



# 2021 Australia's Modern Slavery Transparency Statement

The Bank of New York Mellon  
FY2021

This modern slavery statement covers the activities of The Bank of New York Mellon (“**BNY Mellon**”) (ABRN 084 066 419) and its owned and controlled entities for the year ended 31 December 2021. This is our second modern slavery statement under the *Australia Modern Slavery Act 2018* (the “**Modern Slavery Act**”) and sets out the actions we have taken to assess and address modern slavery and human trafficking risks in our operations and supply chains.

This statement has been approved by the Board of BNY Mellon on February 7, 2022.

## **About us**

At BNY Mellon, we have a long-standing culture of “Doing What’s Right”. We believe that transparency and accountability promote healthy, stable financial markets, and are intended to help us achieve the highest of standards and continue to progress and evolve our social and ethical responsibilities.

## ***Our structure***

BNY Mellon is a wholly-owned subsidiary of The Bank of New York Mellon Corporation, a Delaware corporation listed on the New York Stock Exchange (NYSE symbol: BK). BNY Mellon is a global company headquartered in New York, United States and is registered as a foreign company in Australia (ABRN 084 066 419). BNY Mellon has approximately 230 subsidiaries, the majority of which are located in North America, Europe, and Asia and operate within countries including United States, UK, Belgium, Germany, Singapore, Hong Kong.

## ***Our operations***

BNY Mellon and its broader group provides investment management, investment services and wealth management advice to clients all over the world. At BNY Mellon, we help our clients manage and service their financial assets throughout the investment lifecycle. As of December 31, 2021, the BNY Mellon group had USD\$46.7 trillion in assets under custody and/or administration, and USD \$2.4 trillion in assets under management. BNY Mellon can act as a single point of contact for clients looking to create, trade, hold, manage, service, distribute or restructure investments.

BNY Mellon and its broader group employs approximately 49,000 employees globally and operates businesses in the U.S., Canada, Latin America, Europe, Middle East and Africa (EMEA, including the United Kingdom), and the Asia Pacific region. In Australia, BNY Mellon has more than 160 employees providing services that are delivered by specialised business lines which collaborate closely with our clients to develop integrated and comprehensive financial solutions for Australian institutions.

BNY Mellon’s core businesses in Australia include Asset Servicing, Issuer Services, Markets, Clearance and Collateral Management, Treasury Services and Investment Management, with offices in Sydney and Melbourne.

## ***Our supply chain***

We work with approximately 4,000 suppliers from a number of countries including the United States, the United Kingdom, India and Australia. Our suppliers are primarily located in the United States, accounting for 75% of annual group spend.

The main types of goods and services that we procure are professional services (IT consulting, contingent labor, legal outside counsel, etc.), technology infrastructure (hardware, software, telecom, etc.), financials services solutions (market data, finance technology, etc.), and facilities (leases,

maintenance, construction and renovation, etc.). We engage our suppliers both on a long-term and short-term basis, utilizing various entities to enter into appropriate agreements with our suppliers.

**Modern slavery risks**

We recognise that modern slavery may impact our business activities and we endeavour to take responsibility for reducing the risk that we might contribute to modern slavery through our operations and supply chains.

***Risk assessment methodology***

We developed a risk assessment methodology to evaluate the nature and extent of our exposure to the risk of modern slavery and human trafficking. This methodology considers a number of indicators of modern slavery and human trafficking risks including sector, industry and geography as well as the type of products and services risk. Our initial risk assessment has indicated that our operations and supply chain have a potential for modern slavery. Our risk profile is summarised in the table below.

***Risk profile***

We have identified a number of sectors and industries within our operations and supply chains that may have a higher prevalence of modern slavery and human trafficking practices because of their characteristics, products and processes. We will continue to assess the risks associated with our business and supply chain and expand the scope of our focus, as necessary.

| <b>Prioritized high-risk categories</b> | <b>Our related products and services</b>                                   |
|---|--|
| Labor Hire                              | Contingent labor / contractors   |
| IT Hardware                             | IT and telco hardware and consumables                                      |
| Business Process Outsourcing (Onshore)  | Mail sorting, document scanning and call centers                           |
| Construction                            | Construction projects in our corporate buildings                           |
| Business Process Outsourcing (Offshore) | IT systems support   |
| Manufactured Products                   | Merchandise, stationery, security equipment and commercial print           |
| Property Leasing                        | Rent and facilities costs paid to landlords                                |
| Cleaning & Maintenance                  | Services in our corporate buildings  |
| Security Services                       | Security, guarding services and mobile patrols for our corporate buildings |
| Food & Beverage & Hospitality           | Catering and hospitality services in our corporate buildings               |
| Accommodation                           | Corporate travel hotels  |

**Actions to assess and address risk**

We are committed to acting ethically, with integrity and promoting work environments that engender conditions of freedom, equality, security and dignity.

BNY Mellon expects its employees, contractors, and suppliers to prevent acts of modern slavery and human trafficking from occurring within both its business and supply chains. That is why we have taken a number of steps to assess and address modern slavery in our operations and supply chains.

***Due diligence***

As noted above, we undertook an initial risk assessment to identify any key modern slavery and human trafficking risks that exist within our operations and supply chains. We then prioritized further risk

assessment on those operations and direct suppliers that we identified as 'high-risk' during our initial risk assessment.

### ***Governance and accountability framework***

BNY Mellon has established a modern slavery working group that comprises global procurement, legal, risk and compliance teams to help enhance governance and accountability framework to ensure modern slavery and human trafficking compliance. The dedicated team comprises senior members of each of these teams and regularly reviews initiatives for the annual modern slavery statement.

### ***Policies and procedures***

As part of our continued commitment to responsible supply chain management and sustainable procurement, and in response to the Modern Slavery Act, we enhanced a number of our policies and procedures:

- Our **Supplier Code of Conduct** describes BNY Mellon's commitments regarding social responsibility, health and safety, labor and human rights, ethics and other responsible business practices. Our enhanced Supplier Code of Conduct describes the minimum expectations for our suppliers and third-party labor providers related to ethical practices including addressing modern slavery and human trafficking risks in their business. All vendors engaged in providing products and services to BNY Mellon are expected to act in accordance with the Supplier Code of Conduct, including by aligning their guidelines, policies and practices with the Supplier Code of Conduct and by communicating and enforcing its provisions throughout their organizations and supply chains. A violation of the requirements of the Supplier Code of Conduct may lead to review or termination of our relationship.
- In FY2021, we enhanced questions within BNY Mellon's Request for Proposal (**RFP questionnaire**), to be completed by potential suppliers, on matters related to their anti-modern slavery and human trafficking policies

Additionally, the following policies and procedures remain in place to mitigate the risk of modern slavery and human trafficking without our operations and supply chain:

- Our **BNY Mellon's Code of Conduct** empowers employees and contractors to report concerns in confidence without fear of retaliation.
- Our **ethics hot line** considers complaints or concerns about modern slavery and human trafficking within BNYM or its supply chains from employees, contractors, vendors and the public.
- We undertake **overnight sanctions screening** on all vendors

These policies and procedures complement our existing governance framework which includes our Enterprise ESG Statement, our Human Rights Statement as well as policies on Whistleblowing, Escalation and Speaking Up, Reporting of Illegal or Unethical Conduct and Non Retaliation, and Suspicious Activity Reporting. Each of these are designed to empower our employees and contractors to report concerns in confidence without fear of retaliation.

### ***Review of our standard supply terms***

We reviewed our standard supply terms and introduced mandatory Modern Slavery Act legal provisions into both our supplier contractual framework as well as our master affiliate contractual framework. These provisions allow us to work collaboratively with our suppliers and affiliates to address modern slavery and human trafficking risks.

### ***Training***

We acknowledge that educating our staff is fundamental to ensuring potential human rights and modern slavery risks are identified and managed. BNY Mellon's current on-boarding and refresher training for staff includes BNY Mellon's Code of Conduct, with specific focus on:

- conducting business in full compliance with all applicable laws and regulations, and in accordance with the highest ethical standards; and
- being willing to take a stand to correct or prevent any improper activity.

In addition, we trained our global procurement team and select members of our legal, risk and compliance teams on modern slavery and human trafficking, and on our role in identifying and managing the risk of such activities.

### **COVID-19**

The COVID-19 pandemic has brought further challenges to modern slavery and human trafficking and highlighted social and economic inequalities worldwide. BNY Mellon has assessed the impact of COVID-19 pandemic on its practices and risks to modern slavery and human trafficking and will continue to identify best-practice approaches to protecting vulnerable workers through this crisis in order to protect vulnerable workers from the effects of COVID-19.

### **Assessing our effectiveness**

We regularly review our anti-modern slavery and human trafficking processes to consider whether we are appropriately identifying and evaluating our modern slavery and human trafficking risks. We have a dedicated working group and conduct an annual review of our supplier risk profile to assess and evaluate the effectiveness of our anti-modern slavery and human trafficking measures.

### **Consultation**

The Bank of New York Mellon Corporation is responsible for the group's broader modern slavery and human trafficking initiatives, policies and procedures. In FY2020, a provision was added into the affiliate master agreement, which is the set of legal terms and conditions governing all agreements between owned and controlled entities of BNY Mellon, to align our approach to modern slavery and human trafficking and prevent the risk of modern slavery and human trafficking within our operations. Additionally, there is consultation and collaboration between our global procurement, legal, risk and compliance teams.

### **Focus in 2022**

In 2022, we will assess our practices and engage with our stakeholders, including vendors, to raise awareness and manage the risk of modern slavery and human trafficking occurring in our organization and supply chain.

This statement was approved by the Board of The Bank of New York Mellon on February 7, 2022



Ralph Izzo

Director, The Bank of New York Mellon

February 7, 2022