



2020

Enterprise ESG Report

Putting the Future FirstSM



BNY MELLON

Consider Everything

About This Report

This is BNY Mellon’s 14th report covering environmental, social and governance (ESG) topics. Our annual updates in this report are not just about our company’s environmental and social impact, but also about how we view and integrate ESG considerations throughout our operations, leveraging opportunities and mitigating risks cross-functionally and across our lines of business. In recognition of our increasing focus on ESG considerations, we have transitioned from utilizing the Corporate Social Responsibility or CSR terminology, to “Enterprise ESG,” the namesake of this report.

We publish our Enterprise ESG report annually, generally in the second quarter, on www.bnymellon.com/futurefirst. Unless otherwise noted, this report includes data and activities from BNY Mellon’s global operations for the calendar year 2020. Unless otherwise noted, all data is as of 12/31/2020 and covers The Bank of New York Mellon Corporation and its subsidiaries. The report provides select data from past years in order to facilitate year-over-year analysis.

This report supplements information in our [2020 Annual Report](#) and [2021 Proxy Statement](#).

This is our 12th report using the Global Reporting Initiative (GRI) Standards, a leading sustainability reporting framework. We prepared the report according to GRI Standards Comprehensive option. To provide transparency regarding the financial impacts of climate-related risks and opportunity, earlier this year BNY Mellon issued *Considering Climate at BNY Mellon*, which provides an outline of our work in this area, and our implementation of Task Force on Climate-related Financial Disclosures (TCFD) Guidelines.

[View the GRI Index on page 82.](#)

2020 ESG Awards and Recognition

Dow Jones Sustainability North America Index (DJSI)

7 consecutive years

CDP A List for climate management leadership

8 consecutive years

FTSE4Good Global Benchmark Index

9 consecutive years

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

14 consecutive years

Bloomberg Gender-Equality Index

6 consecutive years

[BNY Mellon Awards and Recognition.](#)

BNY Mellon Overview

We power individuals and institutions to succeed across the financial world.

Powering the Financial World

BNY Mellon powers the financial world and is driven to imagine what's possible, create it, then improve on it to unlock potential for all. Because the only way to ensure our clients' continued success, and that of the industry, is to search constantly, ask every question, and above all...*Consider Everything*.

Our Values

A Passion for Excellence, Integrity, Strength in Diversity and Courage to Lead — these values guide all of our actions. They underscore our commitment to be a client-focused, trusted financial institution driven by an empowered global team dedicated to outperforming in every market we serve.

Our History

We've been at the forefront of change in the financial world for over 230 years. We have weathered times of calm and crisis, and we have done it by adapting, refining and consistently improving our services. That spirit of discovery has enabled us to stay ahead of the curve and deliver maximum success for our clients yesterday, today and tomorrow.

Our Global Reach

Assets Under Management

\$2.2* trillion

Assets Under Custody and/or Administration

\$41.7* trillion

Global Reach

35 countries

37% of 2020 revenue generated outside United States

Workforce

48,500 employees

49% based outside United States

Client Franchise**

70% of Fortune 500 companies

93% of the top 100 investment managers worldwide

84% of the top 100 U.S. pension and employee benefits plan sponsors

* As of March 31, 2021

** Fortune 500: Fortune, Time Inc. ©2020; Investment Managers, Pensions and Employee Benefits: Pensions & Investments, P&I Crain Communications Inc. ©2020; BNY Mellon client data as of February 2020

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Message From Our CEO

A statement from Todd Gibbons, Chief Executive Officer, BNY Mellon

There is no question that 2020 was a year that will forever have a profound effect on society as we consider the gravity of COVID-19 and social justice movements around the globe. As we look ahead to a sustainable future, it is essential that BNY Mellon uses its reach, market influence and resources to address these, and other pressing global environmental, social and governance (ESG) issues. We will continue to work toward ensuring we have a positive impact on society and the environment, and that we help our clients invest and operate responsibly.

In my conversations with BNY Mellon's stakeholders, including clients, investors and employees, ESG is nearly always on the agenda. As a major global financial institution, we have touchpoints across the entire investment value chain and are therefore uniquely positioned to provide ESG solutions to serve a broad range of clients. Clients across the globe rely on our responsible investment options and advice, ESG data analytics, and end-to-end ESG financing and payments solutions to help them successfully address their ESG goals.

We are committed to putting the *Future First*SM — not just to power success today, but also to help safeguard the future. At the corporate global level, we strive to contribute to sustainable economic growth that helps protect healthy markets; enhances our own business resiliency and longevity; and aims to deliver positive impact for key stakeholders, including clients, employees, shareholders and communities. We embrace this responsibility with great accountability, transparency and integrity, and it permeates every aspect of our culture.

As I indicated in our [Considering Climate at BNY Mellon](#) report, we are formalizing our process to integrate ESG, with a focus on climate change impacts, into the way we do business. This Enterprise ESG report outlines our progress toward that formalization, which began in 2020. A selection of those milestones includes:

- Incorporated ESG-related Executive Committee goals, personally by each member, into performance measures — sending a clear signal that ESG is embedded in every area of our company
- Set concrete representation goals in the U.S. to step up progress in our most underrepresented ethnic/racial talent populations (Black and Latinx) by year-end 2023
- Administered 100 new green bond issuances, totaling \$38.7 billion, making us the leading trustee in green bonds by deal volume for the second consecutive year*
- Developed our [ESG Data Analytics Application](#), a cloud-based app that mass-customizes investment portfolios to clients' individual ESG factor preferences, providing patent-pending crowdsourced guidance around preferred ESG factors and the materiality of specific data sets

At BNY Mellon, we are committed to operating as a sustainable, responsible company — in terms of both our own actions and how we help our clients — and we recognize we cannot do it alone. It will take all of us, collectively, to put the *Future First* and help protect society and the planet for generations to come.

* Data reflective of FY 2020; Dealogic and Refinitiv

Our Approach



Powering a New Era of ESG

BNY Mellon is committed to using our global reach, influence and resources not just to power success today, but to help safeguard the future. We aim to accelerate the evolution of ESG – on behalf of clients, investors, communities and all stakeholders – to make a positive impact on people and the planet.

2020 Highlights

Climate Risk: Developed Task Force on Climate-related Financial Disclosures (TCFD) Reporting plan, and in February 2021 published our *Considering Climate at BNY Mellon* report.

Pay Equity: Continued delivering pay equity for both women and U.S. minority employees with total actual compensation of more than 100% of their respective counterparts, on average.*

ESG Investing: Expanded our ESG Analytics offering to include an ESG Data Analytics application that empowers clients to consolidate sustainability data from multiple sources into actionable portfolio monitoring, analysis and reporting.

Carbon Neutral: Achieved carbon neutrality in our operations for the sixth consecutive year.

Future Workforce: Pledged \$20 million for multiyear educational and workforce development programming to academic and job training organizations.

Racial Justice: Directed more than \$1.5 million in Equality grants and conducted an Equality Matching Gift program.

COVID-19 Response: Facilitated nearly \$6 million in company grants and raised nearly \$2.2 million in employee contributions during the COVID-19 Relief Campaign.

* This analysis is adjusted for certain factors, including geography, level and job.

Future FirstSM ESG

Given limited natural resources, growing populations and the influence of the business sector, we must put the *Future First* by implementing long-term thinking and growing companies responsibly. So, at BNY Mellon, we start with our own ESG practices and conduct, then extend that thinking to the way we serve clients.

On an enterprise level, in terms of environmental factors, we're steadfast in the efficient use of natural resources, mitigating climate-related risks, and leveraging innovative energy solutions. Our social standards mean that we're dedicated to effectively managing our relationships with key stakeholders, including clients, employees, regulators, suppliers and the communities in which we operate. Regarding governance, we operate with strong ethical business practices, fair and equitable compensation, a diversified Board of Directors, and policies that acknowledge human rights principles.

All of these actions inform our client solutions, where our aim is to help clients meet their ESG goals. As one of the world's largest custodians, with

\$41.7* trillion in assets under custody and/or administration, we have an unparalleled view of ESG trends and how we can make adjustments to positively affect the long term on behalf of clients. With our size, scale and significance at the heart of the financial system, we touch many points along the financial value chain — which means we're uniquely positioned to collaborate with clients to establish market best practices and create innovative ESG solutions.

In 2020 we formalized our holistic approach to ESG. We are centralizing, formalizing and strengthening the company's approach to ESG. By evolving the Corporate Social Responsibility (CSR) function to Enterprise ESG and formalizing ESG Client Solutions, we intend to make significant progress on our approach to "Who we are" — integrating an ESG lens across the business — and "What we do," our ESG and Responsible Investment products and services. We believe this expanded, integrated approach better leverages our reach, market influence and resources — all of which can drive shared value and significant progress toward pressing societal issues while simultaneously supporting our business objectives.

[Learn more about our Future First framework.](#)

* As of March 31, 2021

Future FirstSM – Our Holistic ESG Framework



Enterprise ESG

BNY Mellon’s Enterprise ESG strategy is built on three pillars that correspond with what is currently most relevant to the company and our clients, employees, shareholders and communities: Culture and Purpose, Responsible Business and Global Citizenship. These pillars, and the dimensions within them, guide us in prioritizing how BNY Mellon integrates an ESG lens into our operations.

We integrate an ESG lens throughout our operations to address risks and opportunities in key business functions. Our strategy is implemented by a full-time Enterprise ESG team and guided by our cross-functional Enterprise ESG Steering Council composed of senior leaders. Our strategy takes into account stakeholder input, global trends, business objectives and the results of enterprise-wide materiality analyses.

Culture and Purpose	Responsible Business	Global Citizenship
<ul style="list-style-type: none">• Diversity, Equity and Inclusion• Leadership & Development• Employee Engagement & Wellbeing• Community Impact	<ul style="list-style-type: none">• Risk Management• Technology• Governance• ESG Client Solutions	<ul style="list-style-type: none">• Environmental Sustainability• Supply Chain• Public Policy• Human Rights

Various guidelines, such as the United Nations Global Compact (UNGC), Principles for Responsible Investment (PRI), Sustainability Accounting Standards Board (SASB), and rating and ranking frameworks, also influence our strategy.

We report on our ESG performance annually in accordance with the GRI Standards Comprehensive option and TCFD Guidelines.

ESG Commitment Statement

At BNY Mellon, we are committed to doing business in a way that is environmentally, socially and ethically responsible, and aligns with our corporate values. Our [Environmental, Social and Governance \(ESG\) Commitment Statement](#) acknowledges this and outlines how we address our responsibilities to mitigate risks and capitalize on opportunities related to ESG topics. Adopted in May 2021, this statement replaces our former CSR Statement and aligns with existing BNY Mellon ESG-related statements and policies.

ESG Client Solutions

At BNY Mellon, we power individuals and institutions to succeed across the financial world through a comprehensive suite of investment services and investment management solutions. Our integrated ESG approach empowers clients with strategies, data and analytics for every phase of the investment value chain. Because our clients' needs must respond to ever-evolving ESG demands, our solutions are multifaceted and fall into three categories:

Responsible Investment: BNY Mellon offers a range of responsible investment options and advice for professional and personal investors to help them achieve their investment goals.

Empowering Investors Through ESG Data and Analytics: Our breakthrough tools and analytics capabilities power investment processes and portfolio reviews for asset owners and asset managers, helping them to achieve their ESG goals.

Enabling ESG Financing and Payments: We offer an end-to-end suite of ESG financing and payments solutions through our global market infrastructure, Issuer Services and Treasury Services.

[Learn more about our ESG Client Solutions \(p. 54\).](#)

Materiality

We focus on what matters most and where we can drive business transformation. Thus, BNY Mellon periodically adjusts our approach to remain current with stakeholder concerns, global trends and our own business strategies. In 2020, we increased alignment of our ESG efforts both within our organization and with external reporting frameworks. In addition to updating our Enterprise ESG strategy, we introduced goals and key performance indicators (KPIs) to guide our actions from 2020 through 2025.

What Matters Most

Our Enterprise ESG strategy and goals are based on research and stakeholder input gathered through a formal materiality assessment process conducted in 2019 that helped us determine the most relevant ESG issues.

Working with a leading global consultant, we identified 27 issues across six categories pertinent to our business model and operations, then prioritized and validated those issues. We engaged our stakeholders through a series of internal interviews to prioritize the issues based on their importance to our external stakeholders and their influence on our business success. The most important issues are defined as those fundamental to business transformation in the current operating environment.

Various guidelines, as set out on [page 9](#), and rating and ranking frameworks influenced our new strategy and goals. Finally, we considered input from external stakeholders on an informal basis.

Materiality Assessment Key Themes

Technological Resilience: Information security and resilience to cyberattacks represent a key intersection of societal needs and BNY Mellon business priorities.

The Importance of the Employee: Employee issues such as diversity & inclusion, talent attraction, retention and development, and gender pay equity can help differentiate BNY Mellon in an increasingly competitive business environment.

Climate Readiness & Response: The impending impacts from climate change require every institution to act as a result. In financial services, frameworks such as TCFD offer a robust and substantive assessment of climate-related vulnerabilities and opportunities.

Integrating ESG: Increasing evidence of the net benefit of systematically integrating environmental, social and governance considerations into the investment process is bolstering demand for such products and services.

Trust & Transparency: Board oversight, responsiveness and transparency regarding evolving sustainability challenges are important to respond to stakeholder expectations.

Enterprise ESG Goals and Progress

Guided by our new strategy, we intend to resource and support projects and programs that will contribute to the company's long-term success. Achieving these goals will also have a measurable, positive impact on society and the environment. Our ESG performance is reported regularly to our Executive Committee and the corporate Board of Directors Corporate Governance Nominating and Social Responsibility (CGNSR) Committee.

Culture and Purpose	Goals and Key Performance Indicators	Progress		
Diversity, Equity and Inclusion	<p>GOAL: Drive a culture of inclusion and advance diverse representation</p> <ul style="list-style-type: none"> • Increase senior leadership positions held by women and ethnically and racially diverse employees with unique percentage point targets by Executive Committee member • Increase percentage of participation in E/BRGs, as evidenced by employee registered membership in at least one group, by 3% year over year, starting from the 2019 baseline year • Consistently rank among the top employers for leadership in the field of diversity, equity and inclusion 		● In progress	
Leadership & Development	<p>GOAL: Drive a culture of high productivity, engagement and commitment to continuous learning and development to support successful leaders, managers and their teams</p> <ul style="list-style-type: none"> • Improve manager effectiveness score by 5% year over year, as measured through Manager Upward Feedback process • Run a new company-wide employee engagement survey in 2020 to establish baseline engagement scores; perform on target with benchmark engagement scores for financial services industry • Increase the number of discrete employees participating in/utilizing non-mandatory learning programs, on a year-over-year basis 		● In progress	
Employee Engagement & Wellbeing	<p>GOAL: Support a culture of wellbeing through a holistic program focused on engaging employees and developing key management behaviors to decrease health risk</p> <ul style="list-style-type: none"> • Increase positive response to employee health survey question "Do you think your workplace supports a culture of health and wellbeing?" by 5% • Offer at least two wellbeing programs that meet or exceed market benchmarks; increase enrollment and/or active participation by 10% year over year 		● In progress	
Community Impact	<p>GOAL: Leverage the company's resources and employee talent to significantly increase impact of community support in the regions and countries in which BNY Mellon operates</p> <ul style="list-style-type: none"> • Direct 65% of corporate grants and sponsorship giving donations to organizations and causes that are aligned with our strategic focus of developing the workforce of the future • Facilitate 130,000+ hours of employee volunteerism • Increase total hours of Signature Pro Bono consulting delivered to nonprofits by 10% over the 2019 baseline year • Achieve a skills-based volunteering target of 40% of total employee volunteer hours, ensuring that a significant portion of volunteer efforts leverage employees' professional experience 		● In progress	

Responsible Business	Goals and Key Performance Indicators	Progress		
Risk Management	GOAL: Risk Framework - Continue to evolve and fortify our risk infrastructure	 In progress		
	<ul style="list-style-type: none"> • Ensure a consistent and aligned utilization of the risk appetite framework across the company as a driver of business decisions for product, client and geography prioritization 			
	GOAL: Risk Culture - Sustain strong global risk culture focused on ownership and ethical behavior	 In progress		
	<ul style="list-style-type: none"> • Drive employee ownership of risk and compliance outcomes through ongoing strategic communication and development 			
Technology	GOAL: Continually evolve business protocols to ensure systems continuity in every jurisdiction in which we operate, and across borders	 Not started		
	<ul style="list-style-type: none"> • Expand our information security management system based on an internationally recognized specification (i.e., ISO 27001) for all critical applications and business services 			
	GOAL: Evolve business protocols to provide technology knowledge, resilience and business continuity	 In progress		
	<ul style="list-style-type: none"> • Cultivate a globally competitive level of workforce awareness concerning information systems security 			
Governance*	GOAL: As part of the director recruitment and refreshment efforts for the parent Board of Directors, continue to ensure that candidate slates include individuals with diverse backgrounds and perspectives in order to maintain the Board's diverse composition	 In progress		
	<ul style="list-style-type: none"> • Review at least annually, the diversity criteria applied by the Board in its process of evaluating the qualifications of potential candidates • Integrate into the evaluation of external search firms' performance a review of such firms' capabilities in developing diverse candidate pools 			
	GOAL: Formalize proactive outreach program to engage shareholders on ESG performance	 In progress		
	<ul style="list-style-type: none"> • Increase proactive engagement with top shareholders on ESG topics • Enhance integration of ESG content in public reporting, including but not limited to BNY Mellon's Proxy materials 			
ESG Client Solutions	GOAL: Provide best-in-class client solutions to the global ESG community by enabling ESG financing	 In progress		
	<ul style="list-style-type: none"> • Increase assets managed by investment firms that are signatories to the UNPRI • Increase number of clients who use our ESG Global Risk Solutions, and Data and Analytics solutions • Increase volume of new green bonds administered • Demonstrate ESG thought leadership and proof points as measured by industry recognition and client satisfaction metrics 			

* In our 2019 CSR Report, we included a KPI that stated: Among our top clients as outlined by the Global Client Management group, achieve a 90% rating of "Willingness to Recommend BNY Mellon" as measured in our surveys of external clients. This KPI is encompassed in another metric, so we eliminated it as a duplicate.

Global Citizenship	Goals and Key Performance Indicators	Progress		
Environmental Sustainability	GOAL: Maintain commitment to environmental sustainability, including effectively managing natural resource usage, such as energy and greenhouse gas emissions, waste, paper and water		 In progress	
	<ul style="list-style-type: none"> • Reduce greenhouse gas emissions by 20% from a 2018 base year, including data centers, in line with Science Based Targets (SBTi) methodology • Maintain carbon neutrality commitment • Divert 80% of office waste from landfills • Target zero waste to landfills for technology equipment • Achieve paper neutrality in the U.S. and India • Drive water use reduction in building operations 			
Supply Chain	GOAL: Build a Supplier Diversity Program that has longevity, consistent with BNY Mellon’s value proposition and diversity initiatives		 In progress	
	<ul style="list-style-type: none"> • Design and execute an efficient onboarding process for diverse suppliers to improve customer experience • Implement a company-wide sustainable training program on supplier diversity • Increase outreach with diverse suppliers through quarterly supplier development and education experiences 			
Public Policy	GOAL: Continue to engage with stakeholders on key regulatory and legislative issues important to BNY Mellon		 In progress	
	<ul style="list-style-type: none"> • Expand internal awareness of regulatory and legislative impacts and trends • Strategically advocate on priority legislative and regulatory issues affecting BNY Mellon 			
Human Rights	GOAL: Continue the commitment to preventing modern slavery and human trafficking in our operations, supply chain and communities		 In progress	
	<ul style="list-style-type: none"> • Conduct due diligence and training practices to promote understanding of Modern Slavery Act principles 			

Enterprise ESG Governance

A clear governance structure drives the integration of our Enterprise ESG strategy throughout our company and helps ensure that our activities align with our business goals and cultural values. Our governance mechanisms balance the interests of our varied stakeholders and help inform our policies, practices, reporting and disclosure.

The work of considering and integrating ESG issues across all levels of our enterprise extends from the highest level of leadership to every employee across the globe.

Enterprise ESG Governance Structure		
<p>Corporate Governance, Nominating and Social Responsibility (CGNSR) Committee of the Board of Directors</p> <p>Provides primary oversight of BNY Mellon’s ESG efforts. Consists of independent directors who regularly review our Enterprise ESG performance, monitor progress against long-term goals, and provide guidance to management. Read more in the CGNSR Committee Charter.</p>		
<p>Executive Committee</p> <p>Responsible for ESG progress and success; approves and monitors progress on long-term goals, anticipates market trends and future client needs, and drives business innovation</p>		
<p>EC ESG Steering Council</p>		
Enterprise ESG Steering Council		ESG Client Solutions Working Group
<p>Enterprise ESG Team</p> <p>Leads strategy development and governance processes, provides subject matter expertise, collaborates with company functions and departments to assist in development of ESG integration initiatives, manages public reporting and disclosures related to ESG activities, facilitates external stakeholder input, and collaborates with experts and facilitates thought leadership</p>		
<p>Working Groups</p> <p>TCFD Working Group Line of business ESG Working Groups Ad hoc as needed</p>	<p>Subject Matter Experts</p> <p>Staff across varying areas of the company who execute ESG-related policies, practices and programs</p>	<p>Employee Groups</p> <p>Employee/Business Resource Groups (E/BRGs), sustainability ambassadors, and volunteer and philanthropic fundraising committees that support social or environmental impact initiatives</p>

[Learn more about Enterprise ESG on our website.](#)

Stakeholder Engagement

We strategically engage with a range of stakeholders in various ways on an ongoing basis to solicit and analyze feedback and help determine our Enterprise ESG focus. The table below highlights our key stakeholder groups, engagement approach and examples of recent engagement.

Stakeholder Group	Approach to Engagement
Clients	Advisory boards and idea-sharing conferences Direct conversations Satisfaction and engagement surveys Thought leadership collaborations
Investors	Annual and quarterly reports Annual Meeting of Stockholders Financial services events Proxy voting Webcasts and conference calls
Employees	Conversations with managers Employee/Business Resource Groups Engagement surveys Performance management and development programs Town Hall meetings ESG Training Certification ESG Monthly Briefing Calls ESG intranet page
Communities	Employee volunteering and giving-related relationships with community organizations Meetings with local leaders and advocacy groups Nonprofit board memberships and financial support partnerships (grants and sponsorships)



Culture and Purpose

Culture is the driving force behind our success as a global leader in financial services. We maintain a high-performance culture by engaging our diverse employees and equipping them to contribute to our shared purpose: powering individuals and institutions to flourish across the financial world. Our people are united by a common set of defining values and demonstrate behaviors that enable us to deliver on our purpose. Now and in the future, we care for each other, our clients and our communities.

Diversity, Equity and Inclusion

Diversity forms the very fabric of our interconnected world, shaped and accelerated by globalization. It creates a competitive business advantage and, as studies show, enables companies to better attract and retain top talent. Embracing diversity, advancing equity, and fostering inclusion are business imperatives that drive our performance, enable individuals to achieve their full potential, and help create a more just society.

Events of 2020 showed how systemic racial disparities in the U.S. and globally present serious social justice issues to our societies, economies, communities and businesses. At the same time, the COVID-19 pandemic and concurrent economic fallout disproportionately affected people of color.¹ Together, these developments shone a light on the importance of making our diverse society more equitable and inclusive.

Our Opportunity and Approach

For BNY Mellon, this societal challenge provides the opportunity to redouble our commitment and approach to diversity, equity and inclusion. Diversity is our differentiating strength. We welcome the differences that enable each individual to make a unique contribution. We create a respectful, equitable and welcoming culture where people feel they belong and our differences enable us to thrive. While equality is fundamentally about treating everyone the same, we strive for equity, which is about fairness. We aim to provide people with the resources and opportunities they need, given their history and set of circumstances. Equity is an anchor to creating more diverse and inclusive organizations where people feel a sense of belonging. We continually seek to understand, reflect and support our increasingly diverse society as we include and harness every advantage to power engagement, performance and growth — and produce a distinctive BNY Mellon impact.

2020 Achievements

Pay Equity: Continued delivering pay equity for both women and U.S. minority employees with total actual compensation of more than 100% of their respective counterparts, on average.*

Workforce Diversity: Expanded our representation goals and accountability framework to step up progress in our most underrepresented ethnic/racial talent populations by year-end 2023.

Disability Inclusion: Achieved 100% on our Disability Equality Index for creating a more inclusive workplace.

* This analysis is adjusted for certain factors, including geography, level and job.

¹ [COVID-19, economic mobility, racial justice, and the middle class](#), Brookings Institution

Addressing Racial Injustice

Recognizing the societal unrest spurred by ongoing racial injustice, in the first half of 2020, our senior leadership strengthened our company's commitment to diversity, equity and inclusion. Augmenting existing plans and initiatives, we have engaged in purpose-led action to accelerate progress.

To address immediate needs, we offered open, internal forums to foster meaningful dialogue on race relations, diversity, inclusion, equality and other topics; engaged our employees through an Equality Campaign Matching Giving Program; and directed more than \$1.5 million to organizations that address social justice programming and advocacy. Our Employee/Business Resource Groups (E/BRGs) stepped up their support for employees who responded by increasing their involvement in these groups to unprecedented levels ([see page 24](#)).

In the U.S., we set representation goals for greater progress in our most underrepresented ethnic talent populations by year-end 2023. We plan to achieve these levels by improving diverse outcomes in hiring, advancement and retention.

- Achieve a 15% increase in Black representation to 12%
- Achieve a 30% increase in Black representation of Senior Leaders (Levels M/S) to over 4%
- Achieve a 15% increase in Latinx representation to almost 8%
- Achieve a 30% increase in Latinx representation of Senior Leaders (Levels M/S) to over 5.5%

In the UK, our operations implemented an array of measures addressing race and ethnicity. Among other measures, they promoted dialogue and awareness through Courageous Conversation toolkits for managers and senior leaders, and a lecture series for

employees. They established a new relationship with BYP, the largest UK network of Black professionals, to promote BNY Mellon vacancies, and are tracking and reporting UK employee ethnicity data, which will enable monitoring progress.

These actions and commitments, as well as others described throughout this report, address systemic inequality and structural racism, both within our organization and in the communities we serve.

Strategy and Governance

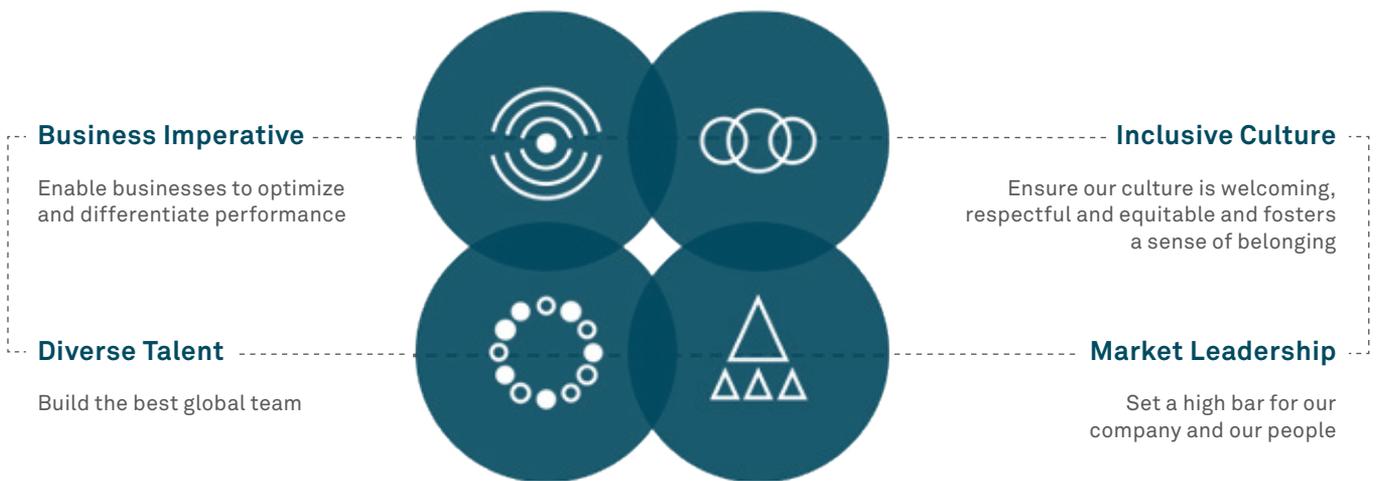
Diversity, equity and inclusion (DEI) is integral to who we are as a company, what our people experience as members of our global team, and how we serve all our stakeholders. Our four-pillar DEI strategy is embedded in our business strategy, operating model, talent experience and client value proposition.

A dedicated team of subject matter professionals, which includes a global head and regional leads in the Americas, EMEA and India, develops the global strategy. This team takes a consultative approach to partnering with Human Resources colleagues, business leaders and the Executive Committee to implement and adapt the strategy locally. The

Global Head of Diversity, Equity and Inclusion engages with Executive Committee members and the Board of Directors on DEI goals, progress and challenges. Executive Committee members' variable compensation is tied to performance against these and other goals.

Employee leaders across the company bring fresh perspectives to our work through membership in our E/BRGs and on various business-line councils focused on embedding DEI in business strategy.

Diversity, Equity and Inclusion Strategy



A Business Imperative

BNY Mellon people come from all races, ethnicities, cultures, genders, sexual orientations, ages, abilities and backgrounds. To ensure that diversity advances, we:

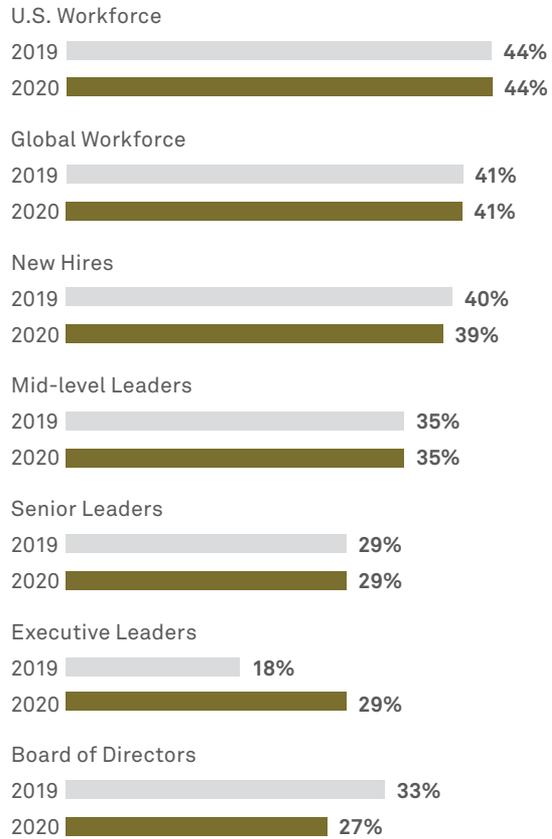
- Develop tools, conversation guides and learning sessions for senior leaders and managers
- Annually publish DEI metrics for workplace diversity, senior leader diversity, supplier diversity, pay equity and board diversity
- Regularly conduct pay gap analyses and implement processes to address any gaps
- Embed DEI in every stage of the talent life cycle and strengthen an ecosystem of capability and support to improve diverse talent hiring, development, advancement and retention. For example, we leverage technology such as artificial intelligence to tap into more diverse talent pools and enhance engagement with diverse candidates in the recruitment process

We partner with lines of business such as Digital ([see page 47](#)) and Risk and Compliance ([see page 39](#)) to creatively embed opportunities to advance DEI as enterprise priorities.

We believe that our entire workforce, including our most senior leaders, should reflect the increasingly diverse markets and clients we serve and the communities in which we operate. The BNY Mellon People Analytics team maintains and publishes workforce representation data, which enables us to track diversity, identify changes, and improve representation throughout the talent life cycle.

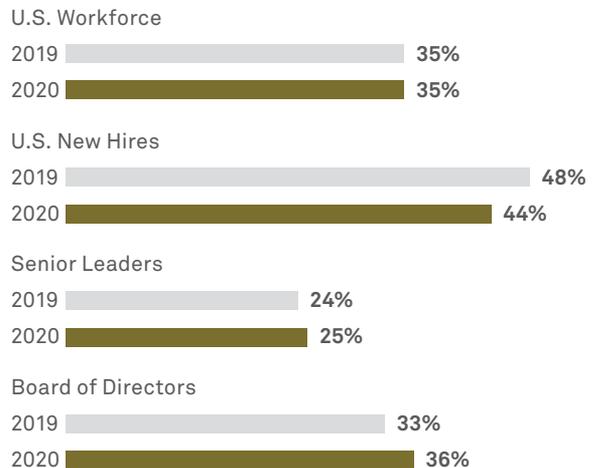
Global Gender Diversity

% women



U.S. Ethnicity

% of ethnic/racial minorities



"Mid-level leaders" are inclusive of BNY Mellon's vice president-level employees
 "Senior leaders" are inclusive of BNY Mellon's director-level and above employees, excluding executive leaders
 "Executive leaders" are inclusive of BNY Mellon's Executive Committee

Pay Equity

At BNY Mellon, we are committed to providing equal pay for equal work, and we periodically review our pay practices and processes. In 2021, we once again voluntarily published the results of our most recent pay practices review covering global pay equity data and also shared for the first time unadjusted global/U.S. median pay data. **Pay Equity** measures whether we are paying employees, regardless of gender globally or race/ethnicity in the U.S., comparably for doing the same/similar work, which means jobs that require similar levels of experience and skill. Pay in this review is statistically adjusted for certain factors. **Median pay** compares the 50th percentile of pay of the defined group (women or racial/ethnic group) against the 50th percentile of pay for the comparison group (men or majority group), and pay is not adjusted for any factors. We also published our 2020 UK Gender Pay Gap Report in accordance with the UK Government's criteria, our fourth such report.

For more information visit [Pay Equity at BNY Mellon](#).

Diverse Talent

To increase our talent pool diversity, we have forged strategic alliances with professional associations, educational institutions, think tanks and nonprofits that reach Black, Latinx, Asian, LGBTQ+, people with disabilities and other talent from backgrounds currently underrepresented in our workforce. We aim for fair inclusion by requiring diverse candidate slates, creating gender-neutral job descriptions, and involving diverse interviewers. We engage nontraditional candidates, such as those with neurodiverse abilities, people reentering the workforce after an extended leave of absence, and veterans looking to transition into civilian life and the corporate workforce.

BNY Mellon is incorporating an artificial-intelligence-powered platform into our recruiting and talent management efforts to achieve a better, more inclusive workforce. In 2020, we began implementing this tool that enhances our ability to identify promising candidates, reach our diversity hiring goals, and retain top performers. The platform is now live, and we are beginning to collect data and metrics that will be tracked to gauge impact and results. [Learn more in a joint white paper published by eightfold.ai and BNY Mellon](#).

The dynamics of recruiting shifted dramatically in a COVID-19 world where in-person engagement events, conferences and on-site interviews gave way to fully virtual hiring. This transition enabled us to reach locations that had previously been excluded due to travel and resource constraints and to offer our first 100% virtual summer intern program.

Our 2021 campus recruiting season will also utilize a virtual format, including eight Historically Black Colleges and Universities (HBCUs) as well as three Hispanic Serving Institutions (HSIs). We also intend to strengthen our outreach to diverse candidates by collaborating with, and sponsoring the Society of Hispanic Engineers (SHPE), National Society of Black Engineers (NSBE), Tapia and Grace Hopper (a female engineering conference).

Advancing Careers

To increase diversity at all levels of our organization, especially at the senior levels, we embed DEI in succession bench criteria and design development plans that improve promotion readiness and advance talent from all backgrounds.

Our six E/BRGs are helping us achieve this goal through initiatives such as a supplemental support system for our people throughout their career journey. Introduced in 2020, our Sponsor Ready course builds awareness and skill in sponsoring colleagues and creates a sponsorship culture that will contribute to sustained knowledge sharing, skill building, diversity of thought and competitive advantage across our businesses.

In the UK, our intergenerational GENEDGE E/BRG sponsors a Shadow ExCo program designed to help mid-career professionals advance within the organization. Through this professional development program for high-potential, mid- to senior-level employees, participants gain experience and exposure as they analyze actual business initiatives and present recommendations to BNY Mellon International's Executive Committee.

ESG Enterprise 2025 Diversity, Equity and Inclusion Goal	
Drive a culture of inclusion and advance diverse representation	
KPI: Increase senior leadership positions held by women and ethnically and racially diverse employees with unique percentage point targets by Executive Committee member	Progress: Global representation of women in senior leadership* was relatively flat year over year at 29%. In the U.S., individuals of ethnic/racial minority backgrounds in senior leadership* rose to 25% in 2020 from 24% in 2019
* Senior leadership includes Managing Directors and Directors (including managers and independent contributors), exclusive of the Executive Committee.	

Inclusive Culture

We work to ensure that our culture is respectful and equitable and fosters a sense of belonging. At the enterprise level, we recently:

- Refreshed our Unconscious Bias and DEI Certification Program, part of a new DEI Academy
- Offered a series of moderated virtual conversations that connect wellbeing to diversity and inclusion topics

Our increasingly inclusive culture arises from formal training as well as the efforts of our offices around the world. While we share the same core values across our global organization, implementation varies with local needs and cultures.

In Asia Pacific, we ensured a more welcoming environment through measures such as LGBT+ awareness and training for client-facing employees, verifying vendor-readiness to support LGBT+ employees, and updating gender-neutral language in human resources policies and our payroll system.

Additional Dimensions of Representation (BNY Mellon in the U.S. and UK)

Data based on employee voluntary disclosures, as of 31 December 2020

People with Disabilities	LGBT+	Veterans
<p>3.9%</p> <p>U.S. Workforce</p>	<p>1.0%</p> <p>U.S. Workforce</p>	<p>2.0%</p> <p>U.S. Workforce</p>
<p>1.2%</p> <p>UK Workforce</p>	<p>1.8%</p> <p>UK Workforce</p>	<p>0.1%</p> <p>UK Workforce</p>

Our newly formed EMEA Business Inclusion Council, which drives progress in measuring, increasing and reporting on DEI, is headed by the Deputy Chair and General Counsel of BNY Mellon EMEA and includes senior regional leaders.

In India, E/BRG chapters collaborated to offer a four-day, virtual D&I Week in 2020 linked to the celebration of the Diwali holiday. Expansion of a D&I Fellowship Program and an employee referral drive resulted in more than 50 full-time hires from nontraditional talent pools.

Disability Inclusion at Work

People with disabilities represent over one billion people around the globe. In 2020, we took steps at the enterprise and regional levels to encourage inclusion and provide additional resources for our colleagues impacted by disability. We participated in the Disability Equality Index for the second time in 2020 and raised our score from 90% to 100%. BNY Mellon was also named to the Disability Equality Index® “Best Places to Work” list by Disability:IN and the American Association of People with Disabilities.

In 2020, we joined the Valuable 500, a CEO-led movement of 500 corporations that have pledged to elevate disability with their Boards. We committed to create career opportunities through

our neurodiversity and autism-at-work programs, continue investments in inclusion education and accessibility improvements, and engage with people with disabilities both inside and outside of our organization.

Our Brussels office has welcomed its first diverse-ability intern, following preparatory training for hiring managers and HR teams.

Members of our HEART E/BRG candidly shared stories of their journeys involving mental health struggles and dealing with disabilities through a [“From the Heart” video series](#).

Employee-Led Inclusion

During a year of remote working and social distancing, BNY Mellon employees gained deeper appreciation for the value of connection and inclusion, if only digitally. Membership in BNY Mellon’s six [E/BRGs](#) grew from 10,722² to 11,408 in 2020. E/BRGs helped employees feel less isolated, support each other’s mental health and resilience, learn about the issues underlying racial and social injustice and active allyship, and effectively navigate through the challenges of COVID-19. This network includes nearly one in four employees, creating networks for: cross-generational issues, those with disabilities, multicultural employees, the LGBT+ community, veterans and women. With an Executive Committee member sponsor aligned to each group, our E/BRGs connect our people around the world.

These groups stepped up in significant ways to help their colleagues cope with isolation while continuing important personal and professional development. With the encouragement of management, E/BRGs created programming that focused on racial equity and social justice, supported working parents and caregivers, helped build mental health resilience and overall wellbeing, and engaged employees in mentoring. As E/BRGs engaged our workforce, they helped amplify the voices and concerns of those who were most affected, including the underrepresented. For example, members of our IMPACT E/BRG and its

Black Leadership Forum, a cohort of senior Black leaders across lines of business, met with the CEO, CFO and Global Head of Human Resources to share their experiences, discuss the company’s commitment to advance racial equity and improve diverse representation, and identify meaningful ways to double down on our efforts.

<p>Enterprise ESG 2025 Diversity, Equity and Inclusion Goal</p> <p>Drive a culture of inclusion and advance diverse representation</p>	
<p>KPI: Increase percentage of participation in E/BRGs, as evidenced by employee registered membership in at least one group, by 3% year over year, starting from the 2019 baseline year</p>	<p>Progress: Membership in BNY Mellon’s six E/BRGs grew from 10,722 to 11,408 in 2020, an increase of 1.4%</p>

See the [Our Community Impact section \(p 34\)](#) of this report to learn about our work to support inclusion through our nonprofit partners.

² The 2019 E/BRG membership count provided in this year’s report is different from the count provided in last year’s report due to changes to the membership tracking platform and methods to verify membership status.

Market Leadership

At over 48,000 strong around the world, BNY Mellon is a voice for equality, and a catalyst for the betterment of our communities. When we join our voice with others, we can amplify our impact and accelerate change. This united action and visibility is especially significant in nations where the political rhetoric and legislative climate are becoming less inclusive. We accomplish this by supporting important causes and through recognition programs that enable us to track our performance against other leaders in diversity and inclusion. We are a signatory to:

- Association of Business Service Leaders’ #WorkingTogether Pledge, Poland
- Chartre De La Diversite, Luxembourg
- Gender Equality Charter, Belgium
- HM Treasury Women in Finance Charter
- Social Mobility Pledge
- United Nations Standards of Conduct for Business Tackling Discrimination against Lesbian, Gay, Bi, Trans, and Intersex People
- Valuable 500

Enterprise ESG 2025 Diversity, Equity and Inclusion Goal	
<p>Goal: Drive a culture of inclusion and advance diverse representation</p>	
<p>KPI: Consistently rank among the top employers for leadership in the field of diversity, equity and inclusion</p>	<p>Progress:</p> <ul style="list-style-type: none"> 2020 Bloomberg Gender-Equality Index 2020 Disability Equality Index Human Rights Campaign Foundation 2021 Corporate Equality Index 100% Score
<p>A listing of additional DEI awards and recognition is available on our website</p>	

Leadership and Development

Offering robust and varied opportunities for continuous learning and professional development has become a competitive advantage for organizations vying for employees. Talented individuals seek out employers who evidence a clear commitment to and investment in ongoing opportunities for people to learn, grow and realize their full potential. Companies that offer a strong learning culture and equip employees with the skills to succeed in their current and future roles experience higher employee performance and retention rates.³

With the business market and technology changing at a rapid pace, organizations must become more agile in their response to, and even anticipation of, these shifts. By quickly reskilling and upskilling employees as well as providing relevant learning experiences that enhance technical and soft skills, companies prepare themselves – and their employees – for the workplace of the future.

Our Opportunity and Approach

Building an exceptional workforce begins with attracting exceptional, diverse individuals with critical skills and talents. Our organization puts the *Future First* by supporting employees' development as individual contributors and leaders. We strive to create a lifelong learning culture that provides opportunities for them to acquire new skills and competencies at every stage of their BNY Mellon journey.

Our commitment to high performance and professional development starts with our executive leaders and reaches every level of the organization. Employees have access to robust learning resources, training programs and performance management feedback that enable them to drive their own career development. At all levels, we provide education, training and support to help our people thrive in a changing, digital world.

2020 Achievements

Leadership Skills: Launched a Leadership and Professional Development Academy and achieved double the projected enrollment, receiving over 90% favorability scores from employees.

Client Experience: Introduced a Client Engagement Academy to support the client experience, enhance relationships, and improve outcomes for both clients and BNY Mellon.

Technology Upskilling: Created industry-leading learning experiences that provide Technology employees with opportunities for upskilling.

Digital IQ: Implemented an Operations Digital Academy to increase the digital IQ of Operations employees and equip them with the skills required for the jobs of tomorrow.

³ Trends 2020, The Broadening Role of L&D, Training Industry, Nov/Dec 2019

Training and Development

Enterprise ESG 2025 Leadership and Development Goal				
Drive a culture of high productivity, engagement and commitment to continuous learning and development to support successful leaders, managers and their teams				
KPI:	Progress			
Increase the number of discrete employees participating in/utilizing non-mandatory learning programs, on a year-over-year basis	Year	2019	2020	YoY change
	Completed training for non-mandatory Training Hours	312,587	390,801	25%
	Average hours per learner	7	9	19%
	Distinct count of courses completed	4201	7302	74%
	% of year-end active employee population that completed non-mandatory training	87%	91%	5%

We deliver a wealth of programs and development opportunities to help people advance their careers and progress within our organization, from internship to executive management. Courses and role-specific training in global financial markets, specialized finance, management and leadership are presented on demand, in virtual classrooms and via on-site learning experiences. Our extensive training and development opportunities enable employees to grow professionally and advance within our organization and, in 2020, 27% of open positions were filled by internal candidates.

Emerging Talent Programs

Attracting outstanding individuals from all backgrounds to our organization is vital to achieving our corporate value “passion for excellence” and remaining a global leader in financial services.

Through a coordinated suite of programs that are often supported by our E/BRGs, we introduce individuals to opportunities at our organization at key transition points in their career progression. From one-day Sophomore Summits and summer

internships to one- and two-year rotational and immersion programs, these opportunities are structured to attract qualified individuals to our organization and advance career growth.

[Learn more about these programs.](#)

Preparing New Yorkers for Work

Recognizing that many individuals need to acquire critical workplace skills, we joined with the CEOs from 26 of the largest New York area employers to launch the New York Jobs CEO Council. Our common goal is to meet employer needs for skilled employees by training and hiring New Yorkers — with a focus on Black, Latinx and Asian communities. Collaborating with CUNY, the New York City Department of Education and other groups, the council aims to hire 100,000 New Yorkers by 2030, including 25,000 CUNY students.

Leadership and Professional Development

Early in March 2020, we launched a new Leadership and Professional Development Academy, an online learning platform that enables our global workforce to connect and learn digitally. A large variety of programs and resources, from leadership skill development to relevant professional skills, are offered. Within nine months, more than 15,000 employees had enrolled in the platform, resulting in more than 1,900 learning hours.

Shortly after the onset of COVID-19 and our rapid transition to remote work, we developed and rolled out a Remote Management Bootcamp and other resources to equip managers with leadership and communication techniques for a changed work environment.

We believe that managers' and leaders' success starts with their transition to a new role. Our first-line managers and directors participate in a comprehensive leadership development programming that sets them up for success. Close to 800 managers and leaders participated in 2020. Completion rates for these courses were 97%, with 96% of participants strongly agreed or agreed that the content was immediately relevant and helpful to performing their work.

Performance Management

Our Performance Management Program plays a critical role in building our high-performance culture, as well as in ensuring alignment of individual contributions with enterprise strategy. It enables a rich feedback loop between managers and their team members to help ensure performance standards are understood and met, and to fuel ongoing professional development. DEI goals are included in the performance management plans of all employees, placing on them the responsibility to help build teams and a culture that enable all members to thrive. By elevating inclusion as a leadership competency, we have made inclusive leadership an imperative for anyone responsible for managing, or who aspires to manage, high-performance teams. Our performance management and feedback processes continued in 2020 through an adapted format to accommodate remote work.

Enterprise ESG 2025 Leadership and Development Goal

Drive a culture of high productivity, engagement and commitment to continuous learning and development to support successful leaders, managers and their teams

KPI: Improve manager effectiveness score by 5% year over year, as measured through Manager Upward Feedback process

Progress: Postponed upward feedback to 2021 to account for added complexity caused by COVID-19 and other related processes

Employee Engagement and Wellbeing

Leading employers seek to provide an appealing candidate experience, competitive pay and robust benefits in order to attract desirable candidates. Employees look for organizations whose values align with theirs, where diversity and inclusion are priorities, and where employee wellbeing is supported. And in light of recent workplace disruptions, employee wellness has emerged as a critical organizational priority.⁴

Our Opportunity and Approach

We seek to attract and retain employees by creating a distinctive, remarkable BNY Mellon people experience that covers their entire relationship with us, from first contact through alumni status. We recognize that employees seek a supportive workplace, and we continually evaluate our employee engagement and wellbeing programs in an effort to meet those expectations. Engaged, healthy employees are critical to our success: When employees are at their best, they are more productive and contribute to a vibrant, productive workforce. We maintain a listening culture and offer programs to address employees' physical, emotional and financial health, and social connections.

During the social, political and economic upheaval of COVID-19 and social unrest, we prioritized employee wellbeing and responded with an array of support to meet their unique needs. The health and safety of our staff remain one of our top priorities.

2020 Achievements

COVID-19 Care: Introduced a Supporting You Now framework to demonstrate and facilitate access to our wide array of personal care, life balance and social support.

Employee Retention: Achieved a company-wide retention rate of 92%, a six percentage point increase over 2019.

⁴ [Why You Need to Prioritize Employee Wellness in 2020](#), Workhuman

Employee Engagement

We engage with employees to encourage innovation, show appreciation for their contributions, and gather feedback on how we can build a more rewarding, inclusive workplace.

As an element of our digital transformation, we are reimagining our People Experience: the sum of all an employee’s interactions with our organization from their first interaction to the very last. Through this initiative, we intend to create a distinctive, remarkable BNY Mellon people experience that will allow us to attract and retain our talent.

Listening to Employees

We regularly gather feedback through an all-employee survey and, in 2020, we conducted and began responding to an all-enterprise Employee Engagement Survey. Executive Committee members, working together with employees, lead workstreams focused on improving connectivity across the enterprise, organizational processes, work-life balance and career development.

Members of each cross-functional work-stream team, which include diverse global employees, have the opportunity for professional development. Early outcomes include the launch of the Working Together Pledge of mutual colleague support and a curated, three-month Virtual Leadership Learner Journey on wellbeing and working virtually.

SPOTLIGHT:

The Power of Peer Recognition

Positive feedback from colleagues provides recognition and encouragement, which is the purpose of our Winning Our Way (WOW) employee recognition platform. Nominations for these small monetary awards rose 20% in 2020 as peers and managers affirmed coworkers for continuing to demonstrate accountability, client focus, efficient decision-making and excellence while working remotely. Tech and operations colleagues in our BKRT India especially commended peers’ workplace-related efforts. BNY Mellon allocated nearly \$1 million in additional funds to support the increase in awards and types of award.

Enterprise ESG 2025 Leadership & Development Goal

Drive a culture of high productivity, engagement and commitment to continuous learning and development to support successful leaders, managers and their teams

KPI:

Run a new company-wide employee engagement survey in 2020 to establish baseline engagement scores

Perform on target with benchmark engagement scores for financial services industry

Progress:

Launched a comprehensive People Experience initiative to address this opportunity

Achieved a 67% engagement score, against the financial services industry sector benchmark of 73%

Employee Retention

Retaining talented and skilled employees both reflects the health of an organization and contributes to its success. We track employee retention globally and regionally: In 2020, our company-wide retention rate was 92%, a six percent increase from 2019.

Employee Retention by Region

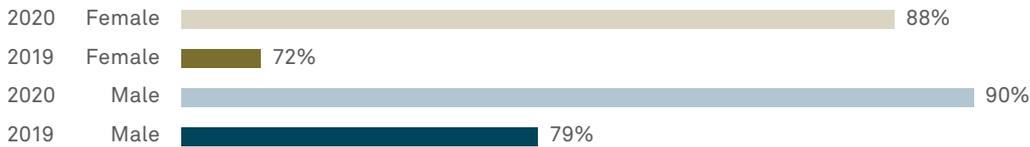
Asia Pacific



Europe, Middle East & Africa



India



Latin America



U.S. & Canada



Total



70% 80% 90% 100%

Employee Wellbeing

BNY Mellon's holistic approach to Benefits and Wellbeing is designed to create a healthy and vibrant workforce. We work with leading health and family-care providers to deliver an array of services that meet our people's varied needs. We promote employee wellbeing by offering our employees and their families comprehensive health benefits and support. Benefits vary by country and can include

medical, dental and vision coverage; tax-advantaged flexible spending and health savings accounts; and critical illness, accident, disability and life insurance.

We encourage employees to prioritize their own health and wellbeing, and our programs give employees easy access to resources to help improve their physical health, emotional resilience, financial wellbeing and social connections.

Physical Wellbeing

Strongest element of global strategy, built on Live Well U.S. and UK initiatives since 2011

Primary focus: lower long-term health risks (and costs) of employees and family members

Financial Wellbeing

Financial problems are a common cause of stress for many employees, impacting overall wellbeing

Primary focus: improving financial security at every phase of employee life cycle



Emotional Wellbeing

Mental health issues are key drivers of healthcare costs and absenteeism

Primary focus: lowering stigma of mental health, building resilience, and expanding access to effective treatment

Social Wellbeing

Individuals with strong social ties to families, friends and community are more resilient in the face of wellbeing challenges

Primary focus: the critical connections all individuals need in their work teams, families and communities

Connecting for Wellbeing

BNY Mellon uses multiple internal communication channels — including a monthly newsletter, tailored by region — to promote wellbeing. We engage employees and their covered spouses/domestic partners in various activities through a digital app and website that facilitates connecting and getting healthy with others. Ideally suited to a remote work scenario, this platform supported healthy behaviors during the COVID-19 pandemic and offered activities including global team step challenges, healthy habit promotions, and guided meditation and yoga sessions.

COVID-19 Care

Caring for employees was a top priority during 2020. We quickly introduced a Supporting You Now framework in response to COVID-19 to demonstrate and facilitate access to our wide array of personal care, life balance and social support. Benefits enhancements included two weeks of full pay for COVID-19 illness for employees and household members, access to COVID-19 testing, urgent care, emergency room care and telehealth paid without cost sharing (U.S.), plus supplemental COVID-19 care (India). Furthermore, it also included expanded Employee Assistance Program benefits, telehealth coverage, increased backup dependent care benefits, virtual babysitting services, and toolkits for managers and employees to conduct supportive conversations around life balance needs.

We introduced the Working Together Pledge as a demonstration of BNY Mellon colleagues’ commitment to each other. This popular pledge, which generated 18,000 views on our employee intranet, was a simple way for employees to show how they were caring for the wellbeing of their loved ones, colleagues and themselves.

Stressful times can call for an increased need to focus on employee mental health and wellbeing. Early in the pandemic, BNY Mellon launched a digital stress management program that focuses on developing personal resiliency. The microsite provided quick tips for helping to manage the day-to-day anxiety caused by COVID-19.

This tool complements other easily accessible, on-demand resources such as our Employee Assistance Program and digital app — as well as personal consultation services — to help employees manage uncertainty and build resilience.

Enterprise ESG 2025 Employee Engagement & Wellbeing Goal	
Support a culture of wellbeing through a holistic program focused on engaging employees and developing key management behaviors to help decrease health risk	
KPI: Increase positive response to employee health survey question “Do you think your workplace supports a culture of health and wellbeing?” by 5% annually	Progress: In 2020 64% of employees responded favorably
KPI: Offer at least two wellbeing programs that meet or exceed market benchmarks; increase enrollment and/or active participation by 10% year over year	Progress: Launched global personal resilience program in March 2020 and achieved 14% enrollment by year end Achieved 51% enrollment in our digital health app (launched 2015) by year-end, a 7% increase over 2019

SPOTLIGHT

It’s Okay Campaign

We further supported employee emotional wellbeing through the launch of an “It’s OK” campaign to align with World Mental Health Day in October. Our aim was to remind employees that it’s OK to pause to focus on self-care, to check in on a teammate, or to take care of responsibilities outside of work. In this campaign, global leaders shared their personal permissions in a handwritten note to themselves to normalize the topic and open a dialogue among teams. The candor of senior leaders generated a strong employee reaction, with over 6,000 views and more than 100 contributions from employees who shared their own notes to self.

Health and Safety

We work to ensure the safety of our employees and clients in all our facilities. Our programs, policies and competitive benefits are designed to promote employee health, safety and wellbeing. We also strive to create healthy and high-performing workspaces. See details in our [Health and Safety Statement](#).

In response to the COVID-19 pandemic, we drew on our investment in technology solutions and tools to quickly transition all employees to working remotely. We invested in new solutions to protect staff members, including a contact-tracing tool, health assessment app, and office space planning and reconfiguration tools.

We are taking a conservative and measured approach in assessing how, and when, we will return employees to our offices when the COVID-19 pandemic subsides. This phased, enterprise-wide approach is principles-based, centrally coordinated and localized, based on the situation. Our guiding principles are adherence to government/jurisdictional guidelines, facility preparedness, business function prioritization, and staff safety and wellbeing.

Our Community Impact

The global pandemic has arguably changed every facet of personal and professional life. But it has also pointed out the need to keep up with the digitalization of society, and address widespread racial, social, economic and health-related disparities. The economic consequences and employment loss due to COVID-19 have especially affected workers, including young people,⁵ women⁶ and, more broadly, those from underrepresented⁷ groups.

Work in the wake of the pandemic will require that young people possess critical foundational technical skills, soft skills and relevant work experiences, while other individuals will need reskilling and upskilling. At the same time, workplaces are exploring how to foster more equitable and inclusive opportunities for underrepresented groups. Companies need to invest in their communities to enable individuals to recover and rebuild for a future in which all can participate in healthy, vibrant communities.

Our Opportunity and Approach

BNY Mellon's philanthropic efforts and employee volunteerism remain largely focused on developing a workforce equipped to meet the demands of a technologically driven society. All communities deserve the opportunity to engage in our digital economy. To this end, we support efforts that educate, train and develop those traditionally underrepresented in the business and advanced technology fields. We also acknowledge that underserved communities have been disproportionately affected by COVID-19, and our response reflects a broad strategy to prioritize health, financial relief and recovery. We also help build stronger communities through financing affordable housing in low-income neighborhoods through our Community Reinvestment Act investments, described on [page 67](#).

2020 Achievements

Future Workforce: Pledged \$20 million for multiyear educational and workforce development programming to academic and job training organizations.

Pro Bono Consulting: Provided nearly 3,000 hours of pro bono technical assistance and strategic advising valued at more than \$500,000.*

Racial Justice: Directed more than \$1.5 million in Equality grants and conducted an Equality Matching Gift program.

COVID-19 Response: Facilitated nearly \$6 million in company grants and leveraged approximately \$2.2 million in employee and company donations during the COVID-19 Relief Campaign.

* [Valuation Guide: Giving in Numbers Survey, CECF](#)

5 [Young People Will Bear the Brunt of COVID-19's Economic Consequences](#), The Century Foundation

6 [How COVID-19 Sent Women's Workforce Progress Backward](#), Center for American Progress

7 [The Inequities of Job Loss and Recovery Amid the COVID-19 Pandemic](#), University of New Hampshire

Philanthropic Giving

Our giving strategy has been closely aligned with our company’s purpose and expertise: We focus on investing in education and in-demand skills training that offer access to sustainable career pathways. In the wake of urgent societal needs, we have broadened our strategy to address stability and economic independence for underrepresented individuals in a time of great uncertainty.

Enterprise ESG 2025 Community Impact Goal

Leverage the company’s resources and employee talent to help significantly increase impact of community support in the regions and countries in which BNY Mellon operates

KPI: Direct 65% of corporate grants and sponsorship giving donations to organizations and causes that are aligned with our strategic focus of developing the workforce of the future

Progress: Aligned 61% of Global Impact Citizenship’s corporate grant and sponsorship giving with our strategic focus of developing the workforce of the future. In 2020, we pivoted and repurposed funding toward COVID-19 initiatives, which focused on bolstering public health infrastructure and frontline aid

Building the Workforce of the Future

In 2020, BNY Mellon made a \$20 million, multiyear commitment to academic and job training organizations for educational and workforce development programming. Expanding on existing workforce initiatives, we are investing in the educational success of underserved populations, and upskilling and reskilling individuals within the company’s footprint.

This commitment includes \$10 million to City University of New York (CUNY), a long-standing grantee, to underwrite the launch of the NYC Future of Work Initiative to further expand the BNY Mellon Transfer Scholarship Program and \$5 million to Community College of Allegheny County (CCAC) to establish the BNY Mellon Early College in High

School Program. The remaining investments include workforce training to better equip individuals with skills, experience, qualifications and access to a tightening labor market through 2022.

Responding to Today’s Challenges

As part of our broadened strategic grant-making to encompass COVID-19 relief and recovery efforts, we provided support to health and social service agencies, including Save the Children, the Centers for Disease Control Foundation and Direct Relief, among others.

BNY Mellon extended our strategic grant-making by directing an additional \$1.5 million in Equality grants targeted to organizations that address social justice programming and advocacy, including the NAACP Legal Defense and Educational Fund, Southern Poverty Law Center, Vera Institute of Justice and others. This funding supplements our \$5 million grants to CCAC and CUNY, which support workforce training programs for traditionally underrepresented minority groups and communities hardest hit by the recent economic downturn.

Likewise, the BNY Mellon Foundation of Southwestern Pennsylvania increased its grant-making to organizations meeting basic needs and advancing racial and economic equality, issuing more than \$1 million in 2020. One of the grantees was the POISE Foundation, a Pittsburgh-based community foundation that provides Racial Equity and Rapid Response Seed grants to help advance social justice activities, including youth leadership development and intergenerational collaboration. Neighborhood Allies, another organization that received funding, promotes workforce development and offers job training designed to increase income, net worth and credit scores.

[Learn more about BNY Mellon’s Corporate Giving and Community Impact.](#)

2020 Community Support: \$34.4 million*	
Employee Giving	\$3.7 million
Company Matching Donations	\$4.8 million
Foundation Giving	\$7.6 million
Corporate Grants and Scholarships	\$17.7 million

* Includes value of pro bono volunteering

Employee Giving and Volunteering

We encourage our employees to volunteer and give back to the communities where they live and work. BNY Mellon’s year-round Community Impact Program offers our employees several options to increase the impact of their financial contributions and to participate in purpose-driven volunteerism. Under this program, employees can donate and volunteer for any approved charity they choose. We provide company matching donations to approved charities for employee donations and volunteering. Eligible employees may take up to three days of paid volunteer time per year and receive company-matching donations for their time.

In 2020, we adjusted our Community Impact giving program to reinforce shifts in our enterprise Global Impact strategy and our company response to COVID-19. We doubled our company match for employee giving to qualifying nonprofits focused on COVID-19-related needs and launched the Equality Campaign Matched Giving Program to provide support to select organizations opposing discrimination and advancing equality for all.

Enterprise ESG 2025 Community Impact Goal	
Leverage the company’s resources and employee talent to help significantly increase impact of community support in the regions and countries in which BNY Mellon operates	
KPI: Facilitate 130,000+ hours of employee volunteerism	Progress: Achieved 54,000 hours of employee volunteerism, 42% of our goal, despite suspension of in-person volunteering for most of 2020
KPI: Increase total hours of Signature Pro Bono consulting delivered to nonprofits by 10% over the 2019 baseline year	Progress: Increased total Signature Pro Bono consulting hours by 7.5% over 2019 baseline
KPI: Achieve a skills-based volunteering target of 40% of total employee volunteer hours, ensuring that a significant portion of volunteer efforts leverage employees’ professional experience	Progress: Achieved skills-based volunteering level of 34% of total volunteer hours
Where possible, employees pivoted their volunteering to a virtual format when in-person activities were suspended in March 2020.	

Community Volunteering

Since the launch of our Community Impact Program in 2008, BNY Mellon employees have volunteered⁸ nearly 1.3 million hours valued at approximately \$25 million. Due to the COVID-19 pandemic, we have postponed all in-person and face-to-face Community Impact team projects until a unilateral return to work in-office and have shifted our focus to encouraging virtual, skilled volunteering.

Skilled Volunteering

Each year, BNY Mellon employees around the world contribute their time and talent through skills-based volunteering. This leverages the company’s greatest asset — our employees’ knowledge and expertise — and opens opportunities to make an impact on society. In this regard, 2020 was no different. Despite the lockdowns and restrictions on in-person activities, employees from 16 countries volunteered. A majority of volunteer projects pivoted

⁸ Based on a valuation developed by Independent Sector

Culture and Purpose

to virtual volunteering, totaling more than 54,000 hours to serve a variety of important causes and organizations. This included activities such as virtual mentoring with underrepresented high school students, coaching young first-generation-to-college entrepreneurs, and providing strategic advising to nonprofits through the Signature Pro Bono Program.

Since 2017, the Signature Pro Bono Program has provided critically needed capacity-building support in areas such as finance, technology and marketing to a number of nonprofit organizations. This past year especially enabled our employees, many of whom were based at home, to make a meaningful difference.

Through pro bono consulting engagements such as our Cross-Sector Fellowship and Half-Day Accelerator, BNY Mellon subject matter experts addressed a number of nonprofit gaps and pain points. As a result, participating charities could report outcomes (e.g., more strategic marketing, financial planning, transitioning to a virtual work environment) that better equipped them to serve their communities.

In other pro bono activity, BNY Mellon employees donated their time and legal skills to address inequities and advance human rights.

[Learn more on page 80.](#)

Skills-Based and Pro Bono Volunteerism*

- Percent of volunteer hours that were skills-based and pro bono: 34%
- Number of nonprofit organizations served: 300
- Pro bono volunteer hours: 3,000
- Value of pro bono services provided: \$500,000

* Data includes Signature Pro Bono and Legal Pro Bono programs

Responsible Business

For over 235 years, BNY Mellon has served as a trustworthy, dependable steward – businesses, communities and global economies rely on us for critical financial operations around the world. We know our clients, we understand our obligation to act responsibly at all times, and we consistently deliver *Future First*SM solutions that benefit clients and society. Despite significant turmoil in the global markets during 2020, we continued to support our clients without interruption, powered by responsible governance, effective risk management and technological innovation. As a resilient global financial services provider, we provide the continuity of operations our clients expect and on which the markets depend. And, we offer a growing array of ESG products and services for investors who seek to power solutions to climate change, social inequity and other global challenges.

Risk Management

The ability or inability of companies to weather societal disruptions and resulting financial turbulence has rarely been more apparent. Urgent challenges in 2020, such as the global pandemic, financial market volatility and social unrest due to racial inequality, vied for companies' attention with other long-standing challenges such as climate change, cybersecurity and talent acquisition.⁹ Investors, regulators and the public alike are subjecting businesses to increased scrutiny on their operations, performance, risk management, and equitable and inclusive workforce practices. Clear risk management frameworks, financial resiliency, ethical and transparent workplace standards, and advanced technological capabilities contribute to an organization's stability and ability to thrive well into the future.

Our Opportunity and Approach

BNY Mellon plays a vital role in the global financial markets, and effective risk management is critical to our success. Our customers and the financial markets depend on BNY Mellon for our financial strength, safety and trustworthiness. Around the world, we are recognized for our solid balance sheet, healthy risk culture, and commitment to financial stability in all market environments.

To fulfill our responsibility to our clients and the global financial system, we seek to manage risk responsibly and serve as a reliable custody and investment source. Comprehensive management of financial and nonfinancial risk is integrated throughout our business strategy, operations and practices. Our Holistic Risk Management strategy and use of data and innovative technology help us build trust and protect stakeholders.

2020 Achievements

Holistic Strategy: Implemented a Holistic Risk Management strategy with 20 priority initiatives to further drive a strong risk culture, clear risk ownership, and consistent and complete risk challenge.

Climate Risk: Continued to enhance our global risk frameworks and implement the Task Force for Climate-related Financial Disclosures (TCFD) recommendations by formalizing efforts to address and communicate climate related risks and impacts and continue to evolve the consideration of climate risk in all business activities.

9 [Top 10 Risks for 2020](#), Corporate Compliance Insights

Our Risk Management Framework

BNY Mellon operates under one framework for managing risk. Through the elements of the framework outlined below, we establish common risk management practices that can be understood and consistently applied across the company.

Strong Risk Management Culture

Risk management begins with a strong risk culture. We hold ourselves and others to the highest ethical standards, foster a culture of transparency and accountability, and have a clear understanding of our roles and responsibilities for managing risk.

Clear Accountability, Roles and Responsibilities

BNY Mellon's management drives risk management accountability in the company through the Three Lines of Defense structure, which clarifies roles and responsibilities for managing risk across the company.

The First Line of Defense: This includes businesses and Corporate Functions (excluding Audit, Risk & Compliance and Legal¹⁰). The First Line of Defense owns the risk.

The Second Line of Defense: The Risk & Compliance function is responsible for establishing policies, expectations and guidance for managing risk at BNY Mellon while also independently monitoring, reviewing and challenging the First Line.

The Third Line of Defense: The Internal Audit function — an independent, objective assurance function — reports directly to the Audit Committee of the Firm's Board of Directors.

Robust Governance

BNY Mellon maintains a risk governance framework to ensure comprehensive risk oversight. The Board of Directors oversees risk management through two key Board committees: the Risk Committee and the Audit Committee. Additionally, among other topics, the Corporate Governance, Nominating and Social Responsibility Committee of the Board has oversight of ESG issues, including climate-related matters. The Risk Committee delegates oversight of the day-to-day risk management responsibility to the Senior Risk and Control Committee, which is the most senior management-level risk governance group at the company and is responsible for oversight of all risk management, compliance, and ethics activities and processes. Our company has also formed several other management-level risk management committees to identify, assess and manage risks.

Common Risk Taxonomy

We use a common risk taxonomy, which is a comprehensive list of risk categories, to promote consistency in the identification and aggregation of risks across the company. Our Primary Risks include: Operational Risk (including Compliance and Technology Risk), Market Risk, Credit Risk, Liquidity Risk, Strategic Risk and Model Risk.

To execute our Risk Management Framework, we:

- Identify, assess and document current and emerging risks
- Establish, implement and maintain an internal control environment
- Establish risk appetite and manage risk according to risk appetite
- Embed risk considerations into decisions and actions

¹⁰ Legal is responsible for advising, counseling and supporting all three lines of defense and in this way contributes to the overall control environment across the company.

A Holistic Approach

We continually evolve our risk management practices, and in 2020, we adopted a new Holistic Risk Management strategy that enables the company and its employees to fully understand and take intelligent risks, manage risks through the correct processes, and mitigate risks. We are focusing our efforts to ensure we have a strong risk culture across the company, very clear risk ownership by the businesses, and clear and consistent risk challenge by Risk & Compliance. In 2020, we made significant progress toward priority initiatives, including:

Risk Appetite: Enhanced risk appetite metrics and reporting enable the Board to assess more completely BNY Mellon’s risk position. Our risk appetite defines the limits on the level and nature of the risk we are willing to assume to meet our strategic objectives.

Enterprise Limit Framework: We reengineered and adopted a new, unified risk limit framework across risk types to establish enterprise-wide consistency and strengthen linkage between business risk management and corporate risk appetite.

Policy Governance: We launched a new Policy Governance Framework that continues to roll out throughout 2021. Improvements include a new policy hierarchy, reduction in the number of policies, clearer policy content and responsibilities, and an enhanced policy technology platform for employees.

Product Governance: We designed and implemented a single, transparent approval pathway for all new or modified products and services.

Climate Risk and ESG Risk: Climate risk includes both physical risks of more extreme and frequent weather events caused by climate change and transition risks as the world converts to a lower carbon economy, as committed through the 2015 Paris Agreement. BNY Mellon is exposed to climate-related physical and transition risks, both directly and indirectly, through our client base and business activities. Managing BNY Mellon’s operations appropriately to address climate risk is vital to operational and financial resiliency.

We continue to evolve our risk management practices, considering the short-, medium- and long-term implications of climate change and the resulting

business, financial and economic disruptions. We consider climate risk to be a broad risk driver that has the potential to materialize across all enterprise risk categories, and we are therefore evolving our global risk frameworks and tools to incorporate climate risk considerations in business-as-usual activities. Ongoing enhancements are embedding climate risk assessments in applicable policies, each enterprise risk category framework, risk identification, quantification and mitigation, assessment of new products and services, client selection, credit analysis, third-party vendor review, governance forums and reporting, capital, stress testing and scenario analysis, and resiliency considerations.

BNY Mellon is also acutely aware of the broader implications of ESG risks. We plan to expand our focus on climate risk to other aspects of environmental risks, such as water scarcity, pollution, and sustainable consumption and production. In addition, BNY Mellon will further develop risk management approaches to a number of social and governance areas, from corporate citizenship and philanthropy to diversity and inclusion, equal remuneration, data privacy, and executive compensation. Much work will be done to fully incorporate ESG risk in our broader risk frameworks, and BNY Mellon is committed to doing business in a way that is ethically, economically, environmentally and socially responsible, in alignment with our corporate values.

For more on our risk governance and our approach to risk management, see our [2020 Annual Report](#).

Enterprise ESG 2025 Risk Framework Goal	
Goal: Continue to evolve and fortify our risk infrastructure	
KPI: Ensure a consistent and aligned utilization of the risk appetite framework across the company as a driver of business decisions for product, client and geography prioritization	Progress: Enhanced Risk Appetite metrics and reporting across the enterprise Developed and adopted a new, unified risk limit framework across risk types to establish enterprise-wide consistency

SPOTLIGHT

Managing Risk During a Crisis

BNY Mellon plays a critical role in supporting our clients and the global financial markets, and throughout the COVID-19 pandemic we worked hard to fulfill this responsibility through robust risk management. While this pandemic is different than any other crisis BNY Mellon has weathered in our 236-year history, the principles of managing risk in a crisis remain the same. We have a flexible suite of recovery options that enable us to face incidents with different impacts. Among other steps to manage risk during the COVID-19 pandemic, we:

- Focused on maintaining a robust control environment while mobilizing employees working remotely and prioritizing employee health and safety
- Designed and continue to revise COVID-19-specific stress tests for our trading and credit portfolios to assess the impacts to our company
- Kept our Board and regulators informed through frequent meetings and updates
- Provided clients and employees with the information needed to feel safer and more secure

We continue to actively monitor the situation, and consider potential and emerging risks, taking proactive measures to minimize risks and impacts to employees, clients and the financial markets.

Cultivating Diverse Talent

We believe that diverse teams are better at managing diverse risks. Our Risk & Compliance group actively seeks to build a team that includes members with a range of backgrounds and perspectives, including in senior leadership. The group also leverages diverse views in managing risk by incorporating three distinct but interconnected lenses of risk: line of business risk, risk discipline (e.g., credit risk, market risk and others), and regional/legal entity. When team members bring different thoughts and experiences, they are less likely to miss important risks.

In 2020, BNY Mellon strengthened the capabilities of our Risk & Compliance organization through innovative development programs for our 1,300 employees, including mentoring, cross-training and a new Executive Development Program. Rising diverse Risk & Compliance leaders selected to participate in this year-long Executive Development Program receive experiential learning, leadership education and exposure to the BNY Mellon Executive Committee and Board of Directors.

In recognition of this and other work to advance diversity, Chief Risk Officer Senthil Kumar received the 2020 A-list Award from Ascend, a nonprofit organization dedicated to helping the Pan-Asian community become competitive innovators, role models and catalysts for change.

In addition to cultivating talent internally, BNY Mellon attracts and develops talent we need to deliver risk management excellence and outstanding client service through initiatives such as our sponsorship of the Polish national Master's Thesis Competition in Applied Mathematics. Held in conjunction with Hugo Steinhaus Center and the Wroclaw University of Science and Technology in Poland, the competition highlights the mathematical talent of students and underlines the importance of applied mathematical thinking in the strategic management of financial institutions.

Risk Education for All Employees

For all employees, learning courses such as Anti-corruption, Ethics, Safety and Security in the Workplace, Unconscious Bias, Workplace Bullying and Harassment are important to maintain a vibrant risk culture and are therefore mandatory to meet certain company and regulatory requirements. These trainings, in addition to ongoing risk management communications, helps drive employee ownership of risk and compliance outcomes. To accommodate the impact of COVID-19 on our employees, we retained training requirements but extended completion deadlines in 2020.

Enterprise ESG 2025 Risk Culture Goal	
<p>Goal: Sustain strong global risk culture focused on ownership and ethical behavior</p>	
<p>KPI: Drive employee ownership of risk and compliance outcomes through ongoing strategic communication and development</p>	<p>Progress:</p> <p>Provided nearly 190 risk and compliance learning courses to more than 52,000 employees*</p> <p>Promoted employee understanding and management of risk by regularly publishing leader blogs and news articles on important risk concepts, policies and practices, sending a quarterly risk and compliance focused newsletter to all employees</p>

* Number is cumulative total of unique employees who received training throughout 2020

Compliance and Ethical Behavior

BNY Mellon’s [Code of Conduct](#) applies to all employees. It guides our behaviors in all business activities and helps shape our overall conduct and risk culture. The Code is a unifying document that sets forth the principles that create a common set of expectations for all employees with regard to: respecting others, avoiding conflicts of interest, conducting business, working with governments, protecting company assets, and supporting our communities. Our ongoing measures to reinforce these provisions and standards include annual employee training covering topics such as anti-corruption, protecting assets, business continuity, anti-money laundering and information risk.

In 2020, we enhanced our ability to track violations of our Code of Conduct and other compliance policies and ensure that managers address them consistently in performance assessments, including midyear and year-end ratings, and disciplinary processes. These improvements went into effect in 2021 and will strengthen the company’s oversight of employee compliance violations and consequences, the ability of management to identify violation trends that may need to be addressed, and our efforts to foster a strong risk culture.

Whistleblowing

We encourage employees at all levels to immediately report ethical issues and concerns to their managers and to our Compliance and Legal teams. We give them several ways to ask questions or make a report, including an Ethics Helpline, operated by the BNY Mellon Ethics Office, and an Ethics Hotline, operated by independent administrator EthicsPoint. We urge all employees to ask questions and escalate issues until they are resolved, and we have a zero tolerance policy for retaliation against whistleblowers who raise concerns.

Financial Crimes Compliance

Money laundering and other financial crimes undermine confidence in the financial system and create other significant negative societal impacts. At BNY Mellon, we combat financial crime and work to prevent criminals from financing illegal activities through our network. As the COVID-19 pandemic unfolded, we alerted and engaged our employees as a reminder to exercise vigilance to these activities. BNY Mellon plays a vital role in deterring financial crime, and our efforts have led to numerous criminal indictments over the years. In 2020, the Financial Crimes Enforcement Network (FinCEN), a bureau of the U.S. Department of the Treasury, formally recognized BNY Mellon for making “invaluable contributions to four federal law enforcement investigations.”

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

Financial Resiliency

BNY Mellon performs critical functions in global financial markets. With our role comes a responsibility to demonstrate sound leadership in terms of capital strength, liquidity risk management, and payment, clearing and settlement activities. We are committed to maintaining a strong capital base to meet regulatory requirements, remaining a strong and trusted counterparty to our clients, and preparing for potentially adverse events. Our global resolution plan details how we would maintain critical operations in case of company failure or insolvency. We annually assess our capital adequacy through stress testing. Our 2020 stress tests demonstrated our financial strength and commitment to maintain appropriate capital adequacy. To learn more, see our [2020 Annual Report](#).

Enterprise Resiliency

Enterprise resiliency is a critical component of BNY Mellon's overall business strategy. In our "always on" world, it is necessary to take a robust, holistic approach to resiliency — considering not just how to resume operations after disruptions, but also how to manage through them to deliver continuous service. Our approach to enterprise resiliency is to prevent, respond to, recover from and learn from operational disruptions. This approach helps us operationalize our enterprise resiliency strategy to develop and sustain the capabilities necessary for maintaining or quickly resuming operations in the face of business disruptions and threats through the implementation of a comprehensive framework.

BNY Mellon's Enterprise Resiliency Office aligns, centralizes and integrates our resiliency disciplines and capabilities to deliver a coordinated approach to incident and crisis management, business continuity and disaster recovery. This office teams with Global Operations and Technology, and BNY Mellon's businesses to provide clients with resilient world-class products and services. We leverage best practices, lessons learned from our enterprise-wide operational activities, and feedback from our internal partners to continuously improve our resiliency posture. Learn more in our [2020 Annual Report](#).

Third-Party Governance

BNY Mellon, like other financial institutions, relies on third parties to deliver key products and services, or to perform activities, on behalf of its businesses. Certain of these products, services and activities are essential to our clients and to the functioning of the capital markets infrastructure. BNY Mellon's Third-Party Governance (TPG) framework is designed to:

- Provide oversight and controls commensurate with the level of risk and complexity of third-party engagements, with heightened focus on critical activities
- Incorporate the risk of material fourth-party exposure
- Meet legal and regulatory requirements

The risk-based TPG Framework includes (a) enterprise-wide policies, (b) management and Second-Line oversight, (c) prescribed procedures for the third-party engagement life cycle, (d) defined business roles and responsibilities, (e) centralized third-party governance and third-party management functions, (f) common third-party relationship inventory platform/system of record, (g) reporting capabilities, and (h) communications and training.

Key Roles

Business stakeholders (Engagement Managers) own the risks of their third-party engagements. They are required to manage third-party engagements in compliance with applicable BNY Mellon policies, laws and regulations.

TPG Line of Business (LOB) Leads are responsible for overseeing compliance with the TPG policies and procedures and providing process guidance to business stakeholders in their respective LOBs.

The TPG Office owns and governs TPG policies, standards, processes and procedures. In addition, the TPG Office supports businesses through LOB Advisory and organizational change management and monitors the effectiveness of the TPG Framework through quality assurance, reporting and governance.

A centralized Third-Party Management group, with functional and risk expertise, performs common third-party management activities, including

validating the quality of the Inherent Risk Profiles completed by Engagement Managers for their third-party engagements, executing Due Diligence assessments, monitoring the resolution and escalation of issues, and overseeing and validating Ongoing Monitoring activities.

Global Supply Chain Management is responsible for sourcing of identified products/services, contract and pricing negotiations, and facilitation of contract execution.

Management Oversight

Our TPG Steering Group, chaired by the Head of the TPG Office, serves as primary governance and oversight body for the continued enhancement of the TPG Program. Our Third-Party Risk Management Committee, chaired by Second-Line Third-Party Risk Management, serves as the primary governance and oversight body for managing Business-As-Usual third-party risk within the business.

Our Business Risk Committees and Senior Risk & Control Committee receive regular updates on third-party risk and serve as points of escalation, as determined by TPG Steering Group and Third-Party Risk Management Committee.

Regulators continue to focus on third-party risk, with a growing number of regulations and guidelines published across the globe. Managing the risk of doing business with third parties and complying with evolving regulations is a high priority for BNY Mellon.

Cybersecurity

Information security and resilience to cyberattacks represent a key intersection of societal needs and BNY Mellon business priorities, which is why this area ranks among our most material ESG issues. We implement strict controls, integrating our cybersecurity strategy into the business with multiple control layers to protect clients' information and technology assets.

Our Cybersecurity Services Model adheres to internationally recognized standards such as ISO 27001/2. The Bank of New York Mellon Corporation's Information Security Management System is ISO/IEC 27001:2013 certified. Our certification was approved and recommended by the British Standards Institution (BSI) Group, the world's largest management systems standards certification body. We monitor changing regulatory requirements, guidelines and technologies in all countries in which we operate, and our global program reflects industry and business best practices including the National Institute of Standards and Technology Cybersecurity Framework.

An important component of our cybersecurity strategy is the protection of data across our operations and communications. We invest in advanced technology to protect data, including encryption techniques such as Transport Layer Security to protect communications between clients and internal systems. All our techniques are based on industry best practices and leading standards, which are incorporated into internal policies.

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

Enterprise ESG 2025 Technology Goals	
Goal: Continually evolve business protocols to help ensure systems continuity in every jurisdiction in which we operate, and across borders	
KPI: Expand our information security management system based on an internationally recognized specification (i.e., ISO 27001) for all critical applications and business services	Progress: Not started
Goal: Evolve business protocols to provide technology knowledge, resilience and business continuity	
KPI: Cultivate a globally competitive level of workforce awareness concerning information systems security	Progress: Developed strategic partnerships to expand global reach of information security awareness across all regions and business lines. Focused on instilling a resilient, cyber-aware culture through multiple communication channels, helping employees continually understand, identify and respond to cyber threats

Employee Awareness

Employees in our technology departments and throughout the firm play a vital role in maintaining information systems security by identifying and mitigating risks. All employees participate in annual information risk training and ongoing risk awareness campaigns designed to empower them to serve as risk defenders of our company and information assets. We track participation rates and survey results to evaluate effectiveness and identify areas for improvement. In addition, all employees are required to participate in and achieve a satisfactory level of proficiency in our ongoing cybersecurity risk awareness and education efforts.

Information Security

We help our clients protect themselves from fraud, including cyberfraud and other fraudulent activity, by providing guidance on guarding against phishing, personal identity theft and other threats. In addition, BNY Mellon works to protect the privacy and data integrity of sensitive information while it is in our

possession and control through measures such as encrypting sensitive information. Learn more about our [Information Security and Protection](#).

Access our [Online Privacy Policy](#) and [Online Data Privacy Statements and Privacy Notices](#).

Information Systems, Governance and Risk Management

At BNY Mellon, we are relentlessly focused on resiliency. At the center of the world’s financial markets, we must strive to always be on — our clients not only depend on it, they expect it. We monitor threats, both internal and external, to help identify and respond to anomalies before they impact service continuity. Success requires synchronicity between our business operations, cybersecurity and technology teams.

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

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

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

Digital Transformation

Digital innovation and the proliferation of data offer opportunities to help our clients access stronger analytics, data-driven insights and digital solutions to better navigate changing market dynamics. As the world's largest custodian and a leader across investment services and investment management, we are ideally suited to lead in this space, given the scope of our business and our vast stores of data.

Our Opportunity and Approach

BNY Mellon has been undergoing a fundamental transformation, using digital capabilities and data to shift our business model. In 2020, we continued moving from processing transactions and managing investments to offering leading data and analytics solutions, building resiliency around core competencies, and delivering insights to help enhance the client experience. The impact of COVID-19 has accelerated that process, speeding up the way we work with clients to digitize their businesses and our own, and helping employees become more digitally savvy. These efforts enable our clients to better manage their assets and data, including details about their socially and environmentally responsible investments. Simpler, more secure ways to manage and receive information powers individuals and institutions to achieve their goals in a dynamic global economy.

2020 Achievements

Data and Analytics Solutions: Launched three new cloud-based data and analytics offerings through our expanded relationship with Microsoft utilizing its Azure platform.

AI Award: Regional Winner of the 2020 [Gartner® Eye on Innovation Award](#) for financial services, Americas, for our patent-pending AI Solution for Liquidity Forecasting.*

Treasury Services Transparency: Created real-time operational intelligence through our award-winning client platform, advancing market visibility and transparency for our Treasury Services clients.

Go Digital Initiative: BNY Mellon | Pershing is helping clients operate more efficiently, effectively, and digitally, and become paper-free by empowering their adoption of digital solutions.

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Setting the Direction for Our Digital Future

In 2020, we began implementing a strategy to evolve the role we play in the marketplace, deepen our importance to clients, and accelerate our growth. In January, we combined our Asset Servicing business with our Digital organization, setting the direction for BNY Mellon's digital future. This infusion of talent and expertise supports our digital and data transformation, preparing us to be future ready. It also supports clients' changing priorities and needs — including their need for powerful tools to manage their data in a holistic manner at cloud scale, and to better manage the environmental, social and governance nature of funds with proper frameworks and standards, for example.

Executing Our Digital Agenda

Our enterprise digital transformation means delivering business outcomes and value for our clients. We do this by applying digital capabilities to launch new and innovative solutions, modernize our core infrastructure, and drive customer experience. Our Digital Council brings together core Digital leadership with experts from across all businesses, functions and regions, and is a key enabler in effectively delivering our digital agenda.

A Culture of Innovation Strengthened By Collaboration

In an increasingly complex, interconnected and rapidly changing world, it is critical for financial services companies to work together. As we navigate this landscape and periods of heightened market volatility, we continue to embrace the open-architecture approach we pioneered. Collaboration with other providers enables us to offer clients the best available solutions and move more quickly to meet client expectations.

Our flagship fintech event, CONNECT20, brought together financial services influencers for a virtual thought leadership program focused on sharing insights about digital, innovation, and how

collaboration is driving value for our clients. The 2020 event featured industry leaders in approximately two dozen sessions.

In 2020, we established or expanded relationships and collaborations with big tech firms, emerging tech and fintech companies, including Microsoft, Milestone Group and ProximitySM. For example, through our relationship with Microsoft, we created three new data, technology and content solutions for investment managers, each built on Microsoft's Azure platform. Our ESG Data Analytics application, which is powered by artificial intelligence and patent-pending crowd-sourced ESG data, which helps asset managers and investors to customize investment portfolios to their individual ESG preferences. [Learn more about this award-winning tool \(p 60\)](#).

Advancing Emerging Tech

In 2020, we launched a program to help develop small and emerging tech businesses while furthering BNY Mellon innovation and client services. Through the BNY Mellon Accelerator Program, we identify and incubate early-stage technology companies that are already building solutions to critical issues facing our company, industry and clients. We help participating emerging tech companies advance their growth and product roadmaps to deliver solutions that address specific business needs.

Preparing for a Post-Pandemic World

How can the financial services industry best prepare for a post-pandemic world? What can firms and fintechs do today to help build and sustain a culture of innovation and develop successful alliances and collaborations? BNY Mellon senior executives and other leaders discussed these and other issues reshaping the financial industry at the 2020 Singapore Fintech Festival, the largest fintech festival in the world. Sponsored by the Monetary Authority of Singapore (MAS), this hybrid virtual event attracted more than 60,000 participants representing more than 130 countries. The MAS presented its FinTech Award to BNY Mellon for our ESG Portfolio analytics solution that helps institutional investors manage, monitor and analyze environmental, social and governance factors across their portfolios.

As a leader in the ASEAN Financial Innovation Network, BNY Mellon facilitates innovation and cooperation between financial institutions and fintechs in Southeast Asia. Through our membership in the network's Strategic Advisory Council, we are helping to digitally transform the banking and financial sectors in this region. In 2020, we held our first-ever global hackathon, a six-week virtual event supported by the network.

Diversity: The Engine of Innovation

By bringing together people with varying perspectives, ethnicities, genders, experiences, cultures and capabilities, BNY Mellon is accelerating digital transformation. Our diverse digital teams are engines of innovation, spurring fresh thinking as we reimagine how to help our clients deliver and maximize value.

Compelled by both research and our own experience, we are harnessing diversity to spur innovation and power business growth. Our diverse Digital team is leading BNY Mellon's transformation into the investment services firm of the future. In 2020, we expanded our ongoing commitment to diversity in the U.S. by working toward new concrete, short-term representation goals for Black and Latinx recent graduates and experienced professionals.

Using Artificial Intelligence Responsibly

Artificial intelligence (AI) is embedded throughout our approach to digital transformation. As BNY Mellon adopts innovative technology, including AI and data analytics (AIDA), we are committed to ensuring that we do the right thing for clients, the industry, our employees and regulators. We recognize our responsibilities to the wider financial system and look to ensure the ethical use of this technology.

Together with the Monetary Authority of Singapore (MAS) and other financial industry participants, we are members of the Veritas consortium, developing a framework around the responsible adoption of AIDA. This framework will help enable financial institutions to evaluate their AIDA-driven solutions against the principles of fairness, ethics, accountability and transparency (FEAT), which MAS co-created with the financial industry. In 2020, we worked with the Veritas consortium and wider community to develop fairness metrics in credit risk scoring, which assesses the credit worthiness of borrowers, and in customer marketing — both of which have significant potential for AI adoption, and we continue this work today in other areas of FEAT.

Strong Governance

Expectations regarding corporate governance have become increasingly complex in the wake of the COVID-19 pandemic. In this environment, corporate governance practices continue to be shaped by the scrutiny of various stakeholder groups, including calls for stronger board oversight of corporate culture, social engagement and human capital management, and for more expansive processes to focus director recruitment efforts toward enhancing board ethnic and racial diversity. Effective internal governance and disclosures about the role of management and the board in a variety of other areas, including technology resiliency and climate-related risk management, are significant for shaping expectations of investors, leading asset managers and the broader community.

Our Opportunity and Approach

Sound governance positions BNY Mellon to provide quality services to clients in all market scenarios and conduct business with excellence and integrity. We are leaders in adapting our governance documents and practices to support board performance. Strong governance, which manifests through our practices, rules and policies, is critical to promoting our culture of integrity and accountability.

Just as we endeavor to provide regular and clear communication to our stakeholders on the topics that are important to them, we also adjust our risk management approach to deal with a changing environment. In March 2021, we published our inaugural report compliant with the Task Force on Climate-related Financial Disclosures (TCFD). Entitled *Considering Climate at BNY Mellon*, the report discusses, among other topics, the Board-level engagement and oversight over BNY Mellon's governance strategy, risk management, and metrics and targets as they relate to climate change.

2020 Achievements

Timely Action: Held 26 Board meetings and 49 Board committee meetings in 2020, allowing for timely consideration of COVID-19 impacts, social unrest and other issues.

Virtual Orientation: Utilized a virtual-only format for our robust new-director orientation program.

Corporate Governance

Effective corporate governance is foundational to a prosperous, sustainable business, as it can profoundly impact how a company approaches its responsibilities to shareholders and other stakeholders. BNY Mellon adheres to sound corporate governance principles for public companies, their boards of directors and their institutional shareholders. Our Board of Directors, the Corporate Governance, Nominating and Social Responsibility (CGNSR) Committee and management evaluate corporate governance developments on an ongoing basis, including through engagement with stakeholder groups, to identify and, where appropriate, implement changes to align with best practices. As described below, the Board and the CGNSR Committee have been active in refining our governance framework.

For example, in recent years we have made changes that allow for action by written consent of stockholders, enable our Board to elect either an independent Chair or a Lead Director based on the best interests of the company, and prohibit executive officers and directors from pledging company securities.

We have also signed the Commonsense Principles 2.0,¹¹ a public statement of corporate governance principles for sound, long-term-oriented governance, and endorsed the Business Roundtable's Statement on the Purpose of the Corporation, reinforcing our commitment to our stakeholders in pursuing improvements in our performance. For the past several years, our Board has focused on refreshment and succession efforts. In addition to two new director nominees up for election at the 2021 Annual Meeting of Stockholders, six of the incumbent directors have been added to our Board in the last five years.

Enterprise ESG 2025 Governance Goals

Goal: As part of the director recruitment and refreshment efforts for the parent Board of Directors, continue to ensure that candidate slates include individuals with diverse backgrounds and perspectives in order to maintain the Board's diverse composition

KPI: Review at least annually the diversity criteria applied by the Board in its process of evaluating the qualifications of potential candidates

Progress: Completed for 2020 evaluation process

KPI: Integrate into the evaluation of external search firms' performance a review of such firms' capabilities in developing diverse candidate pools

Progress: New KPI initiated in 2021

Goal: Formalize proactive outreach program to engage shareholders on ESG performance

KPI: Increase proactive engagement with top shareholders on ESG topics

Progress: Set baseline in 2020; will continue to report progress against that baseline

KPI: Enhance integration of ESG content in public reporting, including but not limited to BNY Mellon's Proxy materials

Progress: Please see Oversight of Environmental, Social and Governance Matters section of the 2021 Proxy Statement, [pages 33-36](#)

¹¹ <https://www.governanceprinciples.org/wp-content/uploads/2018/10/CommonsensePrinciples2.0.pdf>

SPOTLIGHT**Virtual Format Boosts Board Engagement**

In response to the challenges of the COVID-19 pandemic, in 2020 we transitioned to a fully virtual format for Board and committee meetings. This transition facilitated more frequent interaction — 26 Board meetings and 49 Board committee meetings — and enabled timely consideration of the many significant issues resulting from the rapidly evolving impacts of COVID-19, social unrest and other issues. We also utilized a virtual-only format for our new-director orientation program. This comprehensive program acquainted new directors with our organizational and leadership structure, businesses, Board and committees and governance, and other policies. It also featured informational meetings with other directors and members of senior management.

Key Data: Board of Directors*

Average director attendance: 95% at Board and committee meetings held in 2020

Minimum required director attendance: 75% of Board and committee meetings

Board independence: 91.7%

Women directors: 25%

Ethnic and racial diversity: 41%

Average Board member tenure: 5.6 years

* The figures provided here are consistent with the 2021 Proxy Statement and are provided as of the date of its distribution and based on director nominees for the 2021 Annual Meeting of Stockholders.

An Independent Board

Our Board of Directors has developed a strong leadership framework, with well-defined roles and authority. The Board has approved a leadership structure involving an independent Chair, separate from the position of CEO. As a result, the Board appointed Joseph J. Echevarria as independent Chair, and our CEO, Todd Gibbons, serves as the only non-independent member of the Board. Independent directors meet in executive sessions, presided over by our independent Chair, at regularly scheduled Board meetings. Our CGNSR Committee and Board annually, or more frequently as needed, evaluate this structure to help ensure alignment with the needs of the company.

Strength in Diversity

The strength of our Board is a product of the variety of our directors' experience, diversity, differing perspectives and institutional knowledge. We are committed to fostering and maintaining diversity on our Board: diversity is an integral component of the process undertaken by the CGNSR Committee and the Board for recruiting director candidates and evaluating the composition of the Board. We seek to include directors with diverse backgrounds, including with respect to race, gender, ethnicity and sexual orientation, to capture the benefits inherent in diverse perspectives. As a result of this commitment, 25% of our directors are women and an additional 41% of our directors are diverse on the basis of race or ethnicity.

Our Board has a well-established focus on long-term business strategy and resiliency, leadership, and corporate culture and performance. This foundation positioned the Board to oversee and provide insight to management on the company's response to the challenges, uncertainties and opportunities that occurred throughout 2020, including as it relates to our impact on our communities and society more broadly. In addition to the regular updates on the financial and operational impacts of the pandemic on our business, employees, clients and suppliers, the Board maintained a regular dialogue with management in 2020 regarding its direction and action on matters related to social justice, diversity and inclusion, and public policy and advocacy.

More information about our Board of Directors is included in our [2021 Proxy Statement](#).

Executive Compensation

Our executive compensation program is structured to drive results over the long term. At target, 75% of our CEO's incentive compensation and generally 70% of our other senior executives' incentive compensation is delivered in equity awards, with the balance paid in cash. We pay bonuses and incentives based on performance against goals, including those on specified environmental, social and governance topics, such as diversity, equity and inclusion and risk management. See our [2021 Proxy Statement](#) for our full compensation discussion and analysis.

Investor Engagement

Our Corporate Governance, Enterprise ESG and Investor Relations teams are committed to engaging regularly with our top investors, and 2020 was no exception. Adapting to COVID-19 pandemic restrictions, Board member engagement with top investors shifted from in-person meetings to more individual interaction. We offer meetings on governance issues between top investors and Board members and track the discussions and outcomes. Our analysts and executives meet with broader investor audiences in our offices and virtually. In the fall of 2020, we also proactively reached out to our top investors to share key initiatives regarding our ESG story and conducted individual meetings discussing topics such as human capital management, diversity, equity and inclusion, Board diversity, our response to COVID-19 and the changing workplace, executive compensation, and the formalization of our Enterprise ESG function, including our commitment to the TCFD Guidelines. Additionally, our senior leaders attend and speak at industry conferences and host individual and group meetings with investors.

Tax Policy

Our firm's culture of "Doing What's Right," as represented in our Code of Conduct, extends to paying taxes. Internal controls include periodic analysis and review of the financial impact of taxes on our company and business operations so that taxes are paid to all taxing authorities in accordance with applicable laws. We communicate openly with tax authorities and regulators and develop real-time working relationships, where possible. More information related to taxes is in our [2020 Annual Report](#) and in our [Tax Policy](#).

ESG Client Solutions

Interest in investment products incorporating ESG criteria reached new heights during the past year. More than ever, ESG factors are considered by professional investors to either identify responsible, well-managed companies they expect to be resilient over the long term or those they can engage with and which may benefit from any consequent improvement. During the first quarter of 2020, the most stressful and volatile periods of the past year, funds with the highest ESG ratings outperformed both funds with the lowest ESG ratings and the broader market.¹²

Our Opportunity and Approach

Various enterprises within BNY Mellon offer different products and services in the area of ESG. Our investment management arm (BNY Mellon Investment Management) offers strategies designed to generate financial returns while aiming to address issues such as energy use, diversity, sustainable development or other social and environmental concerns. As manager of over \$2 trillion¹³ in assets, we leverage our size and wide-ranging subject matter expertise, to bring responsible investment products to investors.

Our Asset Servicing business is looking to transform investment management with increased transparency and faster information delivery of ESG data. We strive to uncover new ways of ensuring sustainable economic growth that protects healthy markets and delivers value not only to our clients but also to communities, businesses, governments and people everywhere.

2020 Achievements

Asset Servicing & Digital: Expanded our ESG Analytics offering to include an ESG Data Analytics application that empowers clients to consolidate sustainability data from multiple sources into actionable portfolio monitoring, analysis and reporting.

Investment Management: Implemented six Continuing Professional Development (CPD) certified training seminars that reached more than 2,000 participants regarding UK and EU responsible investment/ESG-related regulatory changes.

Corporate Trust: Administered 100* new green bond issuances, totaling \$38.7* billion, making us the leading trustee in green bonds by deal volume for the second consecutive year.

* Data reflective of FY 2020; Dealogic and Refinitiv

¹² [Why ESG will be even harder to ignore in 2021](#), InvestmentNews

¹³ As of March 31, 2021

ESG Client Solutions

BNY Mellon continues to develop and offer responsible investment¹⁴ products and services that support a broad range of clients in achieving their objectives and managing their ESG-related risks and opportunities.

ESG Governance

Our ESG Client Solutions Working Group convenes ESG leaders from across BNY Mellon’s lines of business and functions with the aim to develop leading ESG solutions that address our clients’ needs. This body is designed to support our clients’ ambitions across all geographies, client segments and industry value chains today and in future. To achieve these goals, the group works together with clients, academia and industry trade bodies, and is supported by an Executive Committee member.

[Read about our Enterprise ESG governance \(p 18\).](#)

Enterprise ESG 2025 ESG Client Solutions Goal	
Goal: Provide best-in-class client solutions to the global ESG community by enabling ESG financing	
KPI: Increase assets managed by investment firms that are signatories to the PRI	Progress: \$1.834 trillion*
KPI: Increase number of clients who use our ESG Global Risk Solutions, and Data and Analytics solutions	Progress: In 2020 the ESG Application was yet not commercialized. There were 42 ESG Global Risk Solutions clients
KPI: Increase volume of new green bonds administered	Progress: \$38.7 billion**
KPI: Demonstrate ESG thought leadership and proof points as measured by industry recognition and client satisfaction metrics	Progress: https://www.bnymellon.com/us/en/about-us/esg-and-responsible-investment.html

14 Responsible Investment as defined by the United Nations PRI (Principles of Responsible Investing): a strategy and practice incorporating environmental, social and governance (ESG) factors in investment decisions along with active ownership (such as engaging with companies to improve their stance in certain ESG issues).

* AUM represents the aggregate total of investment firm signatories’ assets under management as at 31 December 2020 and does not include assets managed by investment firm personnel as dual officers of The Bank of New York Mellon and The Dreyfus Corporation. Siguler Guff AUM is not included in this calculation, given the minority interest in the firm held by BNY Mellon. Insight’s AUM is represented by the market value of cash, securities and derivatives held in client accounts. Where a client mandate requires Insight to manage some or all of a client’s liabilities, and Insight is to be paid an investment management fee based upon the value of such liabilities, the AUM for the account will be based on the value of the liabilities plus the gross notional value of any derivatives used in the management thereof.

** Data reflective of FY 2020; Dealogic and Refinitiv

Our Touchpoints along the investment value chain



Our Investment Management Group

BNY Mellon Investment Management (BNY Mellon IM) is a global multi-boutique business, which encompasses the skills of eight underlying investment groups, governed by their own respective management teams. Each specializes in different market areas – from publicly-traded equities and bonds to cash, alternatives and privately-traded markets – and each has its own unique investment culture, philosophy and process.

BNY Mellon IM leverages the expertise of these eight firms to offer investors a range of professionally managed products.



Responsible Investment

BNY Mellon IM is a strong believer in the importance of Responsible Investment. As a distributor of investment funds to clients all over the world, BNY Mellon IM is invested in the well-being of the world. It is an advocate of engaging with companies to create more effective risk management, responsible capital allocation and more sustainable business practices to generate greater benefits for our societies, economies and the environment.

The multi-boutique nature of the business means BNY Mellon IM's history in this space is also quite tenured, dating back more than 40 years.

For example, Newton and Insight are two of the underlying businesses with strong credentials in this

area. As early signatories to the PRI and believers in the strength of engagement, Newton and Insight have been concerned with, and interested in, the repercussions diversity, the environment and labor practices can have on the profitability and longevity of the companies in which they invest.

A Range of Responsible Investing Capabilities

Many products or solutions offered by BNY Mellon IM examine ESG factors in their investment processes and decision-making. However, there is also a growing suite of products on offer by BNY Mellon IM that go further and have dedicated mandates in this area. In 2020 these were largely available in the EMEA region and the underlying investment managers of such funds were Newton and Insight. As of the 31 December 2020 BNY Mellon IM offered 13 funds with an explicit ESG component in its investment approach (10 in EMEA and three in North America). The intention is to launch another six in EMEA as well as four in North America market in 2021.

In building such products, BNY Mellon IM seeks to create long-term value for clients and beneficiaries, striving to offer investment solutions that provide a balance between sustainable returns, the environment and society. In doing so, BNY Mellon IM believes responsible investment consists of three core elements:

ESG Integration: The practice of incorporating material environmental, social and governance factors, along with more traditional risk and return metrics, into investment analysis and the decision-making process

Stewardship: Good stewardship involves structured, purposeful dialogue or engagement with companies and issuers as well as the considered voting of shares, when applicable.

Reporting: Disclosing information investors consider important to their assessment of Responsible Investment offerings. This includes reporting on engagement and voting activities, as well as ESG metrics on products and underlying holdings.

BNY Mellon Investment Firms and the Principles of Responsible Investment (PRI)		
Firm	Date of signatory to PRI	Additional information on Responsible Investment
Alcentra	Signatory since 20 June 2018	https://www.alcentra.com/about/responsible-investment/
Insight	Signatory since 27 April 2006	https://www.insightinvestment.com/investing-responsibly/
Mellon	Signatory since 12 August 2013	https://www.mellon.com/capabilities/responsible-investing
Newton	Signatory since 13 February 2007	https://www.newtonim.com/us-institutional/responsible-investment/
Siguler Guff	Signatory since 7 March 2013	https://www.sigulerguff.com/responsible-investing
Walter Scott	Signatory since 26 September 2017	https://www.walterscott.com/responsible-investing-page/

Equipping Clients

Although Responsible Investment is a well-embedded ethos in many countries, it is also still a nascent trend consuming the investment management industry in other regions. Consistency in describing an approach in this area is therefore key to investors' understanding.

To this end, in 2020 BNY Mellon IM EMEA, with the help of an external expert in this area, started a pilot project to create a unified Responsible Investment (RI) policy statement across its business, incorporating the stance and terminology used with the varying views of its underlying investment firms. A RI style guide for written materials as well as sales and marketing training modules are also part of this pilot project, the aim of which is to roll across BNY Mellon IM in EMEA, North America and Asia Pacific in 2021.

In 2020 BNY Mellon IM EMEA kicked off training with the creation of an educational suite of materials as well as a series of workshops in the UK for intermediary clients. Over the course of the past year, the UK office conducted six educational events with more 2,000 participants, who on average gave the courses a five-star rating.

Training seminar material extended beyond the mechanics and philosophy of responsible investing to more technical aspects and even carried Continuing Professional Development accreditation. This in-depth content helped intermediaries prepare for the ramifications of the EU's Action Plan on Sustainable Finance and to comply with new amendments to MiFID II.

In addition to the creation and distribution of BNY Mellon IM's second annual Responsible Investment Special Report (which includes a number of thought leadership articles on the latest trends happening in this universe), in 2020 a number of educational materials were also created. The latter was intended to help advisers help their own clients including an ESG basics brochure and an infographic explaining the component parts of ESG.

Amplifying Our Impact

By joining with other businesses and investors worldwide, BNY Mellon IM believes the impact of its actions can be amplified and help accelerate the change needed to address global challenges. In addition, many BNY Mellon IM firms participate

in initiatives aimed at advancing industry-wide responsible investing efforts. Among the initiatives BNY Mellon IM and/or some of its investment firms are involved in are in the table below.

Support for Responsible Investing Initiatives		
Environmental	Social	Governance
<p>CDP (Formerly the Carbon Disclosure Project)</p> <p>Climate Disclosure Standards Board - Technical Working Group (Oversees the development of the CDSB Reporting Framework)</p> <p>Climate Action 100+ (An investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change)</p> <p>Green Bond Principles (Voluntary guidelines to promote transparency, disclosure and integrity in the green bond market)</p> <p>Institute of Chartered Accountants of Scotland – Sustainability Panel (Mobilizes capital for the low-carbon transition)</p> <p>Net Zero Asset Managers Initiative (Commitment to support the goal of net zero greenhouse gas ('GHG') emissions by 2050)</p> <p>Task Force on Climate-related Financial Disclosures (TCFD) (Recommendations to formalize integration and communication of risks related to climate change)</p> <p>Transition Pathway Initiative (Assesses companies' preparedness for the transition to a low-carbon economy)</p> <p>Institutional Investors Group on Climate Change (IIGCC) (European membership body for investor collaboration on climate change)</p>	<p>30% Club - Investor Group (Investor group seeking to encourage 30% of board directors to be female)</p> <p>FAIRR (Farm Animal Investment Risk and Return) (Collective investor resource for research and engagement with animal agriculture)</p> <p>Share Action Healthy Markets (Campaign asking UK food and drinks companies to produce healthier, more affordable products; limit advertising of sugary products to children; and encourage clear and accurate food labeling)</p> <p>UK Sustainable Investment and Finance Association (UKSIF) (Membership organization to grow sustainable and responsible investment in the UK)</p> <p>Workforce Disclosure Initiative (Improves corporate transparency and accountability on workforce issues)</p>	<p>Asian Corporate Governance Association (Education, research and policy influencer across Asian markets on governance matters)</p> <p>GC100 & Investor Group (Provides guidance to UK-listed companies, investors and UK government on remuneration regulations)</p> <p>International Corporate Governance Network (ICGN) and ICGN Global Stewardship Principles (Investor-led global organization that influences stewardship in terms of public policy, provides member education, and connects members)</p> <p>Investor Stewardship Group (Framework of basic investment stewardship and corporate governance standards for U.S. institutional investor and boardroom conduct)</p> <p>Pension and Lifetime Savings Association (PLSA) Stewardship Advisory Group (Collective organization for UK-based pension schemes. Provides expert guidance to the PLSA on stewardship-related activities and policies)</p> <p>Principles for Responsible Investment (UN-supported network of investors working to promote incorporation of ESG considerations investments)</p> <p>UK Stewardship Code (UK's Financial Reporting Council's principles for stewardship expectations of UK investors)</p>

Sharing Our Expertise

In addition to participating in industry initiatives, some of BNY Mellon IM's specialist investment firms also share their expertise in responsible and sustainable investment through reports and research on current trends and issues. For example, research by Newton's Responsible Investment team explored the views of younger investors who increasingly want to see their values, interests and concerns reflected in investment decisions. Conducted by behavioral finance experts Oxford Risk and fielded by Research Now, the study builds upon Newton research examining U.S. investors' understanding of and interest in sustainable investment. By sharing these findings and others from such research, Newton provided actionable guidance for asset managers to help address generational investment differences.

Wealth Management

BNY Mellon Wealth Management has \$143 billion in assets under management (AUM), of which \$7.6 billion AUM is invested across more than 30 responsible investing solutions.¹⁵ [BNY Mellon Wealth Management](#) serves the investment, banking, custody and estate planning needs of wealthy individuals and families, family offices, nonprofits and other institutional investors through various business lines.

Interest in responsible investing strategies and advice continues to grow, particularly among younger generations. According to a 2021 study of wealthy investors conducted by The Harris Poll¹⁶ on behalf of BNY Mellon Wealth Management, 53% of investors indicated they want more advice on how their investments are making a positive environmental impact and 56% of investors feel that investing in companies likely to have a positive environmental impact is equally as important as a solid return. For investors under 40 years old, the results rise to 90% and 92%, respectively.

At BNY Mellon Wealth Management, our goal is to enable investors to achieve their financial goals while also adhering to their values. Our goals-based investing approach aims to build portfolios that not only serve clients' financial goals but also align with their sustainable, social and/or values-based goals. We typically manage client portfolios on a discretionary basis pursuant to investment guidelines and preferences expressed by the client governing how the account is to be managed. In addition, we are committed to providing guidance to our clients in deploying capital across the social finance spectrum, from capital markets to philanthropy.

In 2020, we expanded our capabilities with the introduction of BNY Mellon Investor Solutions, an SEC-registered investment adviser offering comprehensive portfolio management and investment advisory services for institutional investors globally seeking outsourced investment management. Investor Solutions incorporates responsible investment objectives into its manager research framework and works with interested investors to determine how best to implement responsible investing strategies in their portfolios.

Manager research responsible investment (RI) due diligence is conducted in parallel with conventional investment diligence. The RI component of a strategy is evaluated in the context of what the strategy intends to achieve; typical RI objectives include impact, values-expression, return enhancement and risk mitigation. A strategy may pursue one or more RI objectives simultaneously. Strategies receive an RI rating that is independent from the conventional strategy rating, and the RI rating does not directly affect overall views on a strategy's ability to achieve financial performance objectives. A strategy's RI evaluation is based on six factors: the firm's RI commitment, the ability of a manager to clearly articulate the RI objective, a compelling approach, personnel and data resources, level of influence the strategy may achieve, and validation of the effectiveness of the approach.

¹⁵ As of December 31, 2020. This number includes assets invested in various responsible investing approaches including ESG integration, positive and negative screening, thematic and impact solutions managed by BNY Mellon Wealth Management, BNY Mellon Investment Management and third-party asset managers.

¹⁶ Survey was conducted online by The Harris Poll from March 1 – March 31, 2021. A total of 661 interviews were conducted among U.S. adults age 18 and older with investable assets of at least \$5 million. All respondents (not only those who met the qualifying criteria) were weighted to ensure that relevant demographic characteristics of the sample matched those of the U.S. general population.

Asset Servicing

By the middle of 2020, investors had put \$21 billion into funds focused on ESG issues, an amount equal to the total volume for the prior year.¹⁷ As a securities services provider, we are committed to helping investors gain control over ESG and sustainability information in order to meet their unique objectives. Through our integration with the BNY Mellon Digital organization in 2020, Asset Servicing now has enhanced capabilities to develop tools that support data-led decision-making and administration efficiency; enable mitigation of risk and identification of opportunity; and empower communication with stakeholders, end-investors and regulators.

There is a significant investor need for such tools, according to a 2020 survey conducted by BNY Mellon and the Official Monetary and Financial Institutions Forum (OMFIF), which found that 51% of global public investors cite insufficient data as a barrier to adoption or greater ESG integration.

[Read the report here.](#)

Using Technology to Access ESG Data

In 2020, we expanded our ESG Analytics offering to include an ESG Data Analytics application that empowers clients to consolidate sustainability data from multiple sources into actionable portfolio monitoring, analysis and reporting. This app focuses on creating transparency and alignment between market participants, enabling them to build customized sustainability solutions. It draws on BNY Mellon's data management expertise and wide network of clients. Selected ESG data can also be incorporated into customizable reporting solutions so that institutional investors can communicate the ESG exposures within investment portfolios, including financial impact, carbon metrics and other factors. We continue to augment the metrics to allow our users to deepen their ESG queries and receive progressively unique results.

Our ESG Data Analytics app offers tailored solutions to clients based on custom ESG profiles, with modularity and flexibility to help investors navigate

the changing contours of the ESG landscape. The app also provides taxonomies to help normalize the data that is typically varied and inconsistent, making this information more easily usable by clients. Finally, the app uses patent-pending crowdsourcing logic to identify what investment objectives and ESG factors matter to asset managers and owners.

[Learn more about our ESG Data Analytics application.](#)

¹⁷ <https://www.morningstar.com/articles/994219/sustainable-funds-continue-to-rake-in-assets-during-the-second-quarter>

ESG Data Analytics Solutions' Recognition and Awards

Best New Technology Introduced over the Last 12 Months (AI, machine learning and analytics), American Financial Technology Awards 2020

Technology Innovation of the Year, Global Investment Group Excellence Awards

Fintech Person of the Year, Corinne Neale, Head of Business Applications for BNY Mellon Data and Analytics Solutions, FTF News Technology Innovation awards

Servicing Clients Across the Investment Life Cycle

With our clients integrating ESG and sustainability considerations across various stages of the investment life cycle, we recognize the importance of developing solutions with this in mind. Alongside the ESG Data Analytics application, we have offered our institutional client base investment compliance monitoring capabilities with ESG and norms-based screening for more than a decade. In 2020, over 40 BNY Mellon clients used ESG screens to monitor ESG-related factors on assets with a combined market value of \$205 billion.

State-Sponsored Savings Plans

Through our company Sumday®, BNY Mellon provides program management services to a growing number of state-sponsored savings plans. We use our financial expertise and the power of digitization to increase access to and the convenience of these programs that help participants afford advanced education, ensure financial security in retirement, and provide for disabled family members.

SPOTLIGHT

Increasing Financial Inclusion

Through Sumday's work with the Oregon College Savings Program, we have introduced and promoted features that increase financial inclusion among lower-income savers.

A simplified account opening process now allows unbanked and under-banked families to open college savings accounts in the Oregon Program. To help inform and enroll eligible families, BNY Mellon and Sumday jointly developed training material used by staff of Head Start, the federal program that provides comprehensive early childhood education and services to low-income children and families. In addition, Sumday helps the Oregon facilitate \$50 matching contributions when new accounts are funded. As an added incentive, the Program provides a \$25 match for initial contributions for infants and preschoolers.

An innovative arrangement with Oregon's bottle deposit program, BottleDrop, enables savers to direct their bottle and can deposit returns to their college savings accounts. During 2020, more than 1.5 million bottles and cans were redeemed and \$150,000 contributed to Oregon College Savings Program accounts.

Advocating for Disabled Veterans and Adults

Millions of Americans who acquired disabilities after age 26, including veterans with disabilities, are not currently eligible for enrollment in ABLE programs, state-sponsored savings programs that benefit residents with disabilities. In 2020, the Sumday CEO, who is also a BNY Mellon Managing Director, joined other stakeholders in signing a letter to the Congressional Military Family Caucus supporting a bill that would raise the age of disability onset threshold from 26 to 46. This is one of many efforts we have made to expand the availability of ABLE program benefits.

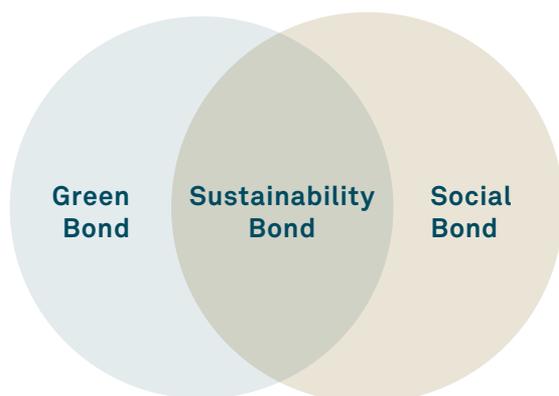
Issuer Services

Corporate Trust

Corporate Trust offers the infrastructure, technology and administrative services to help financial institutions, corporations, insurers, governments and sovereigns navigate the debt capital markets. As sustainable investments are a critical part of BNY Mellon's strategy and long-term vision, Corporate Trust supports our clients' ESG needs with a diverse range of products and solutions.

Green and Social Bonds

BNY Mellon helps advance society's transition to a more sustainable future while creating financial value by supporting issuers who raise debt capital through green, social and sustainability-linked bonds.



We are a global leader in administering green bonds, debt securities that fund projects with environmental benefits, such as clean transportation or renewable energy projects. In 2020, BNY Mellon administered 100¹⁸ new green bond issuances, totaling \$38.7¹⁸ billion. With a global market share of 12.7%¹⁸ in deal count origination, we are the leading trustee in green bonds by deal volume.

We act as a listing agent for issuers listing securities on the Luxembourg Green Exchange, a platform exclusively for 100% ESG-focused securities. We also continue to maintain "Observer" status to the International Capital Market Association's Green Bond Principles, which are voluntary process guidelines to promote integrity and transparency in the market.

As a leading global debt service provider, we take a

proactive role in solving current bottlenecks in the green bond market. By developing a centralized platform that enables a secure and digitized workflow, we will enable issuers to efficiently align with green bond standards so that they can execute their ESG agenda. This platform puts structure around the themes of governance, traceability and transparency and digitizes access to prominent sustainability frameworks. It will streamline and optimize the pre-issuance stage and automate the post-issuance reporting obligations for issuers. Green market intermediaries will be able to review documentation regarding their green investments in a more organized fashion and receive reporting on the impact of their proceeds.

BNY Mellon was appointed Trustee, Paying Agent, Transfer Agent, Registrar, Inter-creditor Agent and Collateral Agent to handle a notable green bond issuance in Indonesia. With BNY Mellon's support, Indonesian energy company Star Energy Geothermal issued two green bonds valued at a total of \$1.1¹⁸ billion to be used for capital expenditures, working capital and other needs related to geothermal operations at the plants of Darajat and Salak.

Social bonds, a related investment, address areas with positive outcomes, such as affordable housing, healthcare and employment. As more investors seek to address societal challenges while achieving financial returns, social bond issuance rose to \$140¹⁸ billion in 2020. The issuance of this asset class accelerated amid the pandemic, allowing our Corporate Trust team to serve as trustee and paying agent on \$3.2¹⁸ billion of social bonds in 2020.

Infrastructure and Public-Private Partnerships

As urban population growth continues, so does the need for substantial investment in infrastructure. Public-private partnership investments have the potential to mobilize needed capital toward green and sustainable projects. Corporate Trust administers bonds and loans that help finance a wide range of infrastructure projects. For example, in 2020 Corporate Trust served as trustee and paying agent on a series of green bonds by a U.S. state bank. The bond series, which are committed to funding clean energy investments, will help combat the existential threat of climate change.

Catastrophe Bonds and Insurance-Linked Securities

While green bonds focus on actions designed to mitigate the long-term effects of climate change, catastrophe bonds and insurance-linked securities help address its immediate impacts. Catastrophe (CAT) bonds help reduce the cost of insuring risk from natural disasters by transferring the exposure from insurers to financial investors. Corporate Trust is an active administrator of these structures, contributing to BNY Mellon's position as the leading CAT bond trustee globally, with 77%¹⁹ of the global CAT bond market share in 2020.

ESG Advisory Solutions

Through ESG Advisory Solutions, part of the Global Investor Relations Advisory team, BNY Mellon helps our clients that issue depositary receipts understand recent developments in sustainability and reporting, and provides a roadmap to help manage investor concerns as part of their overall investor relations strategies. We develop effective ESG strategies that are integrated with clients' capital markets and investor relations activities. Specifically, we offer support to our clients in the following areas:

Education and Benchmarking: Identify material themes within peer groups and industries, including company-specific ESG ratings, peer benchmarking reports, sector trends and regional trends.

Engagement Policy and Strategy: Develop roadmaps to assist in understanding investors' specific ESG concerns, reviewing internal ESG practices, and enhancing communications efforts with investors and other relevant stakeholders.

Intermediary Engagement: Help clients understand and engage with key players, including ESG ratings providers, sustainability index providers, specialized firms and associations, and proxy advisers.

Investor Engagement: Identify investors that have embedded active ESG criteria into their investment processes and facilitate engagement with them; facilitate understanding of top shareholders' ESG priorities and engagement with the right people at these firms.

In 2020, the team executed 107 ESG-related projects for our clients across the three regions we serve; APAC, Latin America and EMEA. Our team also demonstrated thought leadership through development of a webinar and short paper on *ESG and the Earnings Call*, and a white paper on [Disclosure on Gender Diversity](#).

Treasury Services

BNY Mellon Treasury Services provides global payment, trade and liquidity services, enabling our clients to move money around the world quickly, safely and reliably. Our digital strategy is a leading force in reshaping the treasury industry, with an emphasis on enabling clients to leverage the latest digital solutions and technologies available. The investment BNY Mellon has made in digital Treasury solutions has proven to be both necessary and timely. Adaptations to COVID-19 highlight the ability of digital solutions to mitigate the disruption of traditional paper-based processes, in addition to the movement already underway as customers look for safer, faster ways to make and receive payments.

As such, our use of the latest digital technologies helps safeguard customers, minimize risks, and build trust. We harness the growing volume, velocity and variety of data entrusted to our Treasury business with a clear data strategy to assist organizations in their goals toward improved cash management. And we maintain effective data control to meet regulatory requirements and client expectations. Through advanced data analytics and information management, BNY Mellon is building transparency, risk mitigation and market intelligence to help power our clients' success.

[Learn more about our Treasury Services](#).

Paper-to-Digital Journey

Throughout 2020, businesses and consumers continued the journey of transitioning from paper to digital. Accelerated by environmental factors, they sought multiple objectives, including payables and receivables automation, reduced exception processing, counterparty identity-confirmation tools to help clients' efforts to reduce potential fraud, and improved treasury infrastructures required to harness new systems and applications.

BNY Mellon continues to serve as a leader in payments modernization by enabling new and improved systems, applications and features necessary for our bank, corporate and fintech clients to transact safely and securely in an increasingly digital environment, including those described below.

Real-Time Payments

BNY Mellon continued to support the growth of the Real-Time Payments^{®20} (RTP) Network, which increased from 21 to 94 participating banks in 2020, expanding network reach to 56% of U.S. demand deposit accounts eligible to receive real-time payments. In December 2020, BNY Mellon facilitated the origination of the first end-to-end Request for Payment e-bill for B2C billing in production, ushering in a new era of electronic billing. This capability provides more control and transparency to payers while accelerating and automating receivables processing for billers. We were the first bank in the U.S. to launch and initiate 24/7/365 transactions through the RTP[®] service in conjunction with The Clearing House (TCH) in 2017. We have consistently participated in industry work groups and committees to introduce new use cases while enhancing the experience for those currently leveraging the system and its promotion of immediacy and transparency to provide an affordable, scalable platform for electronic payments and to help create economic opportunity and advance financial inclusion.

20 RTP and the RTP Network are a registered service mark of The Clearing House Payments Company L.L.C.

Account Validation Services

In July 2020, BNY Mellon launched Account Validation Services (AVS), which leverages Early Warning Services' Real-Time *Payment Chek*[®] to allow clients to validate account status and ownership before making a payment.²¹ With electronic payments fraud on the rise, AVS enables businesses to confidently address this problem by positively verifying account status and ownership with bank-consortium data in real time. This service is a compliant solution to National Automated Clearing House Association upcoming WEB debit rule, which will require Originators of WEB debits to perform account validations in certain circumstances while also augmenting Automated Clearing House (ACH), Wire and RTP with recipient verification. In parallel, we continue to address fraud prevention and improve the disbursement experience with our BNY Mellon Tokenized Payments[®] with *Zelle*^{®22} solution, which eliminates the need for clients to store or process payees' bank account information and provides a fast, secure, convenient digital experience benefiting our clients and their payment recipients, both consumers and small businesses.

Carbon Footprint Reduction

In February 2020, a collaborative outcome from our ESG Sustainable Finance workshops paved the way for the development of our Treasury Carbon Footprint analytics tool, which gives us the capability to track the environmental impact of our clients' paper payment activity. This capability positions BNY Mellon to empower our clients to address the "E" in ESG by harnessing data to visualize their paper payment volumes (i.e., paper checks) and associated impact on the planet, as measured by their corresponding tree count and carbon emission activity. These insights can help quantify the carbon footprint of our clients' treasury practice and, as paper payment transaction volumes are transitioned to digital alternatives, we are able to monitor their trends as they pursue a greener practice. As of November 2020, our analytics displayed that a 10% reduction of clients' paper payment transactions would equate to removing nearly 110,000 pounds of

21 *Payment Chek* is a trademark of early warning services, L.L.C.

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

carbon dioxide (CO₂) from the environment. We look forward to engaging our environmentally conscious clients to discuss ways to accelerate their transition from paper-based payments to digital alternatives.

BNY Mellon continues to provide innovative payments, receivables and validation solutions for U.S. corporations, financial institutions, government entities and non-bank financial institutions.

Fighting Fraud in Fast Payments

Recognizing that faster payments are an inviting target for fraud, BNY Mellon takes a leading role in addressing weaknesses in global payments system and correcting vulnerabilities in the digital identity infrastructure in the U.S. As a leading member of the U.S. Faster Payments Council, we collaborate with peer institutions to improve fraud information sharing and accelerate response times to threats to the payments system. In 2020, we chaired the Fraud Information Sharing Work Group, which issued a research report on [*Examining Faster Payments Fraud Prevention*](#). This report identified fraud themes and trends as well as approaches for mitigating fraud.

Markets

BNY Mellon recognizes the vital role of market infrastructure as a catalyst for scaling sustainable finance. We support clients' ESG strategies driving liquidity and flows toward sustainable outcomes, as well as increasing market transparency on ESG data points and improving broader market integrity.

Securities Finance and ESG Investing

BNY Mellon collaborates with clients to enable them to execute on their ESG strategies by engaging in a securities lending program aligned to the safeguards of market regulations, market codes of conduct and industry best practice. By adopting a lending program that is inherently flexible and compatible with ESG principles, clients can continue to exercise their governance and long-term stewardship objectives, applying a wide range of parameters, including recall for exercise of voting rights, as well as setting their counterparty and ESG collateral guidelines.

BNY Mellon is deeply engaged with industry bodies, policymakers and regulators, driving consistency across the securities finance market and global consensus on best practices for ESG and securities lending.

Liquidity Direct

The BNY Mellon Liquidity DirectSM platform provides clients with investment options that enable them to align investments with their core values. Via Liquidity Direct, investors have access to a broad range of money market funds and other short-term investments, including funds that:

- Advance diversity and inclusion by executing trades through diverse broker/dealers
- Provide negative and positive security screening through investment decisions based on ESG criteria
- Direct a portion of revenues or management fees to an organization where the fund and client's ESG values align

Details of the above are outlined via funds company prospectuses and filings. Liquidity Services

continues to remain focused on enhancing our ESG offering, including addition of investments options and focus on analytics and research to help clients with their investment options.

Clearance and Collateral Management

BNY Mellon provides securities clearing and collateral management services in over 35 countries and is the leading provider of U.S. government securities clearance and settlement services. To help our clients meet their ESG strategies, we are developing tools to enable collateral to be part of our clients' ESG goals. To this end, our team engages in various industry bodies and forums to ensure we can help meet the industry's and our clients' needs.

Capital Markets

BNY Mellon Capital Markets, LLC (Capital Markets) is a full-service securities broker/dealer and an indirect, wholly owned subsidiary of BNY Mellon. Capital Markets provides underwriting services in debt and equity capital across public and private markets. Public finance is a particularly important part of our Capital Markets business. We have a long track record of successfully structuring tax-exempt and taxable bond transactions for general obligation and revenue bond issuers throughout the U.S.

Introducing iFlow Green Analysis

While investment mandates related to ESG principles are mushrooming, BNY Mellon Capital Markets is applying our iFlow database to study movements between portfolios and ESG rankings. We have created iFlow Green, a framework to quantify whether investors take into account a country's sustainability behavior. We released our first annual report on equity flows between countries to assess the developing relationship between asset class flows and changes in country-level ESG performance.

[Read Introducing iFlow Green.](#)

To understand the impact that the COVID-19 pandemic had on the world's capital markets infrastructure, we analyzed data provided by SWIFT and presented the findings in a white paper [Capital Markets Infrastructure: What is the New Normal after COVID-19?](#) The paper describes how the COVID-19 crisis and consequent market volatility are driving a transformation of various financial services segments. We share these findings to increase market resiliency by helping capital market participants better prepare for future dislocations.

Impact Capital

Over the past decade, impact investing has been widely embraced both as an investment strategy and an approach to addressing pressing social and environmental challenges. The Global Impact Investing Network estimates the current size of the global impact investing market to be \$715 billion.²³ Investors pursue impact investments as a way to generate financial returns with positive social and environmental impacts. Capital Markets provides a number of products and services that can meet the needs of investors in, and users of, socially responsible capital. In particular, we have been active in the affordable housing space since the early 1990s and continue to serve many clients in this space.

²³ [Annual Impact Investor Survey 2020](#), GIIN, pg. 4

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

In 2020, we developed a unique bond model to finance community development through nonprofit and community organizations looking for creative capital to promote economic opportunity and inclusion. The structure is designed to offer residents and small businesses in transitional communities the opportunity to participate in and profit from local economic growth.

Many municipalities, public agencies and corporations need cost-effective capital for environmental projects. We have acted as underwriter for green bonds for the Metropolitan Transportation Authority, the Massachusetts Clean Water Trust, Mid-American Energy Company, Boston Properties and Northern States Powers Company.

Investing in Communities

Each year, BNY Mellon helps build stronger, more resilient communities by providing financing for affordable housing and investing in small businesses. These efforts are complimented by our strategic philanthropy and community service activities, which are described [on page 34](#).

Through investing, lending and performing community service in low- and moderate-income communities, BNY Mellon's banking subsidiaries in the U.S. meet their obligations under the Community Reinvestment Act (CRA) of 1977. The need for comprehensive community reinvestment was magnified in 2020 as the global COVID-19 pandemic, social unrest, and the economic downturn disproportionately impacted small businesses and a majority of American families nationwide.

Financing Affordable Housing

One of the most significant ways BNY Mellon's banking subsidiaries can meet their CRA obligations is by providing financing to expand quality, affordable, and where possible, energy-efficient housing. Each year, BNY Mellon provides construction loans, letters of credit and equity in the form of low income housing tax credits to clients. By financing affordable housing developments, BNY Mellon helps clients provide quality affordable housing while simultaneously improving the quality of life in low- and moderate-income communities.

Our efforts are focused in our CRA assessment areas, which include metropolitan New York City and Pittsburgh; Pennsylvania, statewide, and areas in New Jersey and Connecticut. In many of these low- and moderate-income communities, residents are primarily people of color, who have long experienced social and economic inequity and who are often frontline essential workers, who, during the COVID-19 pandemic could not work remotely. These residents benefit most from our commitment to provide affordable housing.

In 2020, our CRA Real Estate team worked to finance the development of St. Philip-Neri Apartments in the Bronx, one of New York City's lowest-income communities. The project will consist of 185 units of new affordable housing, including 93 units for families as well as individuals who have been impacted by mental health and substance abuse issues. BNY Mellon provided project financing through a \$55.6 million letter of credit that serves as credit enhancement to housing finance agency bonds, and \$39.2 million equity investment in low income housing tax credits (LIHTC).

2020 Key Data: Affordable Housing Investments

New LIHTC equity investments: Eight investments totaling \$233 million

Construction, line and letter of credit financing: \$330 million

Units produced (LIHTC investments only): 1,105 units

Small Business Investment Corporation Portfolio

Small Business Investment Corporations (SBICs) are CRA-eligible investment vehicles authorized and regulated by the U.S. Small Business Administration. Companies that have received conventional financing turn to SBICs for flexible financing to grow their businesses. BNY Mellon's SBIC portfolio consists of investments totaling \$135.5 million in 18 funds. In addition, our CRA professionals have helped to form and shape inaugural social justice and racial equality policy statements for women's, lenders' and small business advocacy organizations.

Community Reinvestment

BNY Mellon reinvests in its communities through its corporate commitment to philanthropy and volunteerism, adding to the community's wellbeing and the bank's reputation. Monetary donations, in-kind services and employee involvement in certain qualified activities and organizations are tracked through our internal Community Impact Online portal. In 2020, CRA-qualified giving represented a \$4,378,409 million commitment.

In the United States, two BNY Mellon banking entities — BNY Mellon, N.A. and The Bank of New York Mellon — are evaluated in accordance with the Community Reinvestment Act (CRA) of 1977, the federal law intended to encourage banks to help meet the credit needs of the communities in which they operate. Regulators have rated BNY Mellon, N.A. as "Outstanding" and The Bank of New York Mellon as "Satisfactory" during their most recent CRA performance evaluations.

Responsible Financing and the Equator Principles

The Equator Principles are an internationally recognized framework used by financial institutions to assess the social and environmental risks of their project financing²⁴ activities. Although BNY Mellon is not and does not plan to become active in project financing and is therefore not an Equator Principles signatory, we adhere to guidelines consistent with the Equator Principles for other lending activities, such as large-scale infrastructure projects. Our periodic lending portfolio evaluations against these guidelines show minimal exposure to environmental and social risk.

²⁴ The Equator Principles uses the Basel Committee on Banking Supervision's definition of project finance, which is "a method of financing in which the lender looks primarily to the revenues generated by a single Project, both as the source of repayment and as security for the exposure. This type of financing is usually for large, complex and expensive installations that might include, for example, power plants, chemical processing plants, mines, transportation infrastructure, environment, and telecommunications infrastructure." Basel Committee on Banking Supervision, International Convergence of Capital Measurement and Capital Standards ("Basel II"), November 2005.

Global Citizenship

Through our global reach, BNY Mellon has the power – and opportunity – to positively impact the environment and people with whom we share it. We're committed to using natural resources efficiently, implementing thoughtful energy solutions, and addressing climate change. We seek to help people and communities reach their full potential by cultivating a diverse, ethical supply chain, advocating on relevant issues, and protecting human rights.

Environmental Sustainability

Extreme weather, rising temperatures and an uptick in wildfire frequency are some of the indicators that our planet is under stress due to a changing climate. Habitat and biodiversity loss, water scarcity, deforestation and waste disposal, among other issues highlight the need for better natural resource management. In the face of these growing climate-related concerns, investors, clients and employees expect the business community to exhibit stronger leadership on environmental and climate action.

Our Opportunity and Approach

BNY Mellon is committed to addressing climate change and its associated risks and opportunities through an approach that considers the many dimensions of our business and society.

BNY Mellon's [Environmental Sustainability Policy Statement](#) sets forth the scope of our efforts, guiding principles and commitments.

2020 Achievements

Carbon Neutrality: Achieved carbon neutrality in our operations for the sixth consecutive year*

Climate Leader: Recognized on CDP's Climate Change "A" List for the eighth consecutive year**

Lower Emissions: Reduced Scope 1 and 2 greenhouse gas (GHG) emissions relative to our 2018 baseline, including data centers, an incremental 16% in 2020

Paper Neutral: Achieved paper neutrality via a certified offset program for the fourth year through the planting of 100,000 trees

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

** [The A List 2020](#), CDP.

2025 Environmental Sustainability Goals

In our ongoing commitment to environmental sustainability, we developed Enterprise ESG 2025 goals. Since setting these targets, we have made substantial progress toward achieving them. The COVID-19 pandemic and resulting remote work environment has also resulted in material reductions in our emissions, paper use and water consumption.

Enterprise ESG 2025 Environmental Sustainability Goals	
Goal: Maintain commitment to environmental sustainability, including effectively managing natural resource use	
KPI: Reduce greenhouse gas emissions by 20% from a 2018 base year, including data centers, in line with Science-Based Targets (SBTi) methodology	Progress: Reduced emissions by an incremental 16%
KPI: Maintain carbon neutrality commitment	Progress: Achieved carbon neutrality
KPI: Divert 80% of office waste from landfills	Progress: Achieved a 72% diversion rate
KPI: Target zero waste to landfills for technology equipment	Progress: Zero technology waste sent to landfill
KPI: Achieve paper neutrality in the U.S. and India	Progress: Achieved paper neutrality in the U.S. and India
KPI: Drive water use reduction in building operations	Progress: Reduced water use by 54% relative to 2015 baseline

Emissions Reduction

BNY Mellon set a new GHG emissions reduction target of 20% by 2025, including data centers, relative to a 2018 base year.²⁵ This target aligns with [SBTi](#) methodology required to keep increases in global warming to well below 2°C.

In 2019 we reduced emissions by 8% relative to our new 2018 baseline, and in 2020, we reduced emissions an additional 16%. Reductions in our 2020 data were the result of energy efficiency initiatives (such as improvements in building controls and data center cooling systems), reductions in the total occupancy space, COVID-19 impacts on our workplace, and improvements in the carbon-intensity of the electricity grid around the world.

Carbon Neutral Since 2015

We have been carbon neutral for our global direct Scope 1, Scope 2 and Scope 3 business travel emissions since 2015. Our three-part approach for achieving carbon neutrality includes: (1) reducing our energy use and related greenhouse gas emissions as described above; (2) procuring renewable electricity; and (3) purchasing carbon offsets to compensate for any remaining emissions in our footprint.

Renewable energy provides 99% of electricity for all global locations, including data centers.

To compensate for emissions, we purchase carbon offsets through clean energy financing and carbon sequestration initiatives. In 2020, 50% of our offsets went toward the funding of renewable energy in India, 25% funded afforestation projects in Mexico, and 25% funded landfill methane gas capture in the U.S.

Data Center Emissions

In 2020, BNY Mellon’s enterprise data centers accounted for approximately 42% of the electricity used in our global properties and approximately 40% of our total Scope 1 and Scope 2 carbon emissions, making them a critical component of our strategy to meet emissions targets. In our daily management of the enterprise data centers, the PUE (Power Usage Effectiveness) is continuously monitored to ensure that each facility is operating

²⁵ This location-based target includes BNY Mellon’s global Scope 1 and 2 greenhouse gas emissions

efficiently. To achieve our five-year goal to reduce greenhouse gas emissions, including those from our data centers, BNY Mellon implemented a three-year program to replace legacy mechanical and electrical equipment with newer and more energy-efficient systems. Examples include replacement of battery backup systems, known as UPS modules, and computer room air conditioning (CRAC) units.

Independent Verification

BNY Mellon engages with an independent, third-party organization to verify our Scope 1, Scope 2 and Scope 3 business travel emissions, renewable energy purchases, and carbon neutrality status at a limited assurance level ([see the full verification statement](#)). The verification of our emissions lends transparency and confidence in our methodology, and enhances our ability to track energy-efficiency opportunities.

A CDP Climate Change Leader

BNY Mellon was named to the Climate Change “A List” in 2020 for our actions to reduce emissions, mitigate climate risks, and develop thoughtful initiatives. Over 9,500 companies responded to CDP’s 2020 climate change questionnaire, and only 278 (approximately 3%) achieved the Climate “A List.” BNY Mellon is one of five U.S.-based financial services companies to earn Climate “A List” and is the only U.S.-based financial institution to earn this ranking from CDP for eight consecutive years.²⁶ This recognition comes in the first year of a new CDP climate survey specific to the financial services industry, and amid growing alignment between CDP and TCFD Guidelines.

Water Conservation

We decreased water consumption by 53% in 2020 relative to a 2015 baseline, though a large portion of this reduction was related to lower office occupancy due to the COVID-19 pandemic. Targeted actions to drive sustained reductions in water consumption included upgrades to high-efficiency fixtures during renovations, an initiative to update irrigation systems, and through leak detection and the monitoring of mechanical equipment.

Waste Diversion

In light of the growing environmental impacts related to waste in general and the accumulation of waste in landfills, we look for ways to continually improve our waste diversion. Our approach includes recycling, composting, incineration at waste-to-energy plants, employee education, and thoughtful receptacle layout designs and signage. Beyond managing office waste, we prioritize reusing and recycling used furniture and non-technology equipment where possible. In 2020, we recycled 70% of our waste, which contributed to our landfill diversion rate of 72%.

Technology Waste

A record 53.6 million metric tonnes (Mt) of electronic equipment waste were generated worldwide in 2019.²⁷ Recognizing the negative environmental impacts and potential health hazards associated with improper disposal, we maintain a no-landfill philosophy for end-user technology waste. In 2020, we recycled or properly disposed of 200 tons of technology equipment.

²⁶ [The A List 2020](#), CDP.

²⁷ [UN, The Global E-waste Monitor 2020](#), Global E-Waste,

Paper Neutral

While paper makes up one of our largest waste streams, we achieved paper neutrality in the U.S. and India in 2020 through conservation and a partnership with PrintReleaf, a certified offset program that plants a number of trees equivalent to the pages printed. As of 2020, to offset all of our printing/paper usage, around 100,000 trees have been planted. In addition, we recycled 3.8 million pounds of paper in 2020 through our program to recycle confidential paper after destruction. As of 2020, global print volume has been reduced by 78% relative to our 2014 baseline.

Culture of Conservation

Our global internal network of approximately 300 Environmental Sustainability Ambassador employees plays an important role in leadership and integration of our values, goals and strategies. Through their actions, Ambassadors help to advance resource conservation and environmentally responsible practices throughout our organization. In 2020, ambassadors shared conservation tips with fellow employees and encouraged them to adopt sustainable practices at home through the use of energy and water calculators.

Real Estate and Workspaces

In 2020, we developed a climate risk and scenario-based [resiliency assessment](#) of our real estate portfolio, which also supports our commitment to the TCFD recommendations. This study identifies emerging climate risks, which helps to guide relevant investments and internal policies. In 2020, two prominent BNY Mellon locations in the UK and India are undergoing significant renovations, and both are targeting LEED environmental certifications.

The design of our workspaces contributes to the wellbeing and productivity of our employees, and affects our energy use and greenhouse gas emissions. In light of the global pandemic, we are committed to providing work environments that are environmentally and economically sustainable for the long term. Throughout our portfolio, we implemented various measures to provide our employees with a

productive and safe working environment, including improved indoor air quality and new cleaning protocols, among others. Changes in this evolving space will have implications for the future of our work and the environmental footprint of the company.

We use third-party green building certifications (including the U.S. Green Building Council's [USGBC] LEED certification, the U.S. EPA's ENERGY STAR program, and international standards such as ISO 14001) to guide our office designs and environmental programs.

2020 Key Data: Real Estate and Workspaces

Occupied real estate by square foot with third-party sustainability certification: 53%

LEED certifications in occupied spaces: 42

ISO 14001-certified facilities: 90% in EMEA region

Supply Chain

Our Opportunity and Approach

As a major global financial services leader operating in 35 countries, BNY Mellon touches much of the world’s asset movements every day. We rely on a broad network of suppliers for a variety of products and services to support our company and successfully deliver products and services to our clients globally. Through the development of sound supplier relationships, BNY Mellon can continue to improve our performance and market position, and uphold our responsibilities to the market and our clients.

By harnessing the power of our purchasing influence, we also seek to cultivate a diverse, responsible supply chain that helps people and communities reach their full potential. We strive to conduct our business with the highest ethical standards, manage social and environmental issues responsibly, manage risks, and safeguard human rights. We expect our suppliers to do the same.

Enterprise ESG 2025 Supplier Diversity Goal	
Build a Supplier Diversity Program that has longevity, consistent with BNY Mellon’s value proposition and diversity initiatives	
<p>KPI: Design and execute an efficient onboarding process for diverse suppliers to improve customer experience</p>	<p>Progress: Developed a supplier segmentation method that aligns with our sourcing strategy and created a Certification Excellence Process to provide assurance of vendor diversity-ownership</p> <p>Leveraging procurement tools to deliver improved customer experience</p>
<p>KPI: Implement a company-wide sustainable training program on supplier diversity</p>	<p>Progress: Developed two training courses that are mandatory for the Global Supply Chain Management organization and available for all employees company-wide. The training courses include “Introduction to Supplier Diversity at BNY Mellon” and “Sourcing Strategies for Diverse Supplier Inclusion”</p>
<p>KPI: Increase outreach with diverse suppliers through quarterly supplier development and education experiences</p>	<p>Progress: Along with our advocacy organizations, pivoted to virtual events to provide opportunities for matchmaking and one-on-one well meetings with diverse suppliers. Completed 14 events for 2020</p>

Supplier Responsibility

In 2020, we updated and expanded our [Supplier Code of Conduct](#) to more clearly articulate our expectations related to worker health and safety, labor and human rights, environmental sustainability, diversity and inclusion, ethics, and other responsible business practices. We adhere to high standards in these areas and hold our suppliers to similar standards of excellence.

We expect our suppliers to understand and act in accordance with this Code, including by aligning their corresponding guidelines, policies and practices, and by communicating and enforcing the Code provisions throughout their organization and across their own supply chains. Any violations of our Supplier Code of Conduct can be reported through our confidential [Ethics Help Line](#).

Additionally, we expect our suppliers to improve their environmental performance, address climate change, and track the environmental impacts of their own operations as well as those of their suppliers.

BNY Mellon is committed to maintaining a resilient supply chain that functions in all economic conditions, including disasters. During the economic disruptions resulting from the COVID-19 pandemic, we conducted financial health assessments of key BNY Mellon suppliers to detect possible distress from COVID-19 and took action when necessary.

Supplier Diversity

Developing a supply chain that encompasses small and diverse suppliers not only brings valuable perspectives to our company, but it is also an important part of our corporate strategy and helps advance our Enterprise ESG goals. We seek to do business with best-in-class, cost-competitive and innovative diverse suppliers and small businesses.

Our Supplier Diversity Program is designed to ensure there are opportunities for businesses owned and operated by minorities, women, veterans, individuals with disabilities and LGBT+ individuals as well as small businesses where capabilities exist. Our

updated Supplier Code of Conduct outlines our approach and expectations that our direct suppliers will include small and diverse-owned business in their own supply chain, and we may ask them to report their second-tier spend with these suppliers.

Our Executive leadership fully supports our efforts to promote the economic growth and development of small and diverse businesses. To advance social justice and economic and racial equality, our Executive Committee resolved to accelerate our increase in spend with minority vendors, especially Black- and Hispanic-American-owned businesses. We adopted key commitments to expand collaboration with diverse-owned business in nontraditional professional services areas, such as asset management broker/dealers.

Our newly established Supplier Development Committee will also design and implement strategies to focus on increasing diverse and small business engagement through capacity-building opportunities. This committee will have oversight of our Mentoring Program scheduled to launch in 2021 and the creation of events to achieve our development targets.

Outreach and External Advocacy Relationships

We are members of many advocacy organizations, including the Financial Services Roundtable for Supplier Diversity, National Gay & Lesbian Chamber of Commerce, National Minority Supplier Development Council, New York & New Jersey Minority Supplier Development Council, National Veteran-Owned Business Association, WEConnect International, Women's Business Enterprise National Council, and Women Presidents' Educational Organization – New York. Our participation magnifies our outreach and demonstrates our commitment to working with diverse vendors. Engagement with local and diverse suppliers can benefit both our business as well as local communities through job creation, and revenue and income generation.

We regularly host events to advise current and potential diverse vendors on how to do business with BNY Mellon. In 2020 we hosted six virtual Supplier Diversity events and attended eight industry events

hosted by advocacy organizations in support of supplier development and sourcing inclusion. These events provide opportunities to share experiences with our peers to alert us to new or developing best practices.

SPOTLIGHT:

Champions of Inclusive Sourcing

In a year of heightened awareness of systemic racism and inequality, the need for advancing supplier diversity gained visibility throughout our enterprise. Employees across BNY Mellon found creative ways to promote inclusive sourcing and integrate supplier diversity more deeply into our culture. We recognized their efforts at our first annual “Supplier Diversity End of the Year Awards and Recognition” event, in which we named Supplier Diversity champions from more than 30 nominees in six categories as well as a “Diverse Supplier of the Year.”

Advocacy and Political Engagement

Our Opportunity and Approach

As a leading global financial institution for over 230 years, BNY Mellon has a unique voice and perspective to bring to the policy and political process. Laws and regulations have significant impacts on our businesses, markets, clients, employees, shareholders and communities. We are committed to working constructively with policymakers and market participants as we move the financial services industry forward. Certain of our employees engage through the PAC program, trade associations, and other voluntary activities in accordance with applicable laws, regulations, and internal policies and procedures.

Enterprise ESG 2025 Public Policy Goal

Continue to engage with stakeholders on key regulatory and legislative issues important to BNY Mellon

KPI: Expand internal awareness of regulatory and legislative impacts and trends

Progress: Expanded internal awareness of regulatory and political trends/impacts through elections webinars, monthly public policy and government affairs updates, and updates and outlooks for internal working groups and clients

KPI: Strategically advocate on priority legislative and regulatory issues affecting BNY Mellon

Progress: Worked with leadership to determine priorities and facilitated bilateral meetings with regulators and legislators across multiple jurisdictions. Submitted more than 20 comment letters on issues including capital, Money Market Fund reform, Capital Markets Union and others

Public Engagement and Lobbying

BNY Mellon's Public Policy and Government Affairs team works with other functions within the Company to set our public policy priorities, analyze regulatory and political trends, comment on policy proposals, and educate policymakers about BNY Mellon's unique role in the market. This engagement provides another view into the real-world impact of a proposed policy change.

In certain cases, this engagement includes lobbying by the Government Affairs team and external consultants. These lobbying activities, and related expenses are reported and publicly disclosed in accordance with applicable law.

In 2020, our federal lobbying expenses were \$1,330,000, as disclosed on our website. Our state and local legislative lobbying is concentrated in New York and Pennsylvania, where BNY Mellon's primary business operations are located. Expenses are of a de minimis nature and disclosed where required by applicable law.

[Learn more about Political Engagement and Lobbying.](#)

2020 Key Data: Political Engagement

Federal lobbying expenses: \$1,330,000

Federal political action committee (PAC) contributions: \$241,500

Corporate contributions: \$0

Compliance and Oversight

The BNY Mellon Public Policy and Government Affairs team is responsible for all political activity by or on behalf of BNY Mellon, including administration of the PACs. The Public Policy and Government Affairs team reports to the General Counsel and provides updates at least annually to the Corporate Governance, Nominating and Social Responsibility Committee of the Board of Directors. These activities are conducted in accordance with BNY Mellon's Code of

Conduct, internal policies and procedures, applicable laws and regulations, and in consultation with the Compliance and Legal Departments.

Learn more in the BNY Mellon [2020 Annual Report](#).

We encourage our employees to stay informed of political issues and candidates and to take an active interest in policy and political affairs. Employees may participate in the political process by making voluntary contributions on their own behalf or engaging in personal political activities in accordance with applicable federal and state laws and regulations, the Code of Conduct, and internal policies and procedures.

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 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 or their immediate family members have made contributions to officials who have the authority to award business or other individuals as set forth in the applicable laws.

Industry Participation

BNY Mellon is a member of numerous trade associations on issues of interest to the financial industry and general business community. These trade associations help build consensus, coordinate advocacy, and produce industry analysis and best practices. We regularly review our memberships for alignment with our priorities, and we may not always agree with an association's or its members' positions or priorities. We ask trade associations not to use our membership fees to fund federal, state, or local level election-related activity, including contributions and expenditures to support or oppose any candidate for any office, political party committee, or political committee.

Principal Association Memberships

American Bankers Association
 Association of Global Custodians
 Bank Policy Institute
 Belgium Febelfin
 Business Roundtable
 Chamber of Digital Commerce
 Financial Services Forum
 Global Financial Markets Association, including its regional trade association members AFME, ASIFMA, and SIFMA
 Institute of International Finance
 International Swaps and Derivatives Association
 Investment Company Institute
 Loan Syndication and Trading Association
 Managed Funds Association
 New York Bankers Association
 Partnership for New York City
 Pennsylvania Bankers Association
 Structured Finance Association
 TheCityUK
 The Clearing House
 UK Finance

Employee-Funded Political Action Committees and Political Contributions

BNY Mellon has two Political Action Committees (PACs) funded entirely by voluntary contributions from eligible employees. Employees are not reimbursed or compensated in any way for political activities or contributions.

PAC contributions are bipartisan and made in accordance with PAC By-Laws and contribution guidelines. Contribution guidelines include the member's participation in committees of jurisdiction, representation of communities where BNY Mellon has a presence, leadership positions, and civility and respect for democratic processes.

PACs are regulated by the Federal Election Commission (FEC) and relevant state election commissions. Reports filed with the FEC are available to the public at www.fec.gov and those filed with state election commissions are available www.dos.pa.gov. BNY Mellon PAC contributions totaled \$248,000 in 2020. Details of our 2020 PAC contributions are also available on our website.

BNY Mellon did not make any corporate contributions²⁸ in 2020. We do not use corporate funds for independent political expenditures to support or oppose any candidate for office.

FEDERAL POLITICAL ACTION COMMITTEE CONTRIBUTIONS IN 2020 (USD)*			
	Republican	Democratic	Total
U.S. House	\$64,000	\$75,500	\$139,500
U.S. Senate	\$56,000	\$46,000	\$102,000
Total	\$120,000	\$121,500	\$241,500

* Additional contributions include \$6,500 made to Pennsylvania candidates, resulting in \$248,000 in total PAC disbursements.

²⁸ A corporate contribution is defined to include a state candidate committee, a 501(c) 4, 527 or ballot initiatives.

Protecting Human Rights

Our Opportunity and Approach

We consider human dignity paramount, and we work to preserve human rights throughout our company and our supply chain. Our governance framework and related corporate policies empower our employees and contractors to report and escalate concerns of unethical conduct, such as modern slavery and human trafficking.

We support human rights and endeavor to treat employees with fairness, dignity and respect at work. BNY Mellon is a staunch advocate of equal rights for all in our workforce and in society. In support of LGBT+ rights, our legal professionals assisted low-income clients with petitions to officially change their names through the Transgender Legal Defense & Education Fund. We are committed to preventing modern slavery and human trafficking in our operations and supply chain. These values help define our company, and we reinforce them through policies governing our supply chain and employment practices:

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

To affirm our support for the rights of individuals both within our organization and across society, in 2020 we

signed an amicus brief asking the U.S. Supreme Court to recognize adoption of the Equal Rights Amendment (ERA), guaranteeing of equal rights for all Americans, regardless of sex, as the 28th Amendment to the U.S. Constitution.

Enterprise ESG 2025 Human Rights Goal	
Continue the commitment to preventing modern slavery and human trafficking in our operations, supply chain and communities	
KPI: Conduct due diligence and training practices to promote understanding of Modern Slavery principles	Progress: <ul style="list-style-type: none"> • Instituted training on modern slavery and human trafficking at BNY Mellon • Due diligence of our vendors including negative news Legal agreements reflecting commitment of vendor to prevent modern slavery and human trafficking in their operations and supply chain

We are committed to preventing acts of modern slavery and human trafficking both in our own business activities and throughout supply chain. Our [Supplier Code of Conduct](#) states our zero-tolerance approach to modern slavery. We expect our suppliers to be committed to acting ethically and with integrity in all their business dealings and relationships and to implementing and enforcing effective systems and controls prevent modern slavery from taking place in their businesses and supply chains.

We reaffirm our commitment and actions each year through our UK Modern Slavery Act Annual Transparency Statement. In 2020, we completed ratification of our UK and Australia Modern Slavery Act Annual Transparency Statements, which reflect our awareness of modern slavery and steps we take to prevent it. We also continued our review of governance, due diligence and training practices to promote understanding of Modern Slavery Act principles. We set out our expectations and commitments in a number of policies, including those above.

Taking Action Against Inequities

BNY Mellon and our legal professionals often use our expertise and provide services on a pro bono basis to various populations who are confronting inequities. To help address the incidents of racial violence during 2020, these efforts focused on racial justice issues. To drive systemic change to promote long-term reform, BNY Mellon became a Leadership Partner in Lawyers for Good Government's Lawyers for Racial Justice Initiative and its pro bono programs to combat the immediate effects of discriminatory policies.

Beyond that, our professionals around the globe provided pro bono legal services to those in need and partnered with other financial institutions, law firms and nonprofit organizations to promote racial justice and combat social inequity by addressing a variety of issues, described below.

Policing and Jail

- Conducting research with Lawyers for Good Government into policing activity in U.S. schools where the majority of children are of color
- Partnering with Vera Institute of Justice to research spending on jails and prosecutors in 72 municipalities in the U.S.

Economic Opportunity

- Providing limited-scope legal guidance to minority- and women-owned small businesses, including COVID-19-related contract advice
- Through the Thurgood Marshall Professional Development Series, assisting diverse New York City public high school students in building workforce skills

Election Integrity and Racial Justice

- Working with Lawyers Committee for Civil Rights Under Law Election Protection telephone hotline
- Advising London-based racial justice organization United to Change and Inspire Ltd. on the development of an effective corporate structure

A Shared Commitment

We expect the recipients of our philanthropic funding to share our commitment to protect human rights. We require nonprofit organizations, such as charities and nongovernmental organizations, applying for financial sponsorship or donations to certify compliance with BNY Mellon's Non-Discrimination Policy Certification for Non-Profits and to complete a thorough vetting process.



Global Reporting Initiative (GRI) Index

The following is supplemental information to BNY Mellon's 2020 Enterprise ESG Report. It is arranged according to the Global Reporting Initiative (GRI) Standards indicator list. All data is reported as of December 31, 2020, unless otherwise noted. This index provides responses for individual GRI indicators in the following ways: (1) section and page references to our 2020 Enterprise ESG Report; (2) direct responses within the index; (3) references to other company reports (e.g., Annual Report or Proxy Statement); or (4) materials located on our website.

CATEGORY: STANDARD DISCLOSURES

Aspect: Organizational Profile		
Standard	Disclosure	Our Response
GRI 102: General Disclosures 2016	102-1 Name of the organization	BNY Mellon Annual Report 2020 , General, p.3
	102-2 Activities, brands, products, and services	BNY Mellon Annual Report 2020 , Results of Operations, p.3 BNY Mellon Annual Report 2020 , Results of Operations, p.15-54
	102-3 Location of headquarters	BNY Mellon Annual Report 2020 , Corporate Information, inside back cover
	102-4 Location of operations	BNY Mellon Annual Report 2020 , International operations, p.22-24 BNY Mellon Location Directory
	102-5 Ownership and legal form	BNY Mellon Annual Report 2020 , General, p.3
	102-6 Markets Served	BNY Mellon Annual Report 2020 , Review of business, p.15-21 BNY Mellon Annual Report 2020 , International operations, p.22-24
	102-7 Scale of the Organization	BNY Mellon Annual Report 2020 , Financial Highlights, p.VII BNY Mellon Annual Report 2020 , International operations, p. 22-24
	102-8 Information on employees and other workers	EE01 Document, see end of GRI Index BNY Mellon Annual Report 2020 , Human capital, p.3-5
	102-9 Supply chain	BNY Mellon Enterprise ESG Report 2020 , Supply Chain, p.74–76
	102-10 Significant changes to the organization and its supply chain	BNY Mellon Annual Report 2020 , Key 2020 events, p.5
	102-11 Precautionary Principle or approach	BNY Mellon Enterprise ESG Report 2020 , Environmental Sustainability, p.70–73 BNY Mellon Enterprise ESG Report 2020 , Responsible Financing and the Equator Principles, p.68
	102-12 External initiatives	BNY Mellon Enterprise ESG Report 2020 , Support for Responsible Investing Initiatives, p.58 BNY Mellon Enterprise ESG Report 2020 , Principal Association Memberships, p.78
	102-13 Membership of associations	BNY Mellon Enterprise ESG Report 2020 , Support for Responsible Investing Initiatives, p.58 BNY Mellon Enterprise ESG Report 2020 , Principal Association Memberships, p.78 BNY Mellon 2021 Proxy Statement Item 1 Election of Directors, p.12–19

Aspect: Strategy		
Standard	Disclosure	Our Response
GRI 102: General Disclosures	102-14 Statement from senior decision makers	BNY Mellon Annual Report 2020 , CEO Letter, p.I–VI BNY Mellon Enterprise ESG Report 2020, Message From Our CEO, p.5 Considering Climate at BNY Mellon, CEO Letter, p.4
	102-15 Key impacts, risks, and opportunities	BNY Mellon Enterprise ESG Report 2020, Our Approach, p.7–16

Aspect: Ethics and Integrity		
Standard	Disclosure	Our Response
GRI 102: General Disclosures	102-16 Values, principles, standards, and norms of behavior	BNY Mellon Employee Code of Conduct The Bank Of New York Mellon Corporation Directors' Code of Conduct
	102-17 Mechanisms for advice and concerns about ethics	BNY Mellon Employee Code of Conduct The Bank Of New York Mellon Corporation Directors' Code of Conduct

Aspect: Governance		
Standard	Disclosure	Our Response
GRI 102: General Disclosures 2016	102-18 Governance structure	BNY Mellon 2021 Proxy Statement , Our Corporate Governance Practices, p.22
	102-19 Delegating authority	BNY Mellon Enterprise ESG Report 2020, Enterprise ESG Governance, p.14
	102-20 Executive-level responsibility for economic, environmental, and social topics	BNY Mellon Enterprise ESG Report 2020, Enterprise ESG Governance, p.14
	102-21 Consulting stakeholders on economic, environmental, and social topics	BNY Mellon 2021 Proxy Statement , Committees and Committee Charters, p.39
	102-22 Composition of the highest governance body and its committees	BNY Mellon 2021 Proxy Statement , Committees and Committee Charters, p.39
	102-23 Chair of the highest governance body	BNY Mellon 2021 Proxy Statement , Board Leadership Structure, p.29
	102-24 Nominating and selecting the highest governance body	BNY Mellon 2021 Proxy Statement , Director Qualifications, p.20
	102-25 Conflicts of interest	BNY Mellon 2021 Proxy Statement , Director Qualifications, p.20 Directors Code of Conduct, p.1
	102-26 Roles of highest governance body in setting purpose, values, and strategy	BNY Mellon Enterprise ESG Report 2020, Enterprise ESG Governance, p.14 BNY Mellon 2021 Proxy Statement , Committees and Committee Charters, p.39
	102-27 Collective knowledge of highest governance body	BNY Mellon Enterprise ESG Report 2020, Enterprise ESG Governance, p.14 BNY Mellon 2021 Proxy Statement , Committees and Committee Charters, p.39
	102-28 Evaluating the highest governance body's performance	BNY Mellon 2021 Proxy Statement , Evaluation of Board and Committee Effectiveness, p.27
	102-29 Identifying and managing economic, environmental, and social impacts	BNY Mellon Enterprise ESG Report 2020, Enterprise ESG Governance, p.14 BNY Mellon 2021 Proxy Statement , Committees and Committee Charters, p.39 BNY Mellon Enterprise ESG Report 2020, Our Approach, p.7–16
	102-30 Effectiveness of risk management processes	BNY Mellon 2021 Proxy Statement , Committees and Committee Charters, p.39 Risk Committee Charter

	<p>102-31 Review of economic, environmental, and social topics</p>	<p>BNY Mellon Enterprise ESG Report 2020, Enterprise ESG Governance, p.14 BNY Mellon 2021 Proxy Statement, Committees and Committee Charters, p.39 BNY Mellon Enterprise ESG Report 2020, Our Approach, p.7-16</p>
	<p>102-32 Highest governance body's role in sustainability report</p>	<p>BNY Mellon Enterprise ESG Report 2020, Enterprise ESG Governance, p.14 BNY Mellon 2021 Proxy Statement, Committees and Committee Charters, p.39 BNY Mellon Enterprise ESG Report 2020, Our Approach, p.7-16</p>
	<p>102-33 Communicating critical concerns</p>	<p>BNY Mellon 2021 Proxy Statement, Our Corporate Governance Practices, p.22 Corporate Governance Guidelines Communications with Independent Chairman</p>
	<p>102-34 Nature and total number of critical concerns</p>	<p>BNY Mellon Enterprise ESG Report 2020, Enterprise ESG Governance, p.14 BNY Mellon Annual Report 2020, Risk Management, p.55 BNY Mellon 2021 Proxy Statement, Oversight of Risk, p.37 and Contacting the Board, p.43</p>
	<p>102-35 Remuneration policies</p>	<p>BNY Mellon 2021 Proxy Statement, Director Compensation, p.44 BNY Mellon 2021 Proxy Statement, Item 2. Advisory Vote On Compensation, p.47 BNY Mellon 2021 Proxy Statement, Equity Compensation Plans, p.91</p>
	<p>102-36 Process for determining remuneration</p>	<p>BNY Mellon 2021 Proxy Statement, Director Compensation, p.44 BNY Mellon 2021 Proxy Statement, Item 2. Advisory Vote On Compensation, p.47 BNY Mellon 2021 Proxy Statement, Equity Compensation Plans, p.91</p>
	<p>102-37 Stakeholders' involvement in remuneration</p>	<p>BNY Mellon 2021 Proxy Statement, Director Compensation, p.44 BNY Mellon 2021 Proxy Statement, Item 2. Advisory Vote On Compensation, p.47 BNY Mellon 2021 Proxy Statement, Equity Compensation Plans, p.91</p>
	<p>102-38 Annual total compensation ratio</p>	<p>BNY Mellon 2021 Proxy Statement, Pay Ratio, p.82</p>
	<p>102-39 Percentage increase in annual total compensation ratio</p>	<p>BNY Mellon 2021 Proxy Statement, Pay Ratio, p.82</p>

Aspect: Stakeholder Engagement		
Standard	Disclosure	Our Response
GRI 102: General Disclosures 2016	102-40 List of stakeholder groups	BNY Mellon Enterprise ESG Report 2020, Enterprise ESG Governance, p.14
	102-41 Collective bargaining agreements	BNY Mellon fully complies with local laws regarding employee rights and collective bargaining. In certain locations outside of the U.S. we have works councils, engage with trade unions and adhere to applicable national collective bargaining agreements. We also have client and vendor relationships with trade unions. Our Code of Conduct applies to our employees globally and emphasizes the company's commitment to foster a culture where all employees feel valued, engaged and are able to bring their whole selves to the workplace. Employees are encouraged to raise any concerns through multiple channels identified in the Code of Conduct.
	102-42 Identifying and selecting stakeholders	BNY Mellon Enterprise ESG Report 2020, Enterprise ESG Governance, p.14
	102-43 Approach to stakeholder engagement	BNY Mellon Enterprise ESG Report 2020, Enterprise ESG Governance, p.14
	102-44 Key topics and concerns raised	BNY Mellon Enterprise ESG Report 2020, Enterprise ESG Governance, p.14

Aspect: Reporting Practice		
Standard	Disclosure	Our Response
GRI 102: General Disclosures 2016	102-45 Entities included in the consolidated financial statements	BNY Mellon Annual Report 2020 , Review of businesses, p.15 BNY Mellon Enterprise ESG Report 2020, About this Report, p.2
	102-46 Defining report content and topic Boundaries	BNY Mellon Enterprise ESG Report 2020, About this Report, p.2 BNY Mellon Enterprise ESG Report 2020, Our Approach p.7
	102-47 List of material topics	BNY Mellon Enterprise ESG Report 2020, Our Approach, p.7–16
	102-48 Restatements of information	None
	102-49 Changes in reporting	BNY Mellon issued Considering Climate at BNY Mellon, which provides an outline of our work, and our implementation of Task Force on Climate-related Financial Disclosures (TCFD) Guidelines.
	102-50 Reporting period	BNY Mellon Enterprise ESG Report 2020, About This Report, p.2
	102-51 Date of most recent report	BNY Mellon CSR Report 2019 was published in June 2020
	102-52 Reporting Cycle	BNY Mellon Enterprise ESG Report 2020, About This Report, p.2
	102-53 Contact point for questions regarding the report	futurefirst@bnymellon.com
	102-54 Claims of reporting in accordance with the GRI Standards	BNY Mellon Enterprise ESG Report 2020, About this Report, p.2
	102-56 External assurance	We do not currently seek external assurance over our Enterprise ESG Report but we do have limited assurance over our Scope 1, 2 & 3 emissions. See Verification Opinion Declaration Greenhouse Gas Emissions, Enterprise ESG Report 2020, p.100

CATEGORY: ECONOMIC

Aspect: Economic Performance		
Standard	Disclosure	Our Response
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	BNY Mellon Enterprise ESG Report 2020, Our Approach, p.7–16
	103-2 The management approach and its components	BNY Mellon Enterprise ESG Report 2020, Our Approach, p.7–16
	103-3 Evaluation of the management approach	BNY Mellon Enterprise ESG Report 2020, Our Approach, p.7–16

CATEGORY: ECONOMIC

Aspect: Economic Performance		
Standard	Disclosure	Our Response
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	BNY Mellon Annual Report 2020 , Financial Summary, p.2 BNY Mellon Annual Report 2020 , Noninterest expense, p.14 BNY Mellon Enterprise ESG Report 2020, Our Community Impact, p.34–37 BNY Mellon Enterprise ESG Report 2020, Investing in Communities, p.67–68
	201-2 Financial implicated and other risks and opportunities due to climate change	See CDP Response*
	201-3 Defined benefit plan obligations and other retirement plans	BNY Mellon Annual Report 2020 , Note 18–Employee benefit plans, p.165
	201-4 Financial assistance received from government	BNY Mellon Annual Report 2020 , Note 12–Income taxes, p.156

Aspect: Indirect Economic Impacts		
Standard	Disclosure	Our Response
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	<p>BNY Mellon Enterprise ESG Report 2020, Corporate Trust, p.62–63</p> <p>BNY Mellon Enterprise ESG Report 2020, BNY Mellon Capital Markets, p.66–67</p> <p>BNY Mellon Enterprise ESG Report 2020, Investing in Communities, p.67–68</p> <p>BNY Mellon Enterprise ESG Report 2020, Digital Transformation, p.47–49</p>
	203-2 Significant indirect economic impacts	<p>BNY Mellon Enterprise ESG Report 2020, Corporate Trust, p.62–63</p> <p>BNY Mellon Enterprise ESG Report 2020, BNY Mellon Capital Markets, p.66–67</p> <p>BNY Mellon Enterprise ESG Report 2020, Investing in Communities, p.67–68</p> <p>BNY Mellon Enterprise ESG Report 2020, Digital Transformation, p.47–49</p>

Aspect: Procurement Practices		
Standard	Disclosure	Our Response
GRI 204: Indirect Economic Impacts 2016	204-1 Proportion of spending on local suppliers	BNY Mellon Enterprise ESG Report 2020, Supply Chain, p.74

Aspect: Anti-corruption		
Standard	Disclosure	Our Response
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	BNY Mellon Enterprise ESG Report 2020, Risk Management, p.39–47 BNY Mellon Employee Code of Conduct
	205-2 Communications and training about anti-corruption policies and procedures	BNY Mellon Enterprise ESG Report 2020, Risk Management, p.39–47 BNY Mellon's anti-corruption policies and procedures have been communicated to the general public via BNY Mellon's website, and communicated to all employees and the Board of Directors. BNY Mellon Employee Code of Conduct
	205-3 Confirmed incidents of corruption and actions taken	BNY Mellon Annual Report 2020 , Legal Proceedings, p.187

Aspect: Anti-competitive behavior		
Standard	Disclosure	Our Response
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	BNY Mellon Annual Report 2020 , Legal Proceedings, p.187

CATEGORY: ENVIRONMENTAL

Aspect: Energy		
Standard	Disclosure	Our Response
GRI 302: Energy 2016	Management approach disclosure	BNY Mellon Enterprise ESG Report 2020, Environmental Sustainability, p.70–73 See CDP Response*
	302-1 Energy consumption within the organization	<p>a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used: 99,307 gigajoules (includes natural gas, fuel oil, car gasoline, and jet fuel)</p> <p>b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used: While BNY Mellon does not purchase fuel from renewable sources directly; we do purchase carbon offsets and renewable electricity products to offset all of our emissions generated from Scope 1, Scope 2 and Scope 3 business travel.</p> <p>c. Report in joules, watt-hours or multiples, the total: Electricity consumption, Heating consumption, Cooling consumption, Steam consumption Electricity consumption: 984,455 gigajoules (BNY Mellon purchases renewable electricity products to offset our entire electricity use). BNY Mellon does not have any heating or cooling consumption. Steam consumption: 33,807 gigajoules</p> <p>d. In joules, watt-hours or multiples, the total: Electricity sold, Heating sold, Cooling sold, and Steam sold: BNY Mellon does not sell any electricity, heating, cooling or steam.</p> <p>e. Total energy consumption within the organization in joules or multiples: 1,117,568 gigajoules</p> <p>f. Standards, methodologies, and assumptions used: BNY Mellon follows The Corporate Standard Greenhouse Gas Protocol for calculating emissions and energy use. An Operational Control boundary is used.</p> <p>g. Source of the conversion factors used: Conversions for Fuel and Electricity were done with the U.S. Energy Information Administration’s Energy Conversion Calculator. Steam was converted from BTU to joules using the factor: 1 BTU=1055.05585 joules as defined by the International Energy Agency’s Unit Converter</p>

	<p>302-2 Energy consumption outside of the organization</p>	<p>BNY Mellon follows The Corporate Standard Greenhouse Gas Protocol for calculating emissions and energy use. An Operational Control boundary is used. BNY Mellon considers energy consumed from purchased goods and services, capital goods, fuel-and-energy-related activities, upstream transportation and distribution, business travel, employee commuting, downstream leased assets, and investments relevant to our operations. For more detail on methodologies and assumptions used, please see CDP* response 2020. Conversions for Fuel and Electricity were done with the U.S. Energy Information Administration's Energy Conversion Calculator.</p>
	<p>302-3 Energy intensity</p>	<p>a. Energy intensity ratio: 70.70 gigajoules per million dollars; 0.090 gigajoules per square foot.</p> <p>b. Denominators: 2020 revenue (15,808 million dollars); 2020 average rentable square feet of real estate portfolio (12,413,898 sq. ft.).</p> <p>c. Fuel, electricity and steam are included; BNY Mellon does not consume additional sources of heating or cooling.</p> <p>d. The ratio uses energy consumed within the organization within BNY Mellon's operational control scope 1 and 2.</p>
	<p>302-4 Reduction of energy consumption</p>	<p>505,832 gigajoules.</p> <p>Fuel, electricity and steam are included; BNY Mellon does not consume additional sources of heating and cooling. BNY Mellon's base year is 2010 for energy tracking. 2010 was chosen as the base year because this was this first year we were able to effectively measure energy consumption. Energy consumption in 2010 was rebaselined due to increase in accuracy of activity data.</p> <p>BNY Mellon's energy reduction was calculated by subtracting 2020 energy consumption from the base year's energy consumption. This reduction is the result of ongoing real estate portfolio optimization initiatives and specific energy reduction projects.</p> <p>BNY Mellon sets its energy reduction targets in the form of emission reduction targets as these are a surrogate for energy targets. BNY Mellon calculates its total energy consumption in conjunction with calculating its greenhouse gas inventory. Therefore, The Greenhouse Gas Protocol: A Corporate Accounting and Reporting A Corporate Accounting and Reporting Standard (Revised Edition) is the published methodology and standard used in energy and emission calculation.</p>

Aspect: Water and Effluents		
Standard	Disclosure	Our Response
GRI 303: Water and Effluents 2016	GRI 103: Management approach disclosure	BNY Mellon Enterprise ESG Report 2020, Environmental Sustainability, p.70–73
	303-1 Interactions with water as a shared resource	BNY Mellon withdraws all of its water from municipal sources. Water is consumed in our office and data center facilities. Water is discharged through municipal sewer sources. Water related impacts are assessed and addressed on a local site basis and from a corporate-wide basis.
	303-2 Management of water discharge-related impacts	All wastewater is discharged through municipal sewer sources.
	303-3 Water withdrawal	BNY Mellon withdraws all of its water from municipal sources. BNY Mellon withdrew a total of 230.63 megaliters of water in 2020 (170.62 megaliters in the U.S. and 60.01 megaliters in international locations). All water withdrawals are freshwater. This number accounts for 42 of our facilities or 60% of our real estate portfolio by square foot, and for about 30,000 employees or 63% of our population. Facility Managers account for all water withdrawn from sources based upon water bills and report to Sustainability team for data collection.
	303-4 Water discharged	BNY Mellon does not actively track water discharge volumes, category, or area. All water is discharged through third-party municipal sewer sources.
	303-5 Water consumption	BNY Mellon uses water in our office facilities for our cafeterias, cooling and heating needs, restrooms, and irrigation. BNY Mellon Enterprise ESG Report 2020, Environmental Sustainability, p.70–73

Aspect: Emissions		
Standard	Disclosure	Our Response
GRI 305: Emissions 2016	GRI 103: Management approach disclosure	BNY Mellon Enterprise ESG Report 2020, Carbon Neutrality and Emissions Reduction, p.72 See CDP Response*
	305-1 Direct (Scope 1) GHG emissions	5,919 Metric Tonnes of CO2
	305-2 Energy indirect (Scope 2) GHG emissions	107,972 Metric Tonnes of CO2
	305-3 Other indirect (Scope 3) GHG emissions	2,259 Metric Tonnes of CO2
	305-4 GHG emissions intensity	See CDP Response*
	305-5 Reduction of GHG emissions	BNY Mellon Enterprise ESG Report 2020, Carbon Neutrality and Emissions Reduction, p.72 See CDP Response*

Aspect: Effluents and Waste		
Standard	Disclosure	Our Response
GRI 306: Effluents and Waste 2016	GRI 103: Management approach disclosure	BNY Mellon Enterprise ESG Report 2020, Environmental Sustainability, p.70-73
	306-1 Water discharge by quality and destination	BNY Mellon does not actively track water discharge volumes. All water is discharged through third-party municipal sewer sources.
	306-2 Waste by type and disposal method	BNY Mellon does not produce hazardous waste. Recycling = 5,323,421 pounds Composting = 3,821 pounds Incineration (mass burn) = 493,828 pounds Landfill = 2,308,741 pounds Waste was disposed of by the waste hauler contractor. Waste data is provided to facility manager regarding frequency of pickup, quantity of pickup, and fate of waste.
	306-3 Significant spills	There were no significant spills that occurred at BNY Mellon in 2020.
	306-4 Transport of hazardous waste	BNY Mellon does not transport hazardous waste.
	306-5 Water bodies affected by water discharges and/or runoff	BNY Mellon discharges all water withdrawals through third-party municipal sewer sources.

Aspect: Environmental Compliance		
Standard	Disclosure	Our Response
GRI 307: Environmental Compliance 2016	GRI 103: Management approach disclosure	BNY Mellon Enterprise ESG Report 2020, Risk Management, p.39–47
	307-1 Non-compliance with environmental laws and regulations	No environmental fines or sanctions were imposed on BNY Mellon in 2020.

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

CATEGORY: SOCIAL

Aspect: Employment		
Standard	Disclosure	Our Response
GRI 401: Employment 2016	GRI 103: Management approach disclosure	BNY Mellon Enterprise ESG Report 2020, Culture & Purpose, p.16–37
	401-1 New employee hires and employee turnover	BNY Mellon Enterprise ESG Report 2020, Diversity, Equity and Inclusion, p.17–25 BNY Mellon Enterprise ESG Report 2020, Employee Engagement and Wellbeing, p.29–33
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	BNY Mellon Enterprise ESG Report 2020, Employee Engagement and Wellbeing, p.32
	401-3 Parental leave	16 weeks parental leave in the U.S., and 16 weeks company-paid maternity leave all other countries

Aspect: Training and Education		
Standard	Disclosure	Our Response
GRI 404: Training and Education 2016	GRI 103: Management approach disclosure	BNY Mellon Enterprise ESG Report 2020, Leadership And Development, p.26–28
	404-1 Average hours of training for employees	BNY Mellon Enterprise ESG Report 2020, Training and Development, p.27–28
	404-2 Programs for upgrading employee skills and transition assistance programs	BNY Mellon Enterprise ESG Report 2020, Training and Development, p.27–28
	404-3 Percentage of employees receiving regular performance and career development reviews	BNY Mellon Enterprise ESG Report 2020, Performance Management, p.28
Aspect: Diversity and Equal Opportunity		
Standard	Disclosure	Our Response
GRI 405: Diversity and Equal Opportunity 2016	GRI 103: Management approach disclosure	BNY Mellon Enterprise ESG Report 2020, Diversity, Equity and Inclusion, p.17–25 2021 Proxy Statement Pay Equity at BNY Mellon BNY Mellon EEO/AA Policy
	405-1 Diversity of governance bodies and employees	BNY Mellon Enterprise ESG Report 2020, Diversity, Equity and Inclusion, p.17–25 2021 Proxy Statement
	405-2 Ratio of basic salary and remuneration of women to men	BNY Mellon Gender Pay Gap Report 2020

Aspect: Human Rights Assessment		
Standard	Disclosure	Our Response
GRI 412: Human Rights Assessment 2016	GRI 103: Management approach disclosure	BNY Mellon Enterprise ESG Report 2020, Protecting Human Rights, p.79–80
	412-1 Operations that have been subject to human rights reviews or impact assessments	BNY Mellon Enterprise ESG Report 2020, Protecting Human Rights, p.79–80 BNY Mellon Human Rights Statement BNY Mellon Supplier Code of Conduct BNY Mellon Modern Slavery Act
	412-2 Employee training on human rights policies or procedures	In order to respond to the UK Modern Slavery Act, we have conducted due diligence in partnership with our legal counsel, procurement team, Human Resources and our CGNSR Committee of the Board of Directors has signed our statement and disclosure. We will report annually on our policies, training, due diligence processes and the effectiveness of our measures to combat modern slavery and trafficking. These efforts build on our Supplier Code of Conduct and Master Agreement templates, which include human rights provisions for all potential new suppliers.
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	We have a Human Rights policy and due diligence process with robust governance, including oversight by our CGNSR Committee of the Board and Executive Committee. In 2016, we created and published a Modern Slavery Act statement, which provides details around our risk mitigation process for our operations and supply chain. This statement was ratified by the Enterprise ESG Committee of the Board of Directors and progress is assessed and is published annually. In 2017, we strengthened our vendor risk management by updating the Supplier Code of Conduct and added a vendor assessment/attestation to ensure that expectations around human rights issues are clear.

Aspect: Local Communities		
Standard	Disclosure	Our Response
GRI 413: Local Communities 2016	GRI 103: Management approach disclosure	BNY Mellon Enterprise ESG Report 2020, Protecting Human Rights, p.79–80 BNY Mellon Human Rights Statement BNY Mellon Supplier Code of Conduct BNY Mellon Modern Slavery Act
	413-1 Operations with local community engagement, impact assessments, and development programs	BNY Mellon Enterprise ESG Report 2020, Our Community Impact, p.34–37 BNY Mellon Enterprise ESG Report 2020, Investing in Communities, p.67–68
	413-2 Operations with significant actual and potential negative impacts on local communities	

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

Aspect: Public Policy		
Standard	Disclosure	Our Response
GRI 415: Public Policy 2016	GRI 103: Management approach disclosure	BNY Mellon Enterprise ESG Report 2020, Advocacy and Political Engagement, p.76–79
	415-1 Political contributions	BNY Mellon Enterprise ESG Report 2020, Political Contributions, p.78

Aspect: Customer Privacy		
Standard	Disclosure	Our Response
GRI 418: Customer Privacy 2016	GRI 103: Management approach disclosure	BNY Mellon Enterprise ESG Report 2020, Risk Management, p.39–47 BNY Mellon Enterprise ESG Report 2020, Information Security, p.46
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	BNY Mellon Annual Report 2020 , Legal Proceedings, p.187 Data Privacy

Aspect: Socioeconomic Compliance		
Standard	Disclosure	Our Response
GRI 419: Socioeconomic Compliance 2016	GRI 103: Management approach disclosure	BNY Mellon Enterprise ESG Report 2020, Risk Management, p.39–47
	419-1 Non-compliance with laws and regulations in the social and economic area	BNY Mellon Annual Report 2020 , Legal Proceedings, p.187

* CDP Response Footnote: CDP formerly the Carbon Disclosure Project www.cdp.net

U.S. Workforce Demographics: EE0-1 Document 2020

Male Workforce

Job categories	Hispanic or Latino	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or More Races	Overall total
Executive/ SR Officials & MGRS	0	9	0	0	2	0	0	11
First/Mid Officials & MGRS	110	2168	108	2	413	0	43	2,844
Professionals	346	4846	351	9	1530	9	146	7,237
Technicians	5	49	11	0	11	0	2	78
Sales Workers	4	62	4	0	2	0	0	72
Administrative Support	301	2430	485	8	370	3	124	3,721
Craft Workers	0	0	0	0	0	0	0	0
Operatives	1	0	1	0	0	0	0	2
Laborers & Helpers	0	0	0	0	0	0	0	0
Service Workers	0	1	0	0	0	0	0	1
Total	767	9,565	960	19	2,328	12	315	13,966
Previous Report Total	798	9,924	1,042	20	2,205	11	311	14,311

Female Workforce

Job categories	Hispanic or Latino	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or More Races	Overall total
Executive/ SR Officials & MGRS	0	4	1	0	0	0	0	5
First/Mid Officials & MGRS	86	1070	147	1	176	2	28	1,510
Professionals	304	2873	403	2	943	5	106	4,636
Technicians	2	35	7	0	3	0	0	47
Sales Workers	0	15	1	0	1	0	1	18
Administrative Support	516	2506	1017	6	577	6	114	4,742
Craft Workers	0	0	0	0	0	0	0	0
Operatives	0	0	0	0	0	0	0	0
Laborers & Helpers	0	0	0	0	0	0	0	0
Service Workers	0	0	0	0	0	0	0	0
Total	908	6,503	1,576	9	1,700	13	249	10,958
Previous Report Total	934	6,732	1,774	10	1,708	14	225	11,397

Male and Female Combined Totals

	Hispanic or Latino	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or More Races	Overall total
Total	1,675	16,068	2,536	28	4,028	25	564	24,924
Previous Report Total	1,732	16,656	2,816	30	3,913	25	536	25,708



**VERIFICATION OPINION DECLARATION
GREENHOUSE GAS EMISSIONS**

To: Stakeholders of BNY Mellon

APEX Companies LLC, (Apex) was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by BNY Mellon for the period stated below. This Verification Opinion Declaration applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of BNY Mellon. BNY Mellon is responsible for the preparation and fair presentation of the GHG emissions statement in accordance with the criteria. Apex’s sole responsibility was to provide independent verification opinion on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze and review the information. Apex is responsible for expressing an opinion on the GHG emissions statement based on the verification. Verification activities applied in a limited level of assurance verification are less extensive in nature, timing and extent than in a reasonable level of assurance verification.

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

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

Types of GHGs: CO₂, N₂O, CH₄, HFCs

GHG Emissions Statement:

Electricity Consumption Megawatt Hours (MWH) for 2020	
Electricity Consumption MWH	273,460
Purchased Renewable Energy Certificates (RECs), Guarantees of Origin (GOs) and other renewable electricity instruments in MWH applied to Scope 2 Emissions from Purchased Electricity	281,861
BNY Mellon Entity-Wide GHG Emissions for 2020	
Scope 1 Emissions - Metric Tonnes (mt) of CO ₂ equivalent (CO ₂ e)	5,919
Scope 2 Emissions – Location Based mt CO ₂ e	107,972
Scope 2 Emissions – Market Based mt CO ₂ e (purchased steam emissions and electricity emissions not covered by renewable electricity instruments)	2,440
Scope 3 Emissions – Category 6 Business Travel mt CO ₂ e	2,259
Total Scope 1 + Scope 2 Market Based + Scope 3 Business Travel mt CO₂e	10,618
GHG Emission Offsets and Net Emissions for 2020	
Purchased GHG Emission Offsets mt CO ₂ e	14,500
Net Emissions CO₂e (Scope 1 + Scope 2 Market Based + Scope 3) - Purchased GHG Emission Offsets	0

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

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

Period covered by GHG emissions verification:

- Calendar Year 2020: January 1, 2020 to December 31, 2020

Criteria against which verification conducted:

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

Reference Standard:

- ISO 14064-3 Second Edition 2019-04: Greenhouse gases -- Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

Level of Assurance and Qualifications:

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

GHG Verification Methodology:

Evidence-gathering procedures included, but were not limited to:

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

Verification Opinion:

Based on the verification process and procedures conducted to a limited assurance level of the GHG emissions statement shown above, Apex found no evidence that the GHG emissions statement:

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



It is our opinion that BNY Mellon has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

Statement of independence, impartiality and competence

Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

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

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

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

Attestation:

A handwritten signature in blue ink, appearing to read 'Mary E. Armstrong-Friberg'.

Mary E. Armstrong-Friberg, Lead Verifier
Principal Consultant
APEX Companies, LLC
Cleveland, Ohio

A handwritten signature in blue ink, appearing to read 'David Reilly'.

David Reilly, Technical Reviewer
Principal Consultant
APEX Companies, LLC
Santa Ana, California

April 20, 2021

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

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