

# ESG REPORT 2022

## EXECUTIVE SUMMARY

### Positioned for an Increasingly Complex Financial World

Today, BNY Mellon enables capital markets around the world through comprehensive solutions that help clients manage and service their financial assets. Relentlessly client-focused, with an almost 240-year legacy of client and industry trust, we help our clients operate reliably and efficiently through changing market environments. Across our platform, we touch around 20 percent of the world's investable assets. We're committed to using our global reach and resources to help foster a broader and more inclusive financial system capable of meeting the complex challenges our clients face related to environmental, social and governance (ESG) topics, including climate change and energy transition. That commitment extends to helping our clients to meet their own sustainability goals.

### Almost 240 Years of Forward Thinking

We've been at the forefront of change ever since 1784, when we were founded by Alexander Hamilton, the first U.S. Secretary of the Treasury. We have weathered times of calm and crisis, and we have done it by adapting, refining and consistently innovating our services.

Our businesses across Securities Services and Digital, Market and Wealth Services, Investment Management and Wealth Management, provide an end-to-end view of the investment lifecycle for clients to create, trade, hold, manage, service, distribute or restructure investments. As a comprehensive platform for financial markets, we offer trusted expertise, value and insights not just to financial clients, but to communities, businesses, and the people in the regions in which we operate.

Our pivotal role in the global markets, as the largest global custodian<sup>1</sup> with an extensive reach servicing \$46.6 trillion in assets under custody/administration and our role as one of the world's leading investment management organizations with \$1.9 trillion in assets under management, provides us with opportunity to deliver shareholder value and sustainable growth. With access to some of the world's most expansive data sets, we are positioned to drive innovative client solutions that can help address sustainability challenges.

We leverage our resources and role in the global financial ecosystem to make a positive impact within our enterprise, on our clients and on society.



BNY Mellon takes its role seriously, and the services we provide to clients both strengthens the [financial] system and goes hand-in-hand with our responsibility to deliver shareholder value and sustainable growth.”

ROBIN VINCE  
PRESIDENT AND  
CHIEF EXECUTIVE OFFICER

<sup>1</sup>By assets as of 3/31/2023, Global Custodian.

We're committed to using our global reach and resources to help foster a broader and more inclusive financial system.

## Managing ESG and Sustainability

We consider the effects our business has on the environment and regions around the world where we operate, as well as the effects that these factors can have on our business.

Individually, our clients are challenged to meet their own sustainability goals and navigate new risk management and regulatory compliance requirements. Collectively, market participants are looking for financial solutions and opportunities in response to global challenges, including energy transition, building climate resilience, and ensuring markets enable and benefit from full participation across historically underserved and underrepresented communities. Building resiliency in financial markets requires that we focus on helping identify the solutions to these challenges on behalf of our clients.

## A Strategy Powering a World of Difference

Our 16<sup>th</sup> annual report outlines how we address our company's environmental and social impact, our governance structures, and how we integrate ESG considerations as we act cross-functionally and across our lines of business. Our report has been prepared in accordance with the Universal Standards of the Global Reporting Initiative (GRI) Standards and sections of the report are guided by the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations; it is available in full on [www.bnymellon.com/futurefirst](http://www.bnymellon.com/futurefirst).

### Our ESG Framework

We believe that the strength of our client solutions is underpinned by our own actions and behavior as an enterprise. Our approach to identifying and managing ESG topics focuses on two key areas:

#### Enterprise ESG

We apply an ESG lens across our enterprise, leveraging the diversity of our people and supporting their wellbeing, driving responsible business practices and supporting communities. Our strategy reflects our company's and our key stakeholders' priorities: Culture and Purpose, Responsible Business and Global Citizenship. These principles guide us in prioritizing how we integrate ESG considerations into our operations to address risks and opportunities.

#### Sustainable Client Solutions

We create and deliver products and services that can help our clients meet their investment objectives and advance toward their own sustainability goals. This includes offering responsible investment options, tools and analytics capabilities designed to provide a clear path to responsible investing, and an end-to-end suite of ESG financial infrastructure services.

### ESG Materiality and Governance

We focus on the ESG topics that are important to our stockholders and other stakeholders. The topics identified in our most recent ESG materiality assessment have informed our ESG strategy and led to the establishment of our 2025 goals and key performance indicators (KPIs). We continue to report against these goals to guide our actions.

The work of considering and integrating ESG topics across all levels of our enterprise extends from the highest level of leadership to employees across the globe. The company's Enterprise ESG governance structure includes the various groups that support our approach to ESG. The Corporate Governance, Nominating and Social Responsibility (CGNSR) Committee of the board of directors is responsible for oversight of ESG matters. The Business Management and Client Committee (BMCC), composed of a subset of Executive Committee members, is responsible for reviewing ESG strategies, guidelines, and policies. The ESG Advisory Council, composed of senior employees with ESG expertise, provides input and recommendations to the BMCC.

### Key Accomplishments






In 2022, BNY Mellon leveraged our purpose and value driven culture, as well as core capabilities, to develop compelling sustainable solutions enabled by the breadth of our offerings.

- **Research on Inclusive Investment:** BNY Mellon Investment Management published global research, *The Pathway to Inclusive Investment*, which explores the key drivers behind the gender-investment gap.
- **BOLD Shares:** To support the focus on inclusive investing, the largest money market mutual fund at Dreyfus (a BNY Mellon company) launched BOLD® (Black Opportunity for Learning and Development) shares in February 2022.
- **Promoting Economic Opportunity Via Community Banking:** As of June 2023, we made an \$8 million deposit to supplement South Carolina-based Optus Bank's investments and support its mission of investing in underserved communities. Additionally, we have renewed our 10-year-old Small Business Investment Company (SBIC) fund program.
- **Offering Employees Equity:** We provided eligible employees an award of BK Restricted Stock Units, or BK Shares, starting in February 2023, offering employees the opportunity to build wealth by owning a stake in the company.
- **Ukraine Response:** Together with our employees, we donated over \$2 million to non-governmental organizations providing humanitarian assistance and protection to civilians.
- **Research on Sustainable Finance:** BNY Mellon Investment Management published *An Investor's Guide to Net Zero by 2050* highlighting more than half of the \$100 trillion investment required to "green" global infrastructure in emerging markets.
- **African Liquidity and Sustainability Facility:** We played a critical role in launching an innovative tri-party repo platform for the Liquidity and Sustainability Facility (LSF) designed by the United Nations Economic Commission for Africa. Our Clearance and Collateral Management and Corporate Trust divisions collaborated to launch the platform offering an access point for African bonds.
- **Data and Analytics:** We enhanced our ESG Data Ecosystem to integrate additional data sources and add a managed data service that provides raw, curated, and enriched data to clients to support clients in their compliance with Sustainable Finance Disclosure Regulation (SFDR). We also developed an ESG Regulatory Reporting Solution offering an end-to-end production service for the pre-contractual and periodic disclosures this regulation requires.
- **Industry Participation:** We joined the Taskforce on Nature-related Financial Disclosures' (TNFD) Forum to support the development of a framework for managing and disclosing nature-related risks and opportunities.
- **Environmental Sustainability:** We decreased our Scope 1 and 2 emissions by 32% relative to our 2018 baseline, achieved carbon neutrality in our operations for the eighth consecutive year<sup>2</sup> and paper neutrality in our operations globally.

We believe that the strength of our client solutions is underpinned by our own actions and behavior as an enterprise.

<sup>2</sup>For Scope 1 and Scope 2 GHG emissions, including our data centers, as well as Scope 3 business travel emissions through the use of renewable energy and carbon offsets.

## Awards and Recognition

<p>Member of <b>Dow Jones Sustainability Indices</b> Powered by the S&amp;P Global CSA</p> <p><b>Dow Jones Sustainability North America Index (DJSI)</b></p> <p>9 consecutive years</p>	 <p><b>2023 Bloomberg Gender-Equality Index</b></p> <p>5 consecutive years</p>	 <p><b>FTSE4Good Global Benchmark Index</b></p> <p>10 consecutive years</p>
 <p><b>Best Places to Work for LGBTQ+ Equality 2022</b></p>	 <p><b>Barron's 100 Most Sustainable Companies for 2022</b></p>	 <p><b>JUST 100</b></p>

Learn more at [BNY Mellon Awards and Recognition](#).

For a glossary of terms, the TCFD Index, the GRI Standards Index, the UN Global Compact Communication on Progress, and the EEO-1 data, see the Appendix in the [full report](#).

Full legal notices, disclaimers and disclosures can be viewed in the [full report](#).



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