

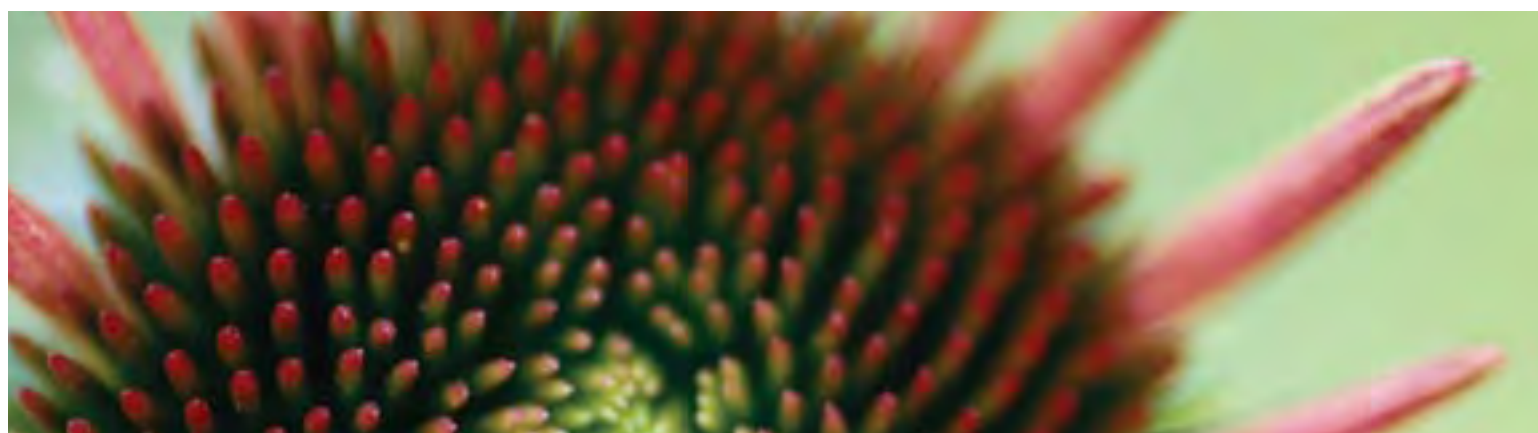


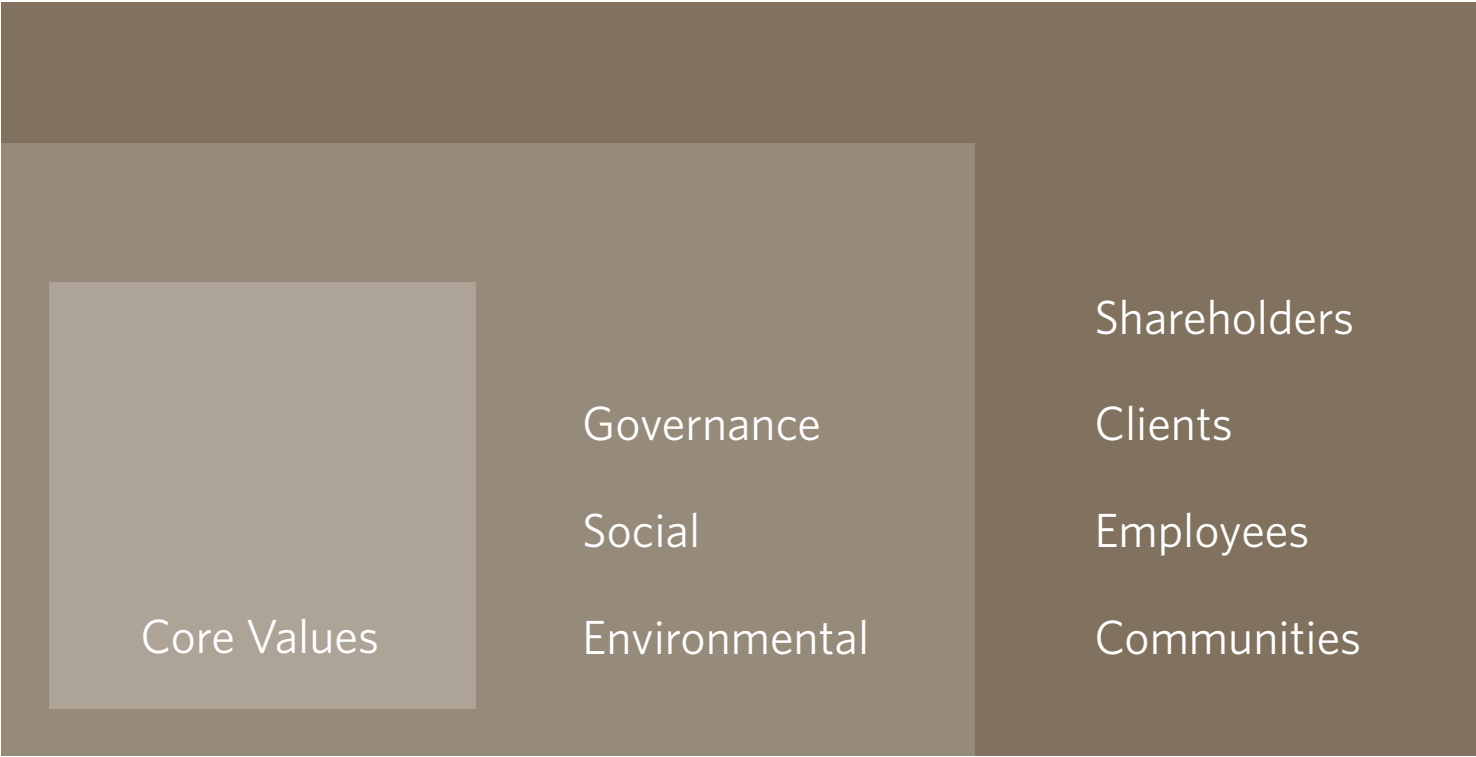
THE BANK OF NEW YORK MELLON



# Focus on Sustainability

Corporate Social Responsibility | 2008 Report





# Our Corporate Social Responsibility Model

Our Corporate Social Responsibility (CSR) program is strongly linked to our company's core values of Client Focus, Trust, Teamwork and Outperformance. Our CSR commitment dovetails with what we do each day to demonstrate those values to our clients, our shareholders, our colleagues and our communities.

In a time of unprecedented challenges for the financial services industry, our values are integral to our ability to outperform for all our stakeholders. Our success as a company is directly connected to the trust we inspire by acting with the highest standards of ethics and compliance. And it's never been more important to work as a team, communicating frequently and openly about the challenges and opportunities ahead. As a leader in the global financial services industry, we have a clear responsibility to live our values as we fulfill critical commitments to our stakeholders — while always staying focused on our clients and on the future.

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# Letter from Our Chairman

In a period of unprecedented market turmoil, during 2008 we remained focused on creating long-term value for our clients and shareholders, opportunities for our employees and positive change in the communities where we live and work.

Despite a very challenging environment, we met and exceeded the goals we set forth in last year's report. Among our accomplishments, we:

- Outperformed the S&P Financials in total shareholder return during a period of significant market stress
- Achieved top rankings for client service while helping clients navigate the turbulent waters
- Introduced new programs to enrich career development for our employees
- Implemented a comprehensive plan to make our operations more environmentally friendly
- Adopted a philanthropic focus on supporting agencies and organizations that help low-income individuals and families achieve financial stability

As we move through 2009, we pledge to continue our focus on sustainability in each of these areas. And the difficult financial and economic environment dictates two key areas of special focus:

- With our clients' resources and operations under pressure, we will work harder than ever to provide them with the highest levels of service and support
- And at a time when disclosure and transparency are paramount, we also promise to be clear about our intentions and transparent in our actions and our reporting and to foster open communication with all stakeholders

In a volatile market environment, we are challenged to balance our ambitions with reality. However, we remain confident in our continued ability to deliver on our commitments and promote a culture that sets and holds high standards for corporate citizenship.

I invite you to provide us your feedback and ideas on our performance (one easy way to do so is email us at [csr@bnymellon.com](mailto:csr@bnymellon.com)). I look forward to updating you a year from now on our progress.



**Robert P. Kelly**  
Chairman and Chief Executive Officer  
The Bank of New York Mellon

A handwritten signature in black ink that reads "Bob Kelly". The signature is written in a cursive, slightly stylized font.

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## Global Leader in Asset Management and Securities Servicing

US\$20.2 trillion in assets under custody and administration

US\$928 billion in assets under management

US\$11 trillion in outstanding debt serviced

Worldwide staff of more than 42,900

## Serving an Extensive Client Base

85% of the Fortune 500

74% of the Fortune 1,000

68% of the Global 500

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# Our Company

The Bank of New York Mellon builds on the tradition of outperformance in global financial services established by its predecessor companies, The Bank of New York and Mellon Financial Corporation.

We are a global financial services company focused on helping clients manage and service their financial assets, operating in 34 countries and serving more than 100 markets. A leading provider of financial services for institutions, corporations and high-net-worth individuals, we provide superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team.

## Our Businesses

- **Asset Management**  
A leading global provider of investment management products and services.
- **Asset Servicing**  
Helping clients worldwide enhance the management, administration and oversight of their investment process
- **Wealth Management**  
Intensely focused on meeting each client's distinct needs through investment management, wealth and estate planning, private banking, asset servicing and information management
- **Issuer Services**  
Offering the industry's leading suite of comprehensive corporate trust, depository receipt and shareowner services
- **Clearing Services**  
An industry-leading provider of operational support, trading services, investment solutions and practice management for financial institutions and independent registered investment advisors
- **Treasury Services**  
Delivering high-quality performance in global payments, trade services, cash management, capital markets, foreign exchange, derivatives and liquidity services



# Our Corporate Social Responsibility (CSR) Statement

Social responsibility is fundamental to The Bank of New York Mellon's culture and core values. It reflects the corporate social commitments we make to our clients, shareholders, employees and to our communities around the world. These commitments drive us to perform with the highest standards of good governance and ethics; provide products and services that meet the rising expectations of our clients and business partners; attract and retain quality employees; provide meaningful support in our communities; and improve the social and environmental impacts of our business practices and those of our suppliers.

## OUR CSR COMMITMENTS

- Ensure sound corporate governance and compliance practices, and increased transparency on reporting on those activities
- Maintain ethical policies and provide training to ensure that all employees perform with high standards of integrity and ethics
- Develop and enhance products and services that provide social and environmental options for clients and prospects
- Continue to provide talent management and well-being programs committed to supporting a diverse environment where employees can thrive and excel
- Drive corporate philanthropy that advances quality of life where our employees and clients work, live and do business
- Implement and/or expand environmentally sustainable management and business practices
- Build relationships with suppliers whose CSR goals and activities are aligned with our expectations
- Improve programs that ensure proper risk management and data security
- Provide active and engaged CSR oversight including establishment of key performance indicators and communication of progress

# Key Performance Indicators

| 2008 GOAL   | 2008 RESULTS   | 2009 GOALS  |
|---|--|---|
| <b>GOVERNANCE/ETHICS/COMPLIANCE/SHAREHOLDERS</b>                          |  |   |
| <b>Board Governance</b>   |  |   |
| CSR Committee reviews performance three times in 2008                     | CSR Committee adopted rigorous review process and met four times in 2008   | CSR Committee continue rigorous review process  |
| <b>Ethics/Compliance</b>  | Exceeded 6 of 8 benchmarks measuring employee attitudes toward our compliance and ethics program   | Continue high level of performance in annual survey   |
| <b>Political Activity &amp; Lobbying</b>                                  | Examined current practices and benchmarked against peer companies  | Update policies to reflect current environment and institute board oversight; communicate practices to public |
| <b>Shareholder Reporting Transparency</b>                                 |  |   |
| Publish first CSR Report  | Published first CSR Report   | Continue CSR reporting and enhancing the depth and transparency of shareholder reporting                      |
| <b>CLIENTS/PRODUCTS</b>   |  |   |
| <b>Client Satisfaction</b>  |  |   |
| Achieve 80%+ positive ratings on all client satisfaction standard metrics | Completed surveys for 7 of 9 business lines; remaining 2 scheduled for Q1 2009; ratings at or near 80% positive  | Maintain or improve positive ratings; improve relationship areas targeted from 2008 surveys                   |
| <b>Socially Responsible Products</b>                                      |  |   |
| Launch two socially responsible products and grow existing offerings      | Launched 2 funds   | Increase flows to socially responsible investment products  |
|   | Voluntary Carbon Unit (VCU) registry client numbers increased 200%, VCU volume increased 600%  | Launch expanded carbon services offering and grow membership and credits under management                     |
| <b>EMPLOYEES</b>  |  |   |
| <b>Performance Management Program</b>                                     |  |   |
| Global rollout of Performance Management Program                          | Global program rolled out, including goal setting and mid-year and year-end review process. Continued to create a performance management-based culture | Global implementation of on-line Performance Management Program   |
| <b>Employee Engagement</b>  |  |   |
| Engagement survey response plans developed                                | Response plans developed; second annual survey distributed to employees globally; 90% of 2008 ranking targets were met                                 | Continue to work toward achieving first quartile performance by 2010  |
| <b>Affinity Networks</b>  |  |   |
| Implementation of governance structure                                    | Active affinity networks for all four major categories   | Continue global expansion   |

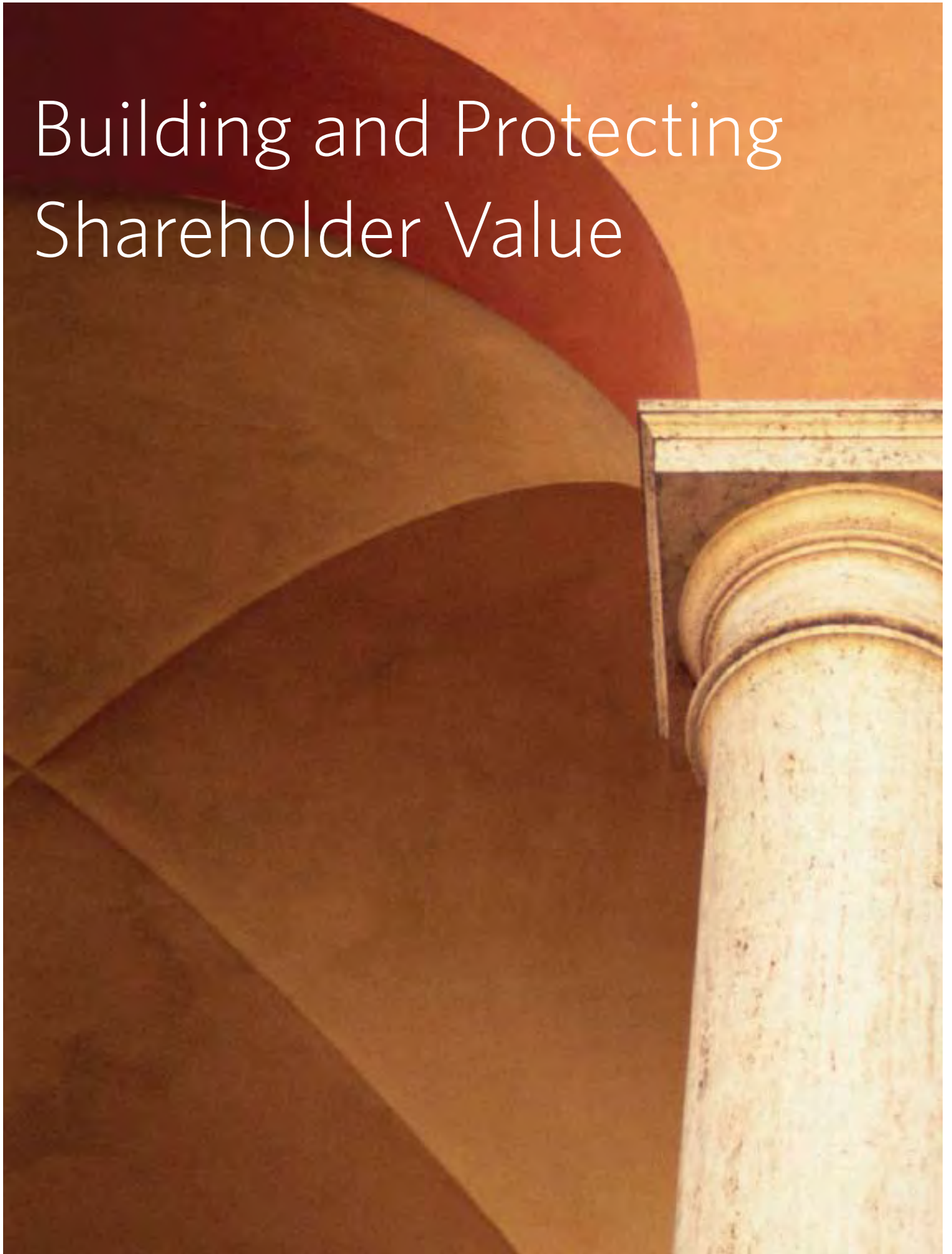


A core discipline to our focus on sustainability and managing our corporate social responsibility is establishing key performance indicators and monitoring and reporting our progress to the CSR Committee of the Board and the public.



| 2008 GOAL  | 2008 RESULTS   | 2009 GOALS  |
|--|--|---|
| <b>ENVIRONMENTAL SUSTAINABILITY</b>  |  |   |
| <b>Environmental Management System</b>   |  |   |
| Adopt Environmental Statement and Commitments  | Adopted; currently being implemented   |   |
| Develop management plan (energy and paper usage, emissions, waste)   | Measured energy, recycling and carbon emissions for managed buildings, purchased alternative energy and launched employee engagement program                             | Continue to make material progress in each area of commitment                                   |
| <b>Suppliers Engaged</b>   |  |   |
| Become aware of suppliers' CSR programs by requesting/collecting CSR information                                 | CSR information collected for corporate RFPs, 48% of suppliers provided materials  | Review CSR programs of all major suppliers  |
| <b>COMMUNITY</b>   |  |   |
| <b>Impact of Philanthropy</b>  |  |   |
| Select & launch two major impact programs  | Philanthropic strategy refined; financial stability launched as focus for both corporate philanthropy and employee giving program  | Produce meaningful and measurable results from major impact programs                            |
| <b>Level of Employee Engagement in Community Partnership Program</b>   |  |   |
| 48% of employees giving \$7M<br>10% of employees volunteer through corporate programs                            | Employees pledged over \$8M (30% increase) and completed over 450 team volunteer and fundraising projects globally (100% increase); total employee participation was 48% | Sustain value of giving and employee engagement in this difficult economic environment          |
| <b>Community Reinvestment Act (CRA) Ratings</b>  |  |   |
| Continue CRA strategy in re-organized institutions to maintain ability to achieve Satisfactory or better ratings | Continued ability to maintain Satisfactory or better ratings   | Maintain our ability to achieve Satisfactory or better ratings during upcoming CRA examinations |
| <b>Supplier Diversity</b>  |  |   |
| 12% total spend on priority vendors  | Exceeded spending goal on priority vendors   | 13% total spend on priority vendors   |

# Building and Protecting Shareholder Value





We are committed to maximizing and protecting the value of our franchise. Key to fulfilling this commitment is our focus on:

- Strong governance
- Rigorous compliance and ethics standards
- Focus on creating superior shareholder value
- Responding to the global financial crisis
- Appropriate political contributions and lobbying activities

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### Independence of the Board

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Independent Members  
13

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Non-independent Members  
2

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### Strong Governance

Our board of directors has the primary responsibility to oversee The Bank of New York Mellon's management in the interest of the company and its shareholders. The board of directors is subject to our Corporate Code of Conduct and our Corporate Governance Guidelines (available at [bnymellon.com/ethics](http://bnymellon.com/ethics)). Non-management directors regularly hold executive sessions without management at each regularly scheduled board and committee meeting.

In fulfillment of their duties and responsibilities, board members engage in ongoing communications with senior management and have full access to all employees. Interested parties may report any concerns about business conduct, accounting practices, auditing matters or any other matter to the lead director of the board.

Corporate Social Responsibility (CSR) for the company is managed by dedicated specialists who work with business areas across the company. They are accountable to the Corporate Social Responsibility Committee of the Board, which is made up entirely of independent directors. The CSR Committee regularly reviews and discusses each of the areas covered by the Key Performance Indicators (shown on pages 4 & 5), as well as development of this annual report.

### Rigorous Compliance and Ethics Standards

Our Compliance and Ethics Program is designed to help ensure our company complies with all laws and regulations and maintains the highest possible standards of ethical conduct.

Each employee has personal responsibility for meeting these standards. Because our business is in a fast-paced, ever-changing environment, we recognize how critical it is that the entire

workforce be well trained to understand the importance of their role in the process. In 2008 we introduced a number of key initiatives to support this effort, including:

- A year-long awareness campaign to remind all employees of the importance of recognizing causes for concern, taking responsibility for talking to someone and reporting any incidents.
- Ethics training focused on real-life scenarios.
- A broad employee survey to benchmark our level of engagement on these issues against other institutions.
- Bi-monthly communications to employees that illustrate real-life examples of how to avoid pitfalls and that emphasize everyone's personal accountability.

## Focus on Creating Superior Shareholder Value

We are committed to creating long-term value for our shareholders. Our businesses are revenue-led, driven by organic growth and market share gains and supplemented with incremental acquisitions or divestitures. Our long-term financial goals are focused on achieving superior total shareholder returns by generating first-quartile earnings per share growth over time relative to a group of peer companies. Key components of this strategy include:

- Providing the best client service versus peers, as measured through independent surveys
- Strong investment performance, relative to investment benchmarks
- Above-median revenue growth, relative to peer companies for each of our businesses
- Increasing the percentage of revenue and income generated outside the U.S.
- Competitive margins
- Positive operating leverage

We provide quarterly and annual reports of our financial results, host quarterly conference calls to discuss our results and participate in financial services conferences to review our strategy, objectives and results. Our senior management is actively engaged with our shareholders, securities analysts, rating agencies and others in the investment community, utilizing their feedback to enhance our disclosures. Our goal in our financial disclosures is to provide the highest level of transparency possible.

## Responding to the Global Financial Crisis

During a period of unprecedented market turmoil, we demonstrated our strength and resilience, and continued to support our clients. Here are just a few of the actions we took to deal with these unprecedented times.

- The board convened several special sessions to discuss our response to the financial crisis. We were also actively engaged with regulators, government officials and clients in an effort to stem the turmoil in the global markets. These efforts, along with our selection by the U.S. Treasury as financial agent in support of the Troubled Asset Relief Program, enhanced our status as a critical part of the world's financial infrastructure.
- We utilized the \$3 billion in capital that was invested in us by the U.S. Treasury in a number of ways, including the purchase of mortgage-backed securities and debentures issued by U.S. government-sponsored agencies to help increase the amount of funds available to qualified borrowers in the residential housing market. We also purchased debt securities of other healthy financial institutions and continued to make loans to other financial institutions through the interbank lending market.

We are committed to creating long-term value for our shareholders. Our businesses are revenue-led, driven by organic growth and market share gains and supplemented with incremental acquisitions or divestitures.



- We provided support to clients invested in money market mutual funds, cash sweep funds and similar collective funds principally impacted by the Lehman Brothers bankruptcy. It was the right thing to do for our clients and helped contribute to the stability in the overall market.
- We grew operating revenue, reduced operating expenses and were profitable in every quarter in 2008.\* We maintained excellent liquidity and had the highest credit rating among U.S. financial institutions by Moody's and the second highest credit rating by Standard & Poor's.

*\*Operating revenue excludes the impact of securities write-downs and charges related to structured lease transactions.*

### Appropriate Political Contributions and Lobbying Activities

Political contributions and lobbying have received a great deal of public attention this past year. Although we have always followed the relevant laws in this area, we have re-visited our policies to ensure that we not only adhere to the many and often changing laws, but proactively anticipated any possible appearance of inappropriate activity. We have a carefully managed political action committee with broad employee participation. In 2009, we will continue to improve our corporate policies governing lobbying, political fundraising and other political activities to ensure these actions will not adversely impact our reputation or create any perception of impropriety among our clients.





# Creating Value for Clients



We are committed to delivering exceptional service and products that support client interest in sustainability. Key areas of focus include:

- Ensuring client satisfaction
- Expanding socially responsible investments
- Growing the environmental commodities market

### Ensuring Client Satisfaction

Client satisfaction is key to growing our company and building our brand. When we deliver great service and value for our clients, it fosters a high level of loyalty and often leads to new business opportunities.

We monitor client satisfaction by conducting annual surveys of clients across our major business areas. We collect feedback from more than 3,000 clients every year and use it to take action on client input about our products and services. Clients' attitudes about our brand can also affect marketplace perceptions. In annual marketplace surveys, we assess our brand strength using ratings from more than 1,400 prospects and clients concerning the awareness and reputation of our brand. Our businesses also participate in a large number of customer satisfaction and performance surveys conducted by trade publications and industry groups.

Client satisfaction levels and brand strength measures are reported to our company's Executive Committee throughout the year as updated data becomes available. The committee assesses progress against goals and then defines appropriate follow-up actions to ensure the best possible client satisfaction and brand strength.

### Expanding Socially Responsible Investments

During 2008, in spite of adverse market conditions, we continued to expand our offerings of socially responsible

investment (SRI) options for the market.

Options include:

- The Mellon First Principle Fund, which is a hedge fund of funds comprised of hedge funds that follow socially responsible principles related to avoidance of certain types of business, such as production of weapons of mass destruction and pornographic materials. It meets the needs of many religious organizations and grew to almost \$225 million in assets.
- A similar strategy we launched through Newton in the UK, with heavier environmental emphasis to serve charitable entities in Europe.
- The Dreyfus Global Sustainability Fund, launched in December with \$5 million of seed capital, focuses on the environment, seeking businesses having a positive environmental impact and avoiding those with a negative impact.
- The Dreyfus Third Century Fund, which was among the first SRI funds available in the market, concentrates on companies with a positive impact on society. Due to overall market performance, it declined to \$235 million in assets.

In 2009, we look to further promote these funds in appropriate markets.

### Growing the Environmental Commodities Market

In 2008, we founded a Global Environmental Markets business (GEM) unit to provide services to support the growing market for environmental commodities. GEM brings together the expertise and skill set from several products within our corporate trust business. Services include the voluntary

"Together, The Bank of New York Mellon and BP targetneutral recognize the need for transparent and credible registries to support the evolution of the voluntary carbon market. BP targetneutral was among the first retail offset providers to open a registry account with The Bank of New York Mellon."

#### — BP TARGETNEUTRAL

carbon unit (VCU) custody service, carbon offset escrow services and custody and trade settlement services.

The VCU custody service was created to become a means of accounting for Voluntary Carbon Standard offset units, and aims to streamline and legitimize the trading process of VCUs. This centralized, electronic accounting system stores VCUs, assigns each a unique serial number for tracking and verification purposes and provides clear parameters for defining account ownership.

The carbon escrow service supports the market for Kyoto Carbon Emissions Credits and allows for the secure transfer of both credit positions and proceeds between the buyer and seller utilizing our services as a trusted third party mediating the transaction.

In 2008, our VCU registry and custody service client base doubled in size and the volumes of credits increased six-fold.

In 2009, we will be launching a new technology platform designed to facilitate trading among buyers and sellers of credits, as well as maintain records of various carbon credits positions. We also plan to expand the types of services offered to include clearing services, such as management of post trading, reporting/monitoring and netting of trades, as well as expanding the list of supported carbon offset instruments.



A photograph of a rowing team in a pool during a sunset. The rowers are in a line, with their oars visible. The water is splashing, and the sky is a warm orange color. The text "Creating a Positive Work Environment" is overlaid in white at the bottom left.

# Creating a Positive Work Environment

“... We’re living through a very interesting time. I firmly believe that when the history of this market turmoil is written, The Bank of New York Mellon will be portrayed as a company that really helped its clients navigate turbulent waters and was an active part of the solution. And if the authors do their homework, they’ll surely note how the people of this company have performed these past few weeks — flawlessly.”

— BOB KELLY’S BLOG TO EMPLOYEES, OCTOBER 1, 2008

In 2008, we continued to focus on supporting one of The Bank of New York Mellon’s most critical assets, our employees. Key initiatives included:

- Managing for peak performance
- Engaging our employees
- Offering support for life’s challenges
- Embracing diversity and fostering inclusion
- Communicating in a timely and candid manner

### Managing for Peak Performance

2008 was a milestone year for Performance Management at The Bank of New York Mellon. We launched a consistent program globally that includes goal setting, mid-year reviews and year-end assessments. In this way, we’ve created the opportunity for ongoing dialogue between managers and their employees.

We’ve built our Performance Management Program (PMP) on a solid foundation by offering a variety of tools and training resources for managers and employees. All employees have the opportunity to discuss their professional goals with their manager and can create an individual plan to support their professional development.

We’re also making sure that our PMP supports our corporate diversity and inclusion commitment by requiring that all employees worldwide have diversity goals as part of their performance goals. Our program also measures results and the progress employees make in living our company values and exhibiting our core professional competencies.

Our next step is to automate our PMP in 2009 with the MyPerformance online tool, offering an even greater level of support to managers and employees as they work to reach their goals.

Engaging Our Employees

Employee engagement — ensuring our workforce remains energized and involved — continues to be an ongoing focus and priority. In 2008, our second annual companywide employee engagement survey elicited a world-class participation rate of 76 percent. Our results, which we are sharing with employees, showed continued progress and improvement in several key areas of focus. In addition, employees overwhelmingly affirmed our values of Client Focus, Trust, Teamwork and Outperformance. All lines of business and shared services have created action plans to address their specific survey results.

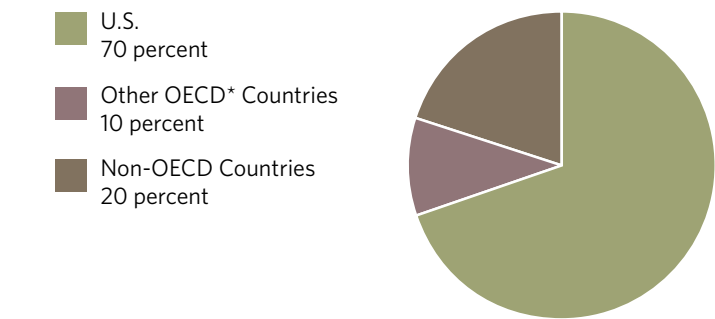
Offering Support for Life’s Challenges

In this difficult economic climate, our Wellbeing, LifeWorks Work/Life and Employee Assistance programs offer employees support for everyday issues, including managing stress and dealing with financial concerns. These programs help educate, encourage and empower employees to find balance in their lives. Employees are made aware of all of the opportunities available in their area through the employee intranet, MySource, and broadcast e-mails to targeted locations.

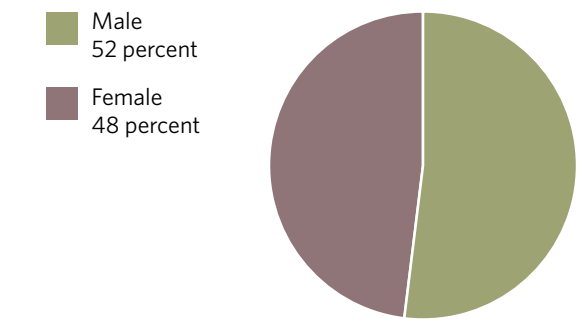
Embracing Diversity and Fostering Inclusion

To provide mentoring, networking and development opportunities for our diverse population, we sponsor four companywide affinity networks. These are groups of employees that are formed around a shared characteristic. Current networks focus on women; multicultural employees/employees of color; employees with disabilities; and gay, lesbian, bisexual and transgender employees and their allies.

Global Distribution of Employees



Gender Distribution of Employees



Employee Turnover Rates

|                      | Total      | Female     | Male       |
|----------------------|------------|------------|------------|
| Overall              | 15 percent | 16 percent | 15 percent |
| U.S.                 | 15 percent | 15 percent | 15 percent |
| Other OECD Countries | 18 percent | 18 percent | 18 percent |
| Non-OECD Countries   | 13 percent | 16 percent | 11 percent |

\*The Organisation for Economic Co-operation and Development (OECD) member countries, including the U.S., are committed to democracy and the market economy to support sustainable economic growth, among other initiatives.



With membership of almost 6,000 employees worldwide, the groups have all held major kick-off events and hosted many learning and networking events. The events are open to all employees, not just members, and the groups often work together to co-sponsor events.

In 2009, it is expected that the networks will continue to expand globally.

### Communicating in a Timely and Candid Manner

At a time of great uncertainty for the financial services industry, we focused on ensuring timely and candid communication with our people. Key areas of focus included:

- **CEO Outreach** — As a matter of course, CEO Bob Kelly reaches out to employees through his blog on the company's intranet, as well as through e-mail communications, town hall meetings, webcasts and the Ask Bob mailbox. But the events of 2008 created a need for more frequent and timely communications.

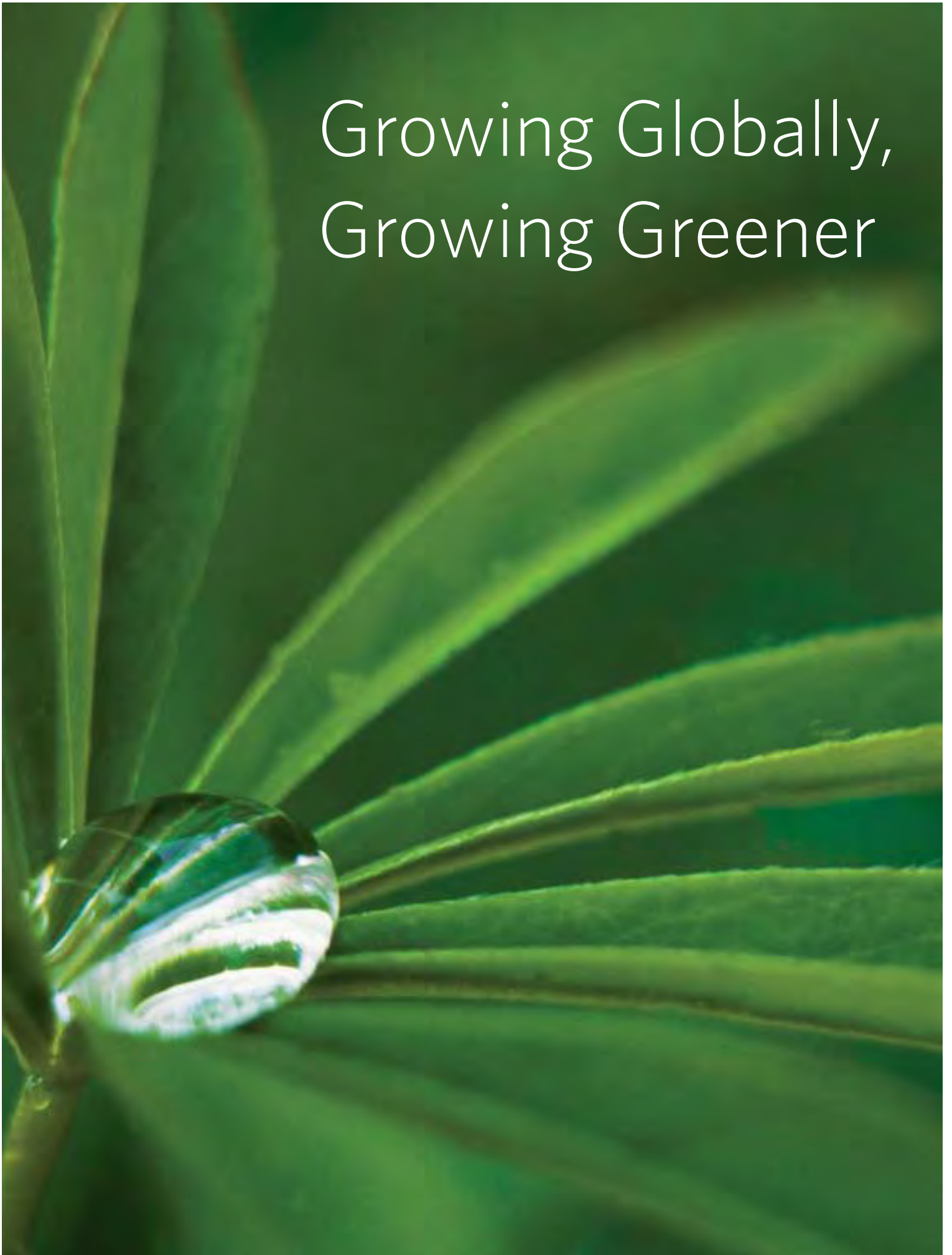
In the critical eight weeks following the Lehman Brothers collapse, Bob communicated with employees through more than one dozen e-mails and blog entries. He utilized his blog, which is posted on the company intranet, MySource, to work through the implications of the headlines, encourage employees to remain focused on their clients, and underscore the core strength of our company.

In late October, Bob held a town hall meeting about the financial environment and its challenges and opportunities. The meeting and its follow-up Q&A session were videotaped and made available via the Internet to all employees globally.

Many employees responded by sending questions, comments and suggestions to the Ask Bob mailbox, each of which were individually answered. Some simply wanted to say thank you. In the words of one: "Please keep up the excellent communications. It is much appreciated in these turbulent times."

- **Crisis Communication** — Two crises directly impacted our employees: Hurricane Ike in the Houston area and the terrorist attacks in Mumbai, India. The Corporate Communications team worked 24/7 through both events to ensure that employees received timely and accurate updates about business recovery efforts and the safety of their colleagues.
- **Manager Communication** — Recognizing the importance of managers to the communication process, we provided Web-based training to help ground managers in the basics and importance of staff communication and prepare them to communicate on specific issues. We also instituted monthly talking points to equip managers to discuss business developments and initiatives around the company, as well as in their respective businesses, shared services or geographical areas.

# Growing Globally, Growing Greener





We are doing our part to sustain the environment.  
Specific areas of focus include:

- Environmental sustainability
- Engaging our employees
- Improving energy efficiency and reducing emissions
- Harnessing alternative energy
- Reducing waste

### Environmental Sustainability

At The Bank of New York Mellon, we've adopted a disciplined, holistic approach to environmental sustainability founded on teamwork, innovation and excellent resource management.

Our initiatives have the triple benefit of saving energy, saving money and helping the environment. Those initiatives include:

- Incorporating green building principles into new and, where appropriate, existing buildings
- Measuring and reducing our greenhouse gases
- Decreasing our paper use and increasing the use of post-consumer recycled products
- Collaborating with suppliers to purchase and use products and services that reduce our impact on the environment
- Developing an education program for employees to underscore the importance of positively impacting the environment in their work lives
- Researching and developing products and services for our marketplace that support environmental sustainability
- Publicly reporting on our environmental progress at least once a year

Here's a closer look at how our environmental sustainability initiatives evolved during 2008.

### Engaging Our Employees

Our employees are taking an active role in directing and supporting our efforts.

In September, we held a two-day Environmental Sustainability Summit, led by our global facilities management team, as well as our primary contractors. Together, they generated new ideas and created an action plan for 2009. Six members of the group have received their LEED (Leadership in Engineering and Environmental Design) accreditation, and supported our pursuit of high-performance, low-impact facilities.

In EMEA (Europe, Middle East and Africa), we established an all-volunteer Sustainability Committee which sets regional priorities and acts as an information conduit, working closely with U.S. counterparts.

We have also launched an Environmental Sustainability intranet site to serve as an information clearinghouse and to promote greater employee awareness and engagement.

Improving Energy Efficiency and Reducing Emissions

Creating and maintaining energy-efficient facilities is a top priority.

Our emissions reduction strategies and capital maintenance and improvement programs are designed to reduce the energy we use to operate our facilities.

In the U.S. and across the globe, we’re focusing on energy management, recognizing that even basic operations and maintenance programs can increase a building’s efficiency by up to 20 percent.

Although our company operates from more than 320 facilities in 100 markets and 34 countries, we have direct control of 39 facilities in the U.S. and two in the UK. These 41 facilities house about half of our employees.

In 2008, seven of our largest U.S.-based facilities achieved the ENERGY STAR designation from the U.S. Environmental Protection Agency (EPA), recognizing them

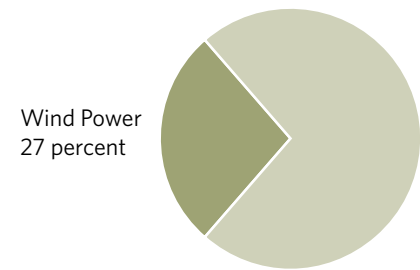
for superior energy performance. Those facilities are:

- Bronxville, NY — 111 Kraft Avenue
- Everett, MA — 135 Santilli Highway
- New York, NY — 101 Barclay Street
- Pittsburgh, PA — BNY Mellon Center
- Pittsburgh, PA — 525 William Penn Place
- Syracuse, NY — 111 Sanders Creek
- Westport, CT — 16 Wilton Road

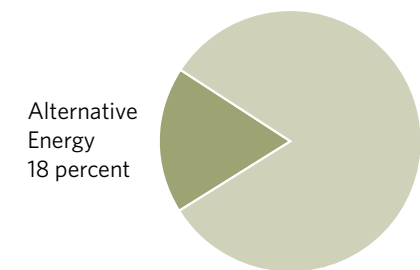
Commercial buildings that earn the ENERGY STAR label use an average of 35 percent less energy than typical buildings and release 35 percent less carbon dioxide into the atmosphere. Of special note are the company’s Everett location, which has achieved the ENERGY STAR designation for seven consecutive years, and the BNY Mellon Center, a 54-story office tower.

Two locations in London are on a path toward ISO 14001 certification, and we’re applying LEED principles to our U.S.-based design and construction projects. Three buildings in the northeast region are already registered as LEED Existing Building projects.

U.S. Energy Consumption



EMEA Energy Consumption



## Recycled Materials

## PERCENTAGE OF TOTAL MATERIALS

|                               |    |
|-------------------------------|----|
| Everett, MA — 1,500 staff     | 73 |
| Jersey City, NJ — 2,500 staff | 65 |
| London, UK — 3,000 staff      | 55 |
| New York, NY — 7,000 staff    | 75 |
| Pittsburgh, PA — 7,000 staff  | 65 |

Our company's newest Wealth Management office in Newport Beach, CA, will be a LEED Commercial Interiors-certified project with others to follow, including interior renovations to portions of our corporate headquarters at One Wall Street.

### Harnessing Alternative Energy

We are also investing in alternative power sources like wind and solar energy. Many of our non-U.S. facilities, including Blenheim Place in Edinburgh, Scotland, and BNY Mellon House in Brentwood, England, are powered by a mix of alternative energy sources. In fact, several UK facilities are 100 percent powered by alternative energy.

In the U.S., we made our first investment in wind power for five key facilities. Consequently, approximately 25 percent of our company's domestic electrical

consumption will be supplied by the equivalent in wind power throughout 2009. Our wind power investments cover the company's Tennessee Processing Center, plus these locations:

- Everett, MA — 135 Santilli Highway
- New York, NY — One Wall Street
- Pittsburgh, PA — BNY Mellon Center
- West Paterson, NJ — Garrett Towers

### Managing Waste

All of our major facilities have substantial recycling programs in place to reduce the amount of overall waste.

We continue to evaluate and implement ways to recycle our food waste and recover as much valuable white paper as possible.

We've initiated pilot projects to evaluate recycling materials such as carpet and metals. In one building project alone, more than \$100,000 of scrap metal was recycled

and we're using materials with recycled content as often as possible. For example, in the reconstruction of a single floor in One Boston Place, we recycled 115,360 pounds of material during demolition and used:

- new drywall with 95 percent recycled content;
- new ceiling tiles with 66 percent recycled content; and
- new carpet with 35 percent recycled content.

To encourage corporate social responsibility in our supply chain, we evaluate each vendor's CSR programs as part of the bidding process. Beginning in 2009, we will request that all our major suppliers provide information on their CSR programs, which will open up a dialogue about our shared role in sustainability.

## GOALS FOR 2009

- Continue our ENERGY STAR program and increase the number of LEED Projects
- Expand utilities and resource tracking to better calculate our carbon footprint
- Expand recycling programs
- Reduce energy consumption through capital improvements
- Increase building environmental sampling for better control
- Increase green purchasing
- Develop green design and construction standards
- Develop an extensive multimedia marketing plan for employee and client engagement
- Communicate our sustainability priorities to leased properties
- Expand coordination of sustainable priorities with suppliers





Serving Our Communities

Supporting our communities, especially in these difficult economic times, is an important part of The Bank of New York Mellon's company philosophy. We are helping to sustain our communities in the following ways:

- Giving back
- Increasing community involvement
- Complying with the Community Reinvestment Act
- Improving supplier diversity



## Giving Back

Our global philanthropic philosophy in 2008 centered on identifying and supporting initiatives that provide diverse populations with access to services and programs that improve their social and economic condition. Through our corporate philanthropy, we provided funding for programs that promote development of:

- a talented workforce;
- affordable housing;
- health and wellness;
- cultural awareness and diversity; and
- support for special needs populations.

With the economic climate challenging more and more people to cover their most basic needs — such as food, housing, healthcare and utilities — we have refined our philanthropic focus. At least one third of our philanthropic support will go to organizations that help low-income individuals and families in our neighborhoods achieve financial stability.

We want to equip them to succeed — today and into the future.

At the end of 2008 we made our first grant associated with this new focus on financial stability, enabling food distribution programs around the globe to feed more than 100,000 people facing hunger.

## Increasing Community Involvement

To encourage employees to become more involved in their communities, in 2008 we launched our Community Partnership program, which supports employee team volunteering and fundraising activities, and provides corporate matching. There are two major components:

- Our annual Global Giving Campaign encourages employees to contribute their money and time to organizations in their local communities around the world. A critical part of this campaign is our Financial Stability initiative, which supports organizations that provide

individuals with the education, job training and housing they need to achieve long-term financial stability for themselves and their families.

In the first year, the campaign raised \$11.2 million in pledges — a 48 percent increase over the United Way campaigns in 2007.

- The Team Volunteer and Fundraising Program, which offers:
  - Two days of paid volunteer time annually
  - Regional team volunteer project opportunities
  - A corporate match to charities for team volunteer time
  - A corporate match to charities for funds raised by employee teams

To encourage participation and raise awareness, one volunteer team is selected quarterly to receive the Community Partnership Outperforming Team Award.

In the difficult environment of 2009, our goal is to sustain our high levels of participation and generous support.



# Community Partnership

## 2008 Outperforming Teams

### Big Brothers Big Sisters of New York City

#### 3RD QUARTER WINNER

Date: January–May, 2008

Volunteer Hours: 225

# of Employees on Team: 15

Company Match: \$4,750

Big Brothers Big Sisters Workplace Mentoring Program is an educational, vocational and cultural activity program that matches volunteers (Bigs) from a corporation with youth aged 12–17 (Littles) from a local school. The purpose of this program is to expose youth to the world of work and provide them with an adult role model. Fifteen “Bigs” met bi-weekly with their “Littles” for meetings on workplace etiquette, team building, business letter writing, computer/internet skills and future goals. In addition, there were educational and recreational trips.

*Participating location: New York, NY*

### Global Corporate Trust — Municipal Finance’s “Muni Month of Service”

#### 2ND QUARTER WINNER

Date: April–June, 2008

Employees Raised: \$10,000

Company Match: \$22,500

# of Employees on Teams: 400

Volunteer Hours: 2,000

This team coordinated more than 40 Community Partnership team projects, benefitting multiple charities across the U.S. Team projects ranged from repackaging donated food at a food bank, to participating in a historic train restoration, to helping to set up for the Special Olympics, to participating in a fundraising walk.

*Participating locations: Atlanta, GA; Austin, TX; Birmingham, AL; Boston, MA; Chicago, IL; Cincinnati, OH; Columbus, OH; Dallas, TX; Denver, CO; Detroit, MI; Houston, TX; Indianapolis, IN; Jacksonville, FL; Los Angeles, CA; Louisville, KY; Milwaukee, WI; Morristown, NJ; New Albany, OH; New Orleans, LA; New York, NY; Paterson, NJ; Philadelphia, PA; Pittsburgh, PA; Point Pleasant, NJ; Providence, RI; St. Louis, MO; Seattle, WA; and Tulsa, OK*

TOTAL NUMBER OF VOLUNTEER AND FUNDRAISING TEAMS 450

TOTAL NUMBER OF EMPLOYEES PARTICIPATING 8,750

TOTAL HOURS VOLUNTEERED 18,934

## The Euromentoring Enterprise Project benefitting the Prince's Trust

### 1ST QUARTER WINNER

Date: January–April, 2008

Employees Raised: €31,403

# of Employees on Team: 20

Company Match: €12,826

Employees in seven cities across Europe used Paid Volunteer Time (PVT) to plan and execute a number of fundraising activities to benefit the Prince's Trust. The Prince's Trust provides training, mentoring and financial assistance to young people from underprivileged backgrounds who have been in trouble and want to turn their lives around. The employee volunteers were part of a European mentoring team which provided training, mentoring and financial assistance to disadvantaged young people.

*Participating locations: Brussels, Belgium; Edinburgh, Scotland; Frankfurt, Germany; London, UK; Manchester, UK; Milan, Italy; and Swindon, UK*

## SOS Children's Village

### 4TH QUARTER WINNER

Date: October–December, 2008

Volunteer Hours: 766

# of Employees on Team: 257

Company Match: Rs202,000

The SOS Children's Village in Pune, India, aims to give orphaned and destitute children the opportunity to grow up in a family, have a permanent home and establish a strong foundation for an independent and secure life. Employees directly engaged with the children in the Village and held team fundraisers to purchase items such as emergency lamps, sweaters and toys for the children. They also invited doctors to provide a free medical checkup for the children and volunteer at the clinic. The thorough checkups uncovered severe heart ailments in three of the children and remaining funds raised during this project, and an additional donation from the Community Partnership Outperforming Team Award, will be used to assist in the children's treatment.

*Participating location: Pune, India*

TOTAL FUNDS RAISED BY EMPLOYEES \$1,038,000

TOTAL COMPANY MATCH FOR EMPLOYEE EFFORTS \$577,000



## Complying with the Community Reinvestment Act

Under the Community Reinvestment Act (CRA), our bank subsidiaries are obligated to serve the credit needs of the communities in which they operate, including the needs of low- and moderate-income individuals and families.

As part of its compliance with this act, The Bank of New York Mellon offers comprehensive financing responsive to affordable housing and economic development needs in the communities where we operate.

In line with our philanthropic focus on financial stability, our community development grant funding priorities include:

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

All of our banks have achieved “Outstanding” CRA ratings in their most recent public evaluations conducted by their regulatory agencies.



In 2008, our 450 Community Partnership teams served communities around the world.

### Improving Supplier Diversity

We consider minority- and women-owned suppliers to be priority vendors, along with small businesses and disabled person-owned and veteran-owned companies.

In 2008, we increased procurements with priority vendors by 13 percent to \$103 million despite a 27 percent reduction in total competitive supplier spending. Consequently, business with priority vendors represented 17 percent of total spending, versus our goal of 12 percent. Contributing to this outperformance was a 25 percent increase in spending with minority- and women-owned suppliers; this business represents 60 percent of our total priority vendor spending.

To increase our use of priority vendors, during the year we worked to improve data capture around our use of priority vendors and to increase awareness about our program within our company.

To raise awareness, we launched a comprehensive communications campaign to inform employees about the value of the program, targeting key groups of leaders, including chief administrative officers and our employee affinity groups.

Given the difficult economic environment, we expect total spending to decrease and greater difficulties for smaller vendors. For 2009, we look to place 13 percent of our total spending with priority vendors, below our 2008 levels but above prior levels.



# Basis for this Report

This report was prepared to demonstrate The Bank of New York Mellon's commitment to CSR globally, to meet the transparency expectations of key stakeholders, to provide a basis for measuring CSR performance and to provide a framework for ongoing CSR communications and engagement.

This is an annual report, covering the calendar year 2008; data contained is accurate as of December 31, 2008. The report includes wholly owned subsidiaries, but excludes suppliers and joint ventures, unless specifically mentioned. All currency amounts are in U.S. dollars, unless otherwise noted.

## Report Principles

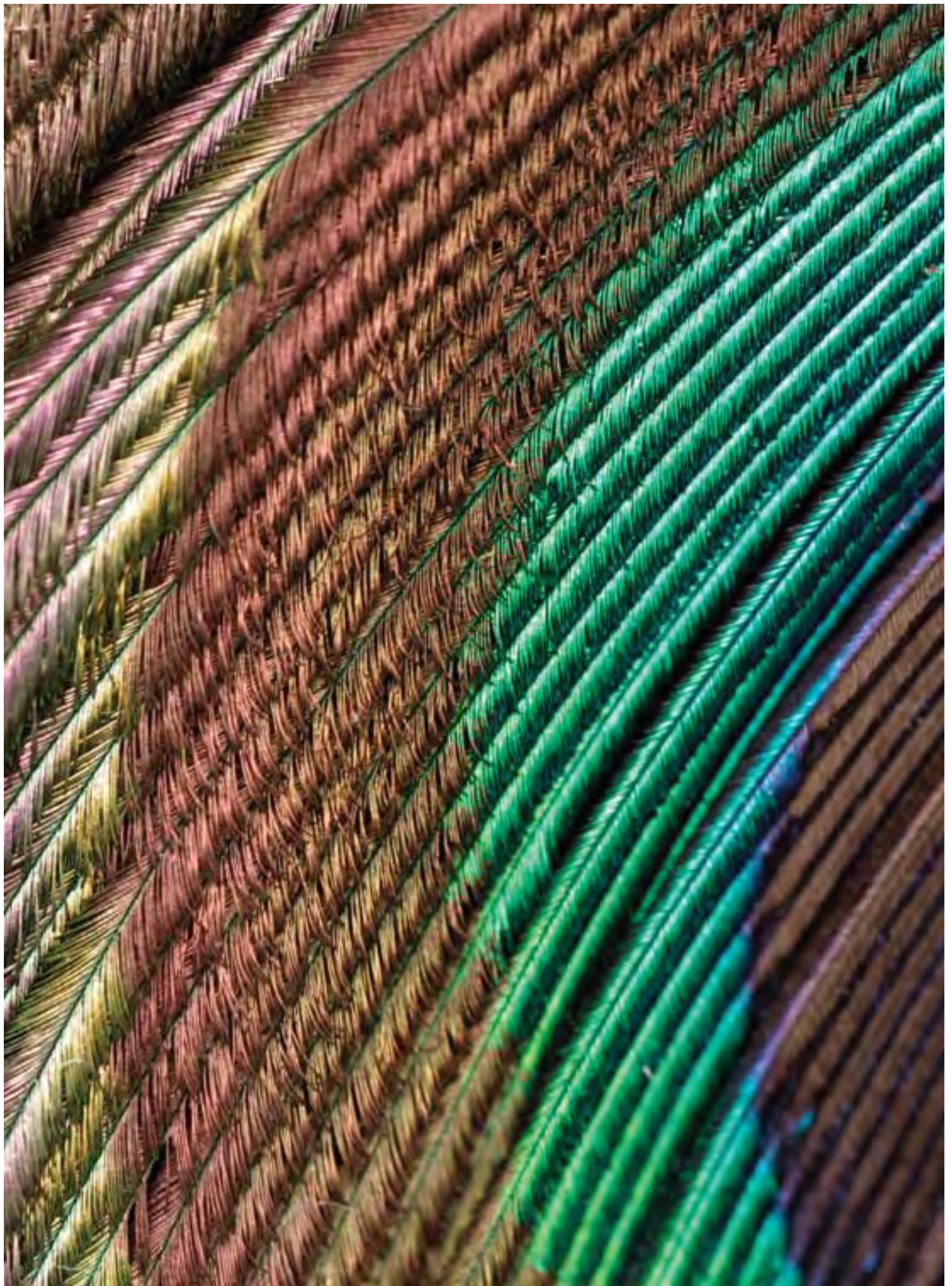
Reflecting the high level of importance we have attached to continuity and credibility in designing and implementing our CSR program, the preparation of this report was guided by the following principles:

- **Relevance** — include the topics that reflect our most significant governance, social and environmental impacts
- **Completeness** — include all significant information that would influence the decisions of stakeholders
- **Accuracy** — present information accurately and in sufficient detail
- **Clarity** — information is easily understandable and accessible

## Equal Employment Opportunity/Affirmative Action

It is the policy of the Company to provide equal employment opportunity to all applicants and employees by establishing employment practices that provide for non-discriminatory treatment in accordance with all applicable laws, regulations and orders. The Company is committed to providing equal employment opportunities to all employees and applicants by establishing employment practices and terms, conditions and privileges of employment regardless of race, religion, color, sex, national origin, age, familial or marital status, ancestry, citizenship, sexual orientation, gender identity, veteran or military status, being a qualified individual with a disability, or any other factor protected by federal, state and/or local laws. This policy has the full support of the Chief Executive Officer and Senior Management of the Company.









## ENVIRONMENTAL BENEFITS AND DISTRIBUTION

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By using these products, The Bank of New York Mellon saved the following resources:

**28 fully grown trees**

**6,063 gallons or 22,951 liters of water**

**13 million BTU of energy**

**1,326 pounds or 601 kilograms of solid waste**

**2,241 pounds or 1,017 kilograms of greenhouse gases**

*Calculations based on research by Environmental Defense Fund and other members of the Paper Task Force.*



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