, making them less vulnerable to failures. For more information, read more about our [Client Technology Solutions](#).

Investments in Digital Pulse, our proprietary big data and analytics platform, have also increased stability. By instrumenting many of our systems and processes, we are harvesting large amounts of real-time data, helping us to better understand overall performance and quickly identify activity patterns that could indicate potential system or security issues.

Business Continuity

As a global company, we conduct business 24 hours a day in markets around the world. We strive to minimize operational risk at all times, and one element of these efforts focuses on business continuity. Our centrally coordinated Business Continuity program is designed with the goal of allowing critical operations to continue under foreseeable circumstances, including significant power outages and natural or human-made disasters. Our comprehensive program encompasses crisis management, technology recovery and business resumption, and is updated and tested in an effort to respond to market and industry changes.

Our strategy focuses on geographic diversification of our processing centers, use of multiple backup facilities and resources dedicated to the business continuity process. We have recovery plans in place that cover our business units and technology facilities around the globe. Plans are evaluated and modified to reflect our corporate footprint as needed. Our Board reviews and approves our Business Continuity program annually.

In 2014, our Business Continuity program included work to prepare for incidents around the FIFA World Cup in Brazil, where we have offices. We planned for a number of scenarios, including civil unrest, terrorist attacks and power failures that could affect our operations. Fortunately our team's work was not put to the test, but the exercise was useful in helping us prepare for future mass-participation events.

Transaction Execution

Executing transactions efficiently helps us meet our clients' goals, reduce risks and contribute to the stability of the global markets we serve. In 2014, we continued to refine our systems, deploying technology and training at a strategic level in an effort to increase the management and performance of our processes.

This year, we implemented our Digital Pulse big data capability. By digitizing transactions, we can now gather and analyze high volumes of information that can help to reduce processing times, increase service-level quality and refine the client experience. Digital Pulse can also assess transaction data and alert us to unusual behaviors or patterns that could indicate an error.

Technology Excellence

The Client Technology Solutions team manages our firm's continuous improvements of our systems and processes. One way we evaluate our capabilities is through the IT Capability Maturity Framework (IT-CMF). Developed by the [Innovation Value Institute](#), which was cofounded by Intel and the National University of Ireland-Maynooth, this program helps transform technology management and improve its business relevance. IT-CMF is helping us improve our maturity while saving money, reducing waste, enhancing risk management and increasing our clients' satisfaction with the technology services we provide. BNY Mellon was the first global financial services company to join the IT-CMF.

We focus on enhancing:

VALUE LEADERSHIP: Integrated strategic planning, leadership, relationship management and value management

STRATEGIC EXECUTION: An integrated set of disciplines connecting strategic thinking to the implementation of business-ready solutions

SERVICE EXCELLENCE: Investments in service management, business intelligence, sustainability, and business impact management to enable high quality service throughout BNY Mellon

CONTINUAL IMPROVEMENT: Effective assessment processes and applying rigorous improvement programs to deliver an improved organization, year after year

ENABLING CAPABILITIES: Areas of focus include architecture, people management, risk management and knowledge management that provide a critical foundation for the performance of the organization

FINANCIAL MANAGEMENT: Investments in financial transparency and managing total cost of ownership that have generated more value from investments in technology assets and services, while maintaining high-quality service

Systems Improvements

In 2014, we continued to improve our infrastructure with strategic investments by increasing virtualization, with a focus on both consolidating and retiring redundant systems.

We migrated more than 130 applications to BNY Mellon Extreme (BXP), our cloud-based platform-as-a service, providing clients with a more seamless experience and lowering maintenance costs. BXP also offers application developers improved tools and automation, making it easier and faster to build new solutions.

A new initiative to automate payment activity has increased straight-through-processing rates, improving the speed and accuracy of transactions. It also helps ensure that contracts are honored on time, while reducing exposure to risks such as market volatility.



How we apply cutting-edge big data thinking to create more value for our clients

We have formed a Decision Science Community of Excellence, to collaborate and share knowledge to advance our use of big data. Decision Science is applying the latest big data techniques across BNY Mellon. From advanced analytics to data science, Decision Science is enabling our businesses to acquire the skills to perform these functions for themselves.

In 2014, we set out to increase our straight-through-processing rates, reducing the number of transactions requiring human intervention, thus increasing efficiency and reducing risk. Using Digital Pulse, our proprietary big data analytics platform, Decision Science monitored the transactions that we are processing by building a use case in which Decision Science is applied to a particular need.

Analysis of this transaction data is fed directly to a dashboard that is used to pinpoint issues preventing straight-through processing, allowing us to work with clients to fix the problem. The results are significant. This approach increases the value we can deliver to our clients and reduces the risks of recurring errors.

Cybersecurity

With the increasing frequency of cyberattacks targeting financial institutions, we have continued to expand our security infrastructure. In 2014, our Client Technology Solutions (CTS) team took on the responsibility of cybersecurity at BNY Mellon. CTS has supervised continued investment in key areas of technology, people and processes to improve prevention, detection and responses to cybersecurity risks.

Using cyber threat intelligence, reporting and analytics to anticipate and predict threats, we have implemented a layered series of cybersecurity controls in an effort to prevent, detect and respond to potentially damaging incidents, both malicious and accidental. In 2014, we enhanced security by increasing controls over software installation, implementing new firewall capabilities, and assessing

and improving our understanding of our enterprise and the IT assets that enable our business.

We have also refined our approach to protecting and securing sensitive data, and are working to implement enhanced controls over data at rest and in transit. We launched an [ISO 27001](#) program to provide uniform standards for the assessment, remediation and management of our applications and systems. In 2015, we expect this program to become a key element in our enterprise cybersecurity strategy.

Our employees are a critical first line of defense against risk. Over the last three years, many employees across all of our major businesses and regions participated in facilitated cyber-incident tabletop exercises. These experiential exercises are simulations of cyber threats facing the business, and help us better understand the risk landscape and implement preventive strategies against current and emerging threats.

Strong Governance

Good governance aims to promote full accountability, compliance and the highest ethical standards, from the Board of Directors to all levels of the firm. As a leading financial institution, strong governance is critical to our success and our ability to meet client needs, manage risk and operate over the long term. We aim for consistent, high standards for responsible business practices and are guided by best practices in corporate governance, and by the core values of client focus, integrity, teamwork and excellence.

Strong Governance Long-Term Goal

Meet evolving stakeholder needs and expectations by enhancing and sustaining practices for substantive stakeholder engagement, corporate social responsibility and responsible political engagement.

Notable 2014 Progress

- One of only two U.S. diversified financial services companies listed on the Dow Jones Sustainability World Index;²² and one of only two S&P 500 companies with a perfect score on [CDP](#)²³ indices for two consecutive years
- Improved company score on [CPA-Zicklin Index](#) of Corporate Political Accountability and Disclosure by 50 percent since 2012
- Renewed our CSR strategy to reflect industry and company evolution, and successfully created a programmatic structure for a Social Finance focus

²² Dow Jones Sustainability Indices, 2014.

²³ CDP S&P 500 Climate Change Report, 2014.

Corporate Governance

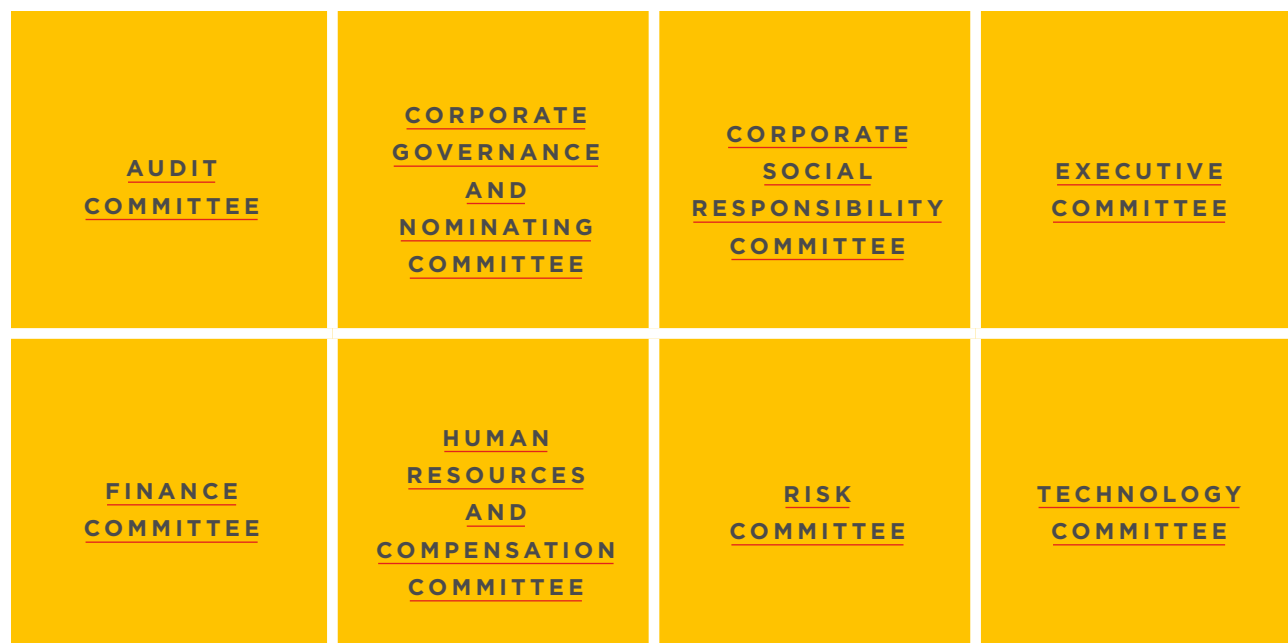
Strong corporate governance helps us act ethically and enables our clients to succeed. Our Board of Directors is responsible for the oversight of company management and works to advance the interests of our company and our shareholders. All Board members are subject to our Director's Code of Conduct, which provides guidelines on ethics and accountability.

As of April 14, 2015, the Board consists of 13 independent members and one non-independent member, our Chairman and Chief Executive Officer. The definition of independence is available in our [Corporate Governance Guidelines](#). Independent directors meet in

executive sessions, presided over by our Lead Director, at each regularly scheduled Board meeting. Average director attendance at Board and committee meetings in 2014 was more than 93 percent.

The Board of Directors has eight standing committees, with the roles and responsibilities of each set forth in a charter, and each committee other than the Executive Committee consisting entirely of independent directors. Committee charters and information on committee members are available on our website.

Committees of the Board of Directors



For more information on corporate governance, including our corporate governance structure, executive compensation program and updated voting policies, please see our [Proxy Statement](#). For more information on our governance approach, [click here](#).

Tax Policy

Our firm's culture of "Doing What's Right," as codified in our Code of Conduct, extends to our approach to paying taxes. We emphasize strong internal controls and that all communications with regulatory agencies are to be "responsive, complete and transparent." Internal controls include periodic analysis and review of the financial impact of taxes on our company and business operations ensuring taxes are paid to all taxing authorities in accordance with applicable laws. Transparency includes open communication with tax authorities and regulators and developing real-time working relationships, where possible. More information related to our taxes can be found in our [Annual Report](#).

Advocacy and Political Engagement

The financial industry globally is subject to an extensive framework of laws and regulations, continuously evolving and affecting the way we do business in the United States and internationally. We believe it is important to engage in the political process to ensure that the concerns of our clients, shareholders and employees are represented and enable us to advance and protect the long-term interests of the company. Opportunities to engage in the political process can take many forms including discussions with policy makers, providing thought leadership and making political contributions.

Public Policy and Lobbying

Our Office of Public Policy and Regulatory Affairs, working closely with our Government Affairs Office, monitors legislative and regulatory activities in the United States and EMEA on a daily basis and actively analyzes the potential impacts that each relevant proposed law or regulation might have on BNY Mellon, and on the broader financial markets. We contribute to industry policy discussions in a meaningful way that benefits our clients, investors and other stakeholders, and that strengthens our reputation for responsible political engagement.

Priorities are set through a coordinated effort between the Office of Public Policy and Regulatory Affairs and Government Affairs, reporting up to and engaging with senior management and the specific businesses that may be impacted. We are actively engaged in implementing all changes required by recent regulatory reforms around the world, including those arising from the Dodd-Frank legislation in the U.S. and similar reforms in EMEA, changes to the Basel Accord, updated leverage ratios, and new liquidity standards and similar regulatory issues in EMEA. We devote significant time and effort educating policy makers globally about BNY Mellon. When considering new reforms or regulations, it is important for policy makers to understand our business model of investment management and investment servicing, how this model impacts our balance sheet and how we differ from other large financial institutions.

On our own, through our membership in industry and trade organizations, or together with peer banks, we have submitted comment letters, responded to financial industry surveys and participated in meetings with legislators and regulatory agencies in the U.S. and internationally to exchange ideas on the financial industry and regulatory and tax reform. Because our business model differs significantly from those of other large financial institutions, we are often impacted differently by industry regulations and therefore need to engage with policy makers to explain potential unintended effects.

In addition to lobbying efforts by members of our Government Affairs Office, we have retained lobbying firms to advocate for our legislative interests on the federal and state level. These activities and applicable disclosure reports are regulated pursuant to federal and state laws. In 2014, we spent approximately \$1.4 million in federal lobbying expenses, which includes those paid directly as well as indirectly (e.g., trade associations). Our federal lobbying disclosure reports can be found at <http://lobbyingdisclosure.house.gov/index.html>. Our state and local legislative lobbying efforts are concentrated in New York and Pennsylvania where the company's main business operations are located. Expenses are of a de minimis nature and are disclosed where required by applicable law.

Trade Associations

BNY Mellon is a member of various trade associations that represent the interests of the financial industry, as well as the business community in general. These groups produce analyses or white papers on topical issues as well as advocate on public policy issues important to their members. Trade associations also offer opportunities for professional development and networking. While we regularly review our trade association memberships to ensure they align with our priorities, it should be understood that we may not always agree with the positions of the association or its other members or share their priorities.

Some of the principal trade associations to which we belong are American Bankers Association, Investment Company Institute, The Clearing House, SIFMA (Securities Industry and Financial Markets Association), Financial Services Forum, GFMA (Global Financial Markets Association), AFME (Association for

Financial Markets in Europe), EFAMA (European Fund and Asset Management Association), The Investment Association, The CityUK, ASIFMA (Asia Securities Industry and Financial Markets Association), New York Bankers Association and Pennsylvania Bankers Association.

During the course of this year, we will be requesting our principal trade organizations to not use our membership dues or fees for funding election-related activity at the federal, state or local level, including contributions and expenditures (including independent expenditures) in support or opposition of any candidate for any office, political party committee or political committee.

Political Contributions

We also engage in the political process through political contributions. BNY Mellon has two political action committees (PACs) funded entirely by voluntary contributions from our employees. Employees are not reimbursed or compensated in any way for political activities or contributions. In accordance with applicable federal, state and local regulations, the PACs have the ability to make contributions to U.S. federal candidates, and/or state and local candidates, political party committees and other political action committees.

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.

Our PAC contributions totaled \$364,200 in 2014. In addition to the summary below, a list of the 2014 PAC contributions is available [here](#).

BNY Mellon did not make any corporate contributions in 2014. It has been our practice to disclose any corporate contributions** that we make. When we do make such contributions, we will continue to disclose that information annually in this report.

In addition, BNY Mellon does not use corporate funds for independent political expenditures in support of, or opposition to, any candidate for office.

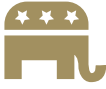

Compliance and Oversight

Our Government Affairs Office is under the supervision of the company's General Counsel. The Government Affairs Office is responsible for all political activity by or on behalf of BNY Mellon, including administration of our PACs. When making specific contribution decisions, the PAC officers, in consultation with the Government Affairs staff, consider a number of factors, including the candidates' views on issues related to our business, their leadership positions and legislative committee memberships, and the communities they represent.

The Corporate Social Responsibility Committee of our Board of Directors, which consists entirely of independent directors, provides oversight of our public policy advocacy, lobbying focus and political contributions.

We encourage our employees to stay informed of

Our Political Action Committee Contributions in 2014

	U.S. House	U.S. Senate	Total
 Republican	\$108,750	\$60,250	\$169,000 (51% Republicans)
 Democrat	\$92,000	\$68,000	\$160,000 (49% Democrats)
Total	\$200,750 (61% House)	\$128,250 (39% Senate)	\$329,000*

* Additional contributions include \$27,700 made to Pennsylvania candidates, and \$7,500 made to trade association political action committees resulting in \$364,200 total disbursements.

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

political issues and candidates and to take an active interest in political affairs. Employees may participate in the political process by making voluntary contributions on their own behalf to candidates and related political entities, in accordance with applicable federal and state laws and regulations and company policies. In addition, employees must comply with the company's Code of Conduct and company policy with respect to engaging in personal political activities.

Employees are not reimbursed or compensated in any way for attending political events, engaging in political activities or making political contributions. Employees engaging in political activities must do so on their own time and with their own resources. Our 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 employees have made contributions to officials who have the authority to award business.



**Our
People**

Overview

In 2014, we created a 3-year strategic roadmap to increase and focus investment in our people globally. We developed a strategy with four major focus areas including: making talent a competitive advantage; cultivating a winning culture; and delivering integrated solutions to employees and clients. We have made significant progress against these areas.

At BNY Mellon we are invested in our people and our employee value proposition is grounded in our world-class ambition that thrives on a global stage. This employee value proposition is driven by three pillars:

- Powering our collective purpose — We've been revolutionizing the financial services industry for 230 years, proving that innovative thinking and exceptional achievements arise when you put clients first, helping them to pursue their personal goals and financial dreams.
- Investing in success — As one of the world's most trusted financial institutions, we provide unique opportunities for our employees to learn, grow and take ownership of one's career while delivering new investment solutions that will make a difference for investors everywhere.
- Evolving to a high performance team culture — Our employees contribute to our inclusive, collaborative culture surrounded by colleagues with diverse perspectives and a deep commitment to achieving the best outcomes.

Excellent Talent Long-Term Goal

Be a high performing team-based culture that is driven to succeed via an inclusive culture that attracts, engages, develops and retains a talented team of diverse professionals, experts and leaders.

Notable 2014 Progress

- Built a 3-year strategy map to achieve our long-term extraordinary talent goal aspirations
- Aligned annual incremental goals with the 3-year strategy map starting with the CEO and the Executive Committee and cascaded throughout the organization
- Designed a global, integrated talent management strategy to accelerate our progress against our Long-Term Goal
- Continued to build out a business-driven, innovative and dynamic curriculum with high-impact learning experiences through BK University (BKU)
- Received two prestigious awards for technology and innovation in learning and development
- Heightened our focus on risk culture stewardship, including compliance training via BKU resulting in highly favorable employee engagement scores in understanding our risk framework
- Overall employee engagement survey scores were largely unchanged from our 2012 survey
- Increased employee engagement on diversity and inclusion, risk management and client focus
- Attracted senior-level diverse talent hires and increased representation at those levels

Embedding Our Risk Culture

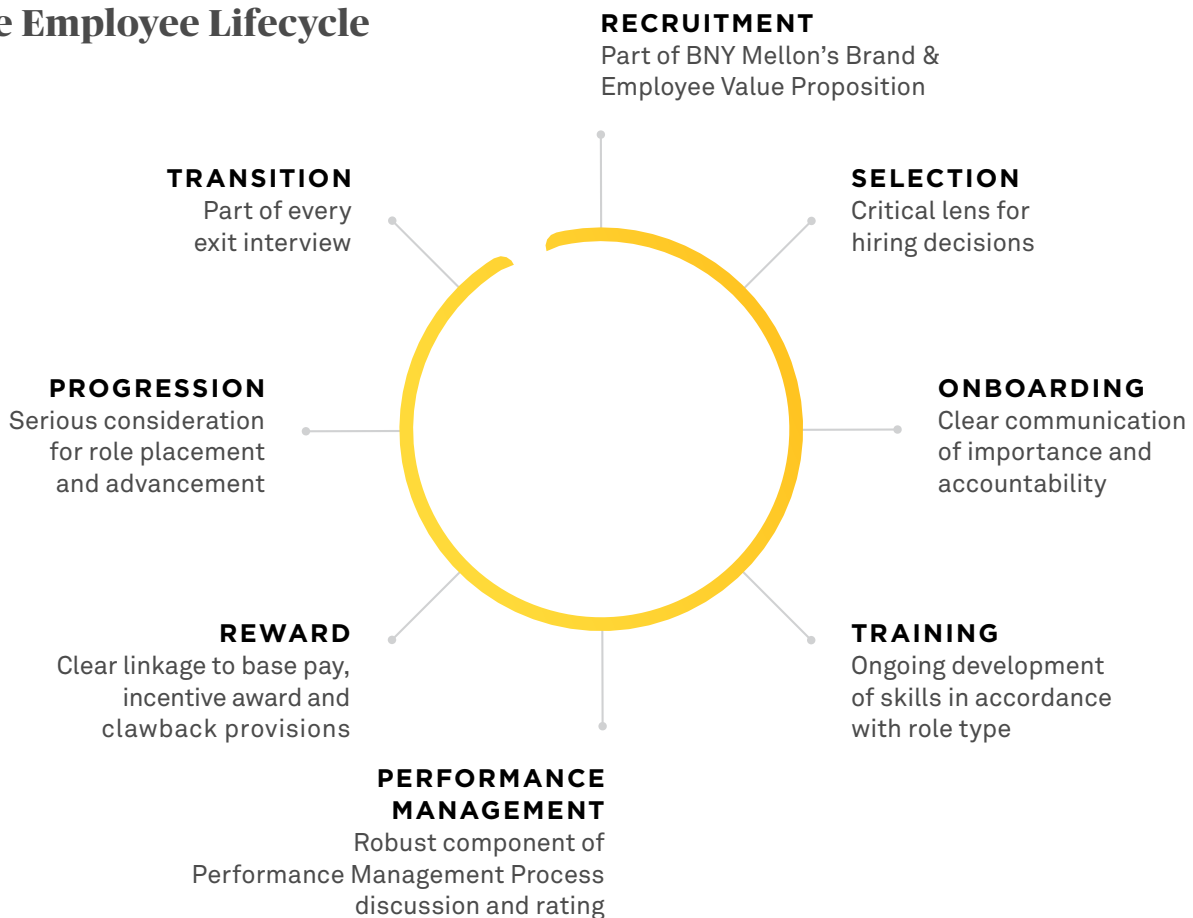
At BNY Mellon, managing risk is an expected norm, and is everyone’s responsibility and a core part of everyone’s role. As a globally important financial institution, we are held to a very high standard and we take it extremely seriously. Our brand is our reputation, and our reputation is built on trust. That is why we have been intently focused on continuing to strengthen our risk culture and framework at our company at every stage of the employee lifecycle.

Throughout an employee’s career with BNY Mellon, we emphasize the importance of carrying a strong risk culture. Our risk culture is embedded within every point in an employee’s career — including recruitment and hiring, training, leadership development, advancement and mobility — as well as through our compensation and performance management

processes. Beyond compliance, employees are held accountable for being effective stewards of a risk excellence culture, and how they carry the culture is evaluated and reinforced at each stage in their career. Results are continuously measured, reinforced and reported using multiple tools. Our 2014 employee engagement survey revealed that Risk Management had the highest score (81 percent) of all categories in the survey and was 2 percent higher than the financial services benchmark²⁴ Ninety-six percent of employees reported that they were aware of the key risks relevant to their work.

We continue to refine our efforts and coordinate across key areas to ensure that all employees, at every level, are engaged in our risk management efforts and employ balance and judgment in everything they do. To learn more, see our risk culture section on page 33.

Integrating Risk Culture and the Employee Lifecycle



24 Towers Watson (benchmarking data).

Leadership and Development

At BNY Mellon, we invest in the development of our people so that they can reach their full potential, realize their aspirations and ambitions and help our clients to do the same. We are invested in achieving business success by:

- Driving a winning, high-performance culture that stems from great talent, high expectations and accountability, leadership, learning and diversity
- Partnering with employees to ensure they have the tools and resources they need to build successful careers and that they understand how the entire system is integrated. We cultivate a learning and development culture that builds leaders at all levels. By providing employees with opportunities to learn, develop and receive ongoing feedback, we are helping them realize their full potential. We are also focused on continuously increasing the effectiveness and capabilities of our managers and leaders.

Key to building a high-performance culture is our ability to provide great leadership and development opportunities for employees at all levels. We have an integrated talent management strategy that works to develop the company's future leaders and our standards of success. It encompasses rigorous talent processes and ensures that the quality of our management and leadership offerings are differentiating factors in the marketplace.

At BNY Mellon, we focus on not just “the what” of working, managing and leading, but “the how”. It isn't only about what you do to contribute to business success, but it is equally about how you do it. Through clear communication around expectations, our Leadership Competency Model defines our standards of excellence which include 20 skill sets, grounded in our values and that reflect four areas of leadership: Thought, People, Results and Self. A diverse and inclusive set of stakeholders was involved in the Model's design to ensure accuracy and global

BNY Mellon Competency Model



relevance, including Board members, and Executive Committee and Operating Committee members from all regions, businesses and functions.

In 2014, we defined what excellence “looks like” through these competencies and delivered a consistent framework for all talent processes, along with a robust plan for communicating, measuring and embedding them into the 2015 talent processes. This includes: selection for Operating Committee leaders; the Managing Director promotions process; Talent and Succession planning; the Performance Management process; and our Executive Development programs. In 2015, we will also begin to assess leaders against these capabilities and provide customized feedback, resulting in targeted development actions and accountability.

The entire talent management system is built to reinforce and integrate the right expectations for performance, desired behaviors, rewards and learning to ensure we achieve a high-performance team-based culture.

BNY Mellon University (BKU)

Launched in 2013, BNY Mellon University (BKU) is at the center of a multi-year plan to transform and innovate Learning and Development at the company. BKU houses and manages most of our learning and development curricula, which is specifically designed to continually enhance the knowledge, skills, careers and engagement of employees in the pursuit of outstanding service for our clients. The top priorities of the University include manager effectiveness, fostering a strong culture of managing risk and helping all BNY Mellon employees realize their career potential by providing business-relevant learning and development solutions.

Transforming Learning at BNY Mellon

With the launch of BKU, we have consolidated and realigned learning programs to meet the specific needs of the individual and the business, providing enriched training content and learning delivery methods and receiving better-quality feedback from our participants.

Our 2014 Offerings and Enrollment



122

learning hours per employee annually



55,015

active unique learners*



750

total courses offered through BKU in 2014 after streamlining

DELIVERY METHOD



61%

took online courses

39%

took in-person classes and virtual sessions (conducted by live instructor)

TOP 5 ELECTIVE COURSES

1

Understanding Unconscious Bias

2

Financial Markets – An Introduction

3

Foreign Accounting Tax Compliance Act

4

Bonds – An Introduction

5

Lifecycle of a Trade

* Includes employees and covered contractors and vendor employees

Student Scenarios*



Corporate Trust Relationship Manager

10 years at BNY Mellon

A Corporate Trust Relationship Manager in New York, she has been with BNY Mellon since 2005. Her role requires extensive knowledge of BNY Mellon's regulatory environment and the impact of regulation on her client base, so she participated in training focused on FATCA, the Volcker Rule, Regulation W, and the Shareholders Communication Act. As part of her ongoing learning and development efforts, she has registered for the course *Credit Strategy Essentials: Major Capital and Liquidity Initiatives*.

* The student scenarios provided are hypothetical and represent how a typical BNY Mellon employee may interact with BKU based on position, location, and tenure at the company.

Where We Are Headed

“Given the dynamic and rapidly changing business environment, we continue to evolve BKU’s operating model to deliver best-in-class learning that supports the company’s strategy.”

Dave DeFilippo, Chief Learning Officer

“BKU has gained significant impact and recognition since our launch one year ago. I am encouraged that we are able to valuably support the ongoing development of our diverse global workforce that is more than 50,000 strong, including some of the sharpest minds and innovative thinkers in the investment industry.”

Monique Herena, Chief Human Resources Officer

In 2014, we delivered a total of 1,051,000 hours of training, an average of 21 hours per employee, and focused on two major themes:

RISK MANAGEMENT: Ensuring that every employee understands and knows how to mitigate the risks inherent in their particular business or role

MANAGER DEVELOPMENT: Giving managers the skills that they need to manage people, results and change

BKU consolidated 24 separate learning organizations into a single, centralized learning and development center. Our internal teams streamlined the core curriculum to focus on the delivery of key programs, reduce course durations in line with best practices, and implement processes to ensure that learners do not repeat courses on topics they have already mastered. This has resulted in a 53 percent reduction in classroom training hours while simultaneously allowing us to improve the quality of learning and the user experience and focus training on critical business priorities. We have seen a 35 percent increase in the number of e-learning hours, indicating that our methods of delivery are better aligned with our employees' learning objectives.

BKU by the Numbers

21

Average number of training hours per employee in 2014

12%

Increase in the number of learning participants from 2013

7%

Increase in professional development and professional external training hours from 2013

5%

Increase in professional qualifications training hours (UK and U.S.) from 2013

Embedding Risk Through Learning and Development

Through BKU's School of Risk & Compliance, we are creating a consistent and comprehensive program of learning at both the corporate and business levels on the topic of risk management.

The Three Lines of Defense training launched in 2014 was highly effective in helping employees understand their risk responsibilities and how the Lines of Defense work together. Employees have a critical role in managing risk — understanding which Line of Defense applies to them and their job, the risks of their particular roles, and how to communicate and cooperate with the Risk and Compliance and Internal Audit teams.

The Three Lines of Defense approach has become an industry best practice that brings transparency and perspective on how employees manage risk within a company.

- The **First Line of Defense** is management and staff at the business or business partner level. They own the risks associated with their business activities, and manage those risks and related control processes and procedures on a day-to-day basis.
- The **Second Line of Defense** includes our Risk Management and Compliance functions. They own the overall risk management framework and provide independent oversight of the First Line of Defense. The Second Line also includes Corporate Security, Business Continuity, Financial Management and Analysis within the Finance, Human Resources and Legal departments.
- The **Third Line of Defense** is Internal Audit, which maintains independence from the first two lines and provides the Board of Directors and senior management with assurance of the effectiveness of governance structures, risk management and internal controls.

In July 2014, we announced a partnership with the New York University Polytechnic School of Engineering to provide an online master's degree program in cybersecurity for eligible employees worldwide. Lisa Humbert, BNY Mellon's Chief Information Risk Officer said, "BNY Mellon's continuous focus and drive towards strengthening global cybersecurity corporate controls is a necessity in today's era of rapid change, increasing threats and fierce competition. We are proud to create this relationship with the NYU Polytechnic School of Engineering and offer our employees the cybersecurity education and skills needed to develop their own fulfilling careers and enhance the firm's overall information risk management posture."

We continually assess the effectiveness and outcomes of our training. Using a combination of operational reporting, advanced analytics and predictive analytics, we can measure program uptake as well as impact on individuals and the broader business. In 2014, we launched the first online, interactive BKU Efficiency Metrics Scorecard, which enables the four BKU schools to understand their impact and manage their business more efficiently. We are also working to improve our measurement of the effectiveness of our training and its correlation with business outcomes, allowing us to better align our learning strategies for the future.

Recognition for BKU

BNY Mellon is proud of the recognition BKU has received for its efforts and achievements in learning and development in 2014.

In 2014, we scored above the benchmark as a “high-impact learning organization” (organizations that are able to drive engagement, retention and other business-critical results), as part of a report prepared by Bersin, the research arm of Deloitte LLP that specializes in enterprise learning and development. Bersin noted that high-impact learning organizations of our maturity level take a more strategic and business-driven approach to learning and development.²⁵ It observed that we are sufficiently

advanced by streamlining learning processes rather than expanding them, and by fostering a learning culture, not just individual programs.

The Wall Street Journal featured BKU in an article about corporations that are partnering with massive open online courses (MOOCs), such as Coursera and edX, to offer virtual courses to employees. The article highlighted our 2015 plans to develop and launch classes through Coursera to educate employees on the fundamentals of finance and capital markets.

Dave DeFilippo, Chief Learning Officer, and Alan Gray, Head of Instructional Design and Development for BKU, were each honored by *Chief Learning Officer* magazine²⁶ with Learning in Practice Awards for BKU’s accomplishments in transforming the company’s workforce development initiatives. Dave received the Silver Trailblazer Award,²⁷ given to learning executives who have launched a new enterprise learning function or overhauled existing workforce development initiatives in the past year. Alan received the Bronze Technology Award²⁸ for delivering new and unique applications of emerging technology to employee learning and development initiatives.

While we are proud of the external awards received and the acknowledgement that we are building a strong learning and development foundation at the company, the most important recognition we receive

Transforming Learning and Development to Drive Business Results

Within twelve months of operating under a new centralized organization, BKU had pared down its course offerings from 9,000 to 750, representing a decrease of approximately 90 percent. Our internal teams streamlined the core curriculum to focus on the delivery of key programs, reduce course durations in line with best practices and implement processes to ensure that learners do not repeat courses on topics they have already mastered. This has had a large financial impact, yielding more than \$3 million in savings in the first year of BKU operations.

BKU has transformed the company’s learning and development strategy, structure and infrastructure over the past 18 months, leading to improved organizational alignment, operational efficiency and higher-quality learning solutions. These changes will serve as the basis for continued innovation for BKU and are an integral part of the transformation of its Human Resources approach.

²⁵ *High-Impact Learning Organization Maturity Diagnostic Report*, Bersin by Deloitte, September 11, 2014.

²⁶ *Chief Learning Officer*, *Learning in Practice*, 2014.

²⁷ *Chief Learning Officer*, *Learning in Practice*, 2014. <http://www.clomedia.com/articles/5971-learning-in-practice-2014-trailblazer-award-division-1>.

²⁸ *Chief Learning Officer*, *Learning in Practice*, 2014. <http://www.clomedia.com/articles/5962-learning-in-practice-2014-technology-division-1-winners>.

is from our own employees, and this was reflected in the 2014 Employee Engagement Survey results. This recognition was indicated by our favorable Risk, and Learning and Development, scores of 96 percent and 76 percent, respectively.

Development Programs

Our success is built on the strengths of all of the individuals who comprise our workforce. Our 50,000+ employees across our global offices, businesses and functions each have unique skills and abilities. Individual development plans help employees establish goals and connect to resources and training from which they can benefit. In 2014, 77 percent of our employees had documented individual development plans in place. In addition, we continued to implement new and enhanced offerings intended to help employees identify and manage their own development needs, including the following:

- An online development management tool that allows employees and managers to formulate effective development plans and follow their progress.
- The Upward Feedback survey, an online tool that gives employees the opportunity to provide valuable feedback to their managers on behaviors aligned with the Manager Standards of Excellence. This tool was piloted in our Technology group in 2014 and was launched to the entire organization in early 2015. Thousands of managers received feedback from their teams against 12 management behaviors and BKU has shaped the curriculum offerings to support ongoing development in these areas.
- Design of an executive development planning process for deployment in Q1 2015 — enabling 75 of our senior leaders to create customized, high-impact plans for their continued growth.
- A refreshed mentoring resource site intended to encourage greater adoption of effective mentoring practices and provide information on our corporate programs.
- The MyCareer Center, an online resource for developing and managing a career at BNY Mellon and navigating available opportunities within the company.

For more information on positions within BNY Mellon, [click here](#).

Engagement and Wellbeing

Our ability to best serve client needs depends on maintaining an engaged and motivated workforce. We believe that providing a workplace where employees can learn and grow through meaningful work, as well as care for the wellbeing of our people, leads to higher levels of engagement. Engaged employees have greater levels of productivity and innovation to drive results, meet and exceed the needs of our clients, and ultimately, help the company succeed.

In 2014, we continued to focus efforts on five key drivers of employee engagement.

Employee Engagement Drivers and Achievements

<p>LEADERSHIP</p>	<p>Communicating our company's strategic priorities through the Plan to Win and emphasizing the importance of risk management to long-term business sustainability</p> <ul style="list-style-type: none"> • We revised our company-wide Plan to Win in 2014. To fully engage our employees, we have held educational forums for managers and supported them in aligning their planning efforts with corporate objectives.
<p>MANAGEMENT</p>	<p>Enhancing overall management effectiveness through new BKU course offerings (see page 63) and improved performance management and development tools</p> <ul style="list-style-type: none"> • Through BKU, we have created many new programs to improve manager effectiveness, including our New to Management and New to Middle Management training programs. Our goal is to provide support and enhance learning and performance at critical turns in the careers of our managers.
<p>EMPOWERMENT</p>	<p>Creating innovative platforms to encourage the development of new ideas and processes for implementation, and building a new global platform to recognize employee contributions</p> <ul style="list-style-type: none"> • As part of our ongoing efforts to identify and invest in future opportunities for our company, we expanded our innovation efforts. The Global Innovation Program aims to invest in and leverage the diversity and expertise of our employees to develop incremental, cross-business and transformative solutions to support our clients. • In 2014, we established a new global recognition platform, featuring a special Service Appreciation Program, to celebrate the contributions and milestones of our employees.
<p>COLLABORATION</p>	<p>Breaking down silos and using technology solutions to work more effectively across functions and businesses to enhance the employee and client experience</p> <ul style="list-style-type: none"> • Our technology efforts around enhancing the Digital Workplace have given employees better tools to communicate with each other and to perform tasks more efficiently for clients.
<p>CAREER OPPORTUNITIES</p>	<p>Developing tools and resources to support employees' growth and development throughout the journey of their careers at BNY Mellon</p> <ul style="list-style-type: none"> • In 2014, we launched a Talent Profile tool for all employees. It is designed as an easy-to-use, online resource to capture and showcase rich talent information. One of the focus areas for BNY Mellon in Employee Engagement is Career Development, and this tool enables employees to populate key information about themselves, their background, skills and qualifications, as well as their career aspirations. This tool is now actively utilized by managers during the talent review process. • Our ongoing work through talent reviews and people analytics have helped enhance leaders' capabilities to develop talent within teams and businesses. We also have implemented a Rotational Development Program in the U.S. and Europe to provide opportunities for select key talent to develop their skills.

Empowering Our People Through the Digital Workplace

Our business is global and so is our workforce. Working together across time zones and locations, we deliver expert service to all of our clients, leveraging a seamless technology experience to facilitate communications, collaboration and efficiency.

Our Digital Workplace program serves an important role in empowering employees with the tools and information to harness their best thinking and to deliver optimum results. Through innovative technology solutions and enhanced service offerings — including desktop and collaboration tools, support, archiving and compliance capabilities, messaging and mobility — the Digital Workplace keeps employees at BNY Mellon connected, informed and engaged.

MySource, the company intranet, provides employees with quick, easy access to company news and information. In 2014, we added MySource Social, an internal social media site, to enable employees to have greater opportunity to collaborate and connect with internal experts. We encourage the use of virtual meeting software that allows employees to connect “face-to-face”, wherever they are located. Our enhanced Global Customer Service Desk provides responsive service for all our employees’ technology needs.

Employee satisfaction is the metric of success for Digital Workplace. We measure engagement by analyzing a variety of indicators, including the fact that:

- 77 percent of employees are generally happy with their technology
- 67 percent are satisfied with the Global Customer Service Desk, up 17 percent since 2013
- 42,000+ unique visitors used MySource Social

In 2015, the Digital Workplace will roll out more than 150 individual enhancements to employee technologies, including an evolved MySource intranet, an easier-to-use wireless network, “follow-me” printing capabilities and virtual desktop computing.

Engagement Survey

We continue to measure engagement and solicit feedback from our employees. We conduct a full engagement survey every other year, with a “pulse-check” survey in the interim to maintain a close connection with employee sentiment. In 2014, 80 percent of our employees shared their feedback through a full engagement survey, reporting an overall engagement score of 76 percent, a positive result that was consistent with our last full-length survey. Our overall goal is to achieve continuous improvement in employee engagement trends, year-over-year.

Although the overall engagement score was virtually flat from the 2012 full survey, we saw some indices with decreased scores around leadership and career opportunities. We are invested in improving these areas in 2015 by:

- Establishing a new leadership competency model that specifies the attributes of being a leader of our company
- Creating a centralized talent profile database; enabling more purposeful career conversations, development actions and mobility
- Implementing upward feedback and 360° tools to create solid accountability for managers
- Emphasizing talent-review processes and tools to understand personal strengths, optimize development and leverage talent

Our employees ranked our risk management focus among the categories with the highest favorable ratings, indicating that they feel engaged, empowered and informed on this topic. Ninety-six percent of employees reported that they are aware of the key risks relevant to their work. This demonstrates that our concerted efforts to embed a risk culture throughout the company and across the employee lifecycle are succeeding and strengthening our company in the process.

Our firm outperforms the financial services benchmark on a significant diversity and inclusion indicator that measures how positively our employees feel the company supports diversity in the workplace.

See more in the [Diversity and Inclusion](#) section of this report.

While we are proud of what we have achieved, we strive to continually improve. Each year, we develop action plans within our businesses, business partner groups and regions to specifically respond to the survey data and other forms of employee feedback. Based on insights derived from the survey, we will focus over the next year and beyond on improving career development support, incentivizing good performance and empowering leaders to rapidly deploy good ideas from their action plans into practice.

Retention

One of our success measures in employee engagement is strong performance and retention, which we track globally and regionally by gender and business segment.

Our company-wide retention rate in 2014 was 87.7 percent, representing a 2.1 percent decrease from 89.8 percent in 2013. We view these results as reflective of the economic recovery that is underway globally and across the banking and financial services industry, and see regional trends in line with market patterns.

Global Voluntary Retention Rates, 2013 to 2014

Gender	2013	2014
Women	90.1%	87.8%
Men	89.5%	87.6%
Overall	89.8%	87.7%

2014–2013 Voluntary Retention Rates, by Region/Gender

Region	2013			2014		
	Female	Male	Total	Female	Male	Total
Asia Pacific	83.7%	85.5%	84.9%	80.1%	84.0%	82.7%
Europe, Middle East & Africa	90.2%	89.9%	90.0%	87.6%	87.5%	87.6%
Latin America	89.2%	87.8%	88.4%	87.3%	87.6%	87.5%
U.S. & Canada	91.6%	91.8%	91.7%	90.0%	89.6%	89.8%
Total	90.1%	89.5%	89.8%	87.8%	87.6%	87.7%

Employee Health and Wellbeing

Our Live Well program, launched in the U.S. in 2011, is committed to empowering employees and their families to enjoy healthy, happy and fulfilling lives. Live Well brings together a range of resources, including tools, information, professional guidance and referrals to healthcare services, to help employees and their families make healthy choices every day. Services include on-site health clinics in some locations; Best Doctors, a free resource that allows employees to get second opinions on health diagnoses and develop appropriate treatment plans; physical activity challenges; resources to address emotional and financial wellbeing; flexible work arrangements; domestic violence resources; and much more.

We plan to expand the Live Well program and integrate it effectively with wellbeing initiatives offered in international locations. In 2014, we started providing on-site physical examinations in key locations and created a global Employee Assistance Program to help connect our employees around the world with the services they need.

Varying by region, we have health and wellbeing programs; leave policies and programs designed to assist with personal and family responsibilities; Employee Assistance Programs; and flexible work arrangements. In the U.S., our highly competitive benefit programs include the following: health insurance, retirement plans, holiday and vacation time, and commuter benefits; voluntary benefits such as long-term care insurance, pet insurance, homeowners insurance and legal services; and paid time off to volunteer.

For the first time, the 2014 Employee Engagement Survey included a question on the health and wellbeing program efforts, specifically asking employees whether, “The health- or wellness-related initiatives and programs offered by the company have encouraged me to live a healthier lifestyle.” We found that 56 percent of employees agreed with this statement, which was 8 percent higher than the financial services benchmark.²⁹

2014 Health and Wellbeing Results



31,400

wellbeing assessments conducted



26,500

biometric assessments conducted



17,300

participants in wellness coaching



14,000

participants from 33 countries in the Global Activity Challenge

²⁹ Towers Watson (benchmarking data).

Health and Safety

We invest in programs and policies to help ensure the health, safety and wellbeing of our employees and their families. This commitment is closely aligned with the company's goals of sustaining an engaged, high-performance work culture and offering a wide range of competitive benefits that are important to our people. Our commitment to protecting the health and safety of our employees is presented in a [Health and Safety Statement](#).

Healthy Workspaces

Sustaining a safe, healthy and efficient work environment also requires investing in facilities design and maintenance. As of 2014, 35 of our global locations are LEED certified, which accounts for 23 percent of our global footprint. Certification means that these facilities demonstrate best-in-class environmental sustainability building strategies and practices. The [LEED](#) rating system takes into consideration multiple aspects of a healthy and high-performance workspace, including a reduction in emissions associated with transportation to the location, water management techniques and sustainable construction practices.

We have implemented LEED certification at many U.S. and international locations. Even though we do not pursue LEED certification for every design and construction project, all projects are implemented using energy and environmental design principles that follow our Operations and Maintenance Best Practices program.

In buildings where we have operational control but have not yet pursued LEED certification, we implement our Sustainable Operations and Maintenance program to ensure that all facilities provide safe and healthy workplaces for our employees. As of 2014, we had 100 percent participation with our established sustainable best practices, including green cleaning requirements, waste management, integrated pest management and other indoor environmental quality measures.

At locations where we lease space but do not have operational control, we are engaging with landlords through our Sustainable Leasing program to assess all of these spaces and to improve them where needed.

Read more about how we are working to minimize our environmental impact in Climate Change Leadership on page 111 and Environmental Efficiency on page 113.

Workforce Human Rights

We are committed to the protection and wider promotion of human rights throughout our company, and through our global footprint. We make every effort to ensure that all employees are treated with fairness, dignity and respect in the workplace. Our commitment to human rights is embedded in the culture and values that define our company, and are reflected in our policies, including:

- [Human Rights Statement](#)
- [Equal Employment Opportunity/Affirmative Action \(EEO/AA\) policy](#)
- [Notice of Affirmative Action Programs and Notice to Veterans and Individuals with Disabilities](#)
- [Sexual and Other Discriminatory Harassment policy](#)
- [Drug- and Alcohol-Free Workplace policy](#)
- [Health and Safety Statement](#)

Read more on how we work to protect human rights (on page 103) and how we engage with our suppliers (on page 106) around this commitment.

Diversity and Inclusion

Our company operates in 35 countries and serves 100 markets around the world. Our workforce is equally global, with nearly half of the workforce located outside North America. In this international marketplace, we look to our workforce to provide creative insights and innovative solutions to meet the wide-ranging needs of our clients. To serve our stakeholders, we aim to have the very best talent and to provide an engaging and inclusive environment that leverages diversity and differences, so that all of our employees can thrive.

Our goals call for continuous improvement in diversity trends for our management and leadership globally and for sustained positive trends in diversity and inclusion scores, measured by our Employee Engagement surveys.

Employee Engagement Survey Results Related to Diversity*

	2014	Change from 2012 Survey
Management of this company supports diversity in the workplace, recognizing and respecting the value of people's differences	85%*	0%
My immediate manager creates an equitable and inclusive work environment	75%	+2%
My immediate manager takes action to ensure the workplace is free of all kinds of discrimination and harassment	79%	0%

* Employee Engagement scores related to Diversity and Inclusion are 3% higher than the financial services benchmark [Towers Watson (benchmarking data)]

Diversity by the Numbers

Gender Diversity

43%

Of our total global workforce are women**

26%

Of employees at the Director level or above are women

37%

Of employees at the Vice President level are women

Hiring Diversity

41%

Of new hires globally in 2014 were women

37%

Of new hires in the U.S. were from diverse ethnic/racial backgrounds*

A Global Strategy

In 2014, we deployed our refreshed global diversity and inclusion strategy across the company, using a new governance model and measurement framework to embed the approach across all regions. Our global strategy is grounded in five strategic priorities that come together to support our vision of promoting an inclusive and respectful environment. Our aim is to leverage diversity and differences, and to recognize and promote top talent through a culture of meritocracy.

*As of December 31, 2014.

**As of December 31, 2014.

Strategic Priority

Enhance diverse talent acquisition capabilities

2014 Highlights

Diverse emerging and senior-level leadership forums sponsored by BNY Mellon were held in New York, Pune and London, and contributed to significant candidate pipeline development and talent acquisition.

We launched VetNet, our newest [employee resource group](#), which is dedicated to recruiting, developing and supporting veterans at BNY Mellon and returning military service members.

Among the key programs supported by VetNet is Boots to Business and the UK Returning Military Program, which pursue two main goals:

- Facilitate the transition of veterans into the civilian workforce
- Build the capacity of hiring managers to recognize and leverage the skills and capabilities of veterans

Continue to increase management awareness and training

We rolled out Unconscious Bias, our first global diversity training program, through BKU. Unconscious Bias provides a bespoke leadership module for Managing Directors, and an edition that is relevant to all employees. The goal of this course was to help educate employees on how to be aware of and avoid bias in the workplace. The company achieved a 94 percent completion rate of the training among all employees.

Promote culture change

Our Global Diversity and Inclusion Council was refreshed and consists of over 40 leaders from around the company. This key group convenes three times a year to discuss and share leading practices and advance our five strategic priorities, with members serving as stewards and culture carriers of our diversity and inclusion agenda. Additionally, regional councils are fully operational in APAC and EMEA, along with local councils in nine other locations.

Support distinctive key talent development and experiences

To improve the management of diversity and inclusion issues, we deployed dashboards for Executive Committee (EC) members that provide detailed diversity demographics and data for each member's organization area. This new tool is helping EC members to better understand and manage diversity and to identify key talent within their businesses or areas.

Advance client relationships/business development

We hosted an executive women's symposium in London, attended by clients, industry professionals and prominent journalists. The forum focused on the growth of women in the investment sector and the impact of technology on investors.

Diversity and Inclusion Governance

As of 2014, all diversity and inclusion efforts have been managed through new global, regional and local governance bodies. Within this enhanced structure, the role of Global Head of Diversity and Inclusion has been appointed to the Operating Committee and is now a direct report to the Chief Human Resources Officer, providing increased visibility and access to the Executive Committee.

Supporting Women in Technology

Our employee resource groups (ERGs) are an important component of our diversity commitment. Read more about our six cross-company employee

resource groups, which recognize the value of our diverse global workforce and serve as catalysts for advancing diversity and inclusion across the company by clicking [here](#).

In affiliation with WIN, our women’s network, and the Anita Borg Institute (ABI), the new BNY Mellon Women in Technology group works to recruit, retain and advance women in technology.

In recognition of our efforts throughout 2014, BNY Mellon was named the 2015 winner of the Anita Borg Institute’s Top Company for Women in Technology. This is a national award that leverages a rigorous statistical methodology to recognize companies who have advanced the development and success of technical women at all career levels.³⁰

BNY Mellon Women in Technology: 2014 Activity Highlights

<p>LEAN IN CIRCLES</p>	<p>The company hosted Lean In Circles with participants worldwide, and a Circle of Circles event to celebrate the accomplishments of all teams.</p>
<p>SPONSORSHIP INITIATIVE</p>	<p>This program is designed to pair a technology executive sponsor with a high-potential woman protégé. Through this relationship, the sponsor helps develop the protégé with career leadership and development. In 2014, protégés were paired with executives for a 16-month period.</p>
<p>COMMUNITY OUTREACH</p>	<p>The company works with community-based organizations to increase awareness of opportunities for women in technology. In 2014, we established key relationships, including ABI New York, and continue to explore opportunities with clients to share best practices.</p>
<p>SPECIAL EVENTS</p>	<p>We supported the Grace Hopper Celebration of Women in computing events in the U.S. and India, including the world’s largest gathering of women technologists. We hosted an event in support of International Women’s Day and participated in or hosted multiple events with universities and schools.</p>

30 <http://anitaborg.org/awards-grants/top-companies-for-women-technologists/>

Awards

We are proud to have been recognized with 26 awards for our corporate diversity and inclusion efforts as well as the achievements of individual employees in 2014. Individual highlights include:

Select Individual Awards

100 Influential Women — *Financial News*³¹

Jeannine Lehman, Head of Global Collateral Services, EMEA

Helena Morrissey, CEO of Newton Investment Management

.....

Elaine Edmonds Award, Black Achievers in Industry — *Harlem YMCA*³²

Wanda Hill, Managing Director, BKU

.....

Most Powerful Women in Banking —

*American Banker*³³

Karen Peetz, President

.....

Outstanding Visionary Women Leadership Award — *World Women Leadership Congress*³⁴

Jyoti Chopra, Global Head of Diversity and Inclusion

.....

President’s Award for Leadership & Excellence — *National Association of Black Accountants, New York Chapter*³⁵

Lenny Singletary, Chief of Staff, Treasury

.....

Top 100 LGBT Business Role Models —

*OUTstanding*³⁶

Jim McEleney, Chief Operating Officer, EMEA

.....

31 *Financial News*, October 27, 2014.
32 *Black Achievers in Industry, Harlem YMCA*, 2014.
33 *American Banker*, September 22, 2014.
34 *World Women Leadership Congress*, 2014.
35 *National Association of Black Accountants, Inc., New York Chapter*, 2014.
36 *OUTstanding*, 2014.

An aerial photograph of a city skyline at sunset. The sky is filled with soft, colorful clouds in shades of orange, pink, and blue. The city below is densely packed with skyscrapers and residential buildings, many of which have their lights on, creating a warm glow. A large, semi-transparent circular overlay is centered over the image, containing the text "Our World" in a white, serif font. The overall mood is serene and majestic.

Our World

Overview

As a global investments company, we have a central role to play in supporting markets, empowering the communities in which we live and work, and promoting sustainable practices. Our thinking, skills and resources can help investors intelligently finance solutions for the world's most pressing issues and make our local communities better places to live and work.

We work with corporations, institutions and investors across the investment lifecycle and can see social

finance's full potential. As mainstream investors — from individuals to institutions — continue to seek strategies that allow them to better incorporate ESG risk, maximize attractive risk-adjusted returns and protect and generate long-term value, we believe there's untapped market potential in social finance. We bring the breadth of our business to bear in developing and delivering innovative social and environmental solutions for clients, and our social finance capabilities in this space continue to grow. Our commitment to social finance enables us to harness the power of investments to help our clients succeed and effect positive change in the process.

Responsible Investments Long-Term Goal

Be highly focused on clients' interests by providing substantive programs to support clients' environmental, social and governance (ESG) needs, and be mindful of ESG risks and impact when lending and investing company funds.

Notable 2014 Progress

- Launched two new boutique-led ESG products in Investment Management and laid the groundwork for 2015 penetration across the ESG platform
- Developed ESG education materials for investment staff in select boutiques (e.g., Returns to Issuer Engagement and Proxy Voting training to be delivered in early 2015)
- Maintained the number of clients using the ESG screening service in Asset Servicing through 2014 while increasing the number of screens by 23 percent and growing assets screened by 34 percent

Social Finance

We believe that investments are key to enabling positive change in society and for the environment. Investments will be needed in sectors from health to education to agriculture to meet the needs of a growing population as the world becomes increasingly resource constrained.

With this need in mind, we have formalized a focus on social finance that leverages our collective knowledge, skills and resources to help attract mainstream investors, unlock capital, and shift more financing toward positive social and environmental outcomes.

We define social finance as any investment activities that include both financial returns and material social and/or environmental impact. It covers areas such as impact investing, socially responsible investing (SRI), environmental investing and development finance. Our approach is intentionally holistic, reflecting our perspective and capabilities at every stage of the investment process. We believe that this comprehensive approach will help increase our clients' understanding of the breadth and depth of the market and provide a wider range of investment opportunities to mainstream investors. We estimate through our research that the current social finance market is already worth approximately \$22³⁷ trillion.

Social Finance at BNY Mellon



Products and Services

We develop and deliver innovative social finance solutions to meet client needs across the investment spectrum.

Thought Leadership

We focus on advancing social finance and addressing the needs of mainstream investors by leveraging our own investment expertise and collaborating with leading thinkers to drive research.



Partnerships

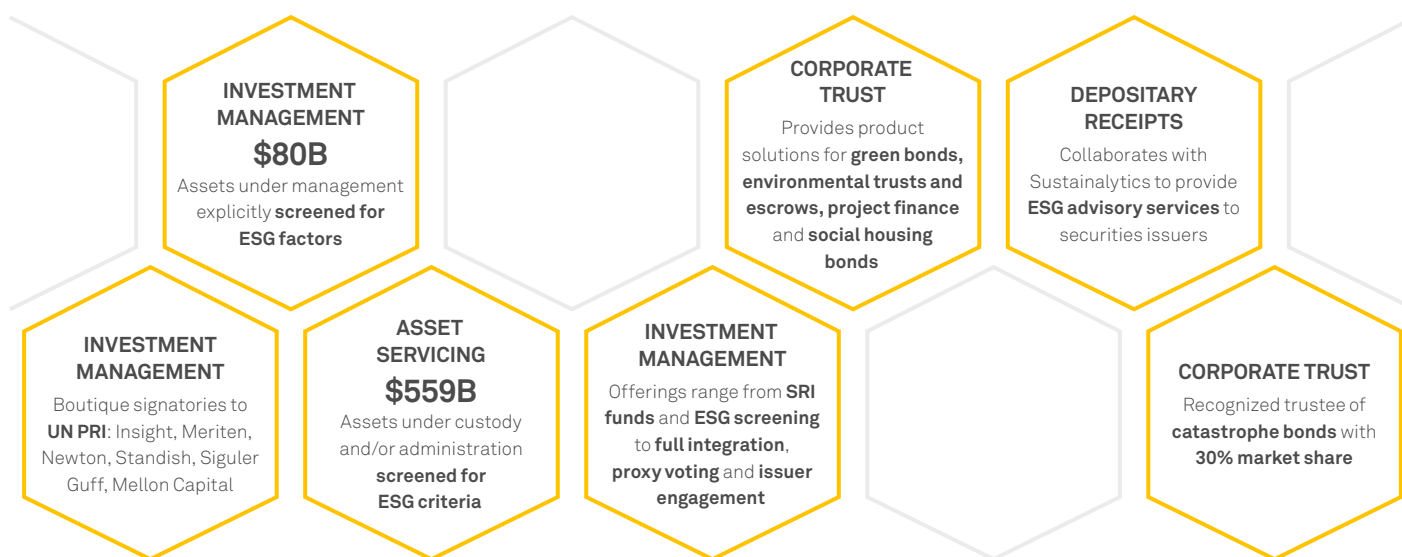
We cultivate partnerships with key influencers, providing our resources to develop the field, and we invest in intermediaries that can contribute to the long-term growth of social finance.

³⁷ The value of the global social finance market has been calculated using verified public data. For more information on our methodology, please see our [performance data sheet](#).

Our Corporate Social Responsibility team is leading the company’s focus on social finance. They leverage their existing relationships throughout the organization and with strategic oversight by executive management and the Corporate Social Responsibility Committee of the Board of Directors to facilitate a coordinated effort across the company. We have also established a Social Finance Business Council made up of representatives from across the businesses that ensures that our social finance activities are driven by client needs and business opportunities. The members of this council and other business

leaders execute on social finance objectives to build awareness and dialogue with clients, and to develop and grow products and services.

With this structure, the social finance initiative focuses on progress in three areas: products and services, thought leadership and research, and partnerships. The Social Finance Business Council increases awareness of results in individual business lines across the enterprise, better allowing us to deliver the entire company in the Social Finance arena.



Social Finance Products and Services

This year, we are expanding and formalizing our approach to social finances at the firm, but are not new to the field. We have expertise across our businesses and our social finance portfolio continues to grow. We provide social finance solutions including environmental, social and governance (ESG) factor integration; socially responsible investment funds; servicing of environmental trusts and escrows, green bonds and insurance-linked securities; and global depositary receipt programs to a wide variety of clients. We serve their needs across our businesses, including Asset Management, Wealth Management, Asset Servicing, Depositary Receipts and Corporate

Trust. Product development is a priority, and we continue to focus on understanding the changing nature of our clients’ needs, refining our offerings to best serve them.

Learn more about our social finance products and services:

- Investment Management on page 87
- Investment Services on page 90

Investment Management

BNY Mellon’s Investment Management business is a multi-boutique model with autonomous investment boutiques, each with its own style, strategy and management team. Beyond asset management, Investment Management includes [wealth management](#) services. This model enables our investment teams to offer a wide range of well-diversified and customizable investment strategies.




ESG Investment Strategies

ESG factors can significantly influence risk-adjusted investor returns. We offer clients a full set of Socially Responsible Investing (SRI) capabilities, from ESG screening to full integration, proxy voting and issuer engagement. With skilled, experienced investment

professionals, we help clients to choose the solutions that meet their objectives.

We provide three primary types of ESG investment strategies: positive screening, negative screening, and full ESG integration. Positive screening allows investors to proactively invest in companies that demonstrate values or practices that are consistent with client ESG values. Investors that are interested in avoiding or divesting from companies that engage in certain businesses or practices can choose negative screening. Full ESG integration incorporates environmental, social and governance risk factors and opportunities into all investment decisions as a means of maximizing risk adjusted return. Assets managed that are explicitly screened for environmental, social and governance factors totaled \$80 billion as of December 31, 2014.

Types of ESG Investment Strategies

POSITIVE SCREENING	NEGATIVE SCREENING	FULL ESG INTEGRATION
<p>PROACTIVELY INVESTING IN COMPANIES WITH PRACTICES CONSISTENT WITH CLIENT ESG VALUES</p>	<p>AVOIDING OR DIVESTING FROM COMPANIES WITH PRACTICES THAT CONFLICT WITH CLIENT ESG VALUES</p>	<p>EXPLICITLY INCLUDING ESG RISKS AND OPPORTUNITIES INTO ALL ANALYSES</p>
<p>EXAMPLE: Only invest in companies that are actively addressing labor and human rights concerns in their supply chain.</p>	<p>EXAMPLE: Do not invest in utilities that rely heavily on fossil fuels.</p>	<p>EXAMPLE: Consider companies that have beneficial records in all areas of concern, such as human rights, climate change and business ethics.</p>
		

Assets Managed According to ESG Criteria

\$80B

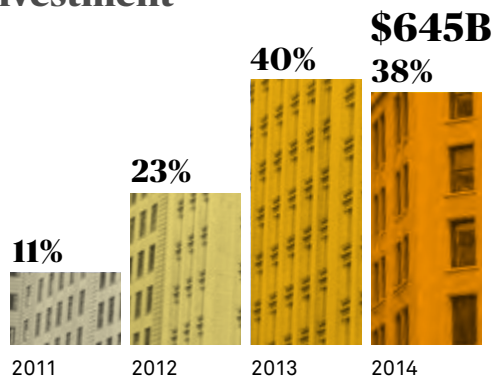
We provide opportunities for our Investment Management clients to incorporate ESG criteria into their investment guidelines.

United Nations Principles for Responsible Investment (UN PRI)

We continue to pursue a boutique-specific approach to the UN PRI, which ensures that each team owns the requirements of the Principles and is responsible for their management. This also provides our boutiques with the flexibility to evaluate the advantages and costs of becoming a signatory and to enjoy the branding and business benefits of UN PRI involvement, while also making certain that compliance and reporting requirements are met.

As of year-end 2014, six of BNY Mellon's boutiques have chosen to become signatories to the UN PRI. As of December 31, 2014, \$645 billion or 38 percent of our total assets under management are currently covered by the Principles. This marks a significant increase from \$148.5 billion in 2011.

Assets Under Management Covered by the United Nations Principles for Responsible Investment



Boutique Signatories to the UN PRI*



Meri

INVESTMENT
MANAGEMENT

NEWTON
The Power of Ideas

STANDISH

SIGULER
& GUFF

Mellon
it

*As of December 31, 2014.

SRI Training and Education for Employees

Staff training is strengthening our expertise in socially responsible investing (SRI), reducing environmental, social and corporate governance risks for our clients.

Key focus areas for 2014 included an analysis of ESG data providers' quality and coverage and a literature survey of the evidence on shareholder ability to improve returns through governance reforms in the companies they own. Our Investment Management

professionals and specialist consultants lead our SRI training efforts. To supplement our ESG education programs, our businesses also have access to expert consultants.

Wealth Management

Our Wealth Management group offers both internally and externally managed equity funds for its clients interested in SRI and ESG integration, including the Dreyfus Premier Third Century Fund and the DFA International Sustainability Core Fund.

Socially Responsible Investment Funds

BNY Mellon boutiques offer a wide range of SRI funds and other ESG products including proprietary funds such as:

Dreyfus Premier Third Century

\$331 MILLION

One of the first SRI funds on the market, this U.S. equity fund focuses on investments in companies with business practices that protect and improve the environment, promote occupational health and safety, promote consumer protection and emphasize equal employment opportunities.

Dreyfus Socially Responsible Growth Fund

\$284 MILLION

Launched in 1993, this U.S. equity fund invests in companies that meet traditional investment standards, while also meeting socially responsible criteria related to the environment, natural resources, occupational health and safety, consumer protection and equal employment opportunities.

BNY Mellon Sustainability Fund

€43 MILLION

Launched in 2012, this European equity fund invests in equities included in the STOXX Europe Sustainability Index. This index represents stocks of companies complying with higher sustainability standards than companies with comparable revenues.

Investment Services

Asset Servicing

BNY Mellon has provided environmental, social and governance (ESG) screening capabilities to our Asset Servicing client base for more than 10 years. During this time, we have enhanced our capabilities to cover a broad range of topics and insights sought by our clients. By the end of 2014, 117 clients were using our service across 578 distinct rules or screens on ESG criteria. Over the last 12 months the market value of portfolios that we screen for ESG factors increased by 34 percent to \$599 billion.

Our ESG services meet an important need for institutional investors. Many use this service to monitor the effectiveness of their investment managers' adherence to their investment guidelines around ESG criteria. To promote these products and our socially responsible investment services, we discuss screening with existing and prospective clients.

Common Client ESG Screens

HUMAN RIGHTS / ALCOHOL /
WEAPONS & MILITARY / ANIMAL WELFARE
TOBACCO / ADULT ENTERTAINMENT /
ENVIRONMENT

Assets Under Custody and/ or Administration Screened for ESG Criteria

\$599B

In Asset Servicing, we provide post-trade analysis of client portfolios against ESG guidelines and assist clients in understanding the nature of violations.

Depository Receipts

Our Depository Receipts (DR) business plays a major role in helping securities issuers access the world's financial markets. BNY Mellon served as depository to 1,279 sponsored American and global depository receipt programs as of December 31, 2014, acting in partnership with leading companies from 65 countries — an estimated 60 percent global market share. Depository receipts facilitate cross-border trading, allowing non-U.S. companies to make their shares available outside their home markets and allowing investors in the U.S. and elsewhere to easily invest in companies on a more global basis.

The DR Global Investor Relations Advisory (GIRA) team helps issuers elevate market visibility of their DR programs and works with them to develop and execute strategic market outreach plans. One of GIRA's areas of focus is ESG disclosure, as issuers benefit from understanding how investors and financial intermediaries view their sustainability and corporate governance practices and performance. Learn more about our [Depository Receipts business](#).

Corporate Trust Services

Corporate Trust offers infrastructure, technology and processing services to help financial institutions, corporations, insurers, governments and not-for-profit organizations navigate the debt capital markets. Corporate Trust supports our clients' ESG needs with a diverse range of product solutions, including:

<p>GREEN BONDS</p>	<p>We administer debt securities that raise proceeds to fund projects with specific environmental benefits, such as climate change mitigation and adaptation projects. We remain at the forefront of market developments through our engagement with associations that lead initiatives in support of green bond market growth.</p>
<p>ENVIRONMENTAL TRUSTS AND ESCROWS</p>	<p>We help clients to comply with financial responsibility requirements enforced by the U.S. Environmental Protection Agency and other commissions for environmental issues ranging from chemical emissions to nuclear decommissioning.</p>
<p>INSURANCE-LINKED SECURITIES</p>	<p>We administer alternative reinsurance capital financings such as catastrophe bonds, which reduce the cost of reinsuring risk from natural disasters, and longevity risk swaps, which help pension funds adjust to demographic changes. These products and solutions ultimately help make communities more financially secure, and we anticipate demand increasing as the impacts of issues such as global population growth become more widely felt.</p>
<p>SOCIAL HOUSING BONDS</p>	<p>In the UK, we have supported social housing infrastructure by administering the bond financings issued by local housing authorities. These financings help to fund the construction or renewal of social and affordable housing, and can help to improve the lives of vulnerable people.</p>

[Learn more](#) about how we contribute solutions to global ESG challenges.

Thought Leadership and Research

Social finance has the potential to protect and create value for mainstream investors, while generating positive social and environmental benefits for communities, economies and people around the world. Through thought leadership and research, we're collaborating with leading thinkers and practitioners to better address the needs of mainstream investors who invest primarily for financial returns.

Social Finance Thinking Across BNY Mellon

With our team of investment experts, we regularly publish our perspective on social finance issues. Below we highlight a selection. To read more, visit the [Our Thinking](#) pages of our website.

Standish: U.S. Investor Interest Catching Up with Europe

Mike Faloon, Chief Operating Officer, Standish Mellon Asset Management Company LLC assesses the changing nature of a market that is waking up to the relationship between long-term growth and responsible investment. With more than \$15.5 billion in assets being managed using socially responsible criteria by Standish, Faloon predicts strong growth in areas such as green bonds, and he seeks to clarify some of the confusion around social finance terminology.

Read the full interview [here](#).

Newton Investment Management: Investing responsibly: Unconventional gas in China

Ashim Paun, ESG Investment Analyst, Newton, sets out the challenges and opportunities for investors and international oil companies looking to transform China's carbon-intensive energy production infrastructure. Using ESG risks as the framing, Paun describes the complexities associated with unconventional gas exploitation, set against a rapidly expanding population, the reality of increasing pressure on water resources, and an evolving regulatory context.

Read the full piece [here](#).

Corporate Trust: Contributing Solutions to Global ESG Challenges

BNY Mellon's Jim Maitland, Caroline Cruickshank and Sonia Chaliha from Corporate Trust and John Buckley from Corporate Social Responsibility discuss how CSR is transforming the ways in which companies and their stakeholders lead positive change in the world. They also discuss how we contribute solutions to climate change, and social housing infrastructure, through our trustee and agency services across our range of products.

Watch the video [here](#).

Partnerships

Collaboration allows us to apply our investments and market infrastructure knowledge to help develop a more resilient global economy in partnership with leading organizations. In 2014, we continued to deepen our current relationships with some of the world's premiere non-governmental organizations and develop strategic partnerships that build our capacity and reach in the social finance space. We focused on opportunities that would enable businesses and communities to flourish, such as promoting the rule of law and developing thought leadership pieces to advance social finance dialogue. We are also pursuing innovative philanthropic approaches to develop and scale opportunities for impact investing in our key regions.

Supporting the Rule of Law with the United Nations Foundation

As the investments company for the world, we believe that rule of law is a precursor to unlocking investment in developing economies and to achieving global sustainable development goals.³⁸ Rule of law is the legal principle that law should govern a nation, as opposed to arbitrary decisions by individual government officials. It limits criminal activity and protects human rights, enabling citizens and businesses to safely and honestly fulfill their goals.

When the rule of law is applied consistently to a high standard, responsible businesses can trade and grow, and risks are reduced for domestic and outside investors, which in turn leads to new resources and

38 See also: World Bank, "World Bank Development Report 2014," 2013, 15, http://siteresources.worldbank.org/EXTNWDR2013/Resource/8258024-1352909193861/8936935-1356011448215/8986901-1380046989056/WDR-2014_Complete_Report.pdf.

markets. With increased governance, investments in emerging markets and developing nations become safer and more attractive, leading to much-needed development.

According to the United Nations (UN), [4 billion people](#) live outside the scope of institutions that effectively uphold laws.³⁹ To help address this, we have partnered with the UN Foundation to launch a rapid-response initiative. We are providing \$1 million over two and a half years to build a coalition of support from the private sector and civil society that will advance the rule of law within the UN's Sustainable Development Goals (SDGs).

The SDGs will replace the Millennium Development Goals, which are due to expire this year, and set the global stage and norms for development from 2016 to 2030. They will impact trillions in spending and billions of lives between 2016 and 2030. Working with partners from top-tier legal and consulting firms, and other field experts, we are seeking the inclusion of substantive and comprehensive rule of law in the SDGs, as we believe it will greatly increase the likelihood of achieving the global development goals.



BNY Mellon Social Finance Fund

In late 2014, we contributed to a donor advised fund with ImpactAssets, a nonprofit financial services organization with a mission to increase the flow of capital into impact investment opportunities. This \$5 million BNY Mellon Social Finance Fund* will serve as a proving ground to inform our own program development and, in some regions, focus on developing local impact investing markets.

Impact investments made from the BNY Mellon Social Finance Fund are intended to catalyze the development of ecosystems that support impact investing. We are identifying market gaps and barriers to scale and, because of the flexibility of the fund, are then able to deploy capital in a way that targets the unique needs of regional markets.

What we learn from these opportunities will deepen our knowledge of needs in the space, inform product

and service development to meet those needs, and influence our assessment of gaps in research and thought leadership topics.



IMPACTASSETS

INVEST WITH MEANING

**Any and all contributions to the BNY Mellon Social Finance Fund are made through charitable donations to ImpactAssets. These contributions are irrevocable, and ImpactAssets maintains exclusive legal control over the assets contributed. Contributions are non-refundable and do not pay dividends or interest income.*

UpPrize, BNY Mellon Social Innovation Challenge

[UpPrize](#), the BNY Mellon social innovation challenge pilot program launched in 2014, encourages impact investing activity in southwestern Pennsylvania. Pittsburgh, PA is home to a robust nonprofit community and a growing technology sector. This challenge was developed to bridge the gap between these communities and increase the supply of investment-ready solutions targeted to address critical social challenges.

UpPrize submissions must meet a rigorous set of criteria that assesses both the feasibility of their business models and the impact potential of their products. Finalists will pitch their solutions to a panel of expert judges who will evaluate their ideas in consideration for prize funding — a combination of impact loans and grants — to bring their products to market.

To read more about how UpPrize achieves community impact objectives, visit our Community Commitment section on page 95.



UpPrize

BNY Mellon Social
Innovation



THE FORBES FUNDS

³⁹ "Making the Law Work for Everyone: Report of the Commission on Legal Empowerment of the Poor," UN Development Programme, 2008, 1, http://www.unrol.org/files/Making_the_Law_Work_for_Everyone.pdf.

Global Impact Investing Network

In October 2014, we joined the [Global Impact Investing Network GIIN](#), a leading nonprofit dedicated to increasing the scale and effectiveness of investments made for positive social and financial impact. Impact investing provides capital, such as incubating funds or early stage investments, to address major challenges like sustainable agriculture, accessible healthcare and clean technology.

Members include leading asset owners, asset managers, investment advisors, research centers and ratings agencies. We look forward to connecting with members on the latest trends and resources related to social finance, and to developing new strategic partnerships that deliver lasting change.



Community Commitment

We are invested in our communities around the world. Operating in 35 countries, we support ambitious initiatives that are designed to have a positive, long-term impact in people's lives. Our activities include strategic philanthropy, community involvement, support for human rights and supplier responsibility

efforts. Each plays a significant role, helping us empower the communities in which we live and work to reach their full potential and contribute solutions for the world's most pressing issues.

- Global corporate philanthropy and community involvement on page 96
- Support for human rights on page 103
- Supplier responsibility on page 106

Community Commitment Long-Term Goal

Demonstrate a measurable positive impact in our communities through philanthropic activity, employee community involvement, environmental stewardship, diverse supplier development and human rights advocacy.

Notable 2014 Progress

- \$38.1 million: Total company and employee cash donations in 2014, a \$3.7 million year-over-year increase
- 127,000: Total employee volunteer hours contributed in 2014, a 20 percent year-over-year increase
- Advanced our commitment to human rights advocacy through a partnership with the United Nations Foundation to support rule of law

UpPrize, Social Innovation Challenge

As the investments company for the world, we believe that impact investments are key to enabling positive change in our communities. In 2014, BNY Mellon launched [UpPrize](#), a social innovation challenge pilot program in Pittsburgh, PA to connect regional nonprofits to the private sector in pursuit of market-based approaches to advance critical social missions.

We partnered with the Forbes Funds and over 100 local nonprofit organizations to identify key systemic challenges that inhibit the effectiveness of regional nonprofits. The entrepreneurial community was then invited to develop and submit their products and ideas as solutions to these challenges.

Top contenders will enter an incubation phase in which they will receive targeted mentoring and support, including mini-grants, to develop their

concepts and prototypes. In the final pitch event, finalists will have the opportunity to pitch their ideas in front of a panel of expert judges and be considered for prize funding made up of a combination of grants and impact investments.

UpPrize represents one of the innovative models we are pursuing as we explore opportunities in social finance. To learn more about our commitments in this space, visit the Social Finance section on page 85.



UpPrize

BNY Mellon Social
Innovation

Philanthropy and Community Involvement

We are invested in our communities around the world. Our commitment to the wellbeing of these communities is an essential part of who we are and how we do business. Our firm’s global corporate philanthropy program enables positive change through philanthropic donations and social investments, and we empower our employees to use their skills and resources to make a difference. Our philanthropy program leverages corporate, foundation and employee giving, and provides flexibility for regional and cultural variations. It is also multidimensional to reflect our stakeholders’ varied interests and goals.

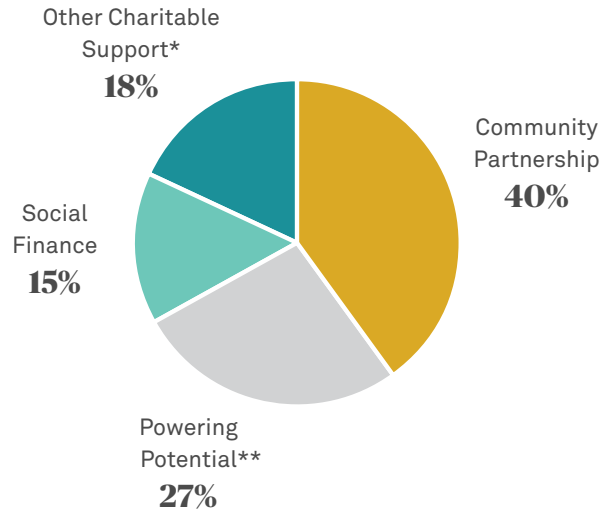
We identify and support initiatives that improve social and economic conditions in locations where the company does business and our employees live and work. This is accomplished through our philanthropic focus on [Powering Potential](#), which directs a significant portion of our corporate donations to providing vital support and workforce development opportunities to those in need, with a special emphasis on supporting vulnerable youth through our Pathways program.

In 2014, our total employee and company cash contributions to charities in communities around the world increased to \$38.1 million, including donations to support Ebola relief efforts. In addition, participation by our employees in volunteerism increased by 20 percent to 127,000 hours. As part of our Powering Potential philanthropic focus, we continued to work with our community partners to provide basic needs such as food, clothing and housing. We also expanded our support for job training and development programs that can lead to better jobs and self-sufficiency. Finally, we continue to look for opportunities to coordinate across focus areas to increase our impact. Through our social finance work, we aim to make a make a positive impact through investments. Within our community focus, we are leveraging our knowledge, skills and resources to pilot a social innovation challenge to bring entrepreneurial ideas to social problems in a manner that also produces investment returns.

Learn more: [Philanthropy and Employee Community Involvement At a Glance](#)

Major Areas of Focus in 2014

Social Finance was a new philanthropic priority in 2014

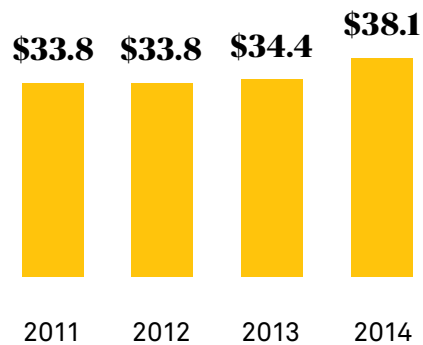


* Includes BNY Mellon business managed giving; support for the arts, education and some support for diversity and inclusion.

** Does not include employee giving.

Total Cash Donations

(\$ millions)



Impact of Powering Potential in 2014

- Provided more than 15,000 individuals with job training
- Provided more than 15,000 individuals with education (i.e., tutoring, scholarships)
- Provided more than 8,000 young people with a mentor
- Provided \$50,000 in company donations to the American Red Cross and Save the Children to provide aid for the victims of the Ebola crisis
- Contributed \$1.2 million, the equivalent of approximately 6 million meals* to provide food for those in need around the world
- Provided 5,800 vulnerable individuals with emergency, transitional and permanent housing
- Provided clothing to more than 14,000 people

**Conservative estimate based on calculation methodologies used by reputable charitable organizations including Feeding America.*

Vulnerable Youth Empowerment

In 2011, we launched the [Pathways program](#), a coordinated approach to help youth aging out of foster care, along with other vulnerable groups. The \$6 million suite of projects is helping to equip individuals with the academic, workforce development and life skills needed to successfully transition into adulthood.

The program also supports basic needs for these youth, who often lack access to core services and face high rates of food insecurity and homelessness.

BNY Mellon Pathways partners reported that, of the approximately 678 U.S. and UK program participants in 2014, 504 were either enrolled in education or employed.

For information on the BNY Mellon Powering Potential Thought Leadership Summit, [click here](#).

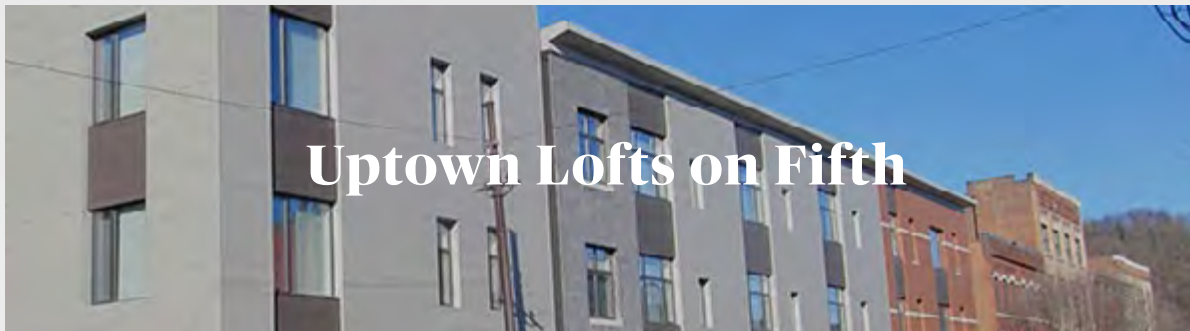
Pathways Program Highlights

Since the program began in 2011, we've:

Supported more than
2,000
youth globally

Mobilized
900
employees through volunteering,
mentoring and events

Engaged
10
executives through speaking
opportunities, advisory roles and
board service



Uptown Lofts on Fifth

ACTION-Housing in Pittsburgh is BNY Mellon's client. We provide the organization with construction financing and equity investments. One of the investments our company made was in Uptown Lofts, which included the construction of 47 apartments in two new buildings. Both of these buildings are of a similar scale and design. The North building features 24 apartments reserved for young adults aging out of the foster care system. Essential on-site support and programs for these youth are also available at this building, made possible through ACTION-Housing's My Place program, which is partially funded by a philanthropic grant from BNY Mellon.

Diversity and Inclusion

Diversity drives innovation. The true inclusion of people from different backgrounds, with alternative ways of thinking and varying experiences, is key to a healthy society and new ideas. In addition to our own efforts to recruit, develop and retain a diverse and inclusive workforce, in 2014 we provided \$2.9 million in grants and sponsorships to support organizations fostering diversity and inclusion in a variety of ways (see our report section on Diversity and Inclusion on page 78). Some examples of our support are as follows:

- BNY Mellon and our employees support Little Flower Convent for the Blind and Deaf in Chennai, India, a charity that provides free, full-time education, and trains teachers in modern methods of educating the deaf and hard-of-hearing. The charity integrates capable deaf and hard-of-hearing children into regular schools.
- We remained committed to supporting services for military veterans, many of whom are at risk for homelessness, struggle with poverty and lack adequate support networks. For example, we contributed to the [Wounded Warrior Project](#) to support the Transition Training Academy, a hands-on program that trains participants for a range of jobs in the IT sector, adding more talented individuals to our recruitment pool.
- BNY Mellon received the Apollo Theater's Corporate Award at the institution's annual gala in New York's Harlem neighborhood. Gerald Hassell, our Chairman and CEO, accepted the award, which recognized BNY Mellon's philanthropic work and commitment to diversity.
- Boston PFLAG recently honored BNY Mellon with its 2014 Cornerstone of Equality award, which is given to "those who inspire love and acceptance of lesbian, gay, bisexual and transgender (LGBT) people." BNY Mellon was honored for our commitment to equality and our history of creating and supporting programs that serve socially diverse populations.
- BNY Mellon supported [Girls Who Code](#) clubs that offer computer science education and technology industry exposure nationally throughout the academic year, the program expansion in New York for its Summer Immersion Program (SIP), and the recruitment and training of 13 teachers and 45 teaching assistants to lead additional SIP students.

Community Partnership

Our Community Partnership program engages employees around the world in giving back through individual donations, fundraising, and individual and team volunteering. To encourage employee participation, the company offers incentives that include matching donations for financial contributions and volunteer time, paid time off to volunteer, and employee recognition programs.

Based on employee feedback, we made several enhancements to our program this year. We increased our support for volunteerism with a special focus on skills-based activities. We also launched a new program to support and recognize employees who serve on the boards of eligible charities with a \$1,000 company matching donation.

In 2014, our employees volunteered 127,000 hours, up 20 percent from 2013. Since the program's launch in 2008, employee and company matching donations have increased by 54 percent.

Employee Community Involvement

	2008	2009	2010	2011	2012	2013	2014
Employee donations and company match (\$M)	\$9.9	\$12.8	\$14.0	\$14.1	\$14.5	\$14.5	\$15.2
Volunteer hours	18,900	26,100	43,000	71,000	84,000	105,000	127,000

Individual volunteering hours were not tracked before 2011.

Employee Community Involvement – ALS Ice Bucket Challenge



Gerald Hassell and his family participated in the ALS Ice Bucket Challenge to raise awareness of amyotrophic lateral sclerosis, or Lou Gehrig's disease, a progressive neurodegenerative disease that affects nerve cells in the brain and spinal cord. During his video, Gerald encouraged all employees to support the charities they care about through Community Partnership.

He also participated in the Rice Bucket Challenge initiative, kicked off in September by the Hong Kong Community Partnership Committee. The challenge concluded with more than 2,700kg (2.7 metric tons) of rice donated by Hong Kong colleagues. The rice collected was equally divided and donated to four local charity partners on World Food Day.

Skills-Based Volunteering

As global needs mount, the resources of charities are being stretched like never before. The contributions of skilled volunteers are invaluable in this climate.

A few examples of the ways that BNY Mellon employees leveraged their business skills through volunteering in 2014 are as follows:

INVESTMENTS LITERACY: With the goal of illustrating how stock markets work and bringing to life the process of investing and trading, a BKU employee in the UK created an investments game. This game has reached more than 20 schools in Manchester, and several of BNY Mellon's senior leaders have volunteered their time to help deliver sessions.

LEGAL: Our attorneys around the world have worked on a wide variety of pro bono projects to support groups such as senior citizens, military members, veterans, transgender people and low-income women. For this work, BNY Mellon's Legal department was one of seven to receive an Outstanding Legal Department award from the *New York Law Journal* in March 2014.⁴⁰

JOB ACQUISITION AND MAINTENANCE: The Youth Villages Job Prep Training program in Massachusetts was developed in collaboration with volunteers from area businesses with a goal of preparing former foster care youth to find, secure and maintain employment. Through the program, corporate professionals serve as career coaches and are matched to a young adult enrolled in the program. Together with their career coaches, these young adults attend seven two-hour workshops over 10 weeks to learn how to apply for jobs, write a résumé and improve their interviewing and networking skills.

⁴⁰ New York Law Journal — 2014 Outstanding Legal Department Awards: Pro Bono, March 10, 2014.

Human Rights

Human dignity is of high importance to us, and we work to preserve human rights throughout our company and our supply chain. For more information on our human rights policy, please read our [Human Rights Statement](#).

We also look for ways to contribute to global initiatives on human rights, serving as a positive influence within our industry and beyond. In 2014, we entered a partnership with the United Nations Foundation to support the post-2015 United Nations Sustainable Development Goals (SDGs) and specifically, the rule of law. We believe the rule of law acts as a precursor to achieving many of the SDGs and strengthens human rights broadly. Strengthening rule of law also leads to decreased business risk, making investments within developing and emerging markets safer and more attractive to mainstream investors. The ability to increase investment flows, both in size and frequency, can equate to higher impact on economic development and improved social conditions in these nations.

Advocating for the Rule of Law

What good is building a school in a developing nation if a young girl is afraid to walk on the streets to get there? If there are no strong contract laws in place, how can someone who received a loan from a microfinance institution make his or her small business a success?

Around the world, violence and a lack of safety represent significant human rights challenges that too often stand in the way of sustainable development. We believe that violence and limited access to the rule of law are among the largest factors standing in the way of alleviating poverty.

Rule of law consists of efforts ranging from creating and enforcing just laws and building effective judicial systems; to enforcing contracts and preventing violence; to combatting illicit transfers, trafficking and organized crime.⁴¹ Strong rule of law is necessary, in the words of the UN Secretary-General Ban Ki-moon, for “realizing the rights of every man, woman and child.”⁴² However, according to a UN study, a staggering 4 billion people live outside the scope of robust rule of law institutions.⁴³

As the investments company for the world, BNY Mellon believes this is an important issue. Increased governance and strong rule of law decreases risk, which makes investing in the emerging markets and developing nations safer and more attractive. This helps drive economic growth, alleviate poverty, and promote empowerment and independence for the people of these nations.

BNY Mellon has partnered with the United Nations Foundation to support a robust goal calling for broad access to rule of law within the forthcoming UN Sustainable Development Goals (SDGs). BNY Mellon is a participant with top-tier legal and consulting organizations, and other rule of law experts, to create metrics for measuring success in the implementation of rule of law.

Learn more about our partnership with the UN Foundation on page 93.

41 “The Rule of Law and Transitional Justice in Conflict and Post-Conflict Societies,” UN Security Council: S/2004/616, 23 August 2004, <http://www.unrol.org/files/2004%20report.pdf>.

42 Ban Ki-moon, remarks made during Contributions of Human Rights and the Rule of Law in the Post-2015 Development Agenda (conference), New York, 9 June 2014, <http://www.un.org/News/Press/docs/2014/sgsm15918.doc.htm>.

43 “Making the Law Work for Everyone: Report of the Commission on Legal Empowerment of the Poor,” UN Development Programme, 2008, 1, http://www.unrol.org/files/Making_the_Law_Work_for_Everyone.pdf.

Non-Discrimination Policy Certification for Non-Profits

We are committed to fostering a culture of inclusion and to supporting the communities in which we live and work, and we expect any recipient of the company's philanthropic funds to likewise have a commitment to these principles. Non-profit organizations (e.g., charities, non-governmental organizations) applying for financial sponsorship or donation support will be asked to certify their compliance with BNY Mellon's Non-Discrimination Policy Certification for Non-Profits. For more information related to protected groups, review our [Equal Employment Opportunity Statement](#).

Supporting Marriage Equality

Our company and employees continue to provide their support for human rights. As advocates for diversity, inclusion and equality, in 2013, we were a signatory to an amicus brief urging the overturn of a section of the federal Defense of Marriage Act (DOMA) that denied federal benefits and recognition to same-sex couples. Most recently, we gave our support to another amicus brief filed with the U.S. Supreme Court which argued in favor of the rights of same-sex couples to marry. We became a signatory to these important documents in support of the business case for marriage equality, which seeks a uniform principle that all U.S. couples share in the right to marry. We have also participated in similar efforts in Ireland. BNY Mellon has also been a member of the Human Rights Campaign's "Business Coalition" which supports federal legislation to prohibit workforce discrimination due to sexual orientation. By lending our support to these and other efforts, we reaffirmed our commitment to fostering an inclusive workplace where each person is empowered to contribute to their fullest potential in serving our clients around the world.

In addition, two important legal department pro bono projects grew. Our employees created a comprehensive, free [online tax resource](#) to assist same-sex couples and their tax preparers in navigating state tax laws and reporting regulations. The site is updated periodically as state tax laws impacting LGBT couples change. Employees also led an effort to expand The Transgender Legal Defense and Education Fund's Name Change Project, which reduces the complexity of changing one's name to match their gender identity.

For more information, see our efforts to support diversity and inclusion on page 78.

Supplier Responsibility

We realize the impacts of our business extend beyond our organization and into our supply chain. Our suppliers include both product and service providers, and range in size from independent individuals to large, multinational companies. The social and environmental health, as well as the health

of our business, depends on that of our suppliers. Therefore, we actively manage these relationships, promoting responsibility throughout the supply chain. We demonstrate our investment in the value of our suppliers in various ways. We work to improve our relationships, promote supplier diversity and inclusion, and provide opportunities for our suppliers to engage in our company's priority areas, such as risk management and environmental stewardship.

Community Commitment Long-Term Goal

Demonstrate a measurable positive impact in our communities through philanthropic activity, employee community involvement, environmental stewardship, diverse supplier development and human rights advocacy.

2014 Highlights

We published a Supplier Code of Conduct. By engaging our key suppliers in a dialogue about our CSR practices, we confirmed that 56 percent of suppliers identified have agreed to comply with our Human Rights Standards.

Supplier Diversity

Our commitment to building a diverse and inclusive culture not only includes our employees, but also extends to our suppliers (see our report section on Diversity and Inclusion on page 78). Our Supplier Diversity program supports companies owned, operated and managed by minorities, women, veterans, LGBT individuals and people with disabilities; we also engage certain certified small businesses. This approach allowed us to drive 9.88 percent of our total U.S. spend directly to diverse suppliers.

In 2014, BNY Mellon sponsored 54 and hosted 65 supplier diversity events. Our presence helped build the capacity of these businesses and demonstrate our commitment to promoting diversity in our local communities.

Our U.S. Supplier Diversity program has a strong and significant presence in the New York, Connecticut, New Jersey and Pennsylvania regions. The program provides exposure and opportunities for small

business partnerships and interaction with local government programs. It contributes to approximately one-quarter of the community service units under the [Community Reinvestment Act](#). To broaden these positive impacts, we began developing a U.S. multiregional strategy and increasing our understanding of the international context. In 2014, we launched a new program to implement a restructured supplier diversity approach in the EMEA region.

We will combine our strong regional presence in the U.S. and what we have learned from the EMEA program to construct a refreshed approach to a global supplier diversity platform. It will encompass professional service engagements, as well as supplier development and will align with our global diversity and inclusion strategy.

Supplier Management

Our Supplier Relationship Management program integrates environmental, social and governance (ESG) concerns into the overall approach of working with our suppliers, including periodic reviews of their practices.

In 2014, we convened a diversified group of relationship managers and subject-matter experts who helped define the criteria for being considered a “critical” supplier.

We also launched the Enterprise Supplier Management (ESM) program. The objective of ESM is to design and implement a supplier risk management program that complies with global regulatory standards, is clearly communicated and routes all agreements through a centralized process for procuring, reviewing and appropriately assessing risks of services and associated contracts.

In 2015, we will establish the ESM framework and a roadmap toward best practices and begin implementing our enhanced processes.

Our initial supplier assessments and the ESM framework will help us structure a program that enables us to not only fulfill our mutual business commitments, but also share and promote our common ESG priorities.

Vendor Risk Management

Effective vendor risk management programs evaluate, monitor and measure external third-party risk to assess its impact to the business or enterprise, and drive the implementation of appropriate controls to help mitigate risks. It is important that the program reflects and enforces an organization's internal controls framework and policies, ensures compliance with government or industry regulations, and achieves consistency across vendors.

BNY Mellon has a risk-based, centralized Vendor Risk Management (VRM) program that is designed to address the adequacy of information risk practices of external third-party service providers. The VRM program establishes a set of minimum, risk-weighted due diligence requirements, to be completed when engaging external third-party service providers. Medium- and high-risk vendors are subject to enhanced due diligence related to their information risk practices. The program is managed by a central VRM team within the Information Risk Management (IRM) organization of the Risk and Compliance Department.

Each vendor has a BNY Mellon relationship manager. Typically, those relationship managers reside in a business or business partner (e.g., Legal or Risk) (collectively, "business") function. The central VRM team conducts information risk due diligence for vendors referred by a business or business partner. Our vendor risk assessment process is multi-layered and tailored to the specific risks that certain vendors represent. Initially, BNY Mellon uses a concise mechanism to focus on the inherent information risk for each vendor, rating them low, medium, or high risk. This rating drives the subsequent steps in the process, which emphasizes a much more in-depth level of due diligence and ongoing monitoring for higher-risk vendors.

Once a vendor is on-boarded, the program demands periodic risk assessments. The highest-risk service engagements are subjected to a risk assessment annually, while the moderate-risk service engagements are assessed biennially. Findings resulting from risk assessments are actively managed and reported. High-risk providers are also subject to on-site visits at least once every three years. Site visits are in-person physical inspections of the vendor's operating environments.

2014 Assessments:

- Remote (questionnaire-based) assessments completed: 579
- Remote (questionnaire-based) assessments in progress: 40
- Site visits completed: 55
- Site visits in progress: 9

Supplier Code of Conduct

Our [Supplier Code of Conduct](#) clearly lays out our expectations for suppliers and their social responsibility commitments. As a practicing advocate of health and safety, labor and human rights, ethics and other responsible business practices, BNY Mellon holds our suppliers to the same standards of excellence. Beyond expecting suppliers to comply with all applicable rules and regulations, we also encourage the same in their next-level suppliers.

We recognize that the manner in which our suppliers address human rights issues, as well as business and environmental risks in their own operations, is vitally important to their ability to deliver their products and services — and in turn, our ability to serve our clients. By implementing a range of approaches, such as integrating human rights provisions into our contracts, requiring disclosure of CSR activities in our RFP templates, and developing a Supplier Relationship Management program, our goal is to have our suppliers' activities aligned with our company values.

Environmental Management

We strive for the highest standards of environmental performance across our operations. Our strategic management of environmental resources increases profits, helps manage risk, inspires ways to help our clients succeed and supports our communities around the world.

Fostering both business and environmental sustainability means focusing on activities that enable our company to operate effectively while considering financial and environmental responsibility.

- Climate Change Leadership on page 111
- Environmental Efficiency on page 113

Environmental Impact

As part of our commitment to effectively manage our environmental impact, including pursuing business opportunities and mitigating risk, we formed a new Business and Environmental Sustainability group in 2014. Our areas of focus include supporting sustainable business development and risk management through programs that promote cost control, revenue generation, climate change management, supplier diversity and inclusion and regulatory compliance. Some of our initiatives include the environmentally prudent management of our facilities around the world, risk management in response to increasing climate instability, collaboration with suppliers to improve our indirect environmental impacts, environmental sustainability education programs for employees and suppliers, and working with our businesses that offer environmental investments and socially responsible products to clients (learn more about Social Finance on page 85).

Notable 2014 Progress

- We continue to offset 63 percent of our global electricity consumption through investments in renewable energy and renewable energy credits. Our goals are to continue reducing our emissions and waste as we endeavor to identify opportunities to reduce water consumption and understand our sources of water.
- We were included in the CDP Climate Change A List, which comprises the best-performing 187 global companies regarding issues related to combating climate change.

- We achieved a 32.4 percent reduction in our Scope 1 and 2 carbon emissions, surpassing our target of a 10 percent reduction by 2016, against a 2008 baseline for our U.S.-tracked real estate portfolio. We have established a new goal to achieve a 40 percent reduction in global carbon emissions by 2020, against a 2008 baseline.
- We reached a total of 36 LEED certifications globally which accounts for 23 percent of our global real estate footprint. We also achieved ISO 14001 certification for environmental management at four new locations, for a total of eight certified locations in the UK.

Climate Change Leadership

We strive for the highest standards of environmental performance across our operations. Our strategic management of environmental resources increases profits, helps manage risk, inspires ways to help our clients succeed and supports our communities around the world.

Fostering both business and environmental sustainability means focusing on activities that enable our company to operate effectively while considering financial and environmental responsibility.

We strive to integrate climate change risks and opportunities into all aspects of our operations, products and services, and supply chain, and these investments continue to return impressive results. To view our Environmental Sustainability Statement, [click here](#).

Recognition by CDP

We report our company-wide carbon emissions through [CDP](#), the world's leading environmental disclosure and performance rating system. This year, we were proud to be named to CDP's S&P 500 Climate Disclosure Leadership Index 2014 (CDLI) and its S&P 500 Climate Performance Leadership Index 2014

(CPLI) in recognition of our exemplary performance and levels of disclosure.⁴⁴ We are also the only U.S. financial company and one of only two S&P 500 companies to receive perfect scores on both climate change disclosure and performance two years in a row. In addition, we were included in the [CDP Climate Change A List](#), which comprises the best performing 187 global companies regarding issues related to combating climate change. For our CDP disclosure, our Scope 1, 2 and partial Scope 3 emissions are verified externally against ISO standard 14064-3.

In 2014, BNY Mellon was also named to the Dow Jones Sustainability World Index (DJSI World), and for the second consecutive year, to the [Dow Jones Sustainability North America Index](#).⁴⁵ We are one of only two U.S. financial services companies included in DJSI World from more than 100 invited companies. Inclusion in DJSI World and North America is based on RobecoSAM's in-depth analysis of economic, environmental and social criteria.

Greenhouse Gas (GHG) Emissions

As global citizens, we take our commitment seriously to reduce our output of harmful greenhouse gas emissions.

In 2014, we achieved a 32.4 percent reduction in our Scope 1 and 2 carbon emissions, against a 2008 baseline for our global tracked operations (not including data centers). By 2020, we aim to achieve

CDP Scores

	Disclosure*	Performance
2014	100	A
2013	100	A
2012	90	B
2011	81	B
2010	66	C

*Maximum score is 100.

⁴⁴ <https://www.cdp.net/en-US/Pages/events/2014/cdp-leaders.aspx>.

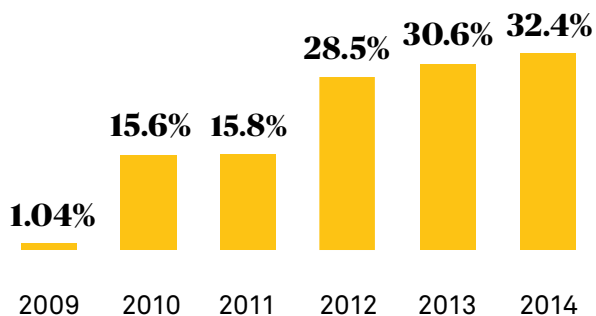
⁴⁵ "BNY Mellon Recognized as a Climate Change Disclosure and Performance Leader by CDP for Second Consecutive Year," October 7, 2014.

a 40 percent greenhouse gas emissions reduction in our global operations, excluding data centers, from a 2008 baseline.

Our carbon emission reductions are largely due to a decrease in energy use, resulting in reductions in energy costs. Since the program's inception in 2008, approximately \$62 million cost avoidance has been realized through energy efficiency and other energy reduction efforts.

Global Scope 1 & 2 GHG Emissions % Reduction

Global Tracked Operations; Compared to 2008 Baseline



Investment in Renewables

As part of our investment in a sustainable future, BNY Mellon continues to offset at least 62 percent of global electricity consumption through the purchase of renewable energy, on-site solar generation and renewable energy credits. We take our role seriously as an industry leader in this field, looking for ways to invest in the renewables market and encouraging other businesses to do so. Supporting development of renewable energy is good for our world and our business. We will continue to assess our commitments to renewable energy and look to maximize our positive impacts through purchasing carbon offsets, renewable energy credits, on-site and distributed solar generation, and providing financial services to the renewable energy industry.

Environmental Efficiency

Due to the nature of our business, the operation of our office facilities is among our greatest direct environmental impacts. Our Sustainable Real Estate program works to drive continuous improvement at our sites throughout all lifecycle phases of an office space — from ownership and leasing, to design and construction, to operations and maintenance. We employ best-practice sustainability frameworks, including the U.S. Green Building Council's [LEED certification program](#), as well as international programs such as ISO 14001. These internationally accepted frameworks are a key proof point of our programs, and their guidelines and procedures enable us not only to uphold our environmental commitments, but also to provide a measure of resilience to climate change events that may have otherwise affected our suppliers' businesses as well as our own. We also solicit ideas from within the company and continue to learn from employee behavior to ensure that our initiatives are best suited to employee lifestyles while driving efficiency.

Building Operations

Our Sustainable Operations and Maintenance program oversees sustainability efforts and certifications with our owned buildings and collaborates with landlords in leased locations.

This year, we achieved 100 percent sustainable operations compliance at our U.S.-owned and controlled locations and began to implement the program at international locations. To date we have achieved 36 LEED certifications globally, which accounts for 23 percent of our global footprint, and we continue to pursue certifications where appropriate through the United States Green Building Council. We also achieved ISO 14001 certification for environmental management at four new locations for a total of eight certified locations in the UK, accounting for 41 percent of total EMEA square footage.*

Our Green Leasing program is also a key part of our sustainability program's approach to managing the impacts of our office locations. In 2014, 100 percent of

all new domestic and international lease transactions were subject to green leasing criteria. In 2015, we aim to increase the percentage of existing leases and properties that we will engage on issues related to improving environmental impacts and designing healthy workspaces.

Real Estate Optimization

In 2014, we identified real estate as a key area that could deliver excellence for our clients, enhance our employees' wellbeing at work, facilitate operational effectiveness, and reduce company expenses and carbon emissions. The goal is to increase office space utilization efficiency and workplace productivity while driving down real estate costs, energy use and carbon emissions.

In 2014, we began relocating employees in our New York global headquarters, with an anticipated completion of the move in 2015. This move will reduce our office space footprint by 700,000 square feet and result in a projected 7 percent reduction in greenhouse gas emissions. Applying our Sustainable Real Estate program principles to these new locations will also produce significant cost savings and increase operational resiliency while providing a sustainable, healthy, modern office space that contributes to the overall productivity of our employees for the benefit of our clients.

* As of Q3 2014.

Data Centers and Energy

In our interconnected global economy, information technology is closely linked to the effective and efficient flow of ideas, messages and capital. In this way, BNY Mellon functions as both an investments company and a technology company. Powering our operations and data centers requires large amounts of energy. In 2014, our data centers accounted for roughly 29 percent of the total electricity consumed at our global properties and produced roughly 28 percent of our total Scope 1 and 2 carbon emissions.

As our business services expand, so does our need for data storage. Through our Enterprise Data Center Power Usage Effectiveness (PUE) program, launched in 2006, we work to use energy as efficiently as possible while meeting our data storage needs. By using measures such as airflow management and improvements to building envelopes and associated ancillary systems, the program saved 45 million kilowatt hours (kWh) of electricity in 2014. Our total electricity cost avoidance since the program's inception is nearly \$23 million.

Data Center Efficiency and Reliability

What is the scale of our data centers?

35.7

petabytes of
data storage

24.6K

servers

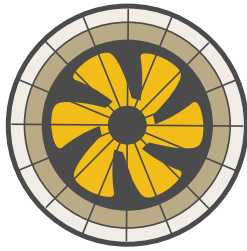
570K

sq. ft. enterprise
data center
building space

105M

kWh used in 2014

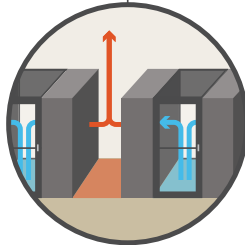
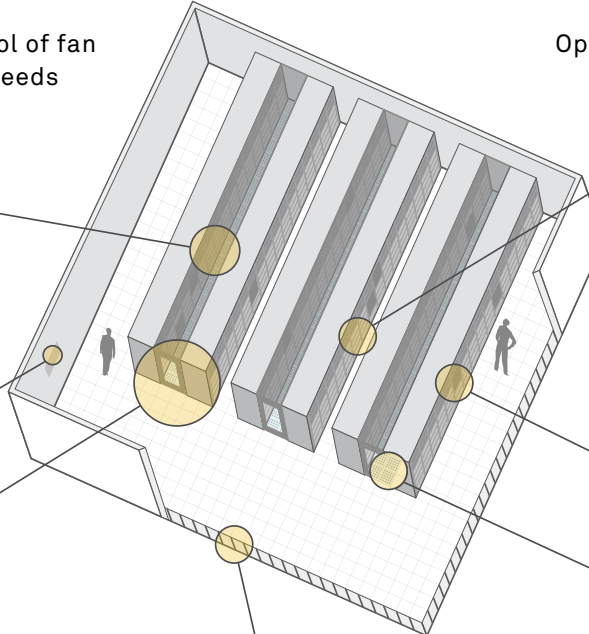
What do we do to improve efficiency?



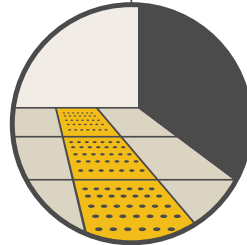
Automate control of fan and pump speeds



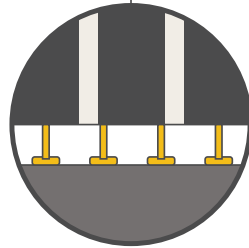
Optimize server utilization



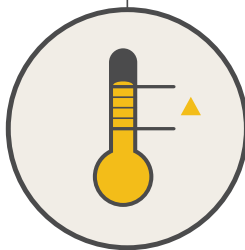
Create contained cold supply air aisles



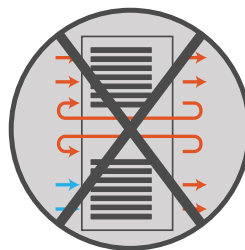
Seal all unmanaged openings and place perforated tiles only where needed



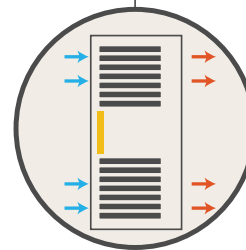
Use raised floors for air delivery



Raise temperature set points within recommended limits to reduce energy usage



Prevent unwanted mixing of hot and cold air and use blanking panels on equipment where needed

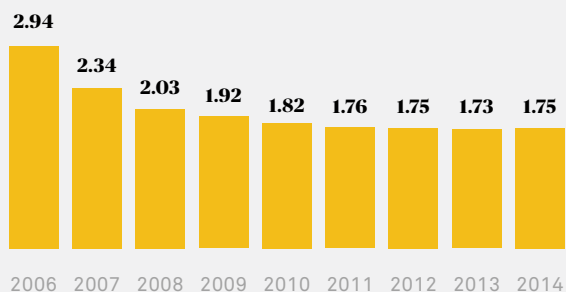


What are the results of our efforts?

Our program helps us to increase energy efficiency, save costs, and protect business continuity.

Data Center Average Power Usage Effectiveness (PUE)

Power entering a data center versus power used to run the computer infrastructure within it. Efficiency improves as PUE decreases.

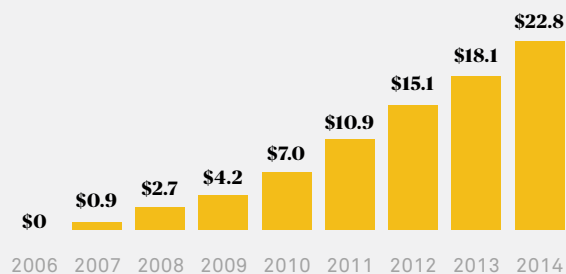


45M
kWh saved in 2014, enough to power over
4,000
homes in the U.S. for one year*

Zero
downtime across enterprise data centers in 2014

Cumulative Program Dollar Savings

(In Millions)



Zero
downtime at primary data centers for over
10
years

*Calculated based on average annual electricity consumption for a U.S. residential utility customer in 2013, as reported by the U.S. Energy Information Administration, <http://www.eia.gov/tools/faqs/faq.cfm?id=97&t=3>

Water Use

	2014	2013	2012
In gallons	103,850,649	108,697,628	79,920,383
In cubic meters	393,117	411,465	302,532

We continued to develop our comprehensive water program in 2014. We have made progress on tracking our water use to include all U.S.-based and controlled locations, and are introducing new systems to track global locations and reduce water consumption where feasible. We are also working to continually understand our water sources, prioritize conservation efforts in water-stressed regions and promote the responsible treatment of water runoff. Our developing strategies related to water management will help support water reporting frameworks, such as [CDP's Water program](#), which are designed to increase transparency and performance on water-related issues.

Waste and Recycling

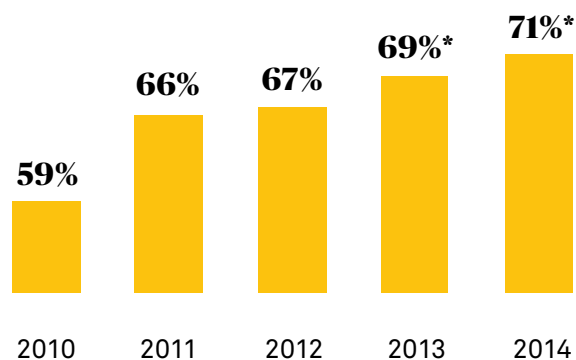
As part of our commitment to minimizing waste and managing our consumable materials responsibly, we continue to invest in the expansion of our landfill-diversion efforts. Our objective is to provide higher quantities of higher-quality recyclable materials that can be reused to manufacture new products. Reinforced with employee education and engagement, we continue to implement binless deskside and central collection programs, collaborate with our technology groups to recycle our electronics, and work with our suppliers to provide products that are composed of recycled material and can be recycled at the end of their use. We are committed to diverting at least 60 percent of our office waste from landfills and upholding our technology group's no-landfills policy. Our ISO certifications, LEED-rated locations and Sustainable Operations and Maintenance program help demonstrate that we remain invested in these priorities in our major locations.

In 2014, we tracked waste and recycling rates in 9.2 million square feet of our locations, accounting for 57 percent of our global real estate portfolio and 62 percent of our employees.

In 2014, we diverted an average of 71 percent of our waste from landfills (our goal is a 60 percent diversion rate for office waste), recycled 146 tons of desktop PC items and decommissioned 61 tons of hardware and media).

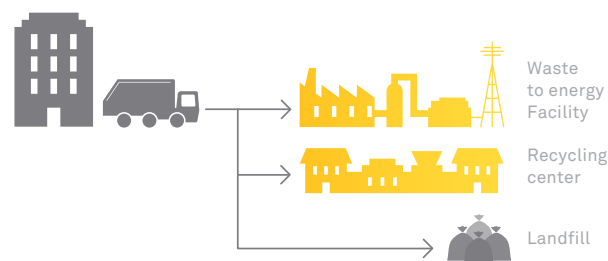
Waste Diverted from Landfills

Combined Building Use Categories



* Since 2013, our diversion number has expanded to include compost and incineration.

Current Waste Disposal Practices



146

Tons of desktop PC items recycled in 2014

61

Tons of hardware and media decommissioned in 2014

Paper

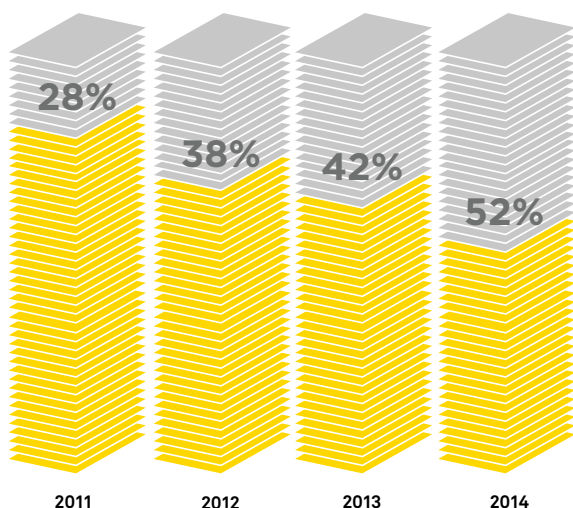
Our awareness of the costs related to printing is continually evolving. The PaperWise initiative, launched in 2010, tracks and reports the amount of paper purchased as an indicator of actual paper consumption in order to encourage waste reduction throughout our operations. The program empowers employees to make informed choices about paper use by providing resources to evaluate process efficiency, including communication forums for sharing innovative solutions and improvements.

The PaperWise program continues to track and report copy paper purchasing trends. By the end of 2014, we reduced office paper purchases in the U.S. by 52 percent, compared to a 2008 baseline, surpassing our goal of a 30 percent reduction. This translates to a cumulative saving of approximately \$2 million. Copy paper use in the EMEA region has been reduced by 34 percent from a 2011 baseline, surpassing the region's goal of reducing use by 20 percent by 2016 and our longer-term goal of a 30 percent reduction by 2019.

The ability to reduce paper use and overall print costs are driven by our technology capabilities. As those capabilities mature, we will gain insight into regional-, business- and even employee-level trends in terms of costs, as well as resources. Those metrics will provide essential details that will help us develop programs,

Paper Use Reductions

From 2008 Baseline (U.S. Only)



tools and trainings to improve our operational sustainability and productivity. Read more about how our focus on the Digital Workplace on page 73 is empowering employees to make smart choices.

Healthy Workspaces

Sustaining a safe, healthy and efficient work environment also requires investing in facilities design and maintenance. As of 2014, 35 global locations were LEED certified which accounts for 23 percent of our global footprint. Certification means that these facilities demonstrate best-in-class environmental sustainability building strategies and practices. The [LEED](#) rating system takes into consideration multiple aspects of a healthy and high-performing workspace, including a reduction in emissions associated with transportation to the location, water-management techniques and sustainable construction practices.

We have achieved LEED certification at many U.S. and international locations. Even though we do not pursue LEED certification for every design and construction project, all projects are implemented with energy and environmental design principles that follow our Sustainable Design and Construction Guidelines program.

In buildings where we have operational control but have not yet pursued LEED, we implement our Sustainable Operations and Maintenance program to ensure that all facilities provide safe and healthy workplaces for our employees. As of 2014, we had 100 percent participation with our established Sustainable Best Practices, including green cleaning requirements, waste management, integrated pest management and other indoor environmental quality measures.

At locations where we lease space but do not have operational control, we are engaging with landlords through our Sustainable Leasing Program to assess how healthy these spaces are and to improve them where needed.

Read more about our programs to increase employee engagement and wellbeing on page 71, leading to a more productive workforce.

Sustainability Ambassadors

Our company's most valuable assets are our employees. They produce results and create a culture of shared values. At BNY Mellon, our global Sustainability Ambassadors network is powered by sustainability minded employees who are committed to helping us make positive environmental impacts at our offices and within the communities where we work. Officially launched in 2009, the network includes more than 300 BNY Mellon employees in 20 locations. The Ambassadors program empowers employees to create new initiatives, provides behind the scenes education about our sustainability program, and recognizes employees for their dedication, inspiration and influence.

Our outreach efforts are centered on BNY Mellon's EcoDays, the time period between Earth Day (April 22) and World Environment Day (June 5). In 2014, the Sustainability Ambassadors hosted more than 30 events intended to encourage sustainable practices among employees. Events included environmental sustainability fairs, local community cleanup efforts, on-site educational events, and global awareness celebrations, such as Earth Hour and Cycle to Work Day. Since Ambassador membership includes employees from businesses and business partner groups alike, their fundamental value is providing a forum to inspire the integration of business and environmental sustainability. Read more about how our employees give back to their local communities through skills-based and other volunteering efforts on page 102.

Global Reporting Initiative (GRI) Index

In preparation of the BNY Mellon 2014 CSR Report, we used the Global Reporting Initiative's (GRI) G3.1 Sustainability Guidelines. This year, we are

self-declaring a "B" application level. This index provides responses for individual GRI indicators in one of the four following ways: 1) lists location in the 2014 CSR report, unless otherwise indicated with an asterisk, 2) includes response within this index, 3) indicates location in another company report, or 4) provides webpage where the information is available.

Profile Disclosures

#	Description	Answer/Location
STRATEGY AND ANALYSIS		
1.1	Statement from senior decision-maker	CEO Message (p. 8)
1.2	Description of key risks, impacts and opportunities	CEO Message (p. 8) Q&A with the President (p. 15) Risk Management (p. 30)
ORGANIZATIONAL PROFILE		
2.1	Name of the organization	BNY Mellon Annual Report (p. 4)*
2.2	Primary brands, products, and/or services	BNY Mellon Factsheet
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures	BNY Mellon Annual Report (pp. 24, 28, 32–33)* 2015 Proxy (Proxy Corporate Governance Highlights)*
2.4	Location of organization's headquarters	BNY Mellon Factsheet
2.5	Number of countries where the organization operates, and the names of countries with either major operations or that are specifically relevant to the sustainability issues covered in this report	Diversity and Inclusion (p. 78) BNY Mellon Annual Report (p. 36)*
2.6	Nature of ownership and legal form	BNY Mellon Annual Report (pp. i–ix)*
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	Diversity and Inclusion (p. 78) BNY Mellon Annual Report (pp. 29–30)*
2.8	Scale of the reporting organization	Performance Data (p. 25)

2.9	Significant changes during reporting period, regarding size, structure and ownership, including: 1) the location of, or changes in operations, including facility openings, closings, and expansions, and 2) changes in the share capital structure and capital formation, maintenance, and alteration operations (for private sector organizations)	BNY Mellon Annual Report (p. 5)*
2.10	Awards received during the reporting period	Select Awards (p. 27)
REPORT PARAMETERS		
Report Profile		
3.1	Reporting period (e.g. fiscal/calendar year) for information provided.	Overview (p. 5)
3.2	Date of most recent previous report	2014
3.3	Reporting cycle (annual, biannual, etc.)	Overview (p. 5)
3.4	Contact point for questions regarding the report or its contents	CSR Statement (p. 5) Overview (p. 5)
Report Scope and Boundary		
3.5	Process for defining report content	Overview (p. 5)
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	BNY Mellon Annual Report (p. 4)*
3.7	State any limitations on the scope or boundary of the report	Overview (p. 5) The Investments Company for the World (footnote–p. 7)
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities, that can significantly affect comparability from period to period and/or between organizations	BNY Mellon Annual Report (p. 4)*
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilations of the Indicators and other information in the report	Performance Data (footnotes–p. 25) The Investments Company for the World (footnote–p. 7)

3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reason for such re-statement (e.g., mergers, acquisitions, change of base years/periods, nature of business, measurement methods)	BNY Mellon Annual Report (p. 14)*
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report	Overview (p. 5)
3.12	Table identifying the location of the Standard Disclosures in the report	GRI Index

Assurance

3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	Overview (p. 5)
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GOVERNANCE, COMMITMENTS & ENGAGEMENTS

Governance

4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	2015 Proxy (pp. 19–23)*
4.2	Indicate whether Chair of highest governance body is also an executive officer (and, if so, their function with the organization's management and the reasons for this arrangement)	2015 Proxy (p. 16)*
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	Corporate Governance (p. 54) 2015 Proxy (pp. 16–18)*
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Employee Resources (p. 46) Engagement Survey (p. 74) 2015 Proxy (pp. 24, 70–72)*

4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)	2015 Proxy (pp. 23, 25–26, 29–45)*
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	2015 Proxy (p. 72)*
4.7	Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	2015 Proxy (pp. 6–12)*
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	Supplier Code of Conduct (p. 109) Employee Code of Conduct Directors Code of Conduct Ethics (p. 43) Human Rights (p. 103) Proxy Voting and Issuer Engagement (p. 37) Health and Safety (p. 77) Workforce Human Rights (p. 77) CSR Statement (p. 5) Environmental Policy Statement
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	Charter, Corporate Social Responsibility Committee
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance	2015 Proxy (pp. 33–39)*
Commitments to External Initiatives		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	Risk Management (p. 30)

4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	United Nations Principles for Responsible Investment (p. 88) Community Commitment (p. 95) Climate Change Leadership (p. 111)
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations	Employee Resources (p. 46)
Stakeholder Engagement		
4.14	List of stakeholder groups engaged by the organization	Stakeholder Engagement (p. 20)
4.15	Basis for identification and selection of stakeholders with whom to engage	Stakeholder Engagement (p. 20)
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Stakeholder Engagement (p. 20)
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	Stakeholder Engagement (p. 20)

Performance Indicators

#	Description	Answer/Location
ECONOMIC		
DMA	Disclosure on Management Approach	Market Integrity (p. 29)
Economic Performance		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	Performance Data (p. 25)
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Climate Change Leadership (p. 111)
EC3	Coverage of the organization's defined benefit plan obligations	BNY Mellon Annual Report (pp. 192–198)*
Indirect Economic Impacts		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Corporate Trust Services (p. 91)
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Operational Reliability (p. 47)
ENVIRONMENTAL		
DMA	Disclosure on Management Approach	Environmental Management (p. 110)
Energy		
EN3	Direct energy consumption by primary energy source	Fuel Oil — 165,528 gigajoules Natural Gas — 2,892,154 gigajoules Passenger Cars Gas — 42,034 gigajoules Jet Fuel — 1,114,121 gigajoules
EN4	Indirect energy consumption by primary source	Electricity — 1,315,942,981 gigajoules Steam — 119,294,658 gigajoules

EN5	Energy saved due to conservation and efficiency improvements	Environmental Efficiency (p. 113)
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Our approach to SRI allows us to offer clients a full set of capabilities, from ESG screening to full integration and issue engagement, allowing clients to choose the solutions that fit their objectives while enjoying the advantages of skilled, long-tenured investment teams. Investment Management (p. 87) Environmental Impact (p. 110)
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Performance Data (p. 25) Environmental Impact (p. 110)
Water		
EN8	Total water withdrawal by source	We continued to develop our comprehensive water program in 2014. We have made progress on tracking our water use to include all U.S. based controlled locations, and are introducing new systems to track global locations and reduce water consumption where feasible. Water (p. 118)
EN10	Percentage and total volume of water recycled and reused	Performance Data (p. 25)

Biodiversity

EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<p>BNY Mellon owns, controls and/or leases 225 offices with 16M sf of space in more than 30 countries. As a financial firm with only office based operations that are mostly located in dense, urban environments with limited biodiversity value and opportunities for protecting or restoring habitat. However, there are a few sites which BNY Mellon has operational control that do present an opportunity to protect and/or restore natural habitat. Where BNY Mellon has operational control over the land and there is an opportunity to protect or restore habitat while being appropriate for the use of the property, actions are taken to protect areas and habitat of biodiversity value. To date, no sites have been identified as areas of high biodiversity value or in close proximity to habitats of endangered species; however, there are sites that do include habitats for local biodiversity which has been protected or restored. Two such sites are located in Oriskany, New York (0.18 km² protected area) and Nashville, Tennessee (0.13 km² protected area and 0.001 km² currently undergoing restoration). Both contain office operations. Both sites have protected areas which provide habitats for local non-endangered species, including foxes, deer, boar, turkeys, birds and various rodents native to the northeast and southern United States, respectively. BNY Mellon continually evaluates opportunities to restore habitats where appropriate.</p>
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	<p>As a financial services institution, BNY Mellon is not currently undertaking any activities on any owned or controlled sites near protected areas which could significantly negatively affect biodiversity or natural habitats.</p>

EN13	Habitats protected or restored	<p>BNY Mellon implements measures to prevent and redress the negative impacts associated with the operations of its facilities on local biodiversity, where possible and appropriate. While much of BNY Mellon's physical footprint is contained in urban office buildings, several sites do contain protected and restored areas, which help ensure the integrity of natural habitats. Two such sites are in Oriskany, New York, and Nashville, Tennessee. The Oriskany location contains 0.18 km² protected area of natural forest and the Nashville site contains 0.13 km² of protected area with an ongoing restoration project of 0.001 km². This is being implemented with the help of a local civil engineer and landscape architect.</p>
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	<p>BNY Mellon actively manages its impacts on biodiversity in key areas of its operations through various methods. The area in which BNY Mellon's activities directly affect biodiversity is through the operation of its physical facilities and office space. For all potential new office space locations, BNY Mellon, as part of its green leasing program, issues a request for proposal which includes questions pertaining to the biodiversity value of the land associated with the building, if there are any significant impacts to endangered species and proximity to water bodies and parkland. All RFP responses are reviewed by management and assessed based on criteria including its effects on biodiversity. Currently, all newly-leased locations are evaluated for this criteria. The United States Green Building Council, the U.S. Fish and Wildlife Service's List of Threatened and Endangered Species, and the National Marine Fisheries Service's List of Endangered Species are all national programs which have influenced the company's program.</p>
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	N/A

Emissions, Effluents & Waste

EN16	Total direct and indirect greenhouse gas emissions by weight	We disclose our reductions (%) in direct and indirect greenhouse gas emissions, as well as our Carbon Disclosure Project scores. Performance Data (p. 25) Environmental Management (p. 110)
EN17	Other relevant indirect greenhouse gas emissions by weight	We disclose our reductions (%) in direct and indirect greenhouse gas emissions, as well as our Carbon Disclosure Project scores. Performance Data (p. 25) Environmental Management (p. 110)
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Greenhouse (GHG) Emissions (p. 111)
EN19	Emissions of ozone-depleting substances by weight	CDP Response
EN20	NO, SO, and other significant air emissions by type and weight	CDP Response
EN22	Total weight of waste by type and disposal method	Waste and Recycling (p. 118) Performance Data (p. 25)
EN23	Total number and volume of significant spills	Performance Data (p. 25)
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	N/A
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	N/A

Products & Services

EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Paper (p. 119) Environmental Management (p. 110)
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EN27	Percentage of products sold and their packaging materials that are reclaimed by category	N/A
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Compliance

EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	Performance Data (p. 25)
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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	Our World (p. 83) Healthy Workspaces (p. 119)
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Overall

EN30	Total environmental protection expenditures and investments by type	CDP Response
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LABOR

DMA	Disclosure on Management Approach	Our People (p. 59)
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Employment

LA1	Total workforce by employment type, employment contract, and region, broken down by gender	We list retention by region, women in Managing Director/VP level, and we state our total employment (50,300). Performance Data (p. 25) Our People (p. 59) Retention (p. 75) Gender Diversity (p. 79)
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LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	Partial Answer. We disclose by gender and region. Retention (p. 75)
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Occupational Health & Safety

LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	Health and Safety (p. 77)
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Training & Education

LA10	Average hours of training per year per employee by gender, and by employee category	During 2014, we delivered 21 hours on average of training per employee. Leadership and Development (p. 62)
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LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	BNY Mellon University (BKU) (p. 63)
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LA12	Percentage of employees receiving regular performance and career development reviews, by gender	We report the percentage of employees receiving regular performance development and career development reviews.
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Diversity & Equal Opportunity

LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	We disclose the composition of governance bodies and breakdown of employees per employee category according to gender and minority group membership. Performance Data (EEOC1) (p. 25) Gender Diversity (p. 79)
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HUMAN RIGHTS

DMA	Disclosure on Management Approach	Workforce Human Rights (p. 77) Human Rights (p. 103) Advocating for Rule of Law (p. 104) Supporting Marriage Equality (p. 105) Human Rights Statement
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Investment & Procurement Practices

HR1 Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening

We incorporate language on human rights in all new contracts and ask our suppliers to sign a Human Rights Certification letter. We published a Supplier Code of Conduct. By engaging our key suppliers in a dialogue about our CSR practices, we confirmed that 56 percent of suppliers identified have agreed to comply with our Human Rights Standards.

Human Rights (p. 103)
Supplier Code of Conduct (p. 109)

HR2 Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken

We incorporate language on human rights in all new contracts and ask our suppliers to sign a Human Rights Certification letter. We published a Supplier Code of Conduct. By engaging our key suppliers in a dialogue about our CSR practices, we confirmed that 56 percent of suppliers identified have agreed to comply with our Human Rights Standards.

Human Rights (p. 103)
Supplier Code of Conduct (p. 109)

Child Labor

HR6 Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor

We have no operations with any risk of child labor or forced/compulsory labor. We are committed to fair employment practices and compliance with local laws in all locations in which we operate worldwide.

Workforce Human Rights (p. 77)
Supplier Code of Conduct (p. 109)

Forced & Compulsory Labor

HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	We have no operations with any risk of child labor or forced/ compulsory labor. We are committed to fair employment practices and compliance with local laws in all locations in which we operate worldwide. Workforce Human Rights (p. 77) Supplier Code of Conduct (p. 109)
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Security Practices

HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	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. Strong Governance (p. 53)
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SOCIETY

DMA	Disclosure on Management Approach	Ethics and Transparency (LTG) (p. 43) Ethics (p. 43) Our World (p. 83)
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Local Communities

SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Our Pathways program is a \$6 million, five-year initiative that provides education, training and career development to help vulnerable youths make the transition to adulthood. Beginning in 2011, the Pathways program has reached more than 2,000 young people around the world, enhancing education, job training and career development opportunities for populations that are at risk and facing severe challenges of chronic unemployment, poverty and homelessness. Vulnerable Youth Empowerment (p. 98)
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S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	Building Operations (p. 113) Real Estate Optimization (p. 113)
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Corruption

S02	Percentage and total number of business units analyzed for risks related to corruption	We have a zero-tolerance policy regarding bribery and corruption. Both our Code of Conduct and our Directors' Code of Conduct spell out detailed expectations regarding anticorruption. We help monitor potential conflicts through our anticorruption compliance program, which covers business dealings and transactions in countries where BNY Mellon or our subsidiaries or associates operate. It is designed to facilitate compliance with national and international laws including the U.S. Foreign Corrupt Practices Act and the UK Bribery Act. Employee Code of Conduct Directors Code of Conduct Risk Culture (p. 33)
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S03	Percentage of employees trained in organization's anti-corruption policies and procedures	Ethics, Risk and Compliance Training (p. 45)
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S04	Actions taken in response to incidents of corruption	Not Reported
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Public Policy

S05	Public policy positions and participation in public policy development and lobbying	Advocacy and Political Engagement (p. 56)
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S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	Political Contributions (p. 57)
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Anti-Competitive Behavior

S07	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes	GRI Index (see footnote—p. 137)
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Compliance

S08	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	GRI Index (see footnote—p. 137)
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PRODUCT RESPONSIBILITY

DMA	Disclosure on Management Approach	Ethics (p. 43)
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Financial Services Sector Supplement

FS1	Policies with specific environmental and social components applied to business lines	Strong Governance (p. 53) Environmental Management (p. 110) Ethics (p. 43) Responsible Investments (p. 84) Social Finance (p. 85)
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FS2	Procedures for assessing and screening environmental and social risks in business lines	Investment Management (p. 87)
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FS3	Processes for monitoring clients' environmental and social requirements included in agreements or transactions	Social Finance (p. 85)
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FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	SRI Training and Education for Employees (p. 89)
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FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	Asset Servicing (p. 90)
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Customer Health & Safety

FS6	Percentage of the portfolio for business lines by specific region, size, and by sector	BNY Mellon Annual Report (pp. 33, 36)*
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FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	Performance Data (p. 25) — Assets specifically screened for ESG factors
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FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	Performance Data (p. 25) — Assets specifically screened for ESG factors
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FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	For our CDP disclosure, our scope 1 & 2 emissions are 100% verified externally against ISO standard 14064-3.
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Climate Change Leadership (p. 111)

FS11	Percentage of assets subject to positive and negative environmental or social screening	Performance Data (p. 25) — Assets specifically screened for ESG factors
FS12	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting	Proxy Voting and Issuer Engagement (p. 37) Responsible Investments (p. 84)
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	N/A
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	N/A
Product & Service Labeling		
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Stakeholder Engagement (p. 20) Social Finance (p. 85)
Customer Privacy		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	GRI Index (see footnote below)
Compliance		
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	GRI Index (see footnote below)

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Notes:

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.

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