Santa Clara Valley Water District

Response to Request for Proposals for:
Revolving Line of Credit – SUPPLEMENTAL INFORMATION

June 15, 2020

Bank of America, N.A.
555 California St., Suite 1160
San Francisco, CA 94104

333 S. Hope St., Suite 3820
Los Angeles, CA 90071

BANK OF AMERICA

Valley Water

June 15, 2020

Ms. Charlene Sun
Treasury and Debt Officer
Office of the Chief Executive Officer
Santa Clara Valley Water District
csun@valleywater.org

Dear Ms. Sun:

Bank of America, N.A. ("BANA" or "Bank") appreciates the opportunity to respond to the Santa Clara Valley Water District's (the "District" or "Valley Water") request for additional information related to our RFP response dated May 22, 2020. Bank of America is strongly committed to fundamental human rights. Our policies and practices promote and protect human rights, and we strive to conduct our business in a manner consistent with guiding principles. We are submitting the attached information to convey our effort.

Thank you, again, for your consideration of BANA. Please feel free to contact either of us with any questions.

Sincerely,

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We do not provide legal, compliance, tax or accounting advice. Accordingly, any statements contained herein as to tax matters were neither written nor intended by us to be used and cannot be used by any taxpayer for the purpose of avoiding tax penalties that may be imposed on such taxpayer. If any person uses or refers to any such tax statement in promoting, marketing or recommending a partnership or other entity, investment plan or arrangement to any taxpayer, then the statement expressed herein is being delivered to support the promotion or marketing of the transaction or matter addressed and the recipient should seek advice based on its particular circumstances from an independent tax advisor. Notwithstanding anything that may appear herein or in other materials to the contrary, the Company shall be permitted to disclose the tax treatment and tax structure of a transaction (including any materials, opinions or analyses relating to such tax treatment or tax structure, but without disclosure of identifying information or any nonpublic commercial or financial information (except to the extent any such information relates to the tax structure or tax treatment)) on and after the earliest to occur of the date of (i) public announcement of discussions relating to such transaction, (ii) public announcement of such transaction or (iii) execution of a definitive agreement (with or without conditions) to enter into such transaction; provided, however, that if such transaction is not consummated for any reason, the provisions of this sentence shall cease to apply.

SUPPLEMENTAL INFORMATION

1. *What is the Bank's response to Banktrak's rankings (attached)? Have you or do you plan on implementing any changes to address the issues raised by Banktrak?*

Commitment to Human Rights. BankTrack's rankings provides scores in four main categories (policies, due diligence, reporting and remedy) and several sub-categories. Bank of America Coporation's (the "Firm" or "Bank of America") scores reflect "no information" in many of the sub-categories. However, we would like to convey to Valley Water and its Board that our Firm is strongly committed to fundamental human rights. Our policies and practices promote and protect human rights, and we strive to conduct our business in a manner consistent with the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights and the International Labor Organization's Fundamental Conventions. **Bank of America's Human Rights Statement** can be found in **Appendix A.**

With respect to the policies, due diligence and remedies, the Firm's Board of Directors (the Board") oversees the Firm's domestic and international human rights policies and standards, including the management of related risks. As part of the environmental, social and related governance ("ESG") and risk oversight structures to oversee domestic and international developments in human rights and the risks those developments present for the Firm, the Board Governance Committee has chartered a Global ESG Committee. The Global ESG Committee is led by the Firm's Vice Chairman, Anne Finucane, and comprises senior leaders from each business line and control functions across the Firm and is accountable to the Firm's Chief Executive Officer. The Global ESG Committee's work is reflected in part in the Firm's **Environmental and Social Risk Policy ("ESRP") Framework**, which includes provisions that address human rights. A copy of the Firm's ESRP Framework is provided in **Appendix B**.

The Global ESG Committee reviews and approves the ESRP Framework at least every two years or more frequently as material issues develop. Furthermore, the Global ESG Committee convenes six times a year and reports regularly to the Board Governance Committee. The Firm also provides regional oversight through committees in Asia Pacific (APAC), Europe, Middle East and Africa (EMEA), and Latin America (LatAm) that focus on region-specific issues and are chaired by in-region leaders.

As it relates to reporting, we are committed to managing environmental and social risk, as well as providing industry-leading disclosures on our progress. The Firm provides annual reports of our ESG and ESRP Framework items. A copy of latest **ESG Performance Data Summary** report is provided in **Appendix C**. The report aligns to G4 guidelines under the Global Reporting Initiative standards.

2. *What is the Bank's response to Bloomberg's rankings (attached)? Have you or do you plan on implementing any changes to address the issues raised by Bloomberg?*

Commitment to ESG Principles. Based on the Bloomberg report, Bank of America's scores are above the median scores for RobescoSAM and ISS. We believe that these high scores reflect the Firm's ESG approach, which is fully-integrated into all our lines of business and ensures that we are taking ESG factors into account as we make the decisions that drive our business. At Bank of America, we drive our business by focusing on responsible growth and ESG leadership. We are proud of Bank of America's ESG-related achievements and various awards and recognitions, as noted below.

Recent ESG Accomplishments:

- In 2019, we announced the completion of our Environmental Business Commitment to deploy $125 billion by 2025 to support to support low-carbon, sustainable business activities through lending, investing, capital raising and advisory services. This goal was completed six years early. We also announced an expanded Environmental Business Initiative of $300 billion by 2030.

- First company to issue a benchmark-sized corporate green bond and co-authored the original version of the Green Bond Principles.
- Since 2013, we issued nearly $8 billion in green and social bonds, and helped more than 150 clients support their sustainable business needs by raising in excess of $200 billion through more than 300 ESG-themed bond offerings.
- In 2020, to accelerate our progress, identify new opportunities, and build upon our work in sustainable finance in particular, we announced the establishment of a Sustainable Markets Committee
- We also are making our operations more sustainable – including achieving carbon neutrality and procuring 100% renewable electricity in 2019, a year ahead of schedule. We offer programs and benefits that help employees become better environmental stewards.
- Advanced economic mobility in local communities around the world by deploying more than $200 million in philanthropic capital from the Bank of America Charitable Foundation.
- In 2018, we committed to hiring 10,000 individuals from low- and moderate-income neighborhoods in our Consumer and Small Business division, through our Pathways program, over the next five years.

Recent ESG-Related Recognitions:

- Ranked No. 1 financial services company and No. 3 overall on Fortune Magazine's annual Change the World list in 2018.
- Named one of America's most JUST Companies by Just Capital and Forbes in 2018.
- Recipient of the 2018 Momentum for Change award presented by the United Nations Climate Change Secretariat. Recognized for the bank's leadership in the Catalytic Finance Initiative.
- Named Asia's Best Environmental, Social and Governance (ESG) Bank in 2019 by The Asset magazine for four consecutive years.
- Euromoney Awards for Excellence 2019: Asia's Best Bank for Corporate Social Responsibility.

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3. *Are there any other ESG information the bank wishes to provide? For example, how many branches/employees does the bank have in Santa Clara County and the 9 Bay area counties? Does the Bank have any social responsibility (corporate policies) policies that can be shared with the Board?*

Efforts to Assist with COVID-19 Relief and Promote Racial and Economic Equality. The Firm has made the following commitments in recent months to help address challenges faced by communities in light of the COVID-19 pandemic and social unrest stemming from racial and economic inequality.

- June 2020 – Committed $1 billion over four years to help local communities address economic and racial inequality accelerated by a global pandemic. The programs will be focused on assisting people and communities of color that have experienced a greater impact from the health crisis.
- June 2020 – Committed $25 million to support the Smithsonian's launch of its new "Race, Community and Our Shared Future" initiative, which will explore how Americans currently understand, experience and confront race, its impact on communities and how that impact is shaping the nation's future.
- May 2020 – Issued $1 billion corporate social bond to support the fight against the COVID-19 pandemic, the first such offering by a U.S. commercial bank.
- May 2020 – Bank of America contributed $5 million to the Brave of Heart Fund, established to provide financial and emotional support to the surviving family members of frontline health care workers and volunteers who lose their lives in the COVID-19 fight.

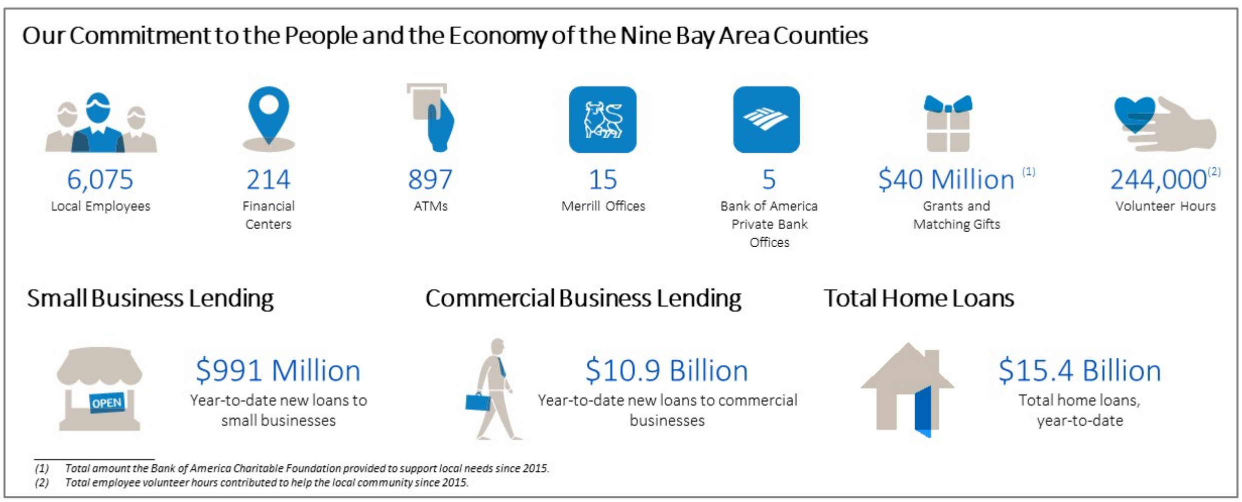
Diversity and Inclusion. In addition to our focus on ESG, diversity and inclusion are central to the Firm's core values. Bank of America is honored to be recognized by various organizations and media around the world for our employment practices.

- Named one of Fortune Magazine's Best Workplaces for Diversity List in 2019.
- Named Euromoney's World's Best Bank for Diversity & Inclusion in 2019.

- 2019 Global Employer of the Year by Disability:IN for leading the way in policies, practices and programs that are inclusive of people with disabilities.
- Ranked No. 24 on PEOPLE's 2019 Companies that Care list, which spotlights 50 U.S. companies that have succeeded in business while also demonstrating respect, compassion and concern for their communities, their employees, and the environment.
- Bank of America recognized among top corporations for inclusion by the National LGBT Chamber of Commerce and National Business Consortium.
- Recognized as a leader for the fourth consecutive year on Bloomberg's annual Gender-Equality Index.
- Named to the Working Mother Magazine's "2019 Best Companies for Multicultural Women" list in 2019.
- Received the 2019 Catalyst Award recognizing our exceptional efforts to accelerate progress for women in business.

Local Presence and Commitment. Bank of America has a strong presence within the Bay Area. In all of the nine Bay Area Counties, BofA has 221 branches with 1,943 branch associates, and in Santa Clara County alone, there are 57 branches with 536 branch associates. Overall, we have 6,075 total employees working in the 234 total locations in the nine Bay Area Counties.

Furthermore, we pride ourselves on not just being a leader in financial services, but also a leader in our communities. In the nine Bay Area Counties, the Bank of America Charitable Foundation has provided $40 million in grants and matching gifts, and we have volunteered 244,000 employee hours since 2015. In Silicon Valley, we've worked Sacred Heart Community Services and Charities Housing to advance community sustainability by equipping the organization and their leaders with tools and resources to do more.



Policies. As noted above, we've provided our Human Rights Statement and ERSP Framework Policies in the Appendix.

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4. *Will the bank consider offering Valley Water credit <u>up to $180million, and, act as a lead bank to offer an additional $20 million syndicated loan to small and local banks/credit unions</u>? The syndication agreement would be between the lead bank and the local banks. The pricing for the local banks is subject to discussion, and may be higher than pricing for the lead bank given the District board's desire to incentivize small local banks participation. If not, does the bank have other ideas/mechanisms to involve small local banks participation in the line of credit business?*

Lead Arranger. Bank of America, N.A. appreciates the opportunity to respond to Valley Water's Request for Proposals for Line of Credit. BANA is a leading provider of both traditional bank facilities and direct purchase products such as lines of credit. The Bank remains willing to offer up to $75 million of capacity and may act as lead arranger with other financing partners (collectively, the "Lenders" or the "Banks") to meet Valley Water's total request of $200 million. The Lenders will provide their respective commitments on the basis of several, but not joint liability, with each Lender liable for its pro rata share of the Facility and each draw thereunder. Valley Water would be required to accept parity pricing, covenants, events of defaults and remedies amongst the Lenders. Such Lead Arrangement role would necessitate a fee approximating 0.05% of the total arranged commitment amount and estimated legal fees of $75,000 plus $10,000 per additional bank (assuming common bank counsel).

5. *Will the bank consider revising the fee proposal after reviewing the 6/9 Staff Report summarizing the results of the RFP? If so, please submit your revised fee proposals along with the information requested here by 10 am on June 15, 2020.*

Fee Proposal. Subject to adjustments in the above response, BANA's fee proposal remains as presented in our RFP response dated May 22, 2020.

No Advisory or Fiduciary Role

The Issuer acknowledges and agrees that: (i) the transaction contemplated by this Proposal Response is an arm's length, commercial transaction between the Issuer and the Bank in which the Bank is acting solely as a principal and for its own interest; (ii) the Bank is not acting as a municipal advisor or financial advisor to the Issuer; (iii) the Bank has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Bank has provided other services or is currently providing other services to the Issuer on other matters); (iv) the only obligations the Bank has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Proposal Response; and (v) the Bank is not recommending that the Issuer take an action with respect to the transaction contemplated by this Proposal Response, and before taking any action with respect to the contemplated transaction, the Issuer should discuss the information contained herein with its own legal, accounting, tax, financial and other advisors, as it deems appropriate. If the Issuer would like a municipal advisor in this transaction that has legal fiduciary duties to Issuer, the Issuer is free to engage a municipal advisor to serve in that capacity. This Proposal Response is provided to the Issuer pursuant to and in reliance upon the "RFP exemption" and the "Bank exemption" under the municipal advisor rules (the "Rules") of the Securities and Exchange Commission (Rule 15Ba1-1 et seq.).

APPENDIX A:
HUMAN RIGHTS STATEMENT

BANK OF AMERICA

Bank of America Human Rights Statement

Bank of America supports fundamental human rights and demonstrates leadership in responsible workplace practices across our enterprise and in all regions where we conduct business.

While national government's bear the primary responsibility for upholding human rights, our company policies and practices promote and protect human rights, and we strive to conduct our business in a manner consistent with the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights and the International Labor Organization's Fundamental Conventions. Our commitment to fair, ethical and responsible business practices, as we engage with our employees, clients, vendors and communities around the world, is embodied in our values and Code of Conduct.

Employees

Our success as a company is driven by the people supporting our customers and clients each day. Bank of America is committed to treating every employee with respect and dignity and protecting their human rights. We offer equal employment opportunity to all, do not tolerate discrimination or harassment, and are proud to be a leader in supporting diversity and inclusion. We abide by labor laws and regulations in the regions where we conduct business including those that address child labor, forced labor, equal pay and nondiscrimination in our workforce. We strive to provide a safe and healthy work environment for all employees. We also acknowledge and support the rights of each employee and value an open dialogue with our employees so we may continue to improve their work environment as well as the service we provide customers and clients around the world.

Customers, Clients and Vendors

Bank of America has policies to prevent the illegal use of our products and services, including abuse that may result in human rights violations. These policies include a rigorous Customer Due Diligence process, compliance with U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and the Modern Slavery Act as well as anti-money laundering controls. All employees are required to complete annual training on many of these subjects, as well as acknowledge our Code of Conduct.

We have endorsed a number of international charters, principles and initiatives that address social and environmental issues, including the United Nations Principles for Responsible Investment, the Equator Principles, Carbon Principles, United Nations Global Compact and CERES Principles. Our Environmental and Social Risk Policy Framework (ESRPF) articulates how we approach environmental and social risks across our business, as well as outlining the environmental and social issues most relevant to us. The policies referenced in the ESRPF are reviewed as a part of our internal audit process, which evaluates our adherence to all policies in place within each of our lines of business.

Bank of America strives to work with vendors whose policies and practices regarding human rights are consistent with our own. We have set out clear expectations for our vendors in their management of human rights and other key areas in the bank's Vendor Code of Conduct.

Communities

At Bank of America, our purpose is to make financial lives better. This purpose informs our company's values and reinforces our mission to help local economies grow and prosper. We believe by working with key partners to address critical human rights issues, such as economic empowerment, hunger, jobs, improved health, and access to sustainable energy and water, we can help improve the economic and social health of the communities we serve.

APPENDIX B:
ENVIRONMENTAL AND SOCIAL RISK POLICY ("ESRP") FRAMEWORK

Bank of America Corporation Environmental and Social Risk Policy Framework

October 2019

BANK OF AMERICA

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Introduction

At Bank of America, we drive our business by focusing on responsible growth and Environmental, Social and Governance (ESG) leadership. Responsible growth means we have to grow and win in the marketplace by developing a deep relationship with each client, and by serving the client well. And we must do this in a way that manages risk carefully and ensures our growth is sustainable, enabling us to continue to invest in our people, capabilities and communities.

ESG principles help define how Bank of America delivers responsible growth and contributes to the global economy. Our ESG leadership enables us to pursue growing business opportunities and manage risks associated with addressing the world's biggest environmental and social challenges. It defines how we deploy our capital and resources, informs our business practices and helps determine how and when we use our voice in support of our values. Integrated across our eight lines of business, our ESG focus reflects how we hold ourselves accountable and allows us to create shared success with our clients and communities.

Our approach

Risk management

As a financial institution, risk is inherent in all of our business activities. At Bank of America, the principles of sound risk management are embodied in our values, operating principles and Code of Conduct, which all employees are expected to follow. Our Risk Framework describes our risk management approach and provides for the clear ownership of and accountability for managing risk well across the company. Key to this philosophy is that all employees are accountable for identifying, escalating and debating risks facing the company.

We have established this Environmental and Social Risk Policy (ESRP) Framework to provide additional clarity and transparency around how we approach environmental and social risks, which touch almost every aspect of our business. Like all risks, environmental and social risks require coordinated governance, clearly defined roles and responsibilities, and well-developed processes to ensure they are identified, measured, monitored and managed appropriately and in a timely manner.

This ESRP Framework is aligned with our Enterprise Risk Framework, which outlines Bank of America's approach to risk management and each employee's responsibilities for risk management. As articulated in our Enterprise Risk Framework, there are seven key risk types that we face as an organization: strategic, credit, market, liquidity, operational, compliance and reputational. Increasingly, environmental and social issues impact many of these risk areas, but most often result in potential reputational risk at this point in time.

Materiality

Bank of America takes a proactive approach to identifying and managing risks, which includes an ongoing and rigorous process for identifying the issues that are most material to our company. This process includes formal and informal engagement with both internal and external stakeholders, including clients, shareholders, socially responsible investment firms, and experts from civil rights, consumer, community development and environmental organizations.[1] We weigh up the importance of risk issues in relation to our stakeholders and to our business success.

Our initial lens has been and continues to be our seven key risk types, but our materiality assessments[2] help us to better understand that enterprise risk also includes risks that threaten the safety, human dignity and equal treatment of our employees, clients and the communities where we do business. These broader risks include issues such as climate change and human rights. Due to the extensive and complex role we play in the local and global economy, these issues can and will impact our future business performance, making our management of them a business imperative.

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[1] https://about.bankofamerica.com/en-us/what-guides-us/materiality.html

[2] We have completed a detailed Environmental, Social and Governance (ESG) materiality assessment in line with the Global Reporting Initiative's G4 Sustainability Reporting Guidelines, and published the results in both our 2015 Business Standards Report and Environmental, Social and Governance Addendum (ESG Report). We update and review this materiality assessment with our Global Environmental, Social & Governance Committee (ESG Committee, see discussion below) on a regular basis.

Our ESRP Framework guides our approach to managing material issues. In developing this ESRP Framework, we have benchmarked all of our existing environmental and social policies and positions against industry best practices.

Governance

To strengthen our oversight of environmental, social and governance issues, we established our Global Environmental, Social & Governance Committee (ESG Committee), a management-level committee comprised of senior leaders across every major line of business and support function. The ESG Committee reports to the Corporate Governance Committee of the Board of Directors on environmental and social activities and practices, and also updates the Enterprise Risk Committee of the Board of Directors. The Corporate Governance Committee has overall responsibility for reviewing the company's activities and practices relating to ESG matters.

The ESG Committee also engages other management committees as necessary. On matters of environmental and social risk, the ESG Committee reports to the Management Risk Committee, which in turn reports to the Enterprise Risk Committee of the Board of Directors.

The ESRP Framework is reviewed by the ESG Group at least every two years. If at that time, or any other time in the interim, changes need to be made to the ESRP Framework, they will be reviewed and approved by the ESG and Management Risk Committees and will be reflected, as appropriate, in internal policies and procedures.

Our relationship with individual clients

We serve individual consumers and small businesses with a full range of banking products and services, including retail financial centers and digital banking options. We focus on helping individuals navigate every stage of their financial lives and we work to provide education and support to meet our clients' needs.

We also support communities in becoming more financially resilient by delivering access to products, resources and capital at scale. Serving clients and partners in low- and moderate-income (LMI) communities is part of our broader business strategy, and our continued investment in a tailored community-centered approach means that we can make a meaningful impact by advancing economic mobility for our clients and making neighborhoods stronger.

This approach includes connecting communities to local financial centers, offering safe and transparent products, enabling digital banking, and providing resources that build financial literacy among clients. We are providing capital to help drive small business and community development through loans and grants to community development financial institutions (CDFIs). We have also established relationships with more than 260 CDFI partners to extend credit to those individuals and organizations who may not qualify for traditional lending.

Wealth management

Our wealth management clients are increasingly interested in the role that ESG criteria can play in evaluating portfolio risks and long-term investment opportunities. They are also interested in the positive societal impact their investments may have.

Our wealth management business has developed — and continues to expand — an offering that provides our clients access to strategies across multiple asset classes that integrate ESG criteria into their investment approach. We are committed to continuously providing education and thought leadership to advisors, portfolio managers and clients on the benefits of incorporating ESG criteria into investment strategies and portfolios.

Our relationship with business clients

A key aspect of our strategy is active and extensive engagement with our clients. This engagement allows us to deepen our collective understanding of issues, learn and share perspectives, and, often, create connections between stakeholders with differing views. While this engagement can be conducted in conjunction with due diligence related to a specific transaction, it is ongoing and in addition to the due diligence and risk review processes highlighted below.

As part of our Know Your Customer (KYC) Policy, due diligence, and other onboarding processes, front line units and risk teams will determine if a proposed transaction or relationship presents any potential environmental or social risks. This determination is driven by a number of factors, including cross-referencing our prohibition list and any areas of heightened sensitivity, which are both part of this ESRP Framework; understanding our clients' business, industry, management and reputation; application of our policies; adherence to regulation; and consultation with subject matter experts (SMEs) and teams focused on client screening and onboarding.

Due diligence, heightened risk review and the prohibited list

Standard due diligence

Standard due diligence is conducted when environmental and social risks are well understood or expected to be relatively low for the client, business activity, industry or geography. Due diligence begins with the front line unit, and this process may include, but is not limited to, client engagement, media searches and other screening tools. This standard review may result in a client relationship or transaction being approved, conditionally approved subject to specific mitigating actions, or declined in line with the line of business approval process. If, during this due diligence process, the client, business activity, industry or geography is identified as posing heightened risk, then enhanced due diligence will be conducted.

Enhanced due diligence

A client relationship or transaction may require enhanced due diligence related to environmental and social issues due to a policy or standard, because a front line unit or risk manager made a referral after standard due diligence; or if the client, business activity, industry or geography is deemed sufficiently sensitive. In these instances, enhanced due diligence is conducted before the relationship or transaction can proceed toward approval.

Enhanced due diligence includes a deeper analysis of issues related to client transactions and associated stakeholders. While each client opportunity is unique and therefore requires a customized due diligence process, there are common elements to enhanced due diligence as it relates to the environmental and social areas identified in this ESRP Framework. Enhanced due diligence is conducted by individuals with subject matter expertise and an understanding of a range of stakeholder perspectives. We recognize that environmental and social issues can be interrelated and both need to be considered. Evaluation of environmental matters may include land and water use impacts, a remediation/reclamation track record (if applicable), climate risk reporting, community and stakeholder engagement and overall transparency. Evaluation of social issues may include a review of the client's relationship with relevant civil society organizations, and a particular focus on stakeholder engagement with local communities including Indigenous Peoples and First Nations relations.

The enhanced due diligence process is tailored to provide a deep analysis of risk issues for specific transactions, thus each analysis varies. These analyses may include, but are not limited to, direct client discussion on related environmental and social risks, review of client disclosures, a comparison of the client's practices to industry peers, and consultation with and assessment by additional SMEs. Reviewed material may include regulatory filings, environmental and social impact reports and assessments, Task Force on Climate-related Financial Disclosure (TCFD) reporting, ESG and Corporate Social Responsibility (CSR) reports, and a media search that is focused on environmental and social reputation risk.

Issues that have additional enhanced due diligence specific to this topic are detailed in the section below titled *Managing environmental and social areas of heightened sensitivity.*

Committee review of reputational risk

If due diligence reveals that a business activity presents significant environmental and social risk, that activity − including client relationships, transactions, new products or other corporate activities − may be escalated to the appropriate committee responsible for reputational risk management for further evaluation. These committees are comprised of the business heads and senior executives from our Global Risk, Compliance, Legal and ESG groups, and can approve, conditionally approve or decline a business activity. If the committee does not approve a business activity, the business head may appeal the matter to the executive management team.

Prohibited list

Bank of America will not knowingly engage in illegal activities including:

- Bribery – including giving, offering, receiving or requesting bribes
- Child labor, forced labor or human trafficking – including engaging with companies or transactions in which a client is directly involved in child labor, forced labor or human trafficking
- Illegal logging or uncontrolled fire – including transactions in which a client engages in illegal logging or uncontrolled use of fire for clearing forest lands
- Transactions for illegal purposes – including transactions involving internet gaming in certain jurisdictions.

In addition, we will not knowingly engage in the following types of activities that, while not illegal, are contrary to our values, operating principles and Code of Conduct:

- Payday lending services – directly to our consumer clients or by providing credit to business clients with significant payday lending activities
- Financing the manufacture of military-style firearms for non-law enforcement, non-military use
- Natural resource extraction in UNESCO World Heritage sites – engaging in transactions focused on natural resource extraction within UNESCO World Heritage sites, unless there is prior consensus between UNESCO and the host country's governmental authorities that activities will not adversely affect the natural or cultural value of the site
- Transactions designed to manipulate financial results – including transactions or activities designed to artificially or unfairly manipulate or change the reported value of a client, instrument or transaction or inappropriately reduce tax liabilities.

General purpose financing

As part of our ongoing client engagement process, we regularly monitor our client relationships. We recognize that some clients use general purpose financing to support the development of specific projects and that environmental and social risk can be elevated in a specific project. In some cases, it can even be elevated in an entire sector or industry. We actively engage with clients and prospective clients with significant exposure to highly associated environmental and social risks and, in some circumstances, conduct enhanced due diligence as part of our normal KYC practices.

Subject matter expertise (SME)

Bank of America employs a variety of internal SMEs who participate in the environmental and social risk management process. These SMEs include employees from our front line units, as well as our ESG Group and our Global Risk Management and Public Policy teams. Risk assessments may be conducted by consultants along with internal or external experts, and they range from simple questionnaires to complex evaluations that may include geological, engineering and other analyses.

Positions on key issues

Climate change and energy

As evidenced by the United Nations Intergovernmental Panel on Climate Change's Fifth Assessment Report and the United States government's Fourth National Climate Assessment, urgent action is needed to address climate change and prevent its increasingly devastating impacts from accelerating further. At Bank of America, we recognize that climate change poses a significant risk to our business, our clients and the communities where we live and work.

As one of the world's largest financial institutions, Bank of America has a responsibility and an important role to play in helping to mitigate and build resilience to climate change by using our expertise and resources, as well as our scale, to accelerate the transition from a high-carbon to a low-carbon society. In alignment with more than 190 countries, we support the Paris Agreement on climate change, its commitment to take action to keep global temperature rise this century to below 2°C above pre-industrial levels, and its efforts to limit the temperature increase to no more than 1.5°C. Doing so will require changes in all sectors of our economy, particularly the transformation of critical areas like energy, power, transportation and real estate.

In helping to address climate change, Bank of America is focused on supporting key sectors in the transition from a high-carbon to a low-carbon society, including:

- Energy efficient design and retrofitting of buildings; in particular, deep retrofits required to meet climate goals
- Decarbonization of the power sector, including the enhancement and expansion of renewable energy, advanced nuclear and carbon capture, and storage/use technologies
- Electrification and low-carbon fuels for industry, transport and building heating
- Sustainable agriculture and reforestation
- New technologies, products and services as they evolve.

As part of our strategy to address climate change, we have partnered closely with clients to finance the adoption of low-carbon solutions that are now in widespread commercial use; for instance, Leadership in Energy and Environmental Design (LEED)- and Energy Star-certified building construction, solar and wind power generation, electric vehicles and charging infrastructure, resource efficient agriculture, and canopy protection and reforestation. Other technologies are still in development or have not achieved commercialization, and are therefore more challenging for a highly regulated consumer and commercial bank to finance. For those areas, we have dedicated significant intellectual and philanthropic capital to support their advancement, most notably through our current $125 billion environmental business initiative and the new $300 billion initiative we will launch in 2020.

It is important to note that nearly all comprehensive roadmaps to meeting the Paris Agreement include significant increases in nuclear power generation and carbon capture, and the storage or use of emissions from fossil fuel power generation. These technologies are important options to provide on-demand power and support power-intensive industry. We recognize many stakeholders have strong views about these areas. At Bank of America, we believe advancing these elements is necessary to address the significant urgency of climate change, and form part of a pragmatic, risk-informed strategy for supporting the transition to a low-carbon economy.

A critical part of our strategy is strong engagement and partnership with clients across energy, power and other sectors, including those that are currently fossil fuel intensive. Through this active client engagement, we are able to effectively share our expertise and perspectives, create positive and constructive dialogues with key stakeholders, and encourage and influence clients to consider their role in the transition to a low-carbon economy. A key element of this engagement is helping clients to access the capital they need to affect this transition within their companies.

Transitioning entire sectors of the economy will take time. Like many companies, we continue to balance the need to support traditional energy sources in the near term with the recognition that their emissions contribute to climate change and exacerbate risk to our business and communities in the longer term. At Bank of America, our energy and power strategy is reflective of this challenge.

We maintain our strong focus on driving capital to critical areas like energy efficiency, renewable energy, electric vehicles and other low-carbon technology adoption while working to progress areas like advanced nuclear and carbon capture, and storage or use. We also understand that access to reliable, low-cost energy can play a significant role in economic growth, reducing poverty and improving health outcomes, particularly in developing countries. As a result, we are partnering closely with our power utility clients – most of which generate power from a range of high- and low-carbon energy sources – to help them accelerate their low-carbon transition in a way that is economical and in line with meeting clients' needs.

We have dramatically reduced exposure to companies focused on coal extraction, will not finance construction of new coal-fired power plants in developed countries without technologies to address their carbon emissions, and will only finance construction in developing countries in certain circumstances (see below). Natural gas has been a key contributor in reducing carbon emissions in the U.S. and other developed countries. We will continue to support natural gas extraction and delivery while encouraging efforts to improve their environmental performance. As is often the case for these higher risk sectors, we will engage in further client and transactional review and due diligence to evaluate their associated risks, as articulated in greater detail throughout the ESRP Framework.

Carbon markets

We are supportive of policies that will help accelerate the transition to a low-carbon economy and have continuously stated our support for a price on carbon. Bank of America believes that voluntary action alone will not be enough to address the climate challenge, and we continue to support public policy focused on solutions. Carbon pricing regimes, including carbon taxes, are seen by many policymakers and business leaders as a critical step in promoting a shift to a low-carbon economy. Bank of America supports approaches to reducing carbon emissions that are economy-wide and market-based. We will continue to monitor developments in carbon pricing and the potential implications for our company and our clients.

Human rights

In our operations around the world, we strive to conduct our business in a manner consistent with the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the International Labour Organization's (ILO) Fundamental Conventions. We have set clear expectations for our vendors in their management of human rights and other key areas in our Vendor Code of Conduct, including expecting vendors and their subcontractors to abide by labor laws and regulations in the regions where they conduct business. They must also adhere to laws addressing child labor, forced labor, slavery, human trafficking, equal pay and non-discrimination in their workforce, and not engage in any practice that could reasonably be considered as employing or encouraging child labor, forced labor, slavery or human trafficking.

To learn more, please see our Bank of America Human Rights Statement.

External standards

We are participants in or signatories to the following principles (listed alphabetically) and use these principles to help guide our approach to lending, investing and other financing decisions relating to critical environmental and social issues.

Equator Principles

The Equator Principles provide a framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects. They are primarily intended to establish a minimum standard for due diligence in project-related lending and finance. By following and supporting the Equator Principles, we help to ensure financing for projects in a manner that is socially responsible and reflective of sound environmental management practices. Bank of America continues to support these principles as an industry best standard.

Green, Social and Sustainability Bond Principles

In June 2013, Bank of America co-authored a white paper called “A Framework for Green Bonds.” We then co-led a consortium of banks to publish the Green Bond Principles, using the Framework document as a blueprint. The document was subsequently passed to the International Capital Market Association (ICMA), the newly named Secretariat. As an inaugural member of ICMA’s Green Bond Principles Executive Committee, Bank of America also contributed to the release of ICMA Social Bond Principles and Sustainability Bond Guidelines.

Principles for Responsible Investing

Bank of America’s Global Wealth and Investment Management business was one of the first major wealth management firms to become a signatory to the United Nations-supported Principles for Responsible Investment (PRI). Since its launch in 2006, the PRI has been instrumental in raising awareness about responsible investment among the global investment community and fostering collaboration among companies and policymakers on environmental and social issues.

Task Force for Climate-related Financial Disclosures (TCFD)

In 2017, the TCFD released its recommended voluntary, consistent financial disclosures designed to be used by investors, lenders and insurance underwriters in understanding material climate-related risks. Bank of America has signed on to support the TCFD recommendations alongside more than 600 other companies, including many peers and clients. Bank of America is in the early stages of evaluating and incorporating the recommendations of the TCFD. By building on our experience, and carrying out our annual CDP reporting, we are assessing ways to enhance our management of transition and physical risks and opportunities that climate change poses to our business and clients.

UN Guiding Principles on Business and Human Rights

The United Nations Guiding Principles on Business and Human Rights (UNGP) provide guidance on a corporation’s responsibility to respect human rights. Bank of America uses the UNGP and other external frameworks to help inform our policies and practices in this area, as articulated in our Human Rights Statement.

Managing environmental and social areas of heightened sensitivity

This section contains a summary (in alphabetical order) of environmental and social topics that Bank of America recognizes as being of heightened sensitivity and importance to us and our stakeholders, along with our approach to each area. While we expect our clients to comply with environmental laws and regulations, we also take additional measures to identify, evaluate and mitigate environmental and social risks for certain clients, business activities, industries and geographies.

Issues that need additional enhanced due diligence are detailed in the sections below.

Arms and munitions

Our Arms and Munitions Policy establishes an enhanced due diligence standard for clients and transactions involved in arms and munitions trade finance, with a primary focus on managing reputational risk concerns. The maintenance and implementation of this policy is conducted by SMEs with specialized industry knowledge and follow a clear process with senior executive checkpoints, escalation routines and risk management.

We recognize that many of the communities where we operate, and where our clients and employees live, have been affected directly and indirectly by mass shootings using military-style firearms. In an effort to reduce risk to our communities, we will not finance the manufacture of military-style firearms for non-law enforcement, non-military use.

Biodiversity and ecosystems

There are many areas of the planet with rich biodiversity and sensitive ecosystems that are particularly vulnerable to the negative impacts of irresponsible development and unsustainable practices. Recent reports show that the world's natural systems are in decline. Oceans, in particular, are impacted by climate change, overfishing and pollution. The growing deterioration of the ocean and marine life can present a range of challenges in the future, from the collapse of fish stocks to increasing ocean temperatures that contribute to stronger storm systems. We continue to monitor these issues as they evolve and relate to our clients and our business.

We recognize the importance of biodiversity and its environmental, cultural, religious and health contributions to societies. When issues of concern are identified by the front line unit or a control function, they are escalated for further review.

Agricultural commodity trading

We recognize the risks associated with trading in agricultural commodities, where certain types of financial trading or speculation have the potential to increase the cost of food and/or food poverty, especially in developing economies. Our Commodities Trading Group periodically reviews these aspects and has determined that we do not take significant market risk. However, we continue to monitor for exposure in this regard.

Forestry

The world's forests play a vital role in the carbon cycle and can significantly help mitigate global climate change. We developed our Forests Practices Policy, including our position on Forest Certification and Paper Procurement Policy, in consultation with our clients who have expertise in the sector, and with environmental partners focused on developing best practices, including forestry certification. Our Forests Practices Policy places additional value on forestry certification by using it as a due diligence tool. The Forests Practices Policy also includes an explicit prohibition of illegal logging and practices involving uncontrolled fire.

Palm oil

The increased use of palm oil has raised serious concerns regarding the impacts on forests and land use in sensitive tropical environments. We require clients whose business is focused on ownership and management of palm oil plantations and operations, including growers and mills, to have their operations certified, or have in place an outlined action plan and schedule for certification. We use the Roundtable on Sustainable Palm Oil (RSPO) certification or equivalent certification standards as a minimum requirement for clients, and closely monitor developments relating to the sustainable sourcing of palm oil.

Energy and extractives

We have a comprehensive, pragmatic strategy for supporting the transition of our energy and power systems. At the same time, we recognize that activities involving natural resource extraction elevate the risk of disturbing sensitive environments which can lead to impacts on both biodiversity and the human communities that depend on them. In addition, certain energy generation can result in increased environmental risk, including climate change. Accordingly, Bank of America has developed client and transaction standards and guidance, informed by international standards and best practices, to govern particularly sensitive situations where energy and extractive activity occurs.

Arctic drilling

Bank of America recognizes that the Arctic is a unique region with specific considerations to take into account including those of marine and wildlife, a fragile ecosystem and the rights of Indigenous Peoples. Considering these sensitivities, we conduct enhanced due diligence for any transactions where the majority use of proceeds is identified as supporting petroleum exploration or production activities in the Arctic. We define the Arctic as any lands subject to permafrost and extensive seasonal ice cover (generally above the Arctic Circle) and major sections of the Arctic Ocean and its component water bodies that are also subject to extensive or permanent ice cover.

Coal extraction

Energy companies and their subsidiaries focused on coal face significant challenges. These include greater regulatory scrutiny related to both extraction and combustion, changes in economic conditions and increased pricing pressure from the proliferation of natural gas and new energy technologies. Bank of America's Coal Policy outlines our approach to the financing of coal and other energy sources while balancing the risks and opportunities to our shareholders and the communities we serve. Since 2011, we have significantly reduced our exposure to coal extraction companies. Going forward, we will maintain our significantly reduced credit exposure to these companies. This commitment applies globally to companies focused on coal extraction and to divisions of diversified mining companies that are focused on coal. In keeping with our commitment to reduce credit exposure to extraction companies focused on coal mining, Bank of America has also reduced exposure to coal mining companies that utilize mountain top removal mining practices in Appalachia.

Other ongoing transactions involving companies focused on coal mining are subject to enhanced due diligence that incorporates evolving market dynamics, as well as specific risks and regulations related to coal mining.

Coal-fired power generation

Bank of America seeks to reduce the negative impacts of coal-fired electric generation through the following measures.

We will not directly finance the construction of new coal-fired power plants in developed countries, unless those facilities employ technology that is focused on complete or near elimination of atmospheric carbon emissions, such as carbon capture technology.

We will only provide financial products and services that are directly related to the construction of new coal-fired power generation in emerging markets after senior review and approval. These circumstances will be rare and based on a review of criteria including:

- Energy access and affordability in the region
- Technological efficiency and emission controls
- Client commitment to measure, report and reduce carbon emissions reductions
- Alignment with host country's commitments to international climate accords.

Although not a regular part of our business, in certain circumstances Bank of America will provide direct financing or support for the retrofitting of existing coal-fired power assets that enhance efficiency or pollution abatement when there is a clear human health and environmental benefit.

Energy transport

Bank of America supports the responsible and safe delivery of energy that powers our society. We recognize the environmental and safety issues connected to transporting natural gas and oil by pipeline, rail, truck or tanker. We also recognize that some of these fuels, such as natural gas, are helping society transition away from more carbon-intensive forms of energy. And while expanded infrastructure is needed for projects such as new pipelines, it often has an impact on local communities. Rather than pivoting away from these issues, we are engaging more deeply to understand our clients' challenges in the energy transport space and to support our clients' efforts to increase safety, reduce impacts and improve community and stakeholder engagement.

Large dams

Bank of America recognizes that the construction of dams to control water flow can bring much needed economic opportunity and development to certain regions of the world. Dams can also affect the ecological systems in which they are located and to which they are connected, as well as causing potential social impacts to the surrounding communities. Any transactions in which the majority use of proceeds is identified as supporting large scale dam construction for hydroelectric generation or lands involved in such construction, are subject to enhanced due diligence. This scrutiny includes adherence to the Equator Principles, which we have adopted, and the Hydropower Sustainability Assessment Protocol as guidance.

Nuclear energy

Nuclear power delivers an important part of many nations' energy portfolios and is an alternative to carbon-intensive fuels. Bank of America understands the particular sensitivities regarding the use of nuclear energy, including the safety and handling of nuclear fuel and waste. Transactions in which the majority use of proceeds is identified as or clearly intended for the development of nuclear projects are subject to enhanced due diligence, which includes a requirement that clients adhere to regional, national, international and industry best practices, as well as a review of the client's track record on environmental compliance, safety and training.

Oil sands

We recognize the concerns raised over the extraction of bitumen from oil sands, particularly in sensitive ecosystems such as those found in Northern Canada. Accordingly, Bank of America conducts enhanced due diligence on all relationships with companies that are focused on oil sands extraction. Site visits to client operations are conducted periodically. These due diligence trips may include meetings with impacted Indigenous Peoples and First Nations communities. These actions are in addition to meeting requirements of the Equator Principles, if applicable.

Renewable energy

We have increased our focus on renewable energy sources as part of our efforts to finance the transition to a low-carbon, sustainable economy through our $125 billion environmental business commitment. We recognize that some renewable energy projects present other environmental and social challenges, such as the impact on wildlife and land use changes, and we include a review of these issues in our due diligence processes. When environmental or social issues of concern are identified, they undergo enhanced due diligence as appropriate.

World Heritage Sites

We respect the designation of United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Sites, including areas of cultural and natural value that are deemed to be of national or international significance. Bank of America will not knowingly engage in transactions focused on natural resource extraction within UNESCO World Heritage Sites unless there is prior consensus between UNESCO and the host country's governmental authorities such that the activities will not adversely affect the natural or cultural value of the site.

If client activity is known or anticipated to directly impact a World Heritage Site, relationship managers are directed to notify SMEs within Bank of America's ESG Group for further guidance. Review of these situations involves client engagement, a deep review of the client activity, and internal escalation and discussion among senior risk committees.

Financial products and services

Our product review and business review committees — together with external input that we solicit from clients, consumer advocates and other stakeholders — ensure that our products and services are responsible, in line with Bank of America's values, and are clear and easily understood.

Consumer debt sales

Bank of America does not sell our clients' consumer debt. In addition, we will not knowingly provide credit to buyers of consumer debt who employ predatory practices. For advisory or capital markets transactions in which a client is involved in consumer debt sales or purchases, we conduct enhanced due diligence.

Consumer protection

Bank of America offers a suite of simple, safe and transparent banking products to help clients manage their financial affairs and goals. All of our consumer banking products and services are subjected to a rigorous review process and are designed to address client needs at a fair and equitable cost, with terms our clients understand. We constantly solicit external feedback to help ensure that our products, solutions and services meet the needs of our clients.

We are committed to fairly and consistently meeting the credit needs of our clients and to complying fully with our Fair Lending Policy, and any other applicable consumer laws and regulations. This includes fair and non-discriminatory access to credit products, terms and conditions, and services throughout the entire credit life cycle. Our commitment to fair lending is the cornerstone of our culture and is clearly articulated in our Fair Lending Policy. All Bank of America employees must comply with the policy, and failure to do so may result in disciplinary action up to and including termination. Our employees participate in mandatory Fair Lending training.

Overdrafts

Our overdraft policies are informed by our company's strategy of responsible growth, and we continue to evolve our overdraft policies and procedures to help our clients prevent unnecessary and unanticipated fees. For example, over the last ten years, we have eliminated the ability for a client to overdraft for non-recurring debit card purchases if the client does not have sufficient funds; implemented the Low Dollar Threshold to protect clients from incurring overdraft fees for a very small amount; eliminated the extended overdraft balance charge; and introduced the Advantage SafeBalance Banking account, a low-cost alternative to a traditional checking account that eliminates all insufficient funds fees and overdraft fees.

Payday lending

A payday loan is a short-term loan, generally for $500 or less, that is typically due on the borrower's next payday and requires the borrower to give lenders access to his or her checking account, or to write a post-dated check for the full loan balance that a lender may deposit when the loan is due. At Bank of America, we do not offer payday lending services directly to our clients. We also do not provide credit to business clients for which providing payday lending services to consumers is a significant part of their business. We conduct enhanced due diligence for advisory and capital markets transactions involving businesses significantly engaged in payday lending.

Subprime lending

Bank of America is committed to providing responsible lending products to clients who have the ability to repay their obligations. There has been significant public focus on financial products with unaffordable, unfair or predatory terms provided to consumers with certain higher risk characteristics, such as low credit scores, previous bankruptcies or foreclosures, recent loan delinquencies or legal judgment. Bank of America does not offer subprime products to clients. For credit, advisory, and capital markets transactions with business clients involving a pool of assets, a significant portion of which is from consumers with higher risk characteristics such as described above, we conduct enhanced due diligence.

Gaming

To reflect the regulatory determination that gaming establishments are vulnerable to manipulation by money laundering and other financial risks, Bank of America has long maintained an industry-focused approach to the gaming sector. Gaming activities include legal businesses providing gambling activities and operations designed to attract wagering (e.g., gaming devices like slot machines, table games, etc.). Bank of America conducts enhanced due diligence on this sector and requires that all credit requests be underwritten and approved in designated specialty units within Bank of America.

Human rights

In addition to our larger approach to human rights, as noted above in *Position on key issues*, Bank of America has an enhanced due diligence process for transactions that may raise questions related to human rights.

In addition to the enhanced due diligence outlined above, other specific enhanced due diligence elements for these transactions may include the identification of company practices and comparison of these to acceptable standards including industry best practices, in-country laws, standards and norms, and developed country standards; consideration of mitigation steps taken by the client; client policies related to or addressing the issue; level of company transparency; a review against Bank of America's Code of Conduct; and consistency with the principles of the United Nations Universal Declaration of Human Rights, the ILO's Fundamental Conventions, and the United Nations Guiding Principles on Business and Human Rights.

Indigenous peoples

Bank of America recognizes that Indigenous Peoples, Native, and First Nations Communities have cultural beliefs, values and lands that are often under threat. We conduct enhanced due diligence for transactions in which the majority use of proceeds is attributed to identified activities that may negatively impact an area used by or traditionally claimed by an indigenous community. For these transactions, we expect our clients to demonstrate alignment with the objectives and requirements of the International Finance Corporation (IFC) Performance Standard 7, which addresses impacts to Indigenous Peoples including free, prior and informed consent.

Private prisons and detention centers

The U.S. federal and many state governments currently contract with a small number of private companies to manage certain prisons and detention centers. The growth in this sector has been driven by public and governmental policy that many, including Bank of America, agree require reform. We have evaluated these issues as a company, and we understand they pose many challenging questions, as well as risk to our company. Going forward, Bank of America will be exiting business relationships with companies that provide prisoner and immigrant detention services for U.S. federal and state governments.

Tobacco

We recognize the focus on health impacts associated with tobacco products. Particularly challenging is the rapid increase in usage of and potential addiction to tobacco products by minors through use of next generation products such as vaping. There are many differing views on the benefits of next generation products for smoking cessation for adults, as is evidenced by the current debates in the U.S. and around the globe. We are working to examine these issues and manage our related risk.

To ensure we are engaging our clients on best-in-class practices in this sector, we conduct enhanced due diligence on clients that manufacture and focus on distribution of tobacco-related products. Enhanced due diligence includes reviewing product design, packaging, marketing and sales practices. Our evaluations include understanding client safeguards to prevent the sale of their products to minors, and whether clients employ the same overall practices in developed and developing countries, where consumer protection laws may be less robust.

Our operations and vendors

Operations management

Bank of America recognizes that a focus on environmental and social issues must begin with addressing impacts from our own operations. We are therefore committed to tracking and managing our progress toward our ambitious targets to reduce greenhouse gas (GHG) emissions, paper and water consumption, and waste sent to landfill, as well as increasing the percentage of our occupied space that is LEED certified. In 2016, we announced a set of operational goals that we are working to achieve by 2020, including a commitment to carbon neutrality and purchasing 100% renewable electricity. For full details on our operational efforts, please see our latest ESG Report.

Environmental management system (EMS)

We employ an EMS that relies on a comprehensive compliance database to help the Global Real Estate Services Environmental Risk team identify, manage and mitigate risk, and improve performance across our corporate real estate portfolio. Our EMS encourages:

- Stringent compliance with applicable environmental laws and regulations
- Pollution prevention and environmentally sustainable practices
- Continuous improvement in all areas of environmental management.

Our EMS includes roles and responsibilities, training, inspections, inventory procedures, formal targets, documentation, measurement, complaint response, and emergency procedures. One component of our EMS – Integrated Data for Environmental Applications – is an online tool that enables our employees and partners to understand and manage environmental compliance across our global real estate footprint. Bank of America's strong record of compliance across our real estate portfolio is a direct result of the successful implementation of our EMS.

Greenhouse gas emissions reductions

In 2016, we set a goal to achieve by 2020: to become carbon neutral and to reduce our location-based GHG emissions by 50%. This builds on a strong track record of setting and achieving previous GHG emissions reduction goals. More detail on our GHG emissions reduction progress and our suite of operational goals can be found in our ESG Report and our submission to CDP.

Scope 3 emissions

We maintain an active dialogue with our global peers in the banking sector, as well as other stakeholders, relating to indirect GHG emissions attributed to the financial products and services we provide clients in support of their activities. These discussions build on the lessons we have learned from the historical tracking and reporting of GHG emissions attributed to our U.S. power utility loan portfolio, which we continue to include in our annual reporting. More detail on our utility portfolio emissions can be found in our latest ESG Report.

Our vendors

We strive to work with vendors whose policies and practices are consistent with our own – from having diverse leadership, to paying an economically viable wage, to working to reduce their environmental footprints. Our Vendor Code of Conduct sets forth Bank of America's expectations for human rights, labor and environmental standards throughout our vendor value chain. The principles contained within the code are consistent with the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the ILO's Fundamental Conventions. Additionally, our Modern Slavery Act Statement sets forth the steps we take to guard against modern slavery and human trafficking in our supply chain. Lastly, our vendors are expected to publish a code of conduct for their employees and to deploy a formal process for reporting and investigating unethical behavior.

Vendor engagement

Since 2009, we have invited suppliers to respond to the CDP supply chain questionnaire, which helps us track GHG emissions and associated risks that impact our global supply chain. In 2016, we set our first-ever public goals to address GHG emissions in our supply chain with two vendor engagement goals: to maintain a response rate to CDP supply chain information requests of at least 90%, and for 90% of CDP supply chain responding vendors to disclose GHG emissions.

Vendor diversity

We are committed to supporting diverse-owned vendors because we believe this strengthens communities as well as our supply chain by driving innovation and competition. Annually, we spend more than $2 billion with certified diverse-owned companies and award scholarships for executive education and entrepreneurial programs to help diverse business owners take their companies to the next level. We also encourage participation in our Supplier Diversity and Development Mentoring Program — a high-touch mentor program which is customized for each participating diverse supplier to drive optimum developmental impact. These initiatives are helping drive impact while building resiliency throughout our supply chain.

Reporting and disclosure

Bank of America annually publishes our ESG Report covering areas relevant to this ESRP Framework, including the development of products and services to address the needs and concerns of low- and moderate-income communities, our financing in support of environmental and social goals, our progress toward public goals, as well as specific transactions that are escalated due to heightened environmental and social risks. This reporting provides transparency to stakeholders on the nature of the transactions and issues that are escalated and demonstrates robust risk management routines and governance. As part of this, we report and disclose:

- Details of transactions subject to the Equator Principles
- The number and nature of transactions reviewed by the committees responsible for reputational risk review
- Case studies of specific transactions that were reviewed and issues identified, with client information removed.

Our workforce and employment practices

Our employees are central to everything we do and critical to our long-term success as a company. Accordingly, we are committed to ensuring Bank of America is a great place to work for our employees. We deliver on this commitment by being an inclusive workplace for all of our employees, creating opportunities for growth and development, recognizing and rewarding performance, and supporting our employees' physical, emotional and financial wellness.

Diversity and inclusion

Being a diverse and inclusive company is core to our ability to serve the needs of our clients. We are strengthened by the diverse backgrounds, experiences and perspectives of our employees, and we strive to ensure our workforce represents the communities we serve — in thought, style, experience, culture, race, ethnicity, gender identity, and sexual orientation.

We have a long history of being recognized as a leader in maintaining a diverse and inclusive workplace free of discrimination. Our company's ethos is to support in both policy and practice equal opportunities for employment, advancement and professional development, and prohibit discrimination or harassment of any kind on the basis of race, color, religious creed, religion, sex (including pregnancy, childbirth or related medical condition), genetic information, gender, gender identity, gender expression, sexual orientation, national origin, citizenship status, age, ancestry, marital status, medical condition, physical or mental disability status, military and veteran status, or any other factor that is irrelevant to employment and advancement or prohibited by law. An example of the tools and processes we have in place to ensure that every employee is treated with dignity and respect is our Code of Conduct.

Fair wages and benefits

Paying fair and competitive wages and supporting all aspects of our employees' wellness are critical components of being a great place to work. We pay our employees competitively based on market rates for their roles and how they perform, and we regularly benchmark against other companies both within and outside our industry to ensure our pay is competitive in the market for comparable roles. Our company is committed to compensating all of our employees fairly and equitably based on performance, with equal pay for equal work, regardless of race or gender.

Core to this is our support for a competitive minimum rate of pay. We have been an industry leader in establishing an internal minimum rate of pay for our U.S. hourly employees and have made regular increases over many years. In 2019, we raised our minimum wage to $17 per hour, and we will continue to increase our minimum wage until it reaches $20 per hour in 2021.

Training on the ESRP Framework

Bank of America employees across the enterprise receive high-level awareness on our ESRP Framework as part of our annual enterprise risk training. As necessary, we also conduct specialized training on the ESRP Framework and related policies for relevant employees who regularly deal with specific environmental and social issues.

Conclusion

Environmental and social issues affect all companies operating in today's global economy. Properly managing these risks is a critical component of business success. Equally important is communicating the process by which those risks are managed to stakeholders. This ESRP Framework outlines Bank of America's approach to environmental and social issues, and how that aligns with our fundamental business strategy of responsible growth. Moving forward, we will continually review this framework in light of feedback from stakeholders, future materiality assessments, market developments, evolving best practices and regulatory developments.

APPENDIX C:
ESG PERFORMANCE DATA SUMMARY

BANK OF AMERICA CORPORATION

2018 Environmental, Social & Governance Performance Data Summary

ESG Goals & Progress

Target	Target year	Progress	Status
OUR PEOPLE			
Hire 10,000 veterans, guard and reservists over the next several years	N/A	We employ thousands of veterans and their spouses. In addition, since 2014 we have hired over 8,600 service members moving towards our goal of hiring 10,000 veterans, guard, and reservists over the next several years.	On track
DRIVING ECONOMIC & SOCIAL PROGRESS			
$2 billion in philanthropic investments globally	2018	In 2018, Bank of America provided $210 million in global philanthropic investments, including cash giving and in-kind donations. To date we've delivered $2.1 billion toward our ten year $2 billion goal (2009-2018).	Achieved
2 million hours of volunteer service annually and engage our employees to be more active citizens	N/A	Our employee volunteers contributed approximately 2 million hours in 2018 addressing a range of community needs, including advancing better money habits and building affordable housing.	Achieved
$1.5 trillion for community development lending and investments in the U.S.	2018	Since 2009, we've extended nearly $960 billion in community development lending and investments in the U.S., including nearly $48 billion in 2018. This totals – on average – approximately $190.2 million in support of community development every business day throughout 2018.	64% complete
ENVIRONMENTAL SUSTAINABILITY			
Business			
$125 billion Environmental Business Initiative	2025	Since we launched this goal in 2013, we've provided nearly $105 billion in financing for low carbon and other sustainable business. In 2018 alone, we delivered $21.5 billion toward this goal.	On track
Greenhouse gases and energy			
Achieve carbon neutrality for Scope 1 and 2 emissions	2020	We have reduced market-based emissions 89% since 2010 across our portfolio primarily by consolidating space, implementing energy-efficiency projects and purchasing renewable power.	On track
Purchase 100 percent of electricity from renewable sources	2020	In 2018, Bank of America purchased 1.8 million MWh of renewable electricity, which amounts to 91% of our global energy use.	On track

Target	Target year	Progress	Status
Greenhouse gases and energy			
Reduce energy use by 40 percent	2020	We have reduced energy use 40% since 2010 across our portfolio primarily by consolidating space and implementing energy efficiency projects.	On track
Reduce location-based GHG emissions by 50 percent	2020	We have reduced location-based emissions 52% since 2010 across our portfolio primarily as a result of the energy reductions achieved.	On track
Green building			
Maintain LEED® certification in 20 percent of the company's owned and leased space	2020	We have more than 19 million square feet of LEED certified workspace, representing 25% of our total workspace globally. At year's end, 206 of our financial centers had achieved LEED certification.	On track
Water			
Reduce water use by 45 percent	2020	As of 2018, we have reduced our annual global water usage by nearly 1.5 billion gallons since 2010 – a 42% reduction – primarily by consolidating space and implementing water conservation projects.	Slower than expected progress
Waste			
Reduce waste to landfill by 35 percent (baseline 2011)	2020	Since 2011, we have reduced the amount of waste sent to landfill by 30%. We focus our waste efforts on increasing availability of recycling services for office waste and construction waste, employee education and reducing waste generated.	Slower than expected progress
Dispose 100 percent of e-waste using certified responsible vendors	2020	In 2018, we disposed of 99% of our e-waste using certified responsible vendors. 100% of e-waste in the U.S. was disposed of using certified responsible vendors. In countries where certified vendors do not exist, items are disposed of responsibly.	Slower than expected progress
Paper			
Maintain paper reduction of 30 percent	2020	Since 2010, we have reduced our paper use by 36% through our focus on transitioning customers to online banking, reducing employee printing, and increasing the digital delivery of key documents.	On track
Maintain an average of 10 percent recycled content in paper purchased	2020	In 2018, we purchased paper with an average of 15% recycled content globally, which is almost double the average recycled content in 2010.	On track
Purchase 100 percent of paper from certified sources	2020	We increased the amount of paper purchased from certified sources from 95% in 2011 to 99% in 2018.	Slower than expected progress
Vendor engagement			
Maintain a 90 percent response rate to our CDP supply chain information requests	2020	In 2018, we requested disclosures from 202 vendors and achieved a best-in-class response rate of 90%.	On track
Increase the number of our CDP supply chain responding vendors who report GHG emissions to 90 percent	2020	In 2018, 80% of our responding vendors reported GHG emissions.	Slower than expected progress

ESG Performance Data

Disclosure	Metrics	Year
OUR PEOPLE		
Global workforce by gender		
% total	Men: 101,688 (50%) Women: 102,801 (50%)	2018
% global management*	Men: 54% Women: 46%	2018
% board of directors	Men: 69% Women: 31%	2018
U.S. workforce by gender		
% total	Men: 46% Women: 54%	2018
% officials & managers**	Men: 53% Women: 47%	2018
% workforce excluding officials & managers***	Men: 45% Women: 55%	2018
Diverse races/ethnic backgrounds		
% U.S. workforce	46%	2018
% U.S. officials & managers**	33%	2018
% U.S. workforce excluding officials & managers***	48%	2018
Employee engagement		
% employee engagement score	82%	2018
401(k) plan participation		
% of employees who made contributions to their 401(k) account	90%	2018
Training hours		
# diversity, inclusion and aspects of human rights total training hours	93,968	2018

**Includes CEO's direct reports.*
***Includes EEO codes 1.1 and 1.2.*
****Includes EEO codes 2-9.*

U.S. EMPLOYEE DIVERSITY IN 2018

Job Category	Gender	White	Black/ African American	Hispanic/ Latino	Asian	American Indian/ Alaskan Native	Native Hawaiian/ Other Pacific Islander	Two or more races	Total by gender	Total
Executive/ senior level officials and managers	Male	2,215	88	99	244	7	0	20	2,673	4,012
	Female	1,085	82	57	102	6	0	7	1,339	
First/ mid-level officials & managers	Male	7,689	823	1,325	1,676	32	35	154	11,734	23,117
	Female	7,205	1,348	1,599	1,024	36	27	144	11,383	
Professionals*	Male	26,334	2,093	2,558	6,141	111	91	570	37,898	59,537
	Female	13,277	2,148	1,689	4,068	74	70	313	21,639	
All other	Male	11,523	4,148	6,929	2,992	85	111	752	26,540	83,042
	Female	23,053	11,395	14,962	5,274	244	240	1,334	56,502	
Totals	Male	47,761	7,152	10,911	11,053	235	237	1,496	78,845	169,708
	Female	44,620	14,973	18,307	10,468	360	337	1,798	90,863	

**As defined by the Equal Employment Opportunity Commission: "Professionals" refers to job categories that require bachelor and graduate degrees, and/or professional certification. In some instances, comparable experience may establish a person's qualifications.*

Disclosure	Metrics	Year
DRIVING ECONOMIC & SOCIAL PROGRESS		
Women's economic empowerment		
$ loaned to women business owners through Tory Burch Foundation Capital Program	$46 million	2014-2018
Access to capital		
$ community development banking	$4.7 billion	2018
# affordable housing units created through community development banking	15,000	2018
$ CDFI investments	$1.57 billion	2018
# of CDFIs with whom we invest	255	2018
Community development lending & investments: $ affordable housing	$23.56 billion $26.68 billion $32.42 billion $37.62 billion $37.84 billion	2018 2017 2016 2015 2014
Community development lending & investments: $ small business lending	$15.14 billion $15.54 billion $15.99 billion $14.41 billion $15.38 billion	2018 2017 2016 2015 2014
Community development lending & investments: $ consumer lending	$3.53 billion $4.63 billion $4.11 billion $3.88 billion $3.24 billion	2018 2017 2016 2015 2014
Community development lending & investments: $ economic development	$5.50 billion $6.80 billion $6.58 billion $6.42 billion $4.06 billion	2018 2017 2016 2015 2014
Philanthropic investments to advance economic mobility		
Workforce development and education grants	$48.6 million $45.8 million $48.5 million $49.1 million	2018 2017 2016 2015
Community development grants	$40.1 million $41.8 million $35.2 million $32.3 million	2018 2017 2016 2015
Basic needs grants	$33.0 million $33.4 million $36.1 million $33.0 million	2018 2017 2016 2015
OUR BUSINESS PRACTICES		
$ diverse supplier spend trend	$1.87 billion $2.19 billion $2.24 billion $2.1 billion $2.5 billion $2.3 billion $2.3 billion	2018 2017 2016 2015 2014 2013 2012
# customers/prospects for customer and client satisfaction surveys	11.7 million 4.9 million 4.5 million 3 million	2018 2017 2016 2015

Disclosure	Metrics	Year
ENABLING FINANCIAL HEALTH		
# total SafeBalance accounts at the end of 2018	592,517	2018
# mobile banking users added during 2018	2.2 million	2018
# total mobile banking users at the end of 2018	26.4 million	2018
Client balances with a clearly defined ESG approach	$17.9 billion $15.2 billion $11.3 billion $9.9 billion	2018 2017 2016 2015
Homeownership		
Homeowner assistance: modifications and foreclosure alternatives (cumulative)	2,166,869 2,154,495 2,137,072 2,101,546 2,039,520 1,945,459 1,711,078 1,281,906 940,692	2018 2017 2016 2015 2014 2013 2012 2011 2010
Home finance metrics: $ value of first mortgages extended to U.S. homeowners	$41.7 billion $49.5 billion $61.0 billion $54.7 billion	2018 2017 2016 2015
Home finance metrics: $ value of first mortgages to low- and moderate-income customers	$4.9 billion $5.5 billion $7.1 billion $8.3 billion	2018 2017 2016 2015
Home finance metrics: # total first mortgage customers	89,460 111,031 159,025 169,175	2018 2017 2016 2015
Home finance metrics: # low- and moderate-income first mortgage customers	21,100 26,004 38,840 49,294	2018 2017 2016 2015
Home finance metrics: % of total first mortgage customers who are low- and moderate-income	23.6% 23.4% 24.4% 29.1%	2018 2017 2016 2015
Home finance metrics: $ value of home equity lines of credit extended to low- and moderate-income customers	$2.76 billion $3.01 billion $2.48 billion $2.01 billion	2018 2017 2016 2015
Small businesses		
Total credit to small business owners (new and renewal)	34.7 billion	2018
$ new credit to small business owners	$8.6 billion $11.2 billion $11.6 billion $10.7 billion	2018 2017 2016 2015
$ extended to smaller businesses with less than $1 million in revenue or less than $5 million in revenue in LMI communities	$15.14 billion $15.53 billion $16.0 billion $14.4 billion	2018 2017 2016 2015
# small business specialists serving clients	2,300	2018

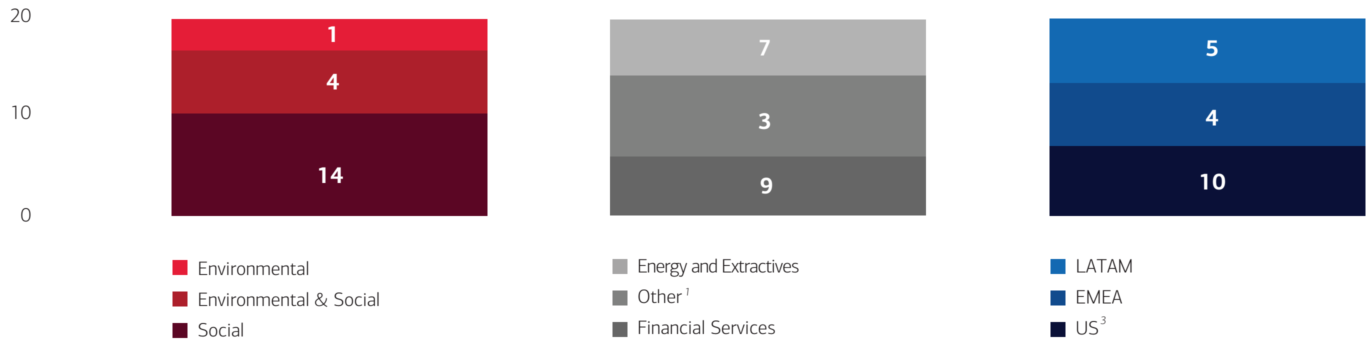
Disclosure	Metrics	Year
ENVIRONMENTAL SUSTAINABILITY		
Environmental business by line of business		
Investment Banking and Markets	$8.1 billion	2018
Public Finance	$8 billion	2018
Leasing	$3.2 billion	2018
Commercial Real Estate and Community Development Banking	$1.6 billion	2018
Consumer Vehicle Lending	$587 million	2018
Commercial Banking	$71 million	2018
CDFI Lending	$12 million	2018
Environmental business by sector		
Energy efficiency	$24.1 billion	2007-2018
Sustainable transportation	$21.0 billion	2007-2018
Mixed	$15.4 billion	2007-2018
Wind	$14.5 billion	2007-2018
Water	$13.6 billion	2007-2018
Mixed renewables	$9.6 billion	2007-2018
Solar	$8.9 billion	2007-2018
Nuclear	$8.8 billion	2007-2018
Other	$7.1 billion	2007-2018
Biomass/bioFuel	$1.3 billion	2007-2018
Hydro	$1.3 billion	2007-2018
Geothermal	$600 million	2007-2018
Fuel cells	$28 million	2007-2018
Environmental and Economic Benefits of Environmental Business Initiative		
MWh saved from energy conservation projects	79,000	2018
MWh produced from alternative energy projects	16,545,000	2018
Total sqft of LEED certified buildings funded	2,906,000	2018
Total sqft of ENERGY STAR certified buildings funded	860,000	2018
Total sqft of Other Certified Green buildings funded	285,000	2018
Ridership supported by sustainable transportation projects	2,400,000,000	2018
People impacted by water treatment projects	107,000,000	2018
Global Warming Metric Tons (MT) CO2e avoided	10,000,000	2018
Water Use avoided (thousands of gallons)	200,000,000	2018
Waste avoided Metric Tons (MT)	1,000,000	2018
Amount of Water Treated (thousands of gallons)	109,000,000	2018
Average annual # of jobs supported	159,998	2018
Contribution to GDP	$15.8 billion	2018
Economic Output Contribution	$30.4 billion	2018
Labor Income Contribution	$10.2 billion	2018

Disclosure	Metrics		Year
Environmental impact of investments			
	Short tons CO_2 per MWh – restated/reported from newly available data	Short tons CO_2 per MWh – previously reported from available data	
Utility portfolio emission intensity[1]	0.4749	NA	2018
	0.5016	NA	2017
	0.5314	NA	2016
	0.5678	NA	2015
	0.5700	NA	2014
	0.5645	NA	2013
	0.621	NA	2012
	0.6093	0.568	2011[2]
		0.580	2010
		Bank of America was unable to compile	2009
		0.581	2008
		0.634	2007
		0.638	2006
		0.658	2005
		0.733	2004
Environmental philanthropy	$19,336,877 million		2018
Environmental and social risk			
# transactions subject to the Equator Principles	1 Category B transaction in the petrochemicals sector (United States)		2018
	2 Category B transactions in the oil & gas sector (United States)		2017
	2 Category B transactions in the power generation sector (United States)		2016
	0		2015
	1		2014
# of unique employees and contractors trained on Environmental and Social Risk Policy Framework	Risk framework training is mandatory for all employees. Available through this training is additional awareness material on the ESRPF. In 2018 approximately 250,000 colleagues in control functions and front line units across the enterprise underwent enterprise risk framework training.		2018
Examples of deals requiring additional review	1. Bank of America was invited to provide capital markets services to a company that develops Non-transgenic crops for large scale agriculture. While the company develops products that are considered non genetically modified organisms (GMOs) in most countries, use of bio-engineering is considered controversial by some. We conducted enhanced due diligence on the firm, evaluating their process and policies, and transparency. We further considered the companies positioning on global climate change and using their products to help address related challenges. Balancing these elements, we decided to move forward with the opportunity. 2. We were presented with an opportunity to on-board a client in the mining sector, the firm is moving towards commercialization of marine mining for metals. We engaged in enhanced due diligence with the company, learning about their advanced processes of minimizing marine impacts through their operations. We evaluated their approach on addressing biodiversity impacts and social issues attributed to terrestrial mining. The company had a compelling approach on the ESG dynamics attributed to the mining sector, but we ultimately decided to pass on the opportunity given the early stage of development of standards and best practices within marine mining. 3. We evaluated an opportunity to provide financial products and services in support of a large utility-scale wind power project in the US. While the location of the wind farm provided great potential for power generation, it is also identified as an area of particularly heightened sensitivity for certain species of birds that would be impacted by the wind turbines. After enhanced due diligence that focused on permitting and evaluation of avian (bird) wildlife, and mitigation steps to minimize wildlife impacts, we decided to move forward in supporting the power company in development of the project.		2018

[1]Our consideration of value chain emissions includes tracking and reporting on the greenhouse gas emissions intensity of our U.S. power utility corporate loan portfolio, and we remain the only financial institution to do so since 2004. This portfolio includes electric generators with whom the bank has significant credit relationships.
[2]Using newly expanded emissions data, we have recalculated our utility portfolio emissions intensity for 2011.

Environmental and Social Risk Policy Framework Reporting

Environmental and Social Risk Policy Framework (ESRPF) related items, relationships and transactions discussed by the responsible risk committees in 2018.



In 2018, we continued our process of tracking ESRPF related items, relationships and transactions discussed by the responsible risk committees. Our front line units have primary responsibility for evaluating and managing all risks, including the environmental and social risks inherent within their businesses. Through this process of due diligence, many issues are resolved and do not need to be escalated to risk review committee. The chart above represents only those items, relationships or transactions related to environmental or social risk that were discussed by the responsible risk committees. For more information about our governance structure or risk framework, see the Business Standards report or the ESRPF.

[1] *Other is made up of small numbers of items from all other industries that BAC conducts business with, including but not limited to Manufacturing, Pharmaceuticals etc.*
[2] *Global includes US based GBAM items.*
[3] *US refers to items from lines of business that only have a US footprint.*

About Our 2018 Environmental Operations Data

We continue to track and manage the environmental impacts of our operations and refine our methodology in order to most accurately collect and report on these data. Our 2018 environmental activities are reported here using the Global Reporting Initiative Standards, as well as its Financial Services Sector Disclosure.

GREENHOUSE GAS EMISSIONS	UNITS	2010	2016	2017	2018
Scope 1 and location-based Scope 2 emissions					
Scope 1 direct emissions	Metric tons CO_2e	140,489	84,399	82,271	85,145
Location-based Scope 2 indirect emissions	Metric tons CO_2e	1,678,547	973,306	839,986	791,166
Total Scope 1 and location-based Scope 2 emissions	Metric tons CO_2e	1,819,036	1,057,706	922,257	876,311
Reduction in total Scope 1 and location-based Scope 2 emissions	Percent decrease from base year	N/A	42%	49%	52%
Scope 1 and market-based Scope 2 emissions					
Scope 1 direct emissions	Metric tons CO_2e	140,489	84,399	82,271	85,145
Market-based Scope 2 indirect emissions	Metric tons CO_2e	1,673,002	373,229	178,593	108,614
Total Scope 1 and location-based Scope 2 emissions	Metric tons CO_2e	1,813,490	457,629	260,864	193,759
Reduction in total Scope 1 and market-based Scope 2 emissions	Percent decrease from base year	N/A	75%	86%	89%

GREENHOUSE GAS EMISSIONS	UNITS	2010	2016	2017	2018
Scope 3 indirect emission					
Category 1 - purchased goods and services	Metric tons CO_2e	Not available	2,315,069	2,423,747	2,004,292
Category 2 - capital goods	Metric tons CO_2e	Not available	237,286	386,195	397,794
Category 3 - fuel- and energy-related activities	Metric tons CO_2e	339,211	224,042	177,790	169,233
Category 4 - upstream transportation and distribution	Not Available	255,685	178,634	210,979	200,813
Category 5 - waste (traditional disposal)	Metric tons CO_2e	Not available	24,373	23,510	23,091
Category 6 - business travel	Metric tons CO_2e	191,687	155,342	151,186	154,501
Category 7 - employee commuting	Metric tons CO_2e	675,193	363,910	350,814	345,389
Category 8 - upstream leased assets	Metric tons CO_2e	Not relevant	Not relevant	Not relevant	Not relevant
Category 9 - downstream transportation and distribution	Metric tons CO_2e	Not available	2,000,000	1,500,000	1,500,000
Category 10 - processing of sold products	Metric tons CO_2e	Not relevant	Not relevant	Not relevant	Not relevant
Category 11 - use of sold products	Metric tons CO_2e	Not available	5,000	4,000	4,000
Category 12 - end of life treatment of sold products	Metric tons CO_2e	Not available	20,000	21,000	20,000
Category 13 - downstream leased assets	Metric tons CO_2e	Not relevant	Not relevant	Not relevant	Not relevant
Category 14 - franchises	Metric tons CO_2e	Not relevant	Not relevant	Not relevant	Not relevant
Category 15 - investments	Metric tons CO_2e	Relevant, not yet calculated	Relevant, not yet calculated	Relevant, not yet calculated	Relevant, not yet calculated

We follow the WRI and WBCSD GHG Protocol Corporate Accounting and Reporting Standard to calculate Scope 1, 2 and 3 emissions. We use an operational control approach to define our boundary. The base year for emissions reductions is 2010; the rationale for choosing 2010 as the base year is that 2010 is the earliest year with complete, high quality data. Emissions are recalculated back to the base year when a change to a prior inventory would result in a change in emissions of 0.5% or greater. Scope 1 and 2 calculations are based on site-specific data for fuel consumed and utilities purchased, applying published emissions factors and global warming potentials (GWPs). Scope 3 calculations are based on data for the relevant activity, applying published emissions factors and GWPs. Where actual data are not available, estimates are made based on actual data collected in prior years. The gases included in the calculation of Scope 1, 2 and 3 emissions are CO2, CH4, N2O, HFCs and PFCs. Our market-based GHG emissions include the impact of renewable energy certificates (RECs) purchased in the U.S., Renewable Energy Guarantees of Origin (REGOs) purchased in the U.K., and Guarantees of Origin (GOs) purchased in Spain and Ireland. All U.S. RECs purchased by Bank of America are Green-e certified. Emissions reflect supplier-specific emission rates where available, all of which comply with Scope 2 Guidance criteria. Emissions reflect residual mix factors for European facilities. Residual mix factors are not currently available for facilities outside of Europe. Location-based emission factors are used to quantify electricity-related Scope 3 emissions.

GREENHOUSE GAS EMISSIONS BY REGION	UNITS	2018 LOCATION-BASED EMISSIONS			2018 MARKET-BASED EMISSIONS		
		SCOPE 1 DIRECT EMISSIONS	SCOPE 2 INDIRECT EMISSIONS	TOTAL SCOPE 1 AND SCOPE 2 EMISSIONS	SCOPE 1 DIRECT EMISSIONS	SCOPE 2 INDIRECT EMISSIONS	TOTAL SCOPE 1 AND SCOPE 2 EMISSIONS
U.S. & Canada	Metric tons CO_2e	78,149	691,194	769,344	78,149	29,387	107,536
Asia Pacific	Metric tons CO_2e	1,649	69,457	71,106	1,649	69,457	71,106
EMEA	Metric tons CO_2e	5,232	29,215	34,447	5,232	8,471	13,703
Latin America	Metric tons CO_2e	115	1,299	1,414	115	1,299	1,414

GREENHOUSE GAS EMISSIONS BY COUNTRY	UNITS	2018 LOCATION-BASED EMISSIONS			2018 MARKET-BASED EMISSIONS		
		SCOPE 1 DIRECT EMISSIONS	SCOPE 2 INDIRECT EMISSIONS	TOTAL SCOPE 1 AND SCOPE 2 EMISSIONS	SCOPE 1 DIRECT EMISSIONS	SCOPE 2 INDIRECT EMISSIONS	TOTAL SCOPE 1 AND SCOPE 2 EMISSIONS
United States	Metric tons CO_2e	77,967	691,009	768,976	77,967	29,201	107,168
India	Metric tons CO_2e	1,109	46,166	47,275	1,109	46,166	47,275
United Kingdom	Metric tons CO_2e	3,372	25,524	28,896	3,372	4,287	7,659
China	Metric tons CO_2e	324	10,584	10,908	324	10,584	10,908
Southeast Asia - Singapore, Malaysia, Philippines, Thailand, and Indonesia	Metric tons CO_2e	62	4,984	5,046	62	4,984	5,046
Japan	Metric tons CO_2e	82	4,893	4,975	82	4,893	4,975
Ireland	Metric tons CO_2e	623	1,000	1,623	623	940	1,563
Australia	Metric tons CO_2e	7	1,195	1,202	7	1,195	1,202
Italy	Metric tons CO_2e	42	733	775	42	1,027	1,069
Mexico	Metric tons CO_2e	61	446	507	61	446	507
Germany	Metric tons CO_2e	93	391	484	93	633	726
South Africa	Metric tons CO_2e	22	437	459	22	437	459
Canada	Metric tons CO_2e	182	186	368	182	186	368

GREENHOUSE GAS EMISSIONS BY COUNTRY	UNITS	2018 LOCATION-BASED EMISSIONS			2018 MARKET-BASED EMISSIONS		
		SCOPE 1 DIRECT EMISSIONS	SCOPE 2 INDIRECT EMISSIONS	TOTAL SCOPE 1 AND SCOPE 2 EMISSIONS	SCOPE 1 DIRECT EMISSIONS	SCOPE 2 INDIRECT EMISSIONS	TOTAL SCOPE 1 AND SCOPE 2 EMISSIONS
Russia	Metric tons CO_2e	93	264	357	93	264	357
Brazil	Metric tons CO_2e	28	231	259	28	231	259
France	Metric tons CO_2e	112	136	248	112	119	231
Saudi Arabia	Metric tons CO_2e	5	68	73	5	68	73
Rest of world	Metric tons CO_2e	961	2,919	3,880	961	2,953	3,914

NO_x, SO_x, AND OTHER SIGNIFICANT AIR EMISSIONS FROM DIRECT COMBUSTION	UNITS	2010	2016	2017	2018
SO_x	Metric tons	17	1	1	1
NO_x	Metric tons	45	20	20	20
CO	Metric tons	56	32	31	32
VOC	Metric tons	7	2	2	2
PM	Metric tons	4	3	3	3
Ozone depleting substances	Metric tons CFC -11e	14	14	12	12

Data are sourced from the Scope 1 and 2 inventory and records kept through our compliance program. Significant air emissions are calculated based on site-specific data and published emission factors. We use the same boundary in calculating these air emissions as in our GHG emissions calculations.

DIRECT AND INDIRECT ENERGY CONSUMPTION	UNITS	2010	2016	2017	2018
Electricity	Gigajoules	11,889,018	7,686,379	7,394,551	7,120,998
Other indirect (purchased steam and cooling)	Gigajoules	200,907	161,972	147,310	143,370
Natural gas	Gigajoules	1,488,556	872,071	845,645	886,465
Other direct (fuel oil, jet fuel, gasoline, diesel fuel, propane)	Gigajoules	348,755	163,217	152,063	162,950
Total energy	Gigajoules	13,927,236	8,883,639	8,539,569	8,313,783
Reduction in total energy	Percent decrease from base year	N/A	36%	39%	40%

Data are sourced from utility bills where possible. Where utility bills are not available (such as in a leased property), we estimate based on internal estimation intensities by building type. These estimation intensities are calculated annually based on actual data. We use the same boundary in calculating energy consumption as in our GHG emissions calculations.

ELECTRICITY FROM RENEWABLE SOURCES	UNITS	2010	2016	2017	2018
Electricity consumption	MWh	3,302,505	2,135,105	2,054,042	1,978,055
Total renewable electricity procured	MWh	39,598	1,356,721	1,702,470	1,798,110
% of electricity from renewable sources	% of electricity	1%	64%	83%	91%

Bank of America adheres to certification, geography, technology, and project age standards when purchasing Renewable Energy Certificates (RECs), Renewable Energy Guarantees of Origin (REGOs), and Guarantees of Origin (GOs).

REDUCTIONS IN GREENHOUSE GAS EMISSIONS AND ENERGY CONSUMPTION	UNITS	2010	2016	2017	2018
Projected annual emissions savings from reduction initiatives	Metric tons CO_2e	Not available	11,248	12,114	19,166
Projected annual savings from energy efficiency measures	Gigajoules	Not available	83,710	107,785	179,090

Data are sourced from records kept by Real Estate Services, which document each project undertaken and relevant details, including project annual electricity or fuel savings and projected annual monetary savings. Energy savings are estimated based on projections of project performance.

INDIRECT ENERGY CONSUMPTION BY FUEL MIX	2010	2016	2017	2018
Coal	35%	38%	23%	22%
Petroleum	3%	1%	1%	1%
Natural gas	30%	30%	40%	41%
Nuclear	23%	19%	23%	23%
Renewable	9%	11%	13%	13%

These data represent the mix of primary energy consumed to produce the intermediate energy (electricity, steam, chilled water) used. They represent primarily the mix of grid electricity sources provided by electricity suppliers, and thus are distinct from the above tracking of electricity from renewable sources, which represent the bank's proactive purchase and implementation of renewable electricity.

INDIRECT ENERGY CONSUMPTION BY PRIMARY FUEL SOURCE	UNITS	2010	2016	2017	2018
Coal	Gigajoules	13,024,897	9,192,521	5,264,485	4,788,550
Petroleum	Gigajoules	791,057	230,107	466,551	431,070
Natural gas	Gigajoules	8,357,102	5,317,796	6,913,998	6,828,144

These data represent total primary energy consumed to produce the intermediate energy (electricity, steam, chilled water) used.

RENEWABLE MATERIAL USAGE - PAPER	UNITS	2010	2016	2017	2018
Paper	Total usage (Metric tons)	65,501	45,941	45,050	42,157
	Percent decrease from base year	N/A	30%	31%	36%
	Recycled input materials by weight	8%	14%	15%	15%
	Certified input materials by weight	Not available	99%	99%	99%

Paper is purchased from external suppliers. Data are sourced from direct measurements based on invoices from our paper vendors.

WATER	UNITS	2010	2016	2017	2018
Total water withdrawals	Billion US gallons	3.52	2.17	2.11	2.04
	Million cubic meters	13.33	8.23	7.99	7.72
Reduction in total water withdrawals	Percent decrease from base year	N/A	38%	40%	42%
Water withdrawals by source – municipal	Billion US gallons	3.52	2.13	2.10	2.03
Water withdrawals by source – rainwater	Thousand US gallons	Not available	41,200	12,860	13,490
Estimated annual savings from water reduction projects	Thousand US gallons	Not available	0	12,582	11,466

Data for water withdrawals are sourced from utility bills where possible. Where utility bills are not available (such as in a leased property), we estimate based on internal estimation intensities by building type. These estimation intensities are calculated annually based on actual data. We use the same boundary in calculating water consumption as in our GHG emissions calculations. Water is withdrawn from municipal sources (except for a small amount of rainwater) and discharged to municipal sewer systems. Data for water reused or recycled are sourced from meter readings of the rainwater systems in place.

WASTE	UNITS	DISPOSAL METHOD	2011	2016	2017	2018
Non-hazardous waste (office, confidential, construction and demolition, electronic, and other)	Metric tons	Landfill & incineration	60,420	40,875	45,690	42,424
	Metric tons	Recycling, compost & remarketing	68,252	69,390	53,914	51,987
	Diversion rate		53%	63%	54%	55%
Hazardous waste	Metric tons	Landfill & incineration	3	1	2	1
	Metric tons	Recycling, reuse & salvage	334	642	1,051	670
	Diversion rate		99%	100%	100%	100%
Total waste	Metric tons	Landfill & incineration	60,422	40,875	45,692	42,424
	Metric tons	Recycling & other diversion	68,586	70,033	54,965	52,657
	Metric tons	Total waste	129,008	110,908	100,657	95,081
	Waste to landfill percent decrease from base year[1]		N/A	32%	24%	30%
	Diversion rate		53%	63%	55%	55%
E-waste disposed through certified vendors	Percent certified		68%	99%	97%	99%

The base year for waste data is 2011. Data are sourced from vendors that provide waste removal services where possible. Where invoices are not available (such as in a leased property), we estimate based on internal intensities by building type which were developed using actual data. We use the same boundary in calculating waste as in our GHG emissions calculations. The waste disposal method was determined from data provided by the waste vendors. Note: Numbers may not sum exactly due to rounding.

**Regulated waste is reported on a 1-year lag. E.g. the 2018 data presented in this report are for 2017.*

***Improvements in data quality and completeness to the data collection process for construction and demolition project waste changed in 2018. As a result, intensities were updated and waste data has been rebaselined back to the base year to incorporate these improvements.*

FACILITIES	UNITS	2010	2016	2017	2018
LEED certifications	Net square feet	12,537,553	18,414,298	19,485,608	19,453,541
	Percent of total workplace	10%	23%	25%	25%
Carpet	Metric tons purchased	530	975	909	1,098
	Recycled input materials by weight	39%	34%	31%	30%

TRANSPORTATION	UNITS	2010	2016	2017	2018
Electric vehicle charging stations	Total charging stations installed at Bank of America sites	Not available	Not available	Not available	129
Low-carbon vehicle reimbursement program	New participants	669	357	452	916
	Metric tons of CO_2e avoided by new participants	771	818	1,094	1,617

Total charging stations installed at Bank of America sites includes the cumulative number of global charging stations active in 2018. Data not available prior to 2018.

COMPLIANCE	UNITS	2010	2016	2017	2018
Non-compliance with environmental regulations	Value of monetary fines	$23,854	$3,345	$17,567	$1,814
	Non-monetary violations	9	2	2	2
Reportable spills	Number	2	1	2	3
	Volume - US gallons	3	200	Not available	29

Data are sourced from our compliance management system, in which we record all instances of non-compliance with environmental regulations and spills.

ENVIRONMENTAL SPEND	UNITS	2010	2016	2017	2018
Compliance management spend	Value of spend	Not available	$8,300,000	$8,900,000	$10,500,000
Environmental assessment and remediation spend	Value of spend	Not available	$4,300,000	$5,900,000	$8,000,000
Waste management spend	Value of spend	Not available	$200,000	$200,000	$100,000
Total environmental protection spend	Value of spend	Not available	$12,700,000	$15,000,000	$18,600,000

Data are sourced from our compliance management system, in which we record spend with select third-party vendors on environmental protection and compliance.

VENDOR ENGAGEMENT	UNITS	2010	2016	2017	2018
Number of vendors invited to CDP supply chain	Number of vendors	89	195	195	202
Response rate to our CDP supply chain information requests	Response rate	84%	90%	88%	90%
CDP supply chain responding vendors who report GHG emissions	Response rate	Not available	79%	78%	80%