MIFIDPRU 8 DISCLOSURE

BNY Mellon Investment Management EMEA Limited

September 2023

BNY MELLON

Contents

1. Introduction

1.1 Purpose of MIFIDPRU Disclosure

The Investment Firms Prudential Regime (IFPR) is the prudential regime for MiFID investment firms and entered into effect on 1 January 2022, replacing the previous prudential regime that applies to banks and building societies. IFPR represents a streamlined and simplified prudential regime for investment firms regulated by the Financial Conduct Authority (FCA). The main requirements relating to IFPR are set out in the MIFIDPRU sourcebook which is part of the FCA Handbook of rules and guidance.

The Internal Capital Adequacy and Risk Assessment ('ICARA') process is the collective term for the internal systems and controls that a firm must operate to identify and manage potential material harms that may arise from the operation of its business, and to ensure its operations can be wound down in an orderly manner. The regulatory obligations to perform an ICARA rests with the firm and the outcomes of the assessment are documented and are subject to the approval of the appropriate governing or supervisory body.

This document relates specifically to BNY Mellon Investment Management EMEA Limited ('IM EMEA' or 'the Firm'), which is authorised and regulated by the Financial Conduct Authority ('FCA') as a MiFID investment firm and is therefore subject to IFPR and the requirements set out in the FCA's MiFIDPRU sourcebook.

IM EMEA is part of a consolidation group headed by BNY Mellon Investment Management Europe Holdings Limited ('IMEH') which is the holding company for the BNY Mellon Investment Management firms within the EMEA region. A centrally coordinated approach to the assessment process and its documentation was agreed by the IMEH firms to create synergies and efficiencies and promote alignment of approach, interpretation, and the consistent documentation of results where appropriate.

The disclosure requirements of IFPR are set out in MIFIDPRU 8 and replace the previous disclosures under Pillar 3 methodology set out in BIPRU 11. The MIFIDPRU 8 Disclosure aims to install market discipline on investment firms that are subject to IFPR by requiring disclosure of information relating to the Firm's own funds (financial strength), investment policy and culture in respect of risk management, governance and remuneration processes.

The information in this MIFIDPRU 8 Disclosure is drawn from the ICARA process document which has been approved by the Board of BNYM IM EMEA.

The MIFIDPRU 8 Disclosure will be updated at least on annual basis, or upon any significant change, and all information included in this document is as of 31 December 2022 (unless stated otherwise).

2. Scope of Application

2.1 Entity Description

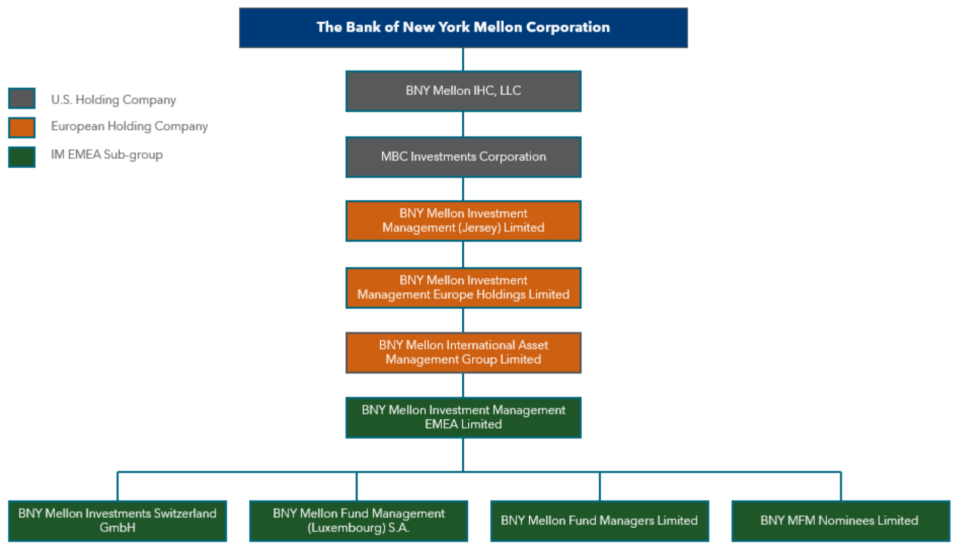
The principal activity of IM EMEA is the marketing and distribution, within UK, Europe, the Middle East and Africa ('EMEA') and Latin America regions; of the investment products and services manufactured by the BNY Mellon Investment Management subsidiaries located in various investment centres around the world. These products and services primarily comprise collective investment schemes, both Undertakings for Collective Investment in Transferable Securities ('UCITS') and Alternative Investment Funds ('AIFs') and discretionary investment management services.

IM EMEA also contracts with institutional clients to provide discretionary investment management services, which are primarily delegated to the BNY Mellon Investment Management subsidiaries, and investment advisory services which are focused on strategic asset allocation mandates.

IM EMEA predominantly targets institutional investors including corporate investors, financial institutions, corporate and public sector pension schemes, government agencies, sovereign wealth funds, central banks, and financial intermediaries acting on behalf of underlying ("indirect") customers - including financial advisers, retail and private banks, wealth and asset managers, insurance companies and platform service providers. In this context, IM EMEA appoints third-party financial intermediaries to act as sub-distributors of the UCITS (and to a limited extent the AIFs) to distribute BNY Mellon Investment Management products and strategies to their underlying customers.

Distribution activities continue to be performed from the head office in London, and through a fully owned subsidiary in Switzerland. IM EMEA also has representatives based in the Dubai International Financial Centre covering the Middle East and Africa region, which are employed by an affiliate entity. Distribution activities within the European Union are primarily conducted through branches of IM EMEA's fully owned subsidiary, BNY Mellon Fund Management (Luxembourg) S.A. ('BNYMFM-L').

IM EMEA's strategic priorities centre on the development of its global distribution capabilities and on contributing to BNY Mellon's IM enterprise revenue and overall profitability. As a multi-brand, multi-investment manager organisation, BNY Mellon Investment Management ('IM') offers a broad array of investment capabilities across most asset classes. These broad investment capabilities are reflected in the products and services marketed and distributed by IM EMEA.



3. Risk Management Objectives & Policies

3.1 Risk Management Framework

BNY Mellon's global investment management business (IM) operates a 'multi-Investment Firm' model. Under this model each of the firms operate as a discrete entity with a significant degree of operational autonomy. Risk Management culture is centered on the Three Lines of Defence model, the business areas which own and manage the risks are the first line, Risk Management which oversees risk is the second and Internal Audit the third line of defence.

Risk Appetite forms an integral part of the management of individual business lines / legal entities and of the global Investment Management Business overall. Each firm is responsible for defining and implementing its own Risk Appetite, including the levels of risk that it is willing and able to accept, and how those levels will be monitored and reported.

IM EMEA maintains a Risk Appetite Statement which establishes the risk appetite of the Firm and set limits on the level and nature of the risks that the Firm is willing to accept in pursuit of its strategic objectives and business plan. The Risk Appetite Statement guides decision-making processes, including the manner by which the Firm pursues its business strategy and the method by which the Firm manages risk. Further, the Risk Appetite Statement both informs and embodies the Firm's risk culture, characterised by intelligent risk-taking and values around risk awareness, ownership and accountability. This is reinforced through BNY Mellon corporate policies, including the Code of Conduct, human resource standards and senior management, who set an appropriate "tone from the top".

IM EMEA monitors adherence to its stated risk appetite using risk metrics set out in the Risk Appetite Statement which highlight areas which are currently operating outside established risk tolerances. Risk Management Structure and Operations

IM EMEA's operations are undertaken with transparent and consistent lines of responsibility, with effective processes in place to identify, manage, monitor, and report the risks and the potential harms that the Firm's operations may cause to:

- the Firm's clients and counterparties;
- the markets in which the Firm operates; and
- the Firm itself.

To enforce these clear lines of responsibility, IM EMEA follows the three lines of defence approach, as well as operating under the FCA's Senior Managers and Certification Regime ('SMCR'), which aims to ensure individual accountability and high standards of conduct.

The IM EMEA Board of Directors ("the Board") has primary responsibility for both the management and oversight of risks, together with the quality and effectiveness of risk management and compliance programmes in the Firm. The Board meet on at least a quarterly basis to consider report and issues escalated by internal business functions and committees.

3.2 Risk Management Structure and Operations

Notwithstanding the autonomy and responsibility of the Board, IM EMEA has adopted a common overall risk framework in line with global BNY Mellon policy standards. This helps to ensure thoroughness of risk management activities, consistency of approach, and commonality in escalation within the IM organisation. The Firm maintains a dedicated Risk function which is responsible for coordinating the risk management framework, of which the key elements are as follows:

Risk Appetite Statement

As noted in the previous section, the Firm prepares a Risk Appetite Statement ('RAS') on an annual basis which describes the nature of and levels of risk that it is willing to accept, and how those levels will be monitored and reported. The RAS and any modifications thereto is presented to and approved by the Board. The RAS sets out the specific metrics through adherence to its stated risk appetite is measured. Results are reported on a monthly basis to the Firm's Risk & Compliance Committee ('RCC') and to the Board on a quarterly basis.

Risk and Control Self-Assessment

The Firm maintains a Risk and Control Self-Assessment ('RCSA') through which it assesses the risks associated with its key business processes. Risks identified are assigned to an appropriate risk owner responsible for ensuring that the risks and corresponding controls are correctly documented in the RCSA. The assessments consider the frequency and severity of operational losses, performance of key risk indicators, emerging risks, audit and regulatory findings. In the event that a control inefficiency is identified, the business owner of the control must document the control gap and develop an action plan to close the issue. Alternatively, a formal risk acceptance may be sought and documented.

Key Risk Indicators

Key Risk Indicators ('KRIs') are used to evaluate control effectiveness and residual risk within a business process. Material risks are monitored by appropriate KRIs which relate directly to key risks identified in the RAS. KRIs are reported on a monthly or quarterly basis.

Operational Risk Events

Operational Risk Events ('OREs') are recorded within the Firm's internal records with any significant OREs recorded within BNY Mellon's Risk Management Platform. OREs are presented for review and discussion at the RCC and at the Board meetings which will involve consideration of the existing risks and controls documented in the RCSA and the effectiveness of these measures.

Emerging, External and Strategic Risks

Emerging, External and Strategic Risks are identified and recorded within a formal register which is reviewed on a continuous basis at the RCC and a summary reported to the Board. A residual risk rating of 'High', 'Medium', and 'Low' is applied, with a risk response category and associated management actions.

3.3 Risk Assessments

The purpose of the ICARA process, together with other rules outlined within MIFIDPRU is to ensure that firms have appropriate systems and controls in place to identify, monitor and, where proportionate, reduce all potential material harms that may result from the ongoing operations of the business or from winding down the business and to hold adequate financial resources for the business it undertakes.

The Firm performs an assessment of the potential harms associated with its business strategy, model and activities. The lens through which this assessment is performed is to harms that its ongoing operations or wind down of those operations may cause to: (i) the Firm's clients and counterparties; (ii) the markets in which the Firm operates, and; (iii) the firm itself. Through this process, the Firm seeks to identify severe but plausible hypothetical scenarios, by risk type, that could result from the conduct of its activities. The assessment is completed using the elements of the risk framework noted in the previous section, including the RCSA, Operational Risk Events, Key Risk Indicators, and Emerging, External and Strategic Risks.

As a provider of investment products and services, IM EMEA's primary risk exposure is to **operational risk** (inclusive of the failure of the firm to meet its fiduciary obligations); business risks (including **strategic risk**) from the failure to remain relevant and competitive. **Reputational** and **Legal risk** may arise from shortcomings in any of these key risk areas. Although considered key risks, due to the implicit nature of any investment firm, IM EMEA does not have material exposure to market risk, credit risk and liquidity risk. A summary of these primary risk exposures and potential sources of harm, as identified through the ICARA process is set out below.

Risk	**Operational Risk**
Description	Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events (including legal risk but excluding strategic and reputation risk).
Potential Harms	The harm from the materialisation of operational risk scenarios would **impact both the Firm and its clients or counterparties**. Operational risk may arise from errors in transaction processing, breaches of internal control systems and compliance requirements, internal or external fraud, damage to physical assets, and business disruption due to systems failures, execution, delivery and process management or other events. Operational risk can also arise from potential legal or regulatory actions because of non-compliance with regulatory requirements, prudent ethical standards or contractual obligations.
Risk Management	Operational risk is managed through rigorous operating policies, procedures and controls set by the Board and implemented the business functions with support and challenge by the Risk Management function. The key elements of the risk management framework are described within section 3.2 and include the setting of Risk Appetite, ongoing risk assessment through the Risk and Control Self-Assessment (RCSA), review of Key Risk Indicators ('KRIs') and analysis of Operational Risk Events ('OREs'). The Firm monitors operational risks and the effectiveness of controls through the Risk & Compliance Committee ('RCC') which receives independent reporting from the Risk Management function. A report from the RCC is also provided to the Board at each full quarterly meeting.

Risk	**Business Risk**
Description	Business risk is the risk of loss caused by unexpected changes in the external macro environment, client behaviour or events that impact earnings including contracting markets, reduced margins from competitive pressure, adverse customer selection, and business concentration.
Potential Harms	The harm from the materialisation of Business risk scenarios would **impact the Firm**. Business risk could arise from exposure to a wide range of macro-economic, geopolitical, industry, regulatory, client behaviour, inappropriate management actions, and other external risks that might deflect from desired strategy and business plans.
Risk Management	Operational risk is managed through rigorous operating policies, procedures and controls set by the Board and implemented the business functions with support and challenge by the Risk Management function. The key elements of the risk

	management framework are described within section 3.2 and include the setting of Risk Appetite, ongoing risk assessment through the Risk and Control Self-Assessment (RCSA), review of Key Risk Indicators ('KRIs') and analysis of Operational Risk Events ('OREs'). The Firm monitors operational risks and the effectiveness of controls through the Risk & Compliance Committee ('RCC') which receives independent reporting from the Risk Management function. A report from the RCC is also provided to the Board at each full quarterly meeting.

Risk	**Concentration Risk**
Description	Concentration risk is associated with significant risk exposures that may produce large losses or threaten the soundness of the firm, business concentration in asset class, client type, or client domicile of both assets under management ('AUM') and revenue, and client concentration by being overly reliant on any one or group of connected clients.
Potential Harms	The harm from the materialisation of a Concentration Risk scenario would **impact the Firm**. The largest source of this risk for the Firm arises from the credit concentration risk to its parent BNY Mellon, through the concentration of deposits with the London Branch of the Bank of New York Mellon.
Risk Management	In respect of credit concentration risk, the Firm holds a substantial proportion of its liquid capital outside the group within a stable NAV money market fund. In respect of business concentration, the Firm has established specific strategic Key Risk Indicators which monitor sources of revenue. As part of the ICARA process, the Firm has reviewed its top clients by both AUM and revenue and determined whether there was the potential for significant harm from a scenario materialising due to being overly reliant on any one client. No scenarios were identified that could result in material harm to the Firm and which requires additional financial resources to be held.

Risk	**Credit Risk**
Description	Credit risk is the risk of default from counterparties or clients for deposits, loans, commitments, securities and other assets where the realisation of the value of the asset is dependent on their ability to perform.
Potential Harms	The harm from the materialisation of a credit Risk scenario would **impact the Firm**. The nature of the Firm's activities do not materially expose it to credit risk. Credit risk arises largely from cash held on the Firm's balance sheet, only a limited amount of which is required to fund ongoing operations. These assets subject to credit risk comprise deposits with the BNY Mellon, deposits with external banks, money market fund (MMF) investments and fee receivables from clients. As such possible scenarios considered by the Firms include: ▪ The failure of BNY Mellon banking institutions or external banks ▪ The failure of MMF's with whom the Firm holds external liquidity ▪ Losses arising from bad debts Bank deposits pose the highest credit risk within the Firm. Deposits are either placed with the London Branch of The Bank of New York Mellon or with highly rated external banks. There is explicit management oversight of the credit quality of deposit

	institutions at individual Firms and the BNY Mellon Group, where level limits are in place for large counterparties. The remaining credit risk arises for debtors and other assets, which are largely managed through the finance and operational business functions; the collection of receivables and monitoring of aged receivables is performed at the Firm level. Late or non-payment of fees is not a common occurrence for the Firm. The process of monitoring debtor positions is conducted at the Investment Firms level where client relationships are present to ensure timely payments.
Risk Management	The Firm has undertaken an assessment of the possible harm that could arise from the scenarios outlined above and then determined an appropriate methodology to quantify additional financial resources suitable for that exposure taking in to account probability and severity of a credit risk event as well as the impact of a loss on its ability to continue ongoing operations or conduct an orderly wind down.

Risk	**Market Risk**
Description	Market risk is the risk to a firm's financial condition arising as a result of adverse movements in the markets, such as foreign currency exchange rates, interest rates and equity and commodity prices.
Potential Harms	The harm from the materialisation of a market risk scenario would **impact the Firm**. The Firm is not authorised to trade on its own account or to underwrite issues of financial instruments on a firm commitment basis nor run proprietary trading positions therefore minimising direct exposure of proprietary capital to market risk. A market risk scenario would arise within the Firm should the market move adversely impacting non-trading exposures in non-functional currencies, or investments in collective investment undertakings (CIU) which are held to launch new products or as investments (e.g., holdings in cash funds), and are accounted for at their market value.
Risk Management	The Firm has undertaken an assessment of the possible harm that could arise from a market risk event and then determined an appropriate methodology to quantify additional financial resources suitable for that exposure taking into account probability and severity of a market risk event as well as the impact of a loss on its ability to continue ongoing operations or conduct an orderly wind down. A small financial provision to cover residual market risk is included within the determination of the Own Funds Requirement.

Risk	**Liquidity Risk**
Description	Liquidity Risk is the risk that a firm, although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due or can secure such resources only at excessive cost.
Potential Harms	The harm from the materialisation of a Liquidity Risk scenario would **impact the Firm**. The exposure to liquidity risk within the Firm is limited as the Firm does not hold client cash on its balance sheet, has no retail deposits and does not make loans to clients. The firm also does not have any off-balance sheet, collateral positions or own account derivatives exposure.

	The Firm has a simple liquidity model in that the main funding source is cash generated from payment of management fees by clients and revenue-sharing arrangements with affiliates. The main overheads relate to payment of employee and suppliers, and administrative expenses. The Firm's balance sheet is mainly comprised of cash and short-term debtors and creditors. It does not convert cash into other financial instruments or assets, except where liquidity vehicles in the form of collective investment schemes are utilised for diversification purposes.
Risk Management	As part of the ICARA process, the Firm is required to produce a reasonable estimate of the maximum amount of liquid assets needed to fund its ongoing business operations during each quarter of the next 12 months and ensure it could be wound down in an orderly manner. A severe but plausible liquidity stress scenario was applied to financial projections to analyse the impact on the Firm's balance sheet and projected cash flows. The resultant liquid assets requirement is monitored by the central finance and business risk functions and results of monitoring presented at the RCC on a monthly basis.

Risk	**Strategic Risk**
Description	Strategic Risk arises from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes.
Potential Harms	The harm from the materialisation of a Strategic Risk scenario would **impact the Firm**. The Firm's business model exposes it to capital markets performance and Strategic Risk is a function of the compatibility of the Firm's strategic goals, the strategies developed to achieve those goals, the resources deployed against these goals, and the quality of implementation. The resources needed to carry out business strategies are both tangible and intangible. They include communication channels, operating systems, delivery networks, and managerial capacities and capabilities. Internal characteristics must be evaluated against the impact of economic, competitive, regulatory, and other environmental changes.
Risk Management	Business strategy is articulated and approved on an annual basis, and performance against specific strategic objectives monitored on an ongoing basis. Material misalignment or failure resulting in poor strategic direction, objectives or consistent underperformance would be identified and escalated through internal governance. The Firm did not identify a scenario that could result in material harm to themselves, their clients or the markets that required additional financial resources in relation to Strategic Risk.

Risk	**Reputational Risk**
Description	Reputational risk is the current or prospective risk to earnings and capital arising from adverse perception of the image of the financial institution on the part of clients, counterparties, shareholders, investors or regulators.
Potential Harms	The harm from the materialisation of a Reputational Risk scenario would **impact the Firm** and will present itself as a loss of confidence by its clients, counterparties, investors or regulators. Consistent poor performance over a period of time, operational events that occur without appropriate remedy and are perceived by

	clients to be systemic weaknesses in controls, and a loss of key investment managers are all possible reasons for a loss of confidence.
Risk Management	The Firm's assessment of risk is informed by its RCSA assessment of key risks and forms part of the input into the operational risk scenario analysis under the ICARA process. Reputational damage follows operational events such as regulatory breaches, trading errors and breach of fiduciary duties. The financial impacts and potential harms caused by Reputational Risk scenarios within the Firm are mitigated through application of sound risk management practices and controls, a strong code of conduct and focus on compliance, and a robust governance framework. The Firm did not identify a scenario that could result in material harm which would require it to hold additional financial resources.

Risk	**Group Risk**
Description	Group risk is the risk that the financial position of a firm may be adversely affected by its relationships (financial or non-financial) with other entities in the same group or by risks which may affect the financial position of the whole group, for example reputation contagion or parent default.
Potential Harms	The harm from the materialisation of a Group Risk scenario would **impact the Firm**. The Firm is potentially exposed to a number of factors associated with BNY Mellon as a parent. This includes BNY Mellon as a deposit-taker (see 'Credit Risk' above), as a business partner and provider of shared services (including technology, legal, finance, risk and compliance central services, and human resources), and through affiliates as providers of custody, fund accounting and transfer agency functions. The Firm is also exposed to reputational risks carried through BNY Mellon and other BNY Mellon affiliates, as well as other Investment Firms within BNY Mellon. This includes situations where the Firm has clients in common with other BNY Mellon business lines including client relationships arising from cross-selling opportunities. The investment funds distributed by the Firm are predominantly branded BNY Mellon and could suffer increased redemptions as a result of a brand problem.
Risk Management	The primary mitigating factor is the semi-autonomous structure of the Firm which is strongly capitalised with a diversified client base which is not dependent on the BNY Mellon business lines outside Investment Management to maintain existing client relationships or win new business. During past reputational issues at the parent company and in associated businesses, the Firm has been unable to identify lost business or lost revenue relating to these issues, reflecting what is assessed as limited contagion risk. While this does not guarantee future isolation from such events, no practicable financial implication can be drawn from future unknown events hence no scenario testing has been performed. It is expected that the Firm would be able to continue to run its operations correctly in the event that the BNY Mellon parent failed, whilst recovery and resolution plans are enacted. In view of the separate provision made for credit risk, the Firm did not identify a further scenario that could result in material harm to itself, its clients or markets that would require additional financial resources in relation to Group Risk.

4. Governance Arrangements

4.1 Governance and Oversight Structure

The Board has overall responsibility for the implementation of governance arrangements that ensure effective and prudent management of the firm, including the segregation of duties in the Firm and the prevention of conflicts of interest, and in a manner that promotes the integrity of the market and the interests of clients. In particular, the Board is responsible for the following matters:

- Approving and overseeing implementation of the Firm's business strategy and objectives;
- Determining the Firm's risk appetite and monitoring adherence thereto;
- Providing effective oversight of senior management and monitoring the effectiveness of the Firm's internal governance arrangements.
- Ensuring the adequacy of policies and processes relating to the provision of services to clients, information disclosure and communications;
- Maintenance of a sound system of internal controls (financial and operational) and corresponding risk management framework;
- Overseeing the Firm's financial performance and adequacy of prudential capital and liquidity requirements;
- Overseeing the Firm's compliance with its regulatory obligations.

In accordance with the FCA's Senior Management and Certification Regime, certain prescribed responsibilities are assigned to a number of the senior management, primarily to the Chief Executive Officer.

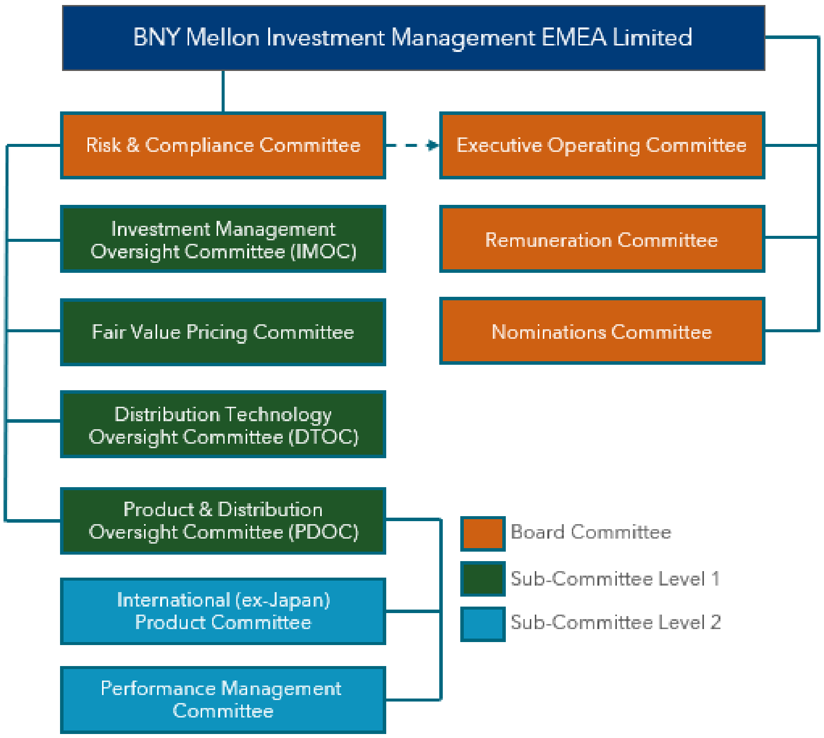
The execution of the Firm's business strategy is delegated by the Board to the Executive Operating Committee ('ExCo'), chaired by the Chief Executive Officer. The ExCo is the senior management team within the Firm and has primary responsibility to drive, maintain and support the strategic focus and direction of the business, and evaluate performance against business goals and the financial plan. The members of the ExCo are allocated functional responsibilities for each of the business areas and report directly to the Chief Executive Officer.

The Board meets at least on a quarterly basis and considers reports provided and issues escalated by the delegated functions and committees. These include reports from the business functions on the performance of their respective areas, from the finance functions, Risk, Compliance and Internal Audit.

The Board has appointed a senior manager overall responsibility for the operation of the risk management framework. A formal internal governance structure has been implemented through which oversight of risks relevant to the Firm is exercised. In particular, the Board has established the Risk & Compliance Committee ('RCC') which functions as the primary governance forum for risk and compliance issues, including oversight of the risk and compliance programmes. The RCC meets monthly and is made up of members of legal entity Risk and Compliance functions, business line management and representatives from IM central Risk, Compliance, Audit and Legal.

A diagram which sets out IM EMEA's governance structure is set out below.

Governance Structure



4.2 Directorships

The composition of the Board includes two Independent Non-Executive Directors, one of whom is the Chair. The members of the Board and the number of external directorships held is shown in the following table.

Name	Role	Number of External Directorships*
Jemma Gosling	Group Non-Executive Director	0
Carole Judd	Independent Non-Executive Director	2
John Miller	Group Non-Executive Director	0
Matt Oomen	Group Non-Executive Director	0
Gerald Rehn	Executive Director, Chief Executive Officer	0
Marc Saluzzi	Independent Non-Executive Director, Chair	3

* For profit organisations only (excluding executive and non-executive directorships held within the same group or within an undertaking in which the Firm holds a qualifying holding.

4.3 Diversity Policy

BNY Mellon Investment Management (IM) has an unwavering commitment to diversity and inclusion in all its forms, including diversity of thought, experience and background. This commitment to Strength in Diversity is not only one of our core values, but important to the culture of the IM firms and to each legal entity director as individuals. It is also critical to the IM's ability to serve its clients and grow its business. A combination of demographics, skills, experience, race, religion or belief or creed, age, gender, sexual orientation, disability, marital or civil partnership status, pregnancy or maternity status, educational and professional background and other relevant personal attributes on the board and in the business provides a range of perspectives, insights and challenge needed to support good decision making.

Board appointments are based on an individual's skill, ability, experience, training, performance, and other valid role-related requirements.

Each Board or Nomination Committee is responsible for reviewing the structure, size and composition (including its skills, knowledge, experience and diversity) of the Board. In identifying suitable candidates for a particular appointment, all Boards should consider candidates on merit and against objective criteria and with due regard for the benefits of diversity, including gender.

IM recognises the importance of having diversity including gender and ethnic diversity on the Board. Aligned with the Bank of New York Mellon's HM Treasury Women in Finance Charter goal, the Board should aim for at least 33% with a further aspirational goal to reach 40% gender diversity on the path to parity as new board appointments are made and aim to include candidates from underrepresented racial groups. The Board should keep these targets under regular review.

Each Board has the responsibility to ensure the goal of diversity is considered throughout the firm in line with the values in this statement.

As of 31 August 2023, there are six members of the IM EMEA Board, of which 33% are female.

5. Own Funds

The following table sets out information on the Firm's own funds in accordance with MIFIDPRU 8.4. Information is as of 31 December 2022.

Composition of regulatory own funds			
	Item	**Amount (GBP '000s)**	**Source based on reference numbers/letters of the balance sheet in the audited financial statements**
1	**OWN FUNDS**	44,948	-
2	**TIER 1 CAPITAL**	103,650	-
3	**COMMON EQUITY TIER 1 CAPITAL**	103,650	-
4	Fully paid up capital instruments	53,129	Note 18
5	Share premium	-	-
6	Retained earnings	50,521	-
7	Accumulated other comprehensive income	-	-
8	Other reserves	-	-
9	Adjustments to CET1 due to prudential filters	-	-
10	Other funds	-	-
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(58,702)	-
19	CET1: Other capital elements, deductions and adjustments	-	-
20	ADDITIONAL TIER 1 CAPITAL	-	-
21	Fully paid up, directly issued capital instruments	-	-
22	Share premium	-	-
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	-	-
24	Additional Tier 1: Other capital elements, deductions and adjustments	-	-
25	TIER 2 CAPITAL	-	-
26	Fully paid up, directly issued capital instruments	-	-

27	Share premium	-	-
28	(-) TOTAL DEDUCTIONS FROM TIER 2	-	-
29	Tier 2: Other capital elements, deductions and adjustments	-	-

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements				
		a	**b**	**c**
		Balance sheet as in published/audited financial statements	**Under regulatory scope of consolidation**	**Cross-reference to template OF1**
As at period end:				
Assets – *Breakdown by asset classes according to the balance sheet in the audited financial statements*				
1	Intangible assets	13	-	
2	Tangible assets	2	-	
3	Other Investments	58,689	-	
4	Debtors	14,777	-	
5	Current asset investments	29,724	-	
6	Cash at bank and in hand	58,226	-	
	Total Assets	161,431	-	
Liabilities – *Breakdown by liability classes according to the balance sheet in the audited statements*				
1	Creditors: amounts falling due within one year	24,840	**-**	
2	Creditors: amounts falling due after more than one year	**-**	**-**	
	Total Liabilities	24,840	-	
Shareholders' Equity				
1	Called up share capital	53,129	-	Box 4
2	Other reserves	32,941	-	Box 8
3	Profit and loss account	50,521	-	Box 6
	Total Shareholders' Equity	136,591	-	-

6. Own Funds Requirements

The following table sets out information on the Firm's own funds requirement (OFR) in accordance with MIFIDPRU 8.5. The information is as of 31 August 2023.

The Firm has complied with the OFR throughout the period.

Requirement	Amount (GBP Thousands)
K-AUM	10,261
K-COH	0
Total K-factor Requirement (KFR)	10,261
Fixed Overhead Requirement (FOR): Based on audited financial results for financial year ended 31 December 2022	15,138
Permanent Minimum Requirement (PMR)	75
Own Funds Requirement (Higher of KFR, FOR and PMR)	**15,138**

7. Adequacy of Own Funds Assessment

In accordance with the Overall Financial Adequacy Rule ('OFAR') in MiFIDPRU 7, the Firm is required to hold own funds and liquid assets which are adequate, both as to their amount and their quality, to ensure that:

(a) The Firm is able to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities; and

(b) The Firm's business can be wound down in an orderly manner, minimizing harm to consumers or to other market participants.

The Firm has concluded through the ICARA process that it holds own funds and liquid assets of adequate amount and quality to comply with the OFAR.

8. Remuneration

8.1 Remuneration Philosophy

IM EMEA offers a total rewards program that is externally competitive, internally equitable, and tied both to employee contributions and company success. We are committed to paying our employees fairly, and we offer pay and benefits that allow us to hire, reward, and retain the best talent available in each of the locations in which we operate which rewards:

- performance (of the firm, team and individual against established goals),
- the creation and maintenance of an inclusive and positive culture focused on doing what is right and supporting sustainable long-term value,
- supports the company values and aligns the interest of employees with clients, and our shareholders.

8.2 Remuneration Policy and Governance

IM EMEA's Remuneration Policy has been designed to provide a policy that is appropriately applicable to all our staff. It ensures that pay practices are appropriate and proportionate to the nature, scale and complexity of the current and future risks that are inherent in the business model and activities carried out.

In addition to being regulatory compliant and gender neutral, as well as supporting equal pay and diversity in the jurisdictions within which we operate the Remuneration Policy also promotes sound and effective risk management, aligns with the firm's business strategy and rewards long-term sustainable investing outcomes for our clients.

The approach to remuneration is governed by the IM EMEA Remuneration Committee which meets at least 4 times per year. Compensation proposals are made to the Remuneration Committee on an annual basis which includes a review of proposals for the Executive Committee, Material Risk Takers and other high earners. This review includes formal input from the Risk and Compliance and Human Resources functions. The Remuneration Committee may, from time to time, consider additional input from external consultants as deemed appropriate.

To manage any potential conflicts of interest, remuneration decisions for employees in control functions are determined by the BNY Mellon corporate function, independently of IM EMEA with the pools for fixed and variable compensation based on BNY Mellon's overall annual financial performance. Variable compensation deferrals for these employees are aligned to the BNY Mellon corporate deferral rates, subject to any additional regulatory requirements which may apply.

The Remuneration Committee is accountable for ensuring remuneration practices are implemented appropriately in line with the firm's business strategy, all relevant legal and regulatory requirements and the overall philosophy of the firm.

8.3 Material Risk Takers

As required in the MIFIDPRU Remuneration Code, relevant Investment Firms are required to identify employees whose professional activities have a material impact on the risk profile of the firm or the assets that are managed by the firm. The Remuneration Code includes published criteria to assist in identifying those employees.

The IM EMEA Remuneration Committee is presented with the firm's interpretation of the Remuneration Code identification criteria for formal approval on an annual basis. Using this identification criteria, a list of Material Risk Takers ("MRTs") is also presented for approval. This intentionally captures those with responsibility to control and manage risk.

Employees identified as MRTs include, but are not limited to, those in the following roles:

- You are a member of the management body or a member of senior management. In respect of IM EMEA, this includes the Board and the Executive Operating Committee.
- You have managerial responsibility for a regulated activity.
- You have managerial responsibility for a control function, including Compliance, Risk and Anti-Money Laundering.
- You have managerial responsibility regarding the introduction of new products.
- Your professional activities are otherwise determined to have an impact on the risk profile of the firm. or the assets managed.

All identified MRTs are informed of their status as MRTs and the implication of what this means for them through a notification letter. The list of MRTs is maintained through the year and updated as necessary by the firm. For the 2022 performance year 21 employees were identified as MRTs.

8.4 Structure of Compensation

The level of individual compensation is based on multiple factors, including:

- Job function – type of work being done, financial responsibility, decision-making authority and number of employees supervised;
- Knowledge requirements – skill, education and training required to successfully perform the job;
- Experience – breadth and depth and competence of prior work experience;
- Local labor market – local pay rate for similar jobs at other companies in the same global location;
- Talent availability – number of qualified workers who fulfil the job requirements;
- Individual performance – level of performance of the person doing the job;

Our employee compensation structure is comprised of an appropriate mix of salary and Variable compensation (incentives) that is paid over-time.

Fixed Component

The fixed component of on an employees' compensation is determined taking into account local market practice, ensuring it is sufficient to provide security and a financial foundation for the relevant location, reflective of the size and scope and value of roles within the firm including professional experience and responsibility in addition to the capability and competence of the incumbent as well as being commercially viable.

Fixed compensation will be at a level high enough in its own right to be a sufficiently high proportion of total compensation for each employee to ensure that there is no requirement or obligation to pay variable compensation when the performance of the individual, team or firm does not justify it.

Variable Component

All IM EMEA employees are eligible to be awarded variable compensation but have no entitlement to such awards which are discretionary. Variable compensation is an important element of total compensation and our approach to paying for performance. It reflects compliance with the firm's core values including adherence to risk, control and compliance. The proportion of total compensation which is made up of variable compensation typically increases with the seniority of the role and the overall level of total compensation.

Guaranteed variable compensation is only awarded in exceptional circumstances and, in line with the regulatory requirements, limited to the first year of service and in the context of hiring new staff.

Buyout awards, which compensate a new joiner for forfeited deferred remuneration from a previous employer, will take into consideration the value and terms including any deferral period, nature of award (e.g. cash, shares etc.) and retention period of the variable compensation to be forfeited. Buyout awards are reviewed by a specialist team and offers considered to be high value may require approval of the Remuneration Committee.

In addition, any retention or severance payments are made at the discretion of IM EMEA and are made in line with the regulatory requirements of the Remuneration Code and any other applicable local statutory requirements.

Performance criteria

Variable compensation is designed to be determined based on individual, team and business performance measured against varied criteria (financial and non-financial) and is intended to reward leadership performance equitably with technical performance and delivery.

Performance is measured against criteria including regulatory standards and requirements, adherence to policy and procedures, achievement of goals, modeling of the firm's values and behaviours and revenue generation and /or prudent cost control. This balance of criteria ensures that variable remuneration does not encourage excessive risk taking nor affect the sound capital base of the firm. It also reflects the long-term performance of employees.

Long Term Incentive Plans ("LTIP")

The firm's long term incentive arrangements are a strong tool for employee retention and encourage the alignment of stakeholders goals as well as providing employees with an opportunity to share financially in the success of the performance of the business. All employees are eligible to receive LTIP awards, awarded under the same principles.

Under ordinary circumstances, and for more senior-level employees, a portion of variable compensation will be deferred for a period of at least three years and will be subject to the performance of either (or both) the company or the respective business and be subject to claw back under appropriate circumstances.

8.5 Performance Adjustment

The IM EMEA Remuneration Committee is responsible for ensuring that any variable remuneration, including any amounts deferred, is paid or vests only if it is sustainable according to the financial position of the firm as a whole and justified based on the performance of the individual, the individual's team and the firm. The principle of "doing the right thing" is key to all decisions.

All employees have an objective linked to their personal conduct in performing their duties, with additional specific risk objectives being assigned as appropriate to the role carried out. Allocation of Incentive is adjusted on the basis of impact of both business results and supporting a culture of leadership and Diversity, Equality and Inclusion (DEI). Variable compensation and performance rating is adjusted, where appropriate, for risk and compliance/conduct and is structured not to encourage excessive risk taking. The IM EMEA Remuneration Committee may takes into consideration input from the HR and Risk and Compliance functions when determining remuneration outcomes and may, in its sole discretion, cancel or reduce all or any portion of an unvested award of variable remuneration ("Malus") based on criteria included in the Remuneration Policy, including but not limited to, employee misbehaviour, material error, material downturn in business unit performance, material failure of risk management and failure to meet fitness and proprietary standards. In addition, Clawback may be applied for up to seven years from the date the variable remuneration was awarded.

Termination Payments may be made where the employment contract is terminated early at the initiative of the employer. The payments will be subject to general standards that are dependent on a number of factors which may include the seniority of the individual, their length of service, the circumstances surrounding the termination and any applicable legal requirements and shall not reward failure or misconduct. Termination payments do not reward failure (personal or corporate) or misconduct and will be considered variable remuneration for the purposes of this Remuneration Framework where required by the EBA. Termination payments are made in line with applicable legal requirements.

8.6 Quantitative Disclosures

IM EMEA is required to disclosure information on the aggregate remuneration for its employee and MRTs for the 2022 performance year.

The remuneration amounts below are presented on a gross basis, regardless of the time spent by staff in respect of IM EMEA.

	Senior Management	Other MRTs	Other Staff
Total Number	3	18	
Total Remuneration	1,023,250	8,562,376	20,402,560
Fixed Remuneration	480,750	3,219,487	12,889,553
Variable Remuneration	542,500	5,342,889	7,513,007

Total Guaranteed Variable	None	
Total Severance Payments	None	
Highest Severance Payment	n/a	
Exemptions under SYSC 19G.5.9R	n/a[2]	

1. Figures in GBP using applicable year-end FX rates. Headcount as at 31 December 2022
2. Under MIFIDPRU 8.6.9 no information is provided.

9. Investment Policy

As noted in section 2.1, the principal activity of BNYM IM EMEA is the marketing and distribution, within UK, Europe, the Middle East and Africa ('EMEA') and Latin America regions; of the investment products and services manufactured by the BNY Mellon Investment Management subsidiaries located in various investment centres around the world.

Whilst the Firm also enters into discretionary investment management agreements with institutional clients, it generally sub-delegates portfolio management activities to the BNY Mellon Investment Management subsidiaries, with very limited activity undertaken directly. The delegation to the BNY Mellon Investment Management subsidiaries includes exercise of voting rights on behalf of clients of the Firm, where it is appointed by the client to do so. The Firm does not therefore hold shares directly or indirectly.

On the basis that the Firm does not directly exercise voting rights for shares held directly or indirectly, it does not disclose the information contained within MIFIDPRU 8 Annex 2R.