



## Corporate Social Responsibility 2013 Report



As a leading global financial services company, our economic, human, physical and social resources give us enormous reach and potential to make a significant impact on people and communities around the world.

Life's better when we're connected®

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*This report indexes Bank of America's 2013 social, environmental and governance actions and impacts. It is intended for readers interested in a detailed view of our work. We have structured this document to generally follow and respond to the Global Reporting Initiative G3.1 framework and its Financial Services Sector Supplement. We also have addressed issues in response to other indices important to the interests of the bank such as the Dow Jones Sustainability Index and MSCI's ESG indices. This report is supplemented by information on our website, [bankofamerica.com/about](http://bankofamerica.com/about).*

# 1 | Welcome

*This chapter addresses our strategy, including a statement from our CEO and a summary of key achievements, priorities and trends impacting our business.*



At Bank of America, our purpose is to make financial lives better, through the power of every connection. With more than 230,000 employees in countries all over the world who daily deliver on this purpose for the clients we serve, our team is hard at work strengthening the communities we call home through volunteerism and philanthropy. Last year

alone, Bank of America employees gave two million volunteer hours investing in the causes important to them.

All of our actions, from the way we run our business to our volunteerism to how we use our resources, align with our purpose. This means our focus is on how we connect our capabilities to help our clients achieve their goals, how we connect companies to capital to fuel economic growth, and how we connect communities to the tools they need to thrive.

Our purpose informs our company's values and reinforces our mission of helping local economies and communities grow and prosper. Whether it's our partnership with (RED) to help end mother-to-child transmission of AIDS, or our work with military veterans to help them transition from active duty with jobs, training and education, these and many other initiatives demonstrate our commitment to helping our customers, clients, employees and community partners address issues that are important to them.

Throughout this report you will read about this work, progress we've made over the past year and how we are better positioned than ever before to meet the needs of those we serve while helping build strong, vibrant communities.

Thank you for your continued interest in Bank of America.

A handwritten signature in black ink, appearing to read 'B. Moynihan', written in a cursive style.

**Brian T. Moynihan**  
Chief Executive Officer

## GRI indicator cross-reference

*Read the complete  
GRI disclosures listed,  
starting on [page 75](#).*

### 1.1 Statement from the CEO



Over the past four years we've deepened our dialogue with a wide range of stakeholders — from employees and customers to community leaders and regulators — to better understand their concerns and share our plans for responsible business growth. Informed by these conversations, we put everything we do under a microscope and worked to improve the company.

This included shedding more than \$70 billion of non-core assets, simplifying our businesses and making significant improvements to our governance and risk-management practices. Today we're a much healthier company.

All of these changes have had a dramatic effect on our corporate social responsibility (CSR) philosophy. Having previously approached CSR largely as a matter of philanthropy, we've since realigned our priorities to address fundamental parts of our business and to reaffirm the principles and values that guide us and our operations in more than 40 countries. Here is a sampling of actions taken over the past 18 months:

- We established a Global Advisory Council through which outside leaders can share with our management team their expertise and insights on global engagement, help further strengthen our worldwide relationships, and identify trends and emerging opportunities in local markets.
- As a sign of the evolving role of CSR at Bank of America, the company established a Global Corporate Social Responsibility Committee. The Committee will report directly to the CEO and raise issues and make recommendations, as appropriate, to the company's management team and board of directors. The Committee will meet quarterly and report out at least annually to the Corporate Governance Committee of the board of directors. This structure will ensure that emerging CSR issues, as well as concerns raised by advocates, regulators and other stakeholders, are being reviewed and managed at the highest levels of the company.

- We launched a new SafeBalance account, designed to help customers avoid overdraft fees by limiting their ability to spend what they don't have. This builds on the industry-leading overdraft policies we instituted in 2010.
- With polls showing that a large majority of Americans regard themselves as ill-equipped to handle their finances, we partnered with Sal Khan and the Khan Academy to launch BetterMoneyHabits.com, an online tool that takes an innovative approach to understanding financial concepts through simple and approachable content.
- We deepened our relationships with a number of nonprofit partners, including Vital Voices, which provides development opportunities to emerging women leaders around the world; Feeding America, the leading hunger nonprofit in the United States; and (RED), which has generated more than \$250 million in the fight against HIV/AIDS. With more than 230,000 employees and a customer base of more than 50 million, a global company like ours can have a tremendous impact when we leverage our platform to raise awareness and support.

CSR has never played a bigger role when it comes to delivering for our customers, clients, shareholders and the communities we serve. The evolution of our CSR program has been exciting and — more importantly — produced tangible results we can all be proud of.

Anne Finucane  
Global Chief Strategy and Marketing Officer

## 2.9

Significant company changes this reporting period



# 2013 Corporate Overview

## STRATEGIC PRIORITIES

The strategy we outlined several years ago is driving our growth. We have been making more loans, attracting more deposits, achieving record results in our wealth management business and maintaining our leadership position in investment banking. This success is based on a strong foundation of rigorous risk management, more efficient operations and one of the strongest

financial services balance sheets in the world. We continue to improve the products, services and advice our customers and clients need to buy houses; grow small, medium and large businesses; and manage their finances. Additional information on several of the issues highlighted below can be found in our [2013 Form 10-K](#).

## SOME OF OUR KEY ACHIEVEMENTS IN 2013 AND 2014

CSR GOVERNANCE	FINANCIAL STRENGTH	ECONOMIC IMPACT	SOCIAL IMPACT	ENVIRONMENTAL SUSTAINABILITY
<ul style="list-style-type: none"><li>Established a Global Corporate Social Responsibility Committee that reports to the CEO in 2014. The Committee will provide a forum for dialogue on CSR issues and help ensure that CSR continues to be integrated into our core business decisions and reviewed at the highest levels of the company, including the Corporate Governance Committee of the board of directors.</li></ul>	<ul style="list-style-type: none"><li>Reported net income of \$11.4 billion — closing 2013 with one of the strongest balance sheets in our company's history.</li><li>Decreased our noninterest expense by \$2.9 billion.</li><li>Repurchased \$3.2 billion of common stock.</li></ul>	<ul style="list-style-type: none"><li>Extended a total of \$10.7 billion in new credit to small business customers.</li><li>Raised \$700 billion for clients.</li><li>Provided \$107 billion toward our 10-year, \$1.5 trillion community development goal.</li><li>Originated \$85.7 billion in first mortgages in the U.S., including \$19.5 billion for more than 128,388 low- and moderate-income families.</li></ul>	<ul style="list-style-type: none"><li>Contributed more than \$267 million toward our 10-year, \$2 billion charitable giving goal, of which more than \$87 million was from in-kind property donations. Of the 2,293 properties we donated in 2013, 804 were in support of our military program, at a cost of more than \$59 million, or 68 percent of our total in-kind donations. The remaining \$179 million was cash giving.</li><li>Volunteered two million employee hours in communities in which we live and operate.</li><li>Announced a social impact partnership with New York State and Social Finance Inc. that resulted in successfully raising capital to fund a program focused on reentry employment services for formerly incarcerated individuals in New York.</li></ul>	<ul style="list-style-type: none"><li>Provided more than \$5.5 billion in financing to address climate change and demands for natural resources.</li><li>Co-authored Green Bond Principles.</li><li>Successfully issued our own \$500 million Green Bond.</li><li>Were added to both the World and North America Dow Jones Sustainability Indices and named a top financial services company in the CDP Global 500 and CDP S&amp;P 500 Climate Change Reports.</li></ul>

## 1.2

Key impacts, risks, and opportunities

## 2.9

Significant company changes this reporting period

## TRENDS IMPACTING THE FINANCIAL INDUSTRY

Last year we identified three industry trends that we believe could potentially impact our business, several of which focus on environmental, social and economic concerns. These trends, including increased regulatory reform, focus on sustainability and investments in technology, were as relevant in 2013 as they were in 2012, and in some cases have accelerated:

- Business models of financial institutions around the world continue to adapt in response to regulatory reform, government activities and other forces shaping the competitive landscape of global financial corporations.
- Investors at various assets levels are paying close attention to how companies address a range of sustainability issues.
- Technology is playing an expanding role in enhancing services for customers, helping to address privacy issues as well as maintaining security.

In response to these trends, we have continued to streamline and simplify our structure and operations, broadening and deepening relations with clients and customers while continuing to more closely integrate our lines of business.

As we monitor and, when appropriate, respond to these trends, we also are providing our customers and clients with information on global trends that impact their financial decisions. For example, in 2013 the Bank of America Merrill Lynch Global Research Thematic Investing Strategy team published reports on several global issues, including education, climate change, waste, water, energy efficiency, obesity and safety and security, considering the link between environment, social and governance factors and investment decisions.

## MATERIALITY

Our aim for this report is to address the issues most important to our stakeholders — issues that have both a direct and indirect impact on their decisions to do business with us as a customer, client, investor, vendor or community partner. We look across economic, environment and social issues and collect feedback from:

- **External sources**, including our report External Review Committee facilitated by Business for Social Responsibility (BSR); BSR subject matter experts; members of Bank of America's National Community Advisory Council; and an external group of nationally recognized leaders in civil rights, community development, and environmental and social issues.
- **Internal sources**, including senior executives, internal subject matter experts from across the company and communication team members.
- **Review of shareholder proxy statements; financial sector influencers** such as Consumer Financial Protection Bureau, Consumers Union, Public Citizen, U.S. Public Interest Research Group; an analysis of testimonies from 2013 U.S. Senate Bank Committee hearings; and review of major media coverage.

## 1.2

Key impacts, risks, and opportunities

## 3.5

Process for defining report content

The issues identified through this process included the following:

CATEGORY	ISSUE	DESCRIPTION
<b>Governance and ethics</b>	Litigation	Addresses legal issues, including lawsuits related to NY Supreme Court mortgage settlement, U.S. Department of Justice, Libor, Fannie Mae and Freddie Mac mortgage-backed securities, mortgage practices and interest rate manipulation.
	Legal and regulatory environment	Compliance and management of the policies, changes and disclosures regarding regulation of the banking industry.
	Customer privacy and data security	Safe and secure management of customer information ensuring confidence, ethical business practices and a commitment to compliance.
	Corporate governance/ethical conduct	The structure, policies, procedures and activities of the bank's Board of Directors and senior management by which decisions are made at the company.
	Employee incentives and compensation	The bank's compensation structure for executives and employees, short-term and long-term incentives, and the associated policies and procedures.
	Cost and expense reduction	Bank activities surrounding the reduction of costs and/or expenses.
	Lobbying and political contributions	The extent to which the bank shares and makes clear its dealings with think tanks, lobbying and donations to political causes or individuals, and the transparency with which the company makes these political contributions.
	Systemic risk management	The bank's strategy to manage systemic risk, disclosure of metrics, federal 'stress tests' results and understanding of the overall financial outlook.
<b>Products and services</b>	Integration of Environmental, Social and Governance (ESG) factors in risk analysis	The explicit inclusion of ESG analysis into traditional financial analysis and investment decisions based on a systematic process and in all asset classes, including ESG investment policies.
	Energy finance	The bank's practices relating to traditional and alternative energy lending.
	Socially Responsible Investing products and services	Socially responsible and impact investment products and services offered to clients.
	Customer and client satisfaction	The bank's relationship with its customers and clients, including relationships and overall satisfaction.
	Products and services	The bank's customer and client offerings, including the introduction or discontinuation of new products and services.
	Branches	The activity surrounding local, regional or national bank branches, including branch closures and expansions.
	Mortgage business/legacy assets servicing	The bank's activity around mortgage productions, solutions and services, and the status of the bank's legacy issues and their overlapping impact on litigation and cost reduction.
	Capital markets activity	The bank's activity in the capital markets and approach to future activity.
<b>Community</b>	Overdraft fees	The bank's policies, activities and profits as they pertain to customer overdraft fees.
	Technology and systems	The bank's investments in new technology or improved systems, and how these investments impact the bank and its customers.
	Financial inclusion	Products and services offered to low- and moderate-income populations.
<b>Environment</b>	Philanthropy	The bank's philanthropic initiatives including cash and in-kind donations.
	Environmental impact	The environmental impacts of the bank's operations, from energy and water consumption to waste management and paper usage.
<b>Employees</b>	Talent	The bank's standards and current situation regarding hiring, layoffs, new appointments, work/life balance, work limits and the quality of life of its employees.
	Working conditions	Work/life balance, work limits and the quality of life of the bank's employees.

### 3.5

Process for defining report content

### 4.16

Stakeholder feedback

From this list we identified five key areas, summarized below, which we believe are most relevant to the ongoing growth and success of the bank. Our external review committee, facilitated by BSR, concurred that these are priority issues for the bank (see [Chapter 9](#) for more details):

**1. Risk management:** Our approach to risk management considers important issues — from operations and talent, to regulation and products and services, to transparency and fairness and business outlook. As a key element in our organizational transformation, there has been a renewed focus at every level of the company on the mitigation and management of risk.

In January 2013, our Board of Directors approved a new risk framework, which precisely defines the degree of accountability of the company and its employees with regard to risk management, and a new risk appetite statement, which defines the parameters under which the company will take risk. Both documents are intended to enable us to maximize our long-term results and ensure the integrity of our assets and the quality of our earnings.

Our executive compensation policies and practices play a key role in how we manage risk. Our compensation philosophy ties the pay for our executive officers to both the short-term and long-term performance of the company. Our compensation policies and programs align the interests of our executive officers with our shareholders, while taking into account the manner in which results are achieved through adherence to our risk and compliance policies. More specifically, a majority of total variable compensation to named executive officers is made in the form of deferred equity-based awards, further encouraging long-term focus on generating sustainable results for our shareholders.

More detailed discussion on risk is on [page 17](#) of this report. A detailed discussion on executive compensation can be found on [page 18](#) of this report in our [2014 Proxy Statement](#).

**2. Litigation issues:** Over the course of three years, we have resolved and settled litigation and regulatory issues, significantly reducing uncertainty for investors and strengthening our reputation. This is not to say that all outstanding or potential litigation with roots in the financial crisis has been resolved, but that senior management is making all reasonable attempts, mindful of the interests of shareholders, to put legacy issues behind us. In December, we announced an agreement with Federal Home Loan Mortgage Corporate (Freddie Mac) to resolve all remaining representations and warranties claims for residential mortgage loans sold to Freddie Mac through the end of 2009. In 2013, we recognized \$6.1 billion in litigation-related expenses, excluding expenses of internal or external legal providers.

We continue to be subject to additional borrower and non-borrower litigation and governmental and regulatory scrutiny related to our past and current origination, servicing, transfer of servicing and servicing rights, and foreclosure activities, including those claims not covered by the National Mortgage Settlement. We provide a more comprehensive discussion on how we are working to address litigation issues in the [2013 Form 10-K](#).

**3. Access to financial services:** In 2012, one in 12 American households was unbanked and more than 20 percent under-banked, according to the U.S. Federal Deposit Insurance Corporation (FDIC). As one of the largest financial institutions in the U.S., and cognizant of our purpose to make financial lives better, in 2013 we redoubled our efforts to extend the bank's core capabilities to benefit more families and communities in a practical and accessible way by connecting people to the tools, information and services they need. For example, we know that current financial education efforts sometimes fail to reach those they are intended to serve, and so in 2013, we initiated a significant new partnership with Khan Academy to offer online courses to help instill better money habits. Details on this new partnership can be found in [Chapter 5](#).

While our total number of bricks-and-mortar banking centers declined modestly in 2013 as more consumers conducted banking online, nearly 40 percent of our banking centers continued to serve low- and moderate-income areas. We also increased the portion of home lending to low- and moderate-income customers, rising from 32 percent in 2012 to 36 percent in 2013. We also increased lending to small businesses by 12 percent year-on-year to more than \$22 billion in 2013, including \$10.7 billion in new credit.

## 1.2

Key impacts, risks, and opportunities

## 3.5

Process for defining report content

## 4.16

Stakeholder feedback

## DMA EN

Products and services



#### 4. Environment/social/governance (ESG) investment offerings:

We call it “democratizing” ESG. For several years, like others in the investment community, our ESG investment solutions were limited to customers and clients with significant assets. In 2012, we established an internal Global Wealth & Investment Management (GWIM) Environment/Social/Governance Council to work together on expanding our products and services to meet the ESG interests of all of our wealth management clients—regardless of their asset level—affording them the opportunity to invest based on their values.

For example, U.S. Trust’s socially innovative strategies include focuses on Women’s and Girls’ Equality, Human Rights and Recognition, and Environmental Stewardship and Sustainability. Merrill Lynch strategies focus on community involvement, environment and governance. Merrill Edge offers its clients an online screening tool to help them identify the mutual funds and exchange-traded funds (ETFs) that align with the issues that concern them.

We expect that interest in social and environmental issues will continue to drive many clients’ investment decisions, and our commitment is to continue to grow our base of products and services to meet that growing demand. Additional information on our approach to ESG can be found on [page 20](#) of this report.

**5. Energy financing:** After fulfilling our original 10-year \$20 billion environmental business goal more than four years ahead of schedule, we then set a new 10-year \$50 billion environmental business goal, bringing the total over 20 years to \$70 billion, among the highest of our global peers.

We also formed and participated in a consortium of financial institutions and environmental groups that worked to develop and establish the Green Bonds Principles (GBP), a voluntary set of guidelines to promote integrity in the development of the green bond market. In late 2013, we issued the first corporate green bond—a \$500 million offering—the proceeds of which will fund energy efficiency projects. We continue to work with our clients in the fossil fuel value chain to help them reduce their environmental impacts, and to engage with our critics and stakeholders on this issue. For a fuller discussion of our environmental policies for high-risk industries, see [page 38](#) in the Environmental Sustainability section of this report.

These are complex and evolving issues, which we address on an ongoing basis through a variety of outreach efforts—stakeholder and shareholder meetings, analyst calls, business and social impact conferences and dialogues, as well as mandated and voluntary reports. Our objective is to ensure that information on these matters is readily accessible to our clients and customers, employees and partners as they want and need it.

If you have specific questions on these topics or other concerns, please contact our CSR team by sending an email to [csr2@bankofamerica.com](mailto:csr2@bankofamerica.com). See [page 96](#) for contact information.

#### 1.2

Key impacts, risks, and opportunities

#### 3.5

Process for defining report content

## 2013 PROGRESS ON SPECIFIC GOALS

Over the past several years, we have set industry-leading goals aligned with our CSR focus areas. Our progress to date in meeting those targets is summarized below:

### OUR TARGETS

### OUR PROGRESS



## \$1.5 trillion

for community development investments in the U.S. by 2019

Since 2009, we extended approximately \$676.6 billion in community development lending and investments, including \$107 billion in 2013.

Status: **on track** ●



## \$70 billion

globally to business activities that address climate change and demands on natural resources by 2023

Since 2007, we have financed \$27 billion in environmental business activities, \$5.5 billion of which was in 2013, the first year of our new 10-year, \$50 billion initiative.

Status: **on track** ●



## 15 percent

reduction in net scope 1 and 2 greenhouse gas (GHG) emissions within our global operations between 2010 and 2015

As of 2013, we reduced GHG emissions by 19 percent, a reduction we hope to maintain or grow in the next two years.

Status: **on track** ●



## \$2 billion

in philanthropic investments, globally, by 2019

During 2013, the Bank of America Charitable Foundation provided \$267 million\* in U.S. and global philanthropic investments, including cash giving and in-kind donations.

Status: **on track** ●

\*More than \$87 million of our total philanthropic giving was from in-kind property donations. Of the 2,293 properties we donated in 2013, 804 were in support of our military programs, at a cost of more than \$59 million, or 68 percent of our total in-kind donations. The remaining \$179 million was in cash giving.

## 2 | Organizational profile

*In this chapter we provide an organizational profile, including our operational structure, brands and market presence. All numbers refer to December 31, 2013, unless otherwise stated.*

### OPERATIONS



40<sup>+</sup>

Countries



50

U.S. states



5,151

Banking centers



16,259

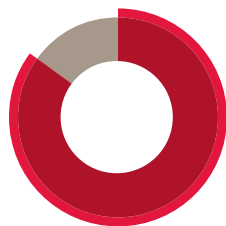
ATMs



23,297

Global offices  
and facilities

### GLOBAL WORKFORCE



245,452  
total employees\*

207,488  
in the U.S.



### BRANDS

**Bank of America** 

 **Merrill Lynch**  
Bank of America Corporation

**U.S. TRUST** 

**Bank of America**   
**Merrill Lynch**

\*Full- and part-time employees as of January 15, 2014

Read the complete  
GRI disclosures listed,  
starting on [page 75](#).

#### DMA EC

Economic performance<sub>COMM</sub>

#### DMA EC

Market presence

#### 2.2

Primary brands, products  
and services

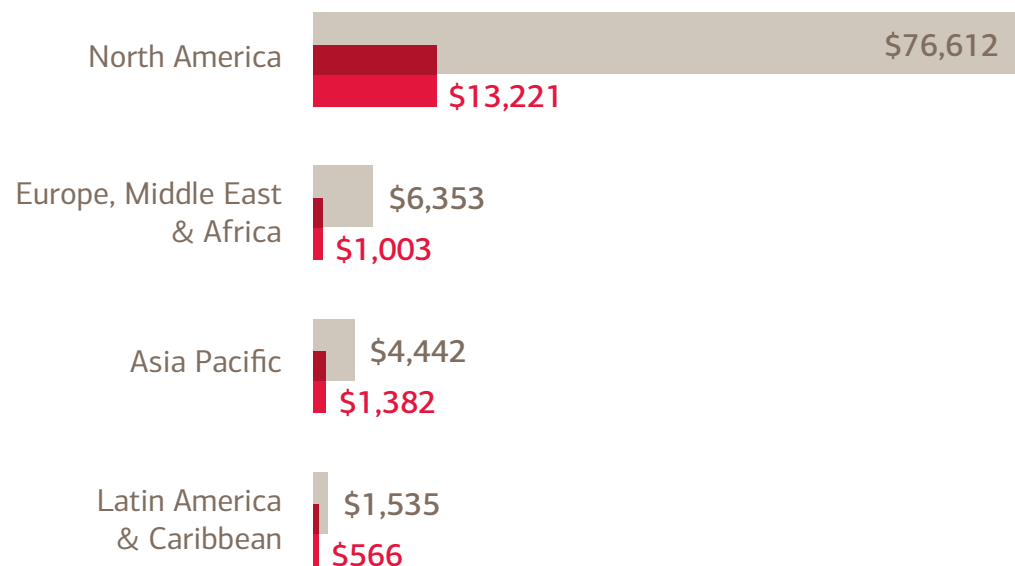
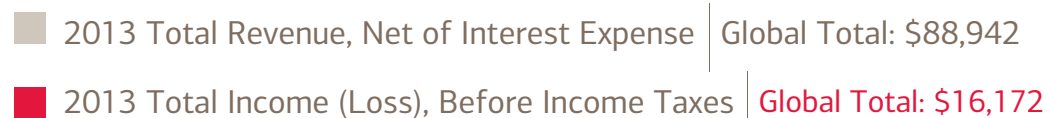
#### 2.8

Scale of the reporting  
organization

#### 3.6

Boundary of the report

## TOTAL REVENUE (IN MILLIONS)



## SHARES & SHAREHOLDERS

11,491,418

Average diluted common shares issued and outstanding

61.6%

Held by institutional investors

215,755

Registered shareholders of common stock (as of February 2014)

Additional information is available in our [2013 Form 10-K](#), as well as on our website.

## ASSETS



\$2.1 trillion

Corporate assets



\$545.5 billion

Total credit extended



\$1.119 trillion

Total deposits



\$468 billion

Average trading-related assets



\$2.366 trillion

Global Wealth & Investment Management (GWIM) total client balances

## 2.2

Primary brands, products, and services

## 2.5

Number of countries where we operate

## 2.7

Markets served

## 2.8

Scale of the reporting organization

## EC1<sup>COMM</sup>

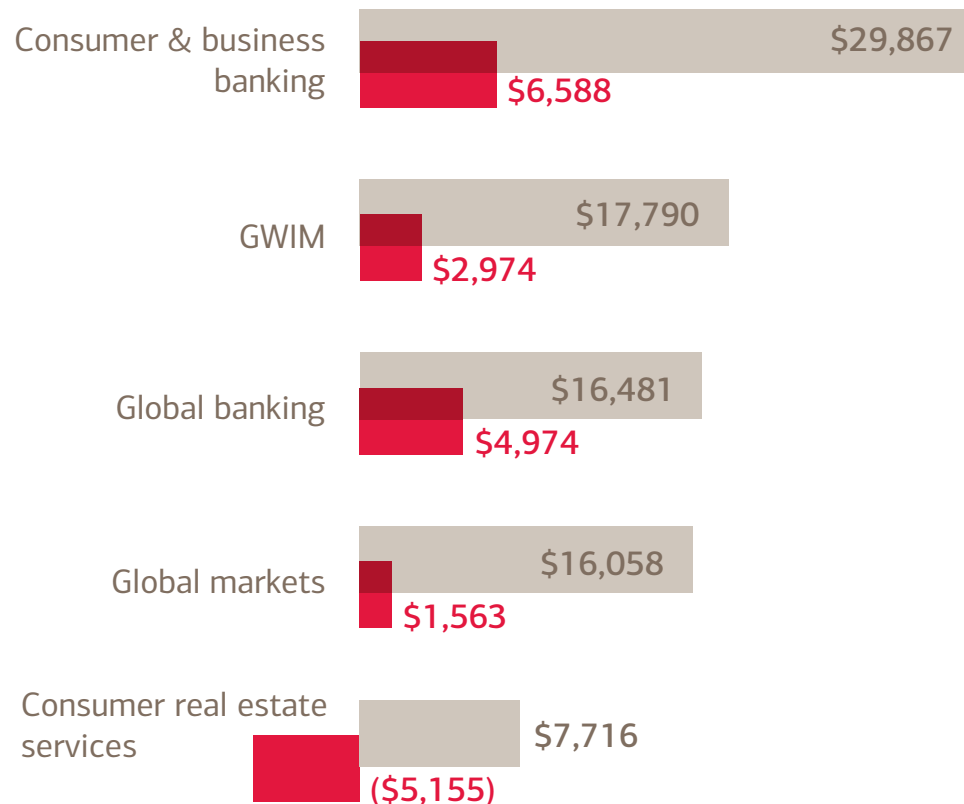
Direct economic value generated and distributed to capital providers and governments

## 2013 PHILANTHROPIC GIVING\*

North America	\$251,763,345
Europe, Middle East and Africa	\$4,627,760
Latin America & Caribbean	\$1,229,028
Asia Pacific	\$4,203,726
Global (not region specific)	\$2,701,333
<b>TOTAL</b>	<b>\$267,007,355</b>

\*More than \$87 million of our total philanthropic giving was from in-kind property donations. Of the 2,293 properties we donated in 2013, 804 were in support of our military program, at a cost of more than \$59 million, or 68 percent of our total in-kind donations. The remaining \$179 million was cash giving.

## REVENUE & INCOME (IN MILLIONS)



## 2013 GREENHOUSE GAS EMISSIONS (SCOPE 1, 2) — METRIC TONS CO<sub>2</sub>E (GROSS)

North America	1,263,152
Europe, Middle East and Africa	83,167
Latin America & Caribbean	4,095
Asia Pacific	97,984
<b>TOTAL</b>	<b>1,448,397</b>

## CUSTOMERS AND CLIENTS (customers may fall into more than one category)

50 million

Consumer & small business relationships

24,000

Global commercial banking clients

~10,000

Global market clients

2,113,000

Global wealth management clients

29,950,000

Online banking active accounts

14,396,000

Mobile banking active accounts

2.2

Primary brands, products and services

2.8

Scale of the reporting organization

FS6

% of the portfolio for business lines



### 3 | Governance, commitments and engagement

*In this chapter we discuss our governance policies and procedures, internal and external commitments and engagements, and our approach to sustainability.*



#### CORPORATE GOVERNANCE

Our corporate governance practices and management policies provide accountability and transparency across all of our businesses and activities. Our commitment to operating a strong, ethical and responsible business is shared by all employees and starts at the top of the organization, with our Board of Directors.

##### Global CSR Committee

In 2014, we established a new Global CSR Committee to provide a forum for dialogue around emerging CSR issues, including concerns raised by advocates, regulators and influencers. The Committee will report directly to the CEO and raise issues and make recommendations, as appropriate, to the company's management team and board of directors. The Committee will meet quarterly and report out at least annually to the Corporate Governance Committee of the board of directors. The Global CSR Committee, made up of senior leaders from business and support groups across the company, is chaired by our Global Chief Strategy and Marketing Officer, who serves as its liaison to the Board. This structure will ensure that CSR continues to be integrated into our core business decisions and that CSR-related issues are considered and debated at the highest levels within our company.

The Committee's membership includes representatives from the company's business and operations. Two subcommittees have been established:

- The Community Reinvestment Act ("CRA") Subcommittee oversees the Company's lending, investment and service activities to low- and moderate-income individuals and areas, and the Company's CRA initiatives, goals, performance, and regulatory evaluations and ratings.
- The Global Environmental Operations subcommittee oversees the Company's environmental operational goals and is responsible for developing strategy and implementing initiatives to ensure successful achievement of these goals.

The CSR Committee will be an integration point for various other internal working groups with responsibility for environmental and social issues. Examples of these groups are the Low Carbon Banking Group, the GWIM Environmental/Social/Governance Council, and the Global Diversity & Inclusion Council.

*Read the complete GRI disclosures listed, starting on [page 75](#).*

#### DMA EC

Indirect economic impacts

#### 4.1

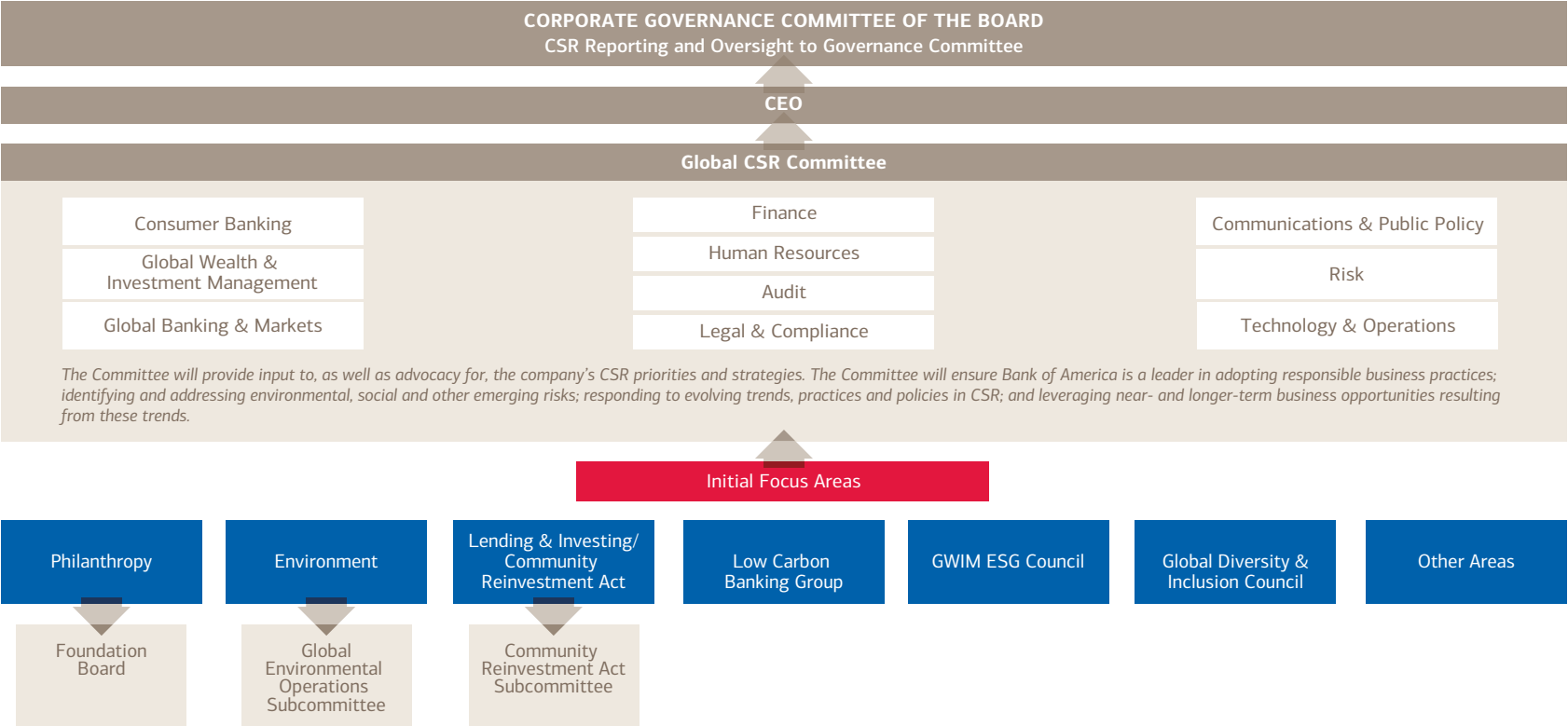
Governance structure

Global CSR team

The Global CSR team is managed by our Global CSR and Consumer Policy Executive, who is responsible for the development, implementation and measurement of our CSR strategy as well as engagement with our stakeholders. Members of our executive management team and representatives from relevant lines of business are also deeply involved in managing issues related to each focus area.

As needed, the bank engages external experts to help evaluate potential risks and opportunities associated with certain projects and in measuring our broader impact.

CSR GOVERNANCE AND MANAGEMENT  
CSR GOVERNANCE AND MANAGEMENT



CORPORATE GOVERNANCE

Our Board of Directors

In determining the composition of our Board, we continually assess Board members’ capacity to guide overall company strategy, including their ability to recognize and anticipate current and potential environmental and social impacts. Our directors possess backgrounds, qualifications, attributes and skills that, when taken in aggregate, provide our company with a broad range of experience and diversity of perspective and backgrounds. Our Board views diversity as a priority and seeks it in thought, experience, gender and race among its members. Through the Corporate Governance Committee, the Board assesses diversity when identifying and evaluating directorship candidates. Of our current 15 Board members, four are female, two are African-American and one is Hispanic, nine have international experience, ten have CEO experience, and one is a distinguished academic and professor of management practice.

Our directors are elected annually by a majority vote of our shareholders. We have independent board leadership, and 13 of our 15 directors are independent. The Board receives risk management updates during its monthly meetings. It also oversees our company’s management and handling of risk through its Audit, Credit and Enterprise Risk Committees. In addition, our Compensation and Benefits Committee oversees our compensation policies and practices to discourage unnecessary and excessive risk taking by our employees. In 2013, the Board established new meetings devoted to risk oversight.

4.1	Governance structure
4.3	Board membership

In 2013, in accordance with the bank's corporate governance guidelines, five members transitioned off the Board. These guidelines address director tenure, the number of Board members, and committee structure in addition to a variety of other issues related to Board-level oversight of our business conduct and decisions.

#### BANK OF AMERICA CORPORATION BOARD OF DIRECTORS (CURRENT)

**Charles O. Holliday, Jr.**, Chairman of the Board, Bank of America Corporation

**Sharon L. Allen**, Former Chairman, Deloitte LLP

**Susan S. Bies**, Former Member, Board of Governors, Federal Reserve System

**Jack O. Bovender, Jr.**, Former Chairman and Chief Executive Officer, HCA Inc.

**Frank P. Bramble, Sr.**, Former Executive Officer, MBNA Corporation

**Pierre de Weck**, Former Chairman and Global Head of Private Wealth Management, Deutsche Bank AG

**Arnold W. Donald**, Former Chairman and Chief Executive Officer, Merisant

**Charles K. Gifford**, Former Chairman, Bank of America Corporation

**Linda P. Hudson**, President and Chief Executive Officer, BAE Systems, Inc.

**Monica C. Lozano**, Chairman and Chief Executive Officer, ImpreMedia, LLC

**Thomas J. May**, President and Chief Executive Officer, Northeast Utilities

**Brian T. Moynihan**, Chief Executive Officer, Bank of America Corporation

**Lionel L. Nowell, III**, Former Senior Vice President and Treasurer, PepsiCo, Inc.

**Clayton Rose**, Professor of Management Practice, Harvard Business School

**R. David Yost**, Former Chief Executive Officer, AmerisourceBergen Corporation

Below is a summary of our current Board committee structure and membership.

Committee	Audit	Compensation and Benefits	Corporate Governance	Credit	Enterprise Risk
<b>Sharon L. Allen</b>	Chairperson		Member		
<b>Susan S. Bies</b>	Member				Member
<b>Jack O. Bovender, Jr.</b>				Member	Member
<b>Frank P. Bramble, Sr.</b>			Member		Chairperson
<b>Pierre de Weck</b>	Member	Member			
<b>Arnold W. Donald</b>		Member		Member	
<b>Charles K. Gifford</b>				Chairperson	
<b>Charles O. Holliday, Jr.</b>					
<b>Linda P. Hudson</b>		Member		Member	
<b>Monica C. Lozano</b>		Chairperson		Member	
<b>Thomas J. May</b>			Chairperson		Member
<b>Brian T. Moynihan</b>					
<b>Lionel L. Nowell, III</b>	Member		Member		
<b>Clayton Rose</b>			Member		Member
<b>R. David Yost</b>	Member	Member			

#### 4.1

Governance structure

#### 4.2

Board Chair

#### 4.3

Board membership

## CORPORATE POLICIES

Operating a responsible and transparent business is critical to Bank of America's strength and stability as a company, and a core obligation to our customers, clients, employees, shareholders and communities. Bank of America's management processes, structures and policies help to ensure compliance with local laws and regulations, and provide clear lines of sight for decision-making and accountability. Our Values and Code of Ethics are designed to foster a culture of openness, in which healthy debate is encouraged, risk is rigorously managed, and employees are expected and required to escalate their concerns and report improper activity.

### Our values and code of conduct

Bank of America employees around the world share common values that guide both what we do and how we do it:

- Deliver together
- Act responsibly
- Realize the power of our people
- Trust the team

Our Code of Conduct translates these broad values into the guidance our employees need to put them into action as we compete in the marketplace and engage with stakeholders around the world. All employees are required to acknowledge their responsibility for understanding and complying with the Code.

Finally, five core principles guide how we operate the company:

- Customer driven
- Great place to work
- Manage risk
- Manage efficiency
- Deliver for our shareholders

### Our risk framework

Managing risk is one of our company's operating principles and a steadfast priority for our lines of business. Within Bank of America's risk culture, each employee is charged with identifying, escalating and debating risk, and above all, doing the right thing. These are the essential behaviors that sustain our risk culture.

Every year, we review and update the risk framework, and it is approved by the company's management team and the Board of Directors. As we focus on driving core revenue growth across the company this year, the risk appetite has been updated to directly align with strategic, capital and financial operating plans.

#### *Components of our risk framework*

- Risk culture: A strong risk culture promotes consideration of risk by every employee, every day, in every interaction.
- Risk appetite: The company's risk appetite statement defines the aggregate level and types of risk we are willing to take to achieve our business objectives.
- Risk governance: Governance committees and routines ensure that risk management is part of our regular business activities.
- Risk reporting: Effective risk reporting helps us understand our risk profile and make more informed decisions.
- Risk management processes: We integrate risk management in strategic, capital and financial planning, and daily business processes. This helps us prepare for and quickly respond to risks.

This holistic approach helps our company protect customers, clients and shareholders, capitalize on investments, minimize losses and preserve the bank's brand, value and reputation.

## 4.8

Mission, values, codes of conduct, and principles

### FS4

Staff training on environmental and social policies and procedures





### Key Risk Types

At Bank of America, we evaluate seven key risk types in our daily operations:

- **Strategic risk:** We measure and monitor our strategic risk appetite through absolute Credit Default Swap (“CDS”) Spread and CDS Spread Relative-to-Peers, both of which are considered indicators of strategic risk. Strategic risk is embedded within every business, and to some extent, the other major risk types can affect it.
- **Credit risk:** We measure and monitor our credit risk appetite through numerous metrics, including criticized assets, classified assets, nonperforming loans and net credit losses.
- **Market risk:** We control and monitor our market risk appetite through an extensive set of limits based on key metrics such as Value at Risk (“VaR”) and counterparty risk, which are analyzed using historical and hypothetical stress scenarios.
- **Liquidity risk:** We have established a series of limits, guidelines and early warning indicators to monitor and manage the level of excess liquidity and key liquidity risks across the enterprise and several legal entities. One metric we use to evaluate the appropriate level of excess liquidity at the parent company is “Time-to-Required Funding.”

- **Operational risk:** We measure and monitor our operational risk appetite through metrics such as operational losses and Risk and Control Self Assessment (“RCSA”) ratings.
- **Compliance risk:** In contrast to the other risk types, which determine a level of accepted risk, compliance risk does not lend itself to similar processes for establishing and allocating overall risk tolerance, in part because the company must comply with applicable banking and financial services laws, rules and regulations.
- **Reputational risk:** Reputational risk is the potential that negative perceptions of the bank’s conduct or business practices will adversely affect its profitability, operations, or customers and clients. Given the nature of this risk, its impact to risk appetite is captured in other risk types such as operational risk and credit risk.

### Executive compensation

Our compensation philosophy ties the pay for our executive officers to the performance of our company, our lines of business and each individual executive officer over the short and long term. In addition, consistent with pay-for-performance philosophy, our executive compensation program provides a mix of salary, incentives and benefits paid over time that we believe properly aligns the interests of our executive officers with the interests of our shareholders. We also take into account the manner in which results are achieved, including an evaluation of adherence to risk and compliance policies and other core values of our company. We continually evaluate our compensation policies and practices in light of ongoing developments and best practices in the area of incentive compensation.

On the next page, we provide the key features of our executive compensation program, including the compensation practices we have implemented to drive sustainable results, encourage executive retention, and align executive and shareholder interests. We also identify certain compensation practices we have not implemented because we do not believe they would serve our shareholders’ long-term interests.

### 4.5

Compensation and corporate performance

### 4.10

Board and executive performance

OUR COMPENSATION PRACTICES

What we do

**Pay-for-performance** process that allocates individual awards based on both results and how those results were achieved

**Balanced mix of fixed and variable pay**

**Balanced use of performance measures that are risk-adjusted** where appropriate and combined with management judgment

**Deferral of a significant portion of variable pay**, in equity-based awards where appropriate, to encourage retention and alignment with shareholder interests

- Stock-settled awards vesting solely over time generally cannot vest more quickly than in three equal annual installments under our 2003 Key Associate Stock Plan (Stock Plan)
- Our Stock Plan requires a one-year minimum performance period for awards that vest based on performance

**Meaningful stock ownership and retention requirements** that further align the interests of our named executive officers with the long-term interests of our shareholders

**Use of clawback and cancellation features for all recipients of equity-based awards** to further encourage achievement of long-term, sustainable results in an appropriate manner

What we don't do

No current agreements providing executive officers cash severance payments upon termination of employment or change in control

No future employment or severance agreements with our executive officers that provide severance benefits (as defined under our policy limiting future severance agreements) exceeding two times base salary and bonus, without shareholder approval

No accrual of additional retirement benefits for our current executive officers under any supplemental executive retirement plans (SERPs)

No excise tax gross-ups upon change in control

No discounted stock options, reload stock options or stock option re-pricing without shareholder approval under our Stock Plan

No speculative trading, hedging or derivative transactions

Anti-corruption

Bank of America's commitment to conduct our business responsibly drives our work at all levels and across all geographies. The Code of Conduct, in which all employees and directors are trained, contains specific anti-bribery and anti-corruption policies. Bank of America does not hesitate to terminate individuals who violate our values or ethical standards, regardless of performance or potential. Additional information can be found in our [Code of Conduct Disclosure](#) document and on our [website](#).

Anti-money laundering

Our policy is to take all reasonable and appropriate steps to prevent persons engaged in money laundering, fraud or other financial crime, including the financing of terrorists or terrorist operations — popularly known as money laundering — from taking advantage of our products and services to further their illegal activities. In accordance with this policy, we comply with both the letter and the spirit of the anti-money laundering regulatory regimes in the countries and jurisdictions in which we operate. We also implemented an enterprise-wide Anti-Money Laundering compliance program, which covers all of our subsidiaries and affiliates worldwide.

Public policy engagement

In 2013, we worked with government agencies, officials and civil servants around the world on building a stronger global financial system. In the U.S., federal legislators and regulators continued to advance reform of the housing finance system, with the goal of reducing systemic risk while restoring a vibrant secondary market to support mortgage lending. These efforts include legislative proposals to reconfigure the role of the government-sponsored entities (GSEs) and regulatory proposals by the Consumer Financial Protection Bureau (CFPB). We provided technical expertise to assist public officials in considering various approaches. Detailed information on regulatory matters is available in our [2013 Form 10-K](#).

In the U.S., we do not provide corporate contributions to candidates seeking public office. To the extent permitted by applicable law, Bank of America Corporation may make contributions to state or local ballot measures, non-candidate organizations such as political convention host committees, organizations under Section 527 of the Internal Revenue Code and presidential inaugural committees.

4.8

Mission, values, codes of conduct, and principles

FS5

Stakeholder interactions on environmental and social risks and opportunities

DMA SO

Corruption

DMA SO

Public policy

S04

Actions taken in response to incidents of corruption

S06

Political contributions

In the U.S., Bank of America Corporation maintains a nonpartisan Political Action Committee (PAC) program, which allows the company and its employees to be fully engaged in the political and legislative process. Under federal law, we are permitted to pay the costs of administering our PAC program; however, we are prohibited from directly contributing to our PAC. Employees may choose to support our federal and state PACs through their voluntary personal contributions.

U.S. in-kind political contributions, which are uncommon, are made through our PAC. We did not make any in-kind political contributions in 2013.

Outside the U.S., the bank has a policy of not making contributions to any political party or candidate, but we do engage with political parties as part of our legislative outreach, when appropriate.

#### **Fair design and sale of banking products and solutions**

All of our consumer banking products and services are submitted to a rigorous review that aims to ensure they are designed to address customer needs at a fair and equitable cost, with terms our customers understand.

We solicit external feedback from across our lines of business to ensure our products, solutions and services meet the needs of our customers and clients.

For example, based on consumer research and input from members of our National Community Advisory Council (NCAC), we recently introduced SafeBalance Banking™, an alternative banking account designed to help customers avoid overdraft fees by only allowing transactions to be approved when they have enough money in their account. In 2014 we launched a limited rollout of SafeBalance, and have received positive feedback from both regulators and advocates.

#### **Arms and munitions**

Our Arms and Munitions Policy establishes an enhanced due diligence standard for clients involved in arms and munitions trading. Maintenance and execution of this policy follows a clear process with experienced business line staff and with senior and executive checkpoints, escalation routines and risk management.

The export and trade of arms and munitions is highly regulated. Customer compliance with these regulations is a baseline component of our policy. In addition, our policy sets forth additional restrictive criteria. As an example, transactions are prohibited if they involve nuclear weapons or components, napalm, poison gas, or agents of chemical or biological warfare.

Further, our policy limits transactions involving arms and munitions to an approved list of companies. The bank conducts enhanced due diligence on these companies that includes, among other things, demonstrated strong compliance with laws and regulations regarding the export of arms and munitions and that possess a continued positive track record toward export regulations. The approved client list is reviewed and approved by senior risk and line of business management on an annual basis.

Any financial product or service related to weapons systems construed as aggressive or offensive, in accordance with this policy, is escalated for review by senior risk and line of business management.

### **OUR APPROACH TO SUSTAINABILITY**

#### **Environmental and social risk analysis**

Bank of America's Board of Directors reviews and evaluates important risks and opportunities faced by the company, which include social and environmental factors and issues. The Board executes these responsibilities according to well-established processes through Board committees including the Enterprise Risk and Audit Committees.

Shareholders voice their social and environmental concerns to the Board and management through the annual proxy process. Shareholder proposals voted on at the annual meeting this year covered governance, management, environmental and lobbying issues.

Internally, management considers social and environmental risk factors when making business decisions, and is guided by a number of applicable policies and guidelines, including our Credit Policy, Energy Policy, Developing Country Lending Criteria, the Equator Principles and Climate Change Policy. Management also references the external principles the bank has aligned with, as discussed below. Additional information on our environmental policies can be found in [Chapter 4](#), and social policies are covered in [Chapter 5](#).

#### **Precautionary approach**

We apply the precautionary approach to identifying and addressing longer-term environmental issues, which may impact our business, clients and communities, including global climate change. Our commitment to specific policies, best industry practices and collaboration with external experts help to inform our risk assessments in this area.

#### **4.8**

Mission, values, codes of conduct, and principles

#### **4.9**

CSR governance and international standards and principles

#### **4.11**

Precautionary approach

#### **FS1**

Environmental and social policies

#### **FS5**

Stakeholder interactions on environmental and social risks and opportunities

#### **FS15**

Fair design and sale of financial products and services

## External principles

The bank has signed on to and endorsed a number of international charters, principles and initiatives that address a variety of environmental concerns, most prominently global climate change and assorted social and human rights issues.

Charters/principles	Date signed
Ceres Principles	1996
United Nations Environment Programme Finance Initiative Charter	2001
Center for Climate and Energy Solutions Business Environmental Leadership Council Principles	2006
Carbon Principles	2008
Equator Principles	2013
Green Bond Principles	2014
United Nations Principles on Responsible Investing	

### Ceres Principles

In 1996, we endorsed the Ceres Principles, a 10-point code of corporate environmental conduct. By endorsing these principles we committed to dedicating ourselves to environmental awareness and accountability, and reporting periodically on environmental management structures and results.

### United Nations Environment Programme Finance Initiative

The United Nations Environment Programme Finance Initiative is a global partnership between the United Nations Environment Programme and the members of the global financial sector who work to develop and promote linkages between sustainability and financial performance. Bank of America has been a signatory since 2001 and has contributed staff time to a broad range of initiatives.

### Center for Climate and Energy Solutions Business Environmental Leadership Council (C2ES)

In 2006 we committed to support C2ES's four principles: climate change is occurring and its impacts are already being felt; businesses should incorporate responses to climate change into their core corporate strategies; the U.S. should significantly reduce its GHG emissions through economy-wide, mandatory approaches, which may vary by economic sector and include flexible, market-based programs; and climate change can be reasonably defined as a challenge that will ultimately require a comprehensive global solution.

### Carbon Principles

In 2008, along with a number of other financial institutions, we committed to conduct enhanced due diligence and engagement with energy and power generation clients in the U.S. to better understand and respond to the risks associated with carbon emissions and climate change, and to encourage the development of low-carbon-emitting power generation solutions. This due diligence standard is currently considered a best practice for evaluating financing for companies reviewing such projects and for ensuring that the long-term costs of carbon are taken into account, even in the absence of comprehensive U.S. federal greenhouse gas emissions regulation.

We did not consider any transactions in 2013 that were applicable to the Carbon Principles.

### Equator Principles

In June 2013, we adopted the Equator Principles 3 for all transactions enacted after January 1, 2014. Modeled on environmental standards developed by the World Bank and International Finance Corporation, these principles guide financial institutions managing environmental and social risks related to large project finance transactions including power plant, pipeline and dam construction. Although the bank conducts minimal environmental project finance, and enters into very few transactions subject to the Equator Principles, we support these principles as an industry standard. By encouraging adherence to these guidelines, we seek to advance the development of socially responsible financing for projects in a manner consistent with sound environmental management practices. Key changes from Equator Principles 2 to Equator Principles 3 can be found at [equator-principles.com/index.php/equator-principles-3](http://equator-principles.com/index.php/equator-principles-3).

We were not engaged in any transactions in 2013 that were subject to the Equator Principles.

### Green Bond Principles

In 2014, we formed and participated in a consortium of financial institutions and environmental groups that worked to develop and establish Green Bond Principles (GBP), a voluntary set of guidelines to promote integrity in the development of the green bond market. The GBP are intended to provide issuers with critical guidance on the key components involved in launching a credible green bond; they aid investors by ensuring availability of information necessary to evaluate the environmental impact of their Green Bond investments; and they assist underwriters by moving the market toward standard disclosures that will facilitate transactions.

## 4.8

Mission, values, codes of conduct, and principles

## 4.9

CSR governance and international standards and principles

## 4.12

ESG charters and principles

## FS1

Environmental and social policies

## United Nations Principles on Responsible Investing

We continue to work toward the submission of our application to become a signatory to the United Nations Principles on Responsible Investing, building out the infrastructure to ensure that we can meet the reporting requirements.

### Audits

Our environmental and social guidelines are reviewed as a part of our internal audit process, which evaluates our adherence to all policies that have been put in place across our lines of business. In addition, internal audits review transactions and activities within each specific line of business to ensure compliance with all policies and procedures, including relevant environmental and social policies.

### Voting policies

Though shareholder voting policies are not directly applicable to our business, we engage with some of our clients, which may be asset owners, on environmental and social issues. We offer an SRI proxy voting service to Merrill Lynch clients with managed accounts and U.S. Trust clients. Clients can delegate proxy voting authority to Institutional Shareholder Services, a third-party proxy voting service, which will vote on our clients' behalf following SRI guidelines.

## ENVIRONMENT/SOCIAL/GOVERNANCE INVESTMENTS: WEALTH MANAGEMENT PRODUCTS, SERVICES AND SOLUTIONS

### ESG investment solutions

In 2013, we broadened our ESG investment solutions to provide our clients—regardless of their asset level—the opportunity to invest based on their values.

Two years ago, we created an GWIM Environmental/Social/Governance (ESG) Council within our wealth management business, which includes U.S. Trust, Merrill Lynch and Merrill Edge, to deliver the best possible ESG solutions and services to our clients. The ESG Council, which meets on a monthly basis, is a collaborative body that allows our wealth management business to quickly bring the best thinking and solutions in the ESG category to all investment clients.

- As a U.S. Trust client, values-based investment strategies include:
  - **Socially innovative investing:** Scores companies by employing more than 400 characteristics, and represents U.S. Trust's first values-based strategy.
  - **Women & girls equality strategy:** Reviews corporate practices relating to equality, social justice, antidiscrimination and global labor practices, and media portrayals of women and girls.

- **Human rights & recognition:** Examines corporate practices as they relate to equality; social justice; antidiscrimination; and lesbian, gay, bisexual and transgender (LGBT) community support.
- **Environmental stewardship & sustainability:** Evaluates a corporation's environmental impact and policies on climate change.
- Merrill Lynch's values-based investment strategies focus on three main areas:
  - **Environment:** Companies must develop environmentally beneficial products or services while working to minimize their own carbon footprint.
  - **Social involvement:** Companies must be involved in helping communities thrive through their investment and philanthropy.
  - **Governance:** Companies must proactively promote corporate social responsibility through diversity, workplace quality and transparency.
- Merrill Edge is also focused on driving awareness of ESG investing and making it easy for clients to find socially responsible investment solutions that align with the ESG themes through an online screener.

### Research and thought leadership

Bank of America Merrill Lynch Global Research's Thematic Investing Strategy team published a number of reports examining the linkages between global megatrends and investment decisions. In the report, we state that as much as nine percent of global assets under management (AUM) actively take into account ESG factors, and we can help our clients benefit by better understanding the link between long-term social and environmental issues, including water, food, energy and climate change, and investment performance.

In 2013, our Thematic Investing Strategy Team published several reports to help clients make more informed investment choices, including:

- Stay in School—Global Education
- Safer World—Global Safety & Security
- Extreme Weather & Climate Change—Weathering the Perfect Storm
- Globesity—The Global Fight Against Obesity
- No Time to Waste—Global Waste
- Less is More—Global Energy Efficiency
- Blue Revolution—Global Water

## 4.8

Mission, values, codes of conduct, and principles

## 4.9

CSR governance and international standards and principles

## FS1

Environmental and social policies

## FS5

Stakeholder interactions on environmental and social risks and opportunities

## FS9

Audits of environmental and social policies and risk assessment procedures

## FS12

Voting policy(ies) applied to environmental or social issues

## DMA EN

Products and services



In addition to providing long-term, sustainability-oriented perspectives for investors, we were recognized in 2013 by *Institutional Investor* and *Thompson Reuters Extel* as the number one provider of advice on socially responsible investing and long-term thematic investing, respectively.

**Diverse client services**

In addition to our values-based investing, our Global Wealth & Investment Management division remains focused on delivering solutions to help meet the unique needs of women, the LGBT community, and millennial and older clients, among others.

**STAKEHOLDER ENGAGEMENT**

Bank of America’s stakeholders include our customers, clients, investors, regulators, community organizations, employees and others. We work with these groups through formal, mandated engagements such as shareholder meetings, as well as through our ongoing outreach and engagement with customers and national and local leaders in civil rights, community development, public policy, and environment and social impact areas.

Our market presidents — roughly 100 across the U.S. — serve as the enterprise leaders who help Bank of America deliver one company to customers, clients and communities in regional markets that range from vibrant suburban areas like Tucson, Arizona, and Raleigh-Durham, North Carolina, to the nation’s largest cities, including New York, New York; Chicago, Illinois; and Los Angeles, California.

Our market and country presidents connect our company’s global financial capabilities so that individuals, families and businesses receive the products and services they need to improve their financial lives. They lead corporate social responsibility work in these markets, thereby leveraging the unmatched capabilities of the company to ensure that we have a positive local impact wherever we do business. We help partners, people, communities, and a broad client and customer base effectively address a wide range of social and economic issues through community development investments, philanthropy, commitment to the environment, volunteerism, support for the arts and advancement of diversity.

**Customer and client engagement**

We continually conduct customer research across all of our lines of business, customer and client segments, and interaction channels, as well as key product lines. The objective of this research is to provide us with a clearer understanding of the experience we provide to our customers and clients, their perceptions of our company, the quality of our products and the resonance of our messages.

The bank employs all relevant quantitative and qualitative research methodologies, including surveys delivered through online, mobile, phone, and mail channels in addition to qualitative focus groups and individual interviews. Every year, we interact with over three million customers and prospects through our market research activities.

We share these research results with executives across the enterprise. Combining these attitudinal results with actual behavioral data from our customers provides us with a powerful source of customer insights to better address customer needs. Further combining these results with operational metrics helps us to improve all of our programs designed to enhance the customer experience. Customer satisfaction goals are part of our executives’ personal performance scorecards.

In 2013, overall customer satisfaction with Bank of America improved to its highest levels since 2007. Satisfaction improved across all three of our main consumer segments: retail, preferred and small business. Among the clients of our Merrill Lynch financial advisors, satisfaction has been consistently maintained at levels near their all-time highs.

<b>4.14</b>	Stakeholder groups
<b>4.15</b>	Basis for identification and selection of stakeholders with whom to engage
<b>4.16</b>	Stakeholder engagement
<b>FS5</b>	Stakeholder Interactions on environmental and social risks and opportunities
<b>PR5</b>	Customer satisfaction

National Community Advisory Council

Formed in 2005, the NCAC’s purpose was to advise the bank on our community development lending and investing. While the Council continues an in-depth focus on community development and consumer policy issues, the concentration has evolved into a broader discussion about critical environmental, governance and social issues for Bank of America and its stakeholders, including:

- Advising on business practices by evaluating products, policies and services offered through the retail banking channel, including small business, mortgage and community development lending.
- Counseling on how the bank can improve its environmental business initiative, while increasing transparency.
- Offering feedback on the bank’s approach to governance, including structure, shareholder issues and disclosure practices.
- Guiding the bank’s commitment to community impact, philanthropic investments and the workplace, including diversity, health and safety, and human rights

In 2013, organizations represented on the NCAC included:

Greenlining Institute	Brookings Institution	New Vista
Low Income Investment Fund	The Leadership Conference on Civil and Human Rights	Opportunity Finance Network
PathStone Corporation	Chicago Community Loan Fund	Local Initiatives Support Corporation (LISC)
Harvard Joint Center for Housing Studies	National Foundation for Credit Counseling	CFSI Board Member
CATO Institute	Ceres	National Community Reinvestment Coalition
CDC Small Business Finance	Enterprise Community Partners, Inc.	Center for Financial Services Innovation
Self-Help Venture Funds	The National Urban League	Consumer Federation of America
NeighborWorks America	National Council of La Raza	National Association for the Advancement of Colored People
CDC of Long Island	Ben Nighthorse Consultants	

The bank’s executive leadership attends and participates in NCAC meetings. To sustain full engagement, the NCAC meets twice annually, fostering an open forum on critical issues for members and invited guests. Virtual meetings are scheduled as needed.

4.14  
Stakeholder groups

4.15  
Basis for identification and selection of stakeholders with whom to engage

4.16  
Stakeholder engagement

## Advocacy and memberships

Bank of America often shares interests with groups that advocate and shape public policy positions on certain issues. Listed below are some of the national, regional and global organizations in which the bank is an active member:



### ENVIRONMENT

- Aldersgate Group
- Center for Climate and Energy Solutions Business Environmental Leadership Council
- Climate Markets & Investment Association
- U.S. Partnership for Renewable Energy Finance
- U.S. Green Business Council – U.S. SIF – Forum for Sustainable and Responsible Investment



### BUSINESS/INDUSTRY

- American Bankers Association
- American Chamber of Commerce to the EU
- Asia Securities Industry and Financial Markets Association
- British Banker's Association
- The Clearinghouse Association
- Consumer Bankers Association
- Eurofi — Financial Services in Europe
- Finance and Leasing Association
- Futures and Options Association
- Global Financial Markets Association
- International Swaps and Derivatives Association
- Investment Company Institute
- Mortgage Bankers Association
- Securities Industry and Financial Markets Association
- State Bankers' Association
- UK Association of Foreign Banks
- UK Cards Association
- Structured Finance Industry Group



### EMPLOYEES/WORKPLACE

- HR Policy Association
- American Benefits Council
- Society for Human Resource Management
- Equal Employment Advisory Council



### PUBLIC POLICY/ADVOCACY

- Business Roundtable
- Centre for European Policy Studies
- Council of State Governments
- Council on Foreign Relations
- The European Institute
- Financial Services Forum
- Financial Services Roundtable
- U.S. Chamber of Commerce



### COMMUNITY ISSUES/CORPORATE SOCIAL RESPONSIBILITY

- Business for Social Responsibility (BSR)
- Global Coalition on Aging
- Interfaith Center for Corporate Responsibility

## 4.13

Memberships

## 4.14

Stakeholder groups

## 4.15

Basis for identification and selection of stakeholders with whom to engage

## 4.16

Stakeholder engagement

## 4 | Environmental sustainability

*This chapter discusses our commitment to positive environmental change and all the ways we support the transition to a low-carbon economy through transformational finance, operations, employee programs and nonprofit partnerships, and environmental policies and practices. Specifics include: the impacts of our products and services; our performance against goals; policies and compliance; and information about energy consumption, materials used and emissions, effluents and waste.*



At Bank of America, we agree that climate change is happening, society needs to transition from high-carbon to low-carbon energy, and the bank has a responsibility to accelerate this transition. We are using our resources and expertise to accelerate the move to a low-carbon economy. This is important, given the growing consensus among scientists and multi-lateral organizations, such as the Intergovernmental Panel on Climate Change, that urgent action is needed to address climate change. We and other financial institutions have a critical role to play in helping to provide capital for low-carbon and energy efficiency-related financing.

Core to our approach is one of the largest business commitments to address climate change in the industry (\$70 billion in total). Since 2007, we have provided more than \$27 billion in financing for low-carbon activities, such as energy efficiency and renewable energy. And over the past three years, we have quadrupled our renewable energy business. In just 2013 alone, our financing of low-carbon projects resulted in the avoidance of more than 1.5 million tons of carbon emissions.

We're not just providing financial capital to accelerate the transition to low carbon—we're also providing intellectual capital, promoting *financial innovation* to increase low-carbon investment. One such financial innovation is green bonds. Our work in this area culminated in our issuance in November 2013 of the first-ever corporate green bond—raising \$500 million to finance energy efficiency and renewable energy projects.

Our focus on creating a more sustainable society extends to managing the reduction of our own operations' environmental impact. We rigorously track and manage our progress toward our aggressive goals for 2015, which include:

- Reducing our global water consumption by 20 percent
- Reducing our greenhouse gas emissions by 30 percent
- Achieving 20 percent LEED certification within our corporate workplace portfolio

In addition, we help our employees act as good environmental stewards at work and at home. More than 15,000 employees across the globe actively participate in My Environment, our employee engagement program. From our Waste-Less Lunch program in partnership with the United Nations and volunteer activities like International Coastal Clean Up Day, to our robust educational webinar series that brings world-class subject matter experts to our employees monthly, we offer employees many ways to act on their environmental stewardship.

*Read the complete GRI disclosures listed, starting on [page 75](#).*

**DMA EN**  
Overall

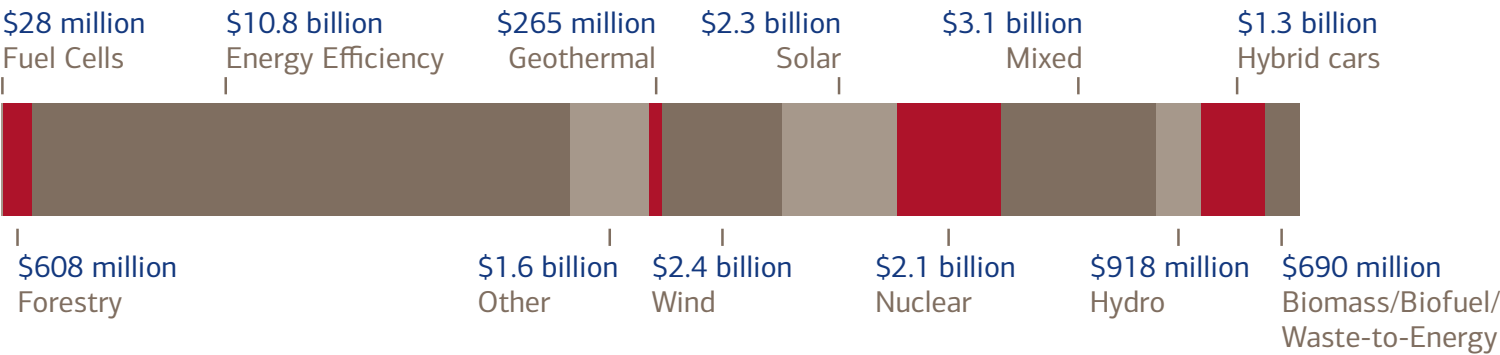
TRANSFORMATIONAL FINANCE

Bank of America is a leading banker to businesses and organizations of all sizes around the world. We provide advice and support for transactions, capital raising and lending, which have an important impact on jobs and economies (see [Chapter 5](#)), as well as environmental sustainability.

Over the next ten years, we will fund transactions aimed at speeding our nation’s transition to a low-carbon economy, including energy efficiency, wind, solar, nuclear, hydro, biomass/biofuel, geothermal, fuel cells, hybrid cars and forestry. Applying their experience and expertise to these transactions are dozens of bankers and other professionals from across our lines of business. To ensure integration across their activities, we have established a Low-Carbon Banking Group. The group, along with other internal environmental working groups detailed in this report, will be fully integrated with the new Global CSR Committee.

In 2013, we committed \$5.5 billion toward underwriting, advising on or financing transactions that support environmental commitment across our business lines. These transactions are expected to create and support thousands of jobs and help our clients create low-carbon energy solutions. We are supporting the global transition to cleaner and more sustainable energy sources, providing capital for projects that help reduce energy consumption and carbon emissions.

OUR ENVIRONMENTAL BUSINESS INITIATIVE: BREAKDOWN OF THE \$27.1 BILLION IN LOW-CARBON FINANCING BY SECTOR (2007–2013)

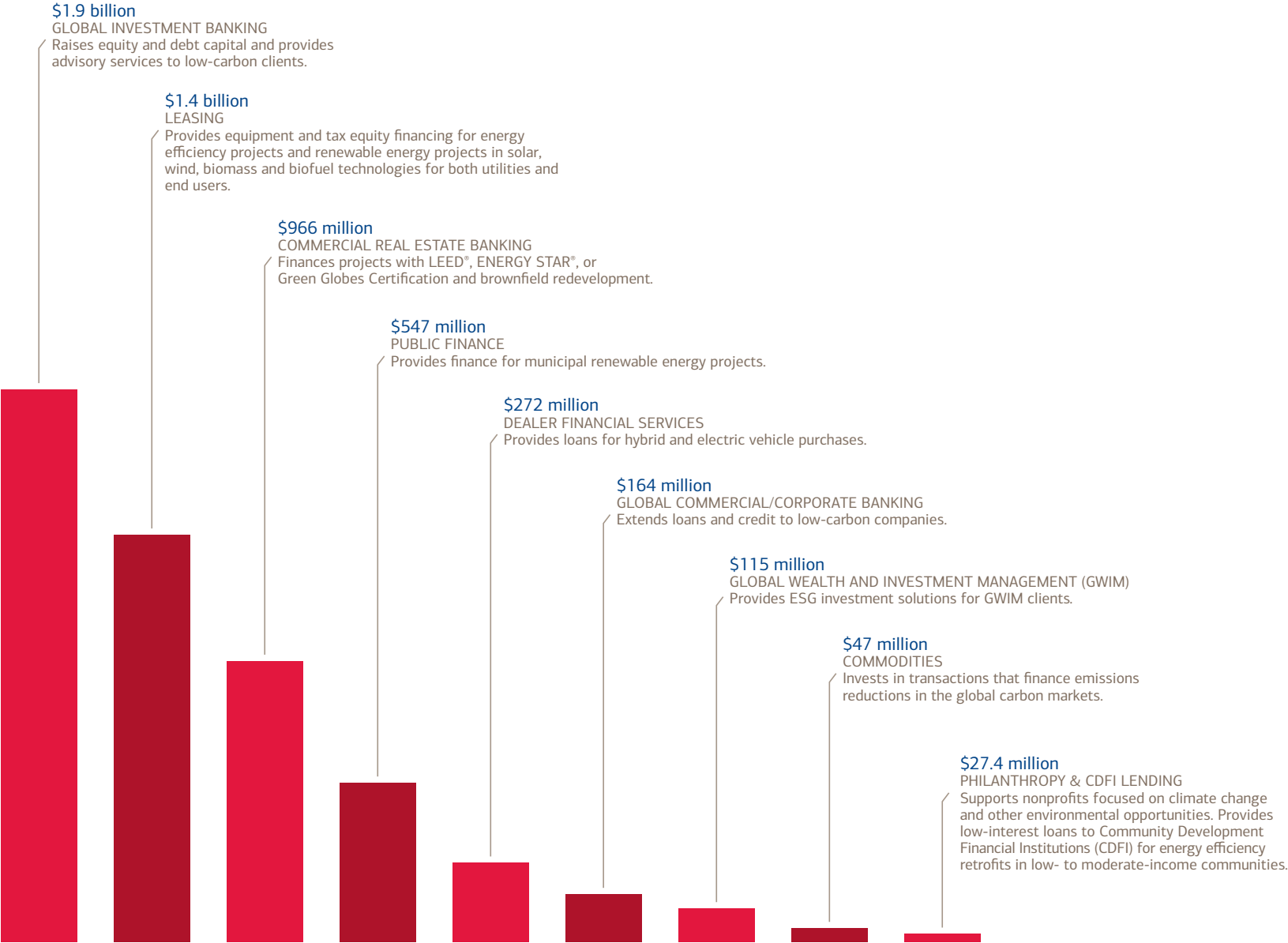


Renewable and Other Low-Carbon Energy=\$8.9 billion

- FS8**  
Monetary value of environmental benefit products and services
- EC2**  
Climate change impact and risks
- EC8**  
Infrastructure investments and services provided for public benefit
- EN6**  
Energy-efficient or renewable energy initiatives
- EN26**  
Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation



IN 2013, THE BANK DELIVERED \$5.5 BILLION TOWARD OUR \$50 BILLION GOAL



**FS8**  
Monetary value of environmental benefit products and services

**EC8**  
Infrastructure investments and services provided for public benefit

**EN6**  
Energy-efficient or renewable energy initiatives

**EN26**  
Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation

## Green Bonds

Last year we were pleased to issue the first-ever corporate green bond, a type of bond meant to facilitate investment in environmentally sustainable projects. We are using the proceeds of the \$500 million bond to finance renewable energy projects such as wind, solar and geothermal energy. Funds also will be used to finance energy efficiency projects that help reduce energy consumption per unit of output, and include projects such as lighting retrofits; district heating; co-generation; and building insulation in residential, commercial and public properties. The proceeds from this offering will be used to fund a portion of the projects included in our environmental business initiative.

In addition to issuing our own green bond, the bank was the number two underwriter of green bonds in 2013. We acted as a book-runner for green bonds issued by clients including the Export-Import Bank of Korea (KEXIM), European Investment Bank, International Finance Corporation and Kommunalbanken Norway (KBN), helping to mobilize billions in capital for projects that address climate change.

To further support this market, we also partnered with other financial institutions to co-author the Green Bond Principles, published in January 2014, which provide guidance on the issuance process for green bonds. The Green Bond Principles are now supported by 25 banks around the world.

### Where the funding goes

In addition to helping to build the market for green bonds, other examples of how we are supporting investments in renewable energy, energy efficiency, and other conservation projects include:

#### Silicon Ranch Corporation

Bank of America provided \$88.8 million to Silicon Ranch Corporation to finance Simon Solar, a 30 megawatt utility-scale solar farm located on a 200-acre site in Social Circle, Georgia. Simon Solar features a total of 129,390 ground-mounted solar modules, and produces approximately 58 million kilowatt hours annually, or enough to power about 6,500 homes. The solar installation generates renewable energy to the electric grid through a 20-year power purchase agreement with the Georgia Power Company.

#### City of Los Angeles

Bank of America provided \$40 million in financing for Los Angeles, California, to finance the largest LED streetlight retrofit project in the world. Under the LED Street Lighting Energy Efficiency Program, Los Angeles retrofitted 141,089 street lights with LED bulbs. Before the program, Los Angeles' street lights consumed 168 gigawatt hours of

electricity at an annual cost of \$15 million, and led to the emission of 110,000 metric tons of carbon dioxide. The new lights reduce energy use by 63.1 percent and reduce carbon emissions by 47,583 metric tons a year.

#### NextEra Energy Resources

Bank of America made a \$170 million tax equity investment in a wind power partnership with NextEra Energy Resources to finance the Blackwell and Minco III wind farms in central and eastern Oklahoma, respectively, for a total of 160 megawatts of power generation. The facilities have been in operation since December 2012 and have enough installed capacity to generate power for more than 42,000 average-size homes. The facilities deliver clean, renewable power to the citizens of Oklahoma City and surrounding areas.

#### E.ON

In 2013, EQT Infrastructure II acquired E.ON Energy to Waste, the largest waste-to-energy player in Germany. Bank of America Merrill Lynch is one of the largest lenders to E.ON Energy to Waste, and served as Co-Financial Advisor and Joint Global Coordinator on €613 million Senior Secured Facilities to finance the acquisition.

#### Gulf & Ohio Railways

Since 1994, Bank of America has supported Gulf & Ohio Railways, and most recently helped its subsidiary, Knoxville Locomotive Works (KLW), to finance its manufacturing of green locomotives. The four- and six-axle electro-motive diesel locomotives that KLW manufactures are among the cleanest locomotives in production, with only two percent of the emissions of and 30 percent greater fuel efficiency than standard locomotives.

#### Minnesota Municipal Power Agency

The proceeds of a \$17.9 million tax-exempt bond offering completed in August of 2013 for the Minnesota Municipal Power Agency were used toward the construction of the Hometown BioEnergy Project in Le Sueur, Minnesota. This 8 megawatt facility utilizes biogas (a product of the anaerobic digestion of local agricultural waste) to generate electricity. The facility is the largest of its kind in the country to employ an anaerobic digestion process.

### Tracking the funding

As we work toward our environmental business goal, we include the following types of transactions and investments in our tracking:

- **Direct impact:** Financing for the new construction or operations and maintenance of low-carbon energy sources; projects that provide direct energy use reduction; and purchase or leasing of new fuel-saving vehicles.

## EC8

Infrastructure investments and services provided for public benefit

## EN6

Energy-efficient or renewable energy initiatives

## EN26

Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation

- **Indirect impact:** Financing for clients that manufacture key components and equipment used in renewable energy assets, products and technologies that reduce energy use; support Smart Grid infrastructure; refine or produce non-conventional substances used to generate energy; and provide environmental services, such as waste reduction, e-waste reduction, reduction in water use, water purification, clean coal technologies and recycling.

With our transactions and investments, we seek to include sectors and technologies that can make significant contributions to a low-carbon economy while minimizing demands on natural resources, including:

- **Nuclear power:** Because of nuclear power's low-carbon profile, we will continue to support efforts to reduce costs, enhance safety, improve efficiency and reduce carbon by financing advanced nuclear generation technologies.
- **Natural gas-fired power:** We are financing the shift from coal-fired electric power to natural gas-fired electric power. In situations where we know a more efficient gas facility is replacing older, less efficient coal-fired equipment, we include those in our environmental initiative reporting. We will reconsider inclusion of these investments based on the release of new studies and literature.
- **Energy recovery from waste:** Given the low-carbon nature of waste-to-energy plants and their reliability as a source of base-load electric generation, we fund waste-to-energy and plan to expand that funding to cleaner, more advanced technologies.
- **Biofuels:** We are financing the shift from coal-fired electric power to biofuel power, and now include those in our environmental initiative reporting. We will reconsider inclusion of these investments based on the release of new studies and literature.
- **Biomass to power:** We provide financial support for anaerobic digesters, recognizing the reduction in methane emissions and displacement of carbon-emitting electric power. We also support biomass-to-energy, but will only include those projects that rely upon existing biomass waste streams or plantations on previously cleared lands proximate to the generation station.
- **Pollution control technology:** Given the effect that carbon capture and storage may have on overall carbon emissions, and its relatively low non-economic risks, we are a supporter of commercializing this technology and will include it in our environmental initiative when participation in these markets makes business sense.

- **Hydropower:** Despite some challenges, we are exploring opportunities in hydropower, including hydroelectric technologies with reduced environmental impacts and the potential to facilitate intermittent sources of electricity like wind and solar.

Our diverse environmental business initiative spans many business lines; we track the value of our progress in each segment in 2013 as follows:

- **Global investment banking:** 100 percent of our share of capital raised for pure-play low-carbon clients, or 100 percent of our share of capital multiplied by a percentage of low-carbon revenue for clients with multiple businesses
- **Global commercial banking:** All new credit extended in 2013 to low-carbon companies
- **Global Wealth & Investment Management:** Net sales of environmental investment solutions
- **Leasing:** All lease and tax equity transactions for renewable energy or energy efficiency projects
- **Dealer financial services:** 100 percent of loans originated or hybrid and electric vehicle purchases
- **Commodities:** Primary & secondary carbon credit deals (price multiplied by quantity); no emissions allowance trading
- **Philanthropy:** 100 percent of grant payment amounts to environmental nonprofit organizations, and low-interest loans to Community Development Financial Institutions for energy efficiency retrofits in low- to moderate-income communities
- **Public Finance:** Our share of qualified transactions for municipal utility renewable energy or nuclear projects
- **Commercial real estate banking:** 100 percent of loans for qualified projects: LEED, ENERGY STAR, or Green Globes Certification and brownfield redevelopment

#### Calculating the environmental impact of our investments

We developed metrics that measure the environmental benefits of the business transactions outlined above, allocating benefits based on our proportional share of total transactions. We calculated the estimated annual environmental benefits employing a methodology co-developed with the well-respected consulting firm Ernst & Young LLP (EY). The methodology was designed to calculate and

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provide a comprehensive look at the environmental impacts of our initiative, and leverages EY's Sustainability Impact Assessment methodology. To learn more about this methodology, visit our [white paper](#). These metrics were calculated for the 2013 portion of the bank's current 10-year \$50 billion environmental initiative that directly supports energy conservation or produces alternative energy. For 2013, that includes 45 percent, or \$2.4 billion, of our 2013 activities.

ESTIMATED ANNUAL METRICS	TOTAL
\$ Value of financial product	\$2,428,879,605
Net \$ value of energy saved/produced or \$ value of fuel saved for hybrid vehicles	\$209,719,000
MWh saved from efficiency projects	502,800
MWh produced from renewables projects	1,525,000
Total sqft of LEED buildings funded	3,950,164
Total sqft of ENERGY STAR/Green Globes certified buildings funded	2,262,280
Global warming MT CO <sub>2</sub> eq avoided	1,525,500
Water use avoided (thousands of gallons)	40,442,000
Non-hazardous waste avoided (MT)	53,046
Hazardous waste avoided (MT)	23

The environmental benefits achieved through this segment of our environmental business portfolio are substantial. For example, the greenhouse gas (GHG) emissions avoided are equivalent to:

- Annual GHG emissions from 321,158 passenger vehicles
- CO<sub>2</sub> emissions from 1,638,560,687 pounds of coal burned
- CO<sub>2</sub> emissions from 139,188 homes' electricity use for one year

New wind and solar projects financed by Bank of America in 2013 represent six percent (353 megawatts) of total wind and solar capacity installed in the U.S. last year, and enough energy to provide power to almost 100,000 homes.

- New wind projects financed in 2013 represent 19.4 percent (268 megawatts) of total wind capacity installed in the U.S. last year.
- New solar projects financed in 2013 represent 1.8 percent (85 megawatts) of total solar capacity installed in the U.S. last year.

We estimate that 680,000 metric tons of CO<sub>2</sub> emissions were avoided as a result of financing these projects, equivalent to the annual GHG emissions from 113,289 passenger vehicles.

## OUR OPERATIONS

Decreasing the GHG emissions and consumption of natural resources from our own operations reduces our environmental footprint, improves our efficiency and delivers value for our company and shareholders. Across the enterprise, we are working to utilize resources in a manner that is efficient, renewable and sustainable, and provide better resiliency for our operations.

We established the Global Environmental Operations Group (EnOps Group) in 2013. This group integrates the work of lines of business from across the bank responsible for the strategy and initiatives that impact our environmental operational goals. The group meets regularly to review progress toward these goals and ensure that resources are allocated to underperforming initiatives. The EnOps Group is now a subcommittee of the bank's broader Global CSR Committee, adding its expertise and knowledge of operations to support environmental sustainability initiatives across the business.

In 2013, we continued to track our progress against a series of ambitious goals set in 2011 and 2012 to reduce GHG emissions, paper and water consumption, as well as increase our diversion of waste from landfill and the percentage of our occupied space that is LEED certified. This section provides a status update on each of our goals as well as a discussion of the challenges and issues we are facing in these areas.

### 2010–2015 GOALS

	Goal	2011	2012	2013	Status	Notes
Greenhouse gases — Reduce net scope 1 & 2 emissions	15%	6%	14%	19%	●	On track
Paper — Reduce consumption	20%	0%	15%	25%	●	On track
Paper — Increase average recycled content	20%	9%	9%	9%	●	Slower than expected progress; discussion in text
Paper — Sourced from certified forests	100%	93%	95%	97%	●	On track
LEED — Certified workspace	20%	15%	16%	18%	●	On track
Water — Reduce consumption	20%	1%	9%	19%	●	On track
Waste — Increase diversion of waste from landfill	70%	46%	47%	53%	●	Slower than expected progress; discussion in text
E-waste — Disposal using certified, responsible vendors	100%	84%	87%	89%	●	Baseline calculated; enterprise processes under development

## FS8

Monetary value of environmental benefit products and services

## EC2

Climate change impact and risks

## EC8

Infrastructure investments and services provided for public benefit

## EN6

Energy-efficient or renewable energy initiatives

## EN7

Indirect energy consumption and reductions

## EN26

Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation

Buildings are a significant contributor to our greenhouse gas emissions, and to our use of energy, water and building materials, so reductions in our global real estate portfolio result in decreased environmental impacts. In 2013, we reduced our footprint by seven percent globally, allowing us to consolidate and more efficiently use our real estate portfolio. Due to significant enterprise headcount reductions in 2013, space utilization remained relatively flat at 73 percent, and square feet per head increased slightly to 283.

Greenhouse gas emissions

Scope 1 and 2 emissions

In 2011, we established a goal to reduce our absolute GHG emissions by 15 percent from 2010 to 2015. The goal spans our global operations in more than 40 countries, and builds on our previous GHG reduction of 18 percent from 2004 to 2009. Once fully achieved, our new goal would represent an overall global reduction in aggregate GHG emissions of more than 30 percent from 2004. As of 2013, we have reduced GHG emissions by 19 percent, a percentage we hope to maintain or improve over the next two years.

In setting the 15 percent GHG emissions goal, we considered the recommendation by the Intergovernmental Panel on Climate Change (IPCC) that global absolute emissions be reduced by 80 percent below 1990 levels by 2050 to avoid the most significant climate change impacts. Although our analysis determined that a GHG emissions goal with two percent absolute reduction per year (i.e., a 10 percent reduction over five years) would be consistent with IPCC's science-based recommendation, we set a more aggressive goal, by committing to a 15 percent absolute reduction over five years.

To date, our emissions have been reduced across our portfolio primarily by consolidating space and implementing energy efficiency projects. We also have achieved some reduction as a result of the utility grid becoming less carbon intensive.

Energy efficiency projects we completed in 2013 are projected to save over 50,000 megawatt-hours of electricity annually. Since 2004, energy efficiency projects have resulted in more than \$254 million accumulated reductions in energy costs.

Data centers are essential to our business, not just to facilitate point-of-sale and online services to customers, but to ensure effective internal data management and processes. As our data centers account for a large portion of our energy use and GHG emissions, our goal is to significantly increase the efficiency of our overall data center footprint. This year we continued

to deliver on a three-pronged approach to reduce our data center energy needs: consolidate our information technology (IT) infrastructure into the most efficient data centers, make our IT computing more efficient and reduce the facility-related energy needed to support IT equipment.

Since 2010, we have exited 29 data centers, consolidating our computing operations into significantly fewer buildings across our enterprise. Additionally, we focused our energy expertise on reducing the energy required to support our IT equipment, identifying over \$5.4 million in potential savings, with \$1.3 million realized in 2013. This effort considers all aspects of our data center facility operations, including enhancing the strategy we adopted in 2012 to deploy a wireless environmental monitoring system that provides real-time feedback to improve server cooling. In 2013 alone, implementing this technology saved 15 million kilowatt-hours, or 0.5 percent of 2013 global energy usage. Finally, we have seen a significant drop off in the required power for our IT computing, indicating that our efforts in this area are succeeding.

We will continue to emphasize efficiency in our data centers over the coming years to help simplify our operations, reduce costs and lower emissions.

Since 2004, energy efficiency projects have resulted in more than **\$254 million** accumulated reductions in energy costs.

Scope 3 emissions

Beyond the impact of our scope 1 and 2 GHG emissions, we recognize and measure significant emissions generated throughout our value chain. We have previously reported on seven categories of Scope 3 emissions, and this year's report includes data on three new categories: Downstream Transportation and Distribution, Use of Sold Products and End of Life Treatment of Sold Products.

Another aspect of our consideration of value chain emissions, we continue to be the only financial institution to track and report on the greenhouse gas emissions intensity of its U.S. power utility loan portfolio. This portfolio is comprised of all electric generators with whom the bank has significant lending or credit relationships. Due to improvements in availability of emissions data from our power sector clients, this year we were able to report on the emissions intensity of the portfolio based on data from almost all clients in the portfolio. In previous years, due to availability of data, our emissions intensity reporting represented about 75 percent of the companies in the U.S. power utility portfolio.

DMA EN  
Energy

DMA EN  
Emissions, effluents  
and waste

DMA EN  
Transport

DMA EN  
Overall

EN7  
Indirect energy  
consumption and  
reductions

EN18  
Initiatives to reduce  
greenhouse gas emissions  
and reductions achieved

Using this newly expanded emissions data, we have recalculated our utility portfolio emissions intensity for 2011 and have restated it below. We have also calculated and are reporting 2012 and 2013 intensity using the new, more robust emissions data. As a result of this change, our absolute intensity numbers have increased slightly. However, as we saw under our previous reporting, the emissions intensity of our U.S. power utility loan portfolio continues to trend lower each year.

Because our industry faces significant challenges in tracking and reporting on financed GHG emissions, we have been working with the World Resources Institute (WRI) on a two-year project to develop a set of standard methodologies for accounting of financed GHG emissions. According to WRI, more than a dozen assessment methodologies have been developed for this type of measurement, yet adoption remains low in large part due to the lack of harmonized standards that reflect the specific needs of the financial services industry.

In October 2013, Bank of America joined WRI and the United Nations Environment Programme Finance Initiative (UNEPFI) for the first advisory group meeting on the development of Greenhouse Gas Protocol Financial

Sector Guidance, which will serve as a supplement to the Greenhouse Gas Protocol's Corporate Value Chain (Scope 3) Standard. Over the next two years, the supplement will be developed with the input of stakeholders from across the industry, and we will continue to lend our expertise and support to this important effort.

Our support of the WRI-financed emissions project includes:

- Actively participating in the UNEP FI & WRI advisory group.
- Providing financial support to the project through the Bank of America Charitable Foundation.
- Sponsoring events to engage additional financial institutions in the work.

Our commitment to this project builds on the lessons we have learned from historical tracking and reporting of GHG emissions attributed to our U.S. power utility loan portfolio. We anticipate that the WRI project will produce a standard for reporting on financed emissions that can be used across the financial services industry.

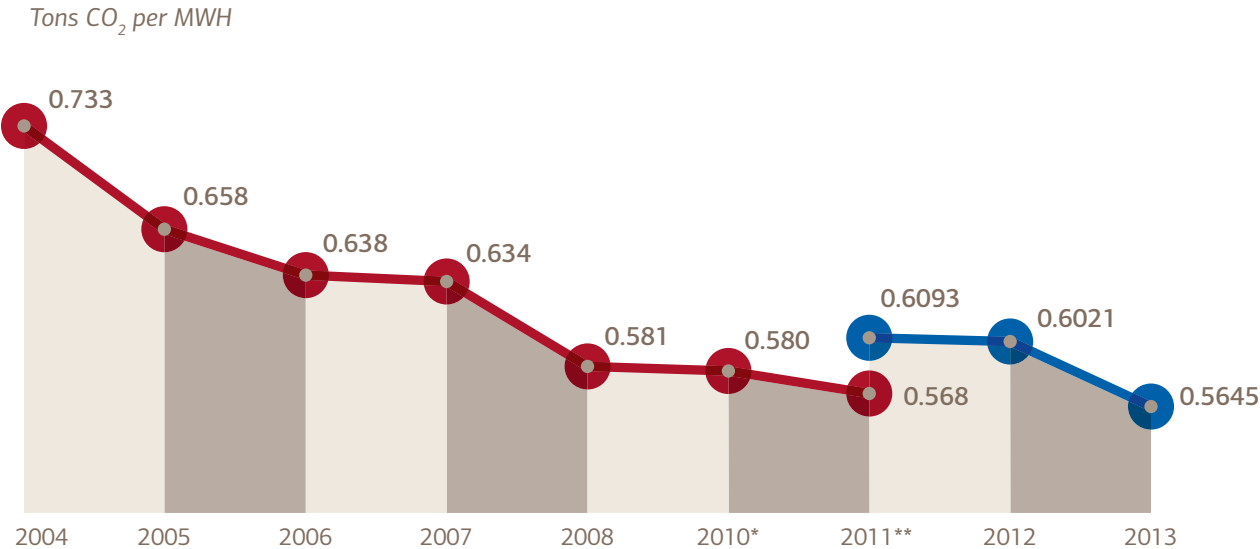
**DMA EN**  
Energy

**DMA EN**  
Emissions, effluents  
and waste

**EN7**  
Indirect energy  
consumption and  
reductions

**EN18**  
Initiatives to reduce  
greenhouse gas emissions  
and reductions achieved

UTILITY PORTFOLIO EMISSIONS INTENSITY



\*Bank of America was unable to compile data for 2009. This chart shows an interpolation between 2008 and 2010.  
\*\*Using newly expanded emissions data, we have recalculated our utility portfolio emissions intensity for 2011. We also will use the new data to calculate our utility portfolio emissions intensity going forward. Our new intensity trend line is indicated with the blue line.





**Paper:** Paper used in our offices contributes significantly to our environmental footprint. We have three paper usage goals we are working to achieve by 2015: to decrease our overall paper use by 20 percent, to use an average of 20 percent post-consumer recycled content by weight, and to only use paper sourced from certified forests.

In 2013, we continued to focus on transitioning customers to online banking, reducing employee printing and increasing the digital delivery of key documents. Since 2010, we have reduced our paper use by 25 percent and are confident that we will be able to maintain this reduction and meet our goals by 2015. We have adjusted our paper use data reported for 2010, 2011 and 2012 to include paper-based office supplies (e.g., Post-its, notebooks, envelopes) in our tracking.

We also remain on track to reach our goal of having 100 percent of our paper sourced from certified forests by 2015.

While we have significantly increased the percent of post-consumer waste (PCW) content in our internal copy paper — moving to 30 percent PCW paper in most of our employee locations — this has not significantly “moved the dial” on our overall percentage of recycled content. This is due to the fact that a majority of the bank’s paper consumption comes from printed materials for customers, including product overviews, account statements, legally required notices and direct mail. Integrating recycled content paper into these production streams is complex, and requires the development and testing of new processes. We are committed to working toward this goal, and expect to make significant headway in 2014 and 2015.



**LEED® (Leadership in Energy and Environmental Design)** is a globally recognized standard identifying achievement in green building design, construction and operations encompassing multiple environmental efforts, including water and energy efficiency, sustainable purchasing and waste management. We are working toward our goal to reach 20 percent LEED-certified square footage in our workspace by 2015, and have integrated LEED certification into our project and property management processes. Our success is reflected in the more than 17.5 million square feet of LEED-certified workspace across all building types in our portfolio. With nearly

450,000 certified square feet outside the U.S., we have made progress globally as well. We completed two million square feet of certified projects in 2013, and by year end, 80 of our banking centers had achieved LEED certification, comprising more than 350,000 square feet.

Due to business changes, we sold and/or exited a number of LEED-certified spaces in 2013. So, in the next two years, we will need to ensure new LEED certifications are achieved in our occupied spaces to maintain progress toward our 2015 goal of 20 percent.



**Water:** As with most office and retail real estate portfolios, most of our water use comes from bathroom fixtures, irrigation systems and HVAC equipment (such as cooling towers). We reduce water use by installing irrigation controls, space consolidation and fixture upgrades. In 2013, we recycled and/or reused nearly one million gallons of water through our facilities.

In 2013, we restated our 2010 baseline as well as our 2011 and 2012 water use. The revised water consumption figures are the result of a significant effort during 2013 to review and improve the quality of our water data. We corrected data capture errors, improved visibility into irrigation water use, and refined the process of estimating for facilities without actual water data.

Our restated 2010 global water use baseline is 3.55 billion gallons, revised down from the original 4.2 billion gallons. Therefore, achieving our 20 percent water reduction goal will result in total water savings of about 711 million gallons annually from our 2010 baseline use. As of 2013, we have reduced our global water usage by 19 percent, or 676 million gallons off the baseline. To meet our upcoming goal, we will focus on maintaining and increasing these reductions.

**DMA EN**  
Materials

**DMA EN**  
Energy

**DMA EN**  
Water

**EN7**  
Indirect energy  
consumption and  
reductions

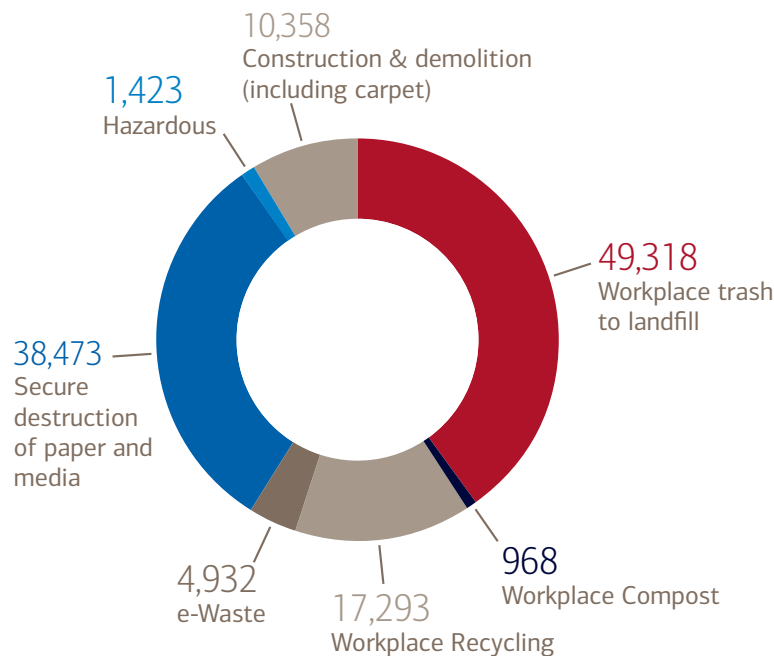
**EN26**  
Initiatives to mitigate  
environmental impacts  
of products and services,  
and extent of impact  
mitigation



**Waste management and recycling:** Our Corporate Workplace Energy & Sustainability Team works with vendors and landlords to capture global waste generation data and to more accurately understand and identify our waste streams. This information enables us to target particular facilities and regions, and to drive greater landfill diversion.

In 2013, we identified a significant error in our waste and recycling reporting, which resulted in a major restatement of our waste diversion rate for 2011 and 2012. We had overestimated the volume of paper managed through our secure destruction process, which is one of our largest global waste streams. We worked closely with our vendor to rectify this overstatement for our 2013 reporting. As a result, we have updated our diversion numbers to reflect a 53 percent diversion rate in 2013.

#### 2013 GLOBAL WASTE (METRIC TONS)



With regard to reporting, we have opted to report all hazardous waste, universal waste, used oil and asbestos and kitchen grease (new in 2013) on a one-year time lag going back to 2011. This will allow more comprehensive and accurate reporting. We have also expanded our data collection to include reporting on construction and demolition (C&D) waste for 2013. Past years' data are not available. We expect to improve the completeness of our C&D waste data collection in future years.

Recycling of plastic, aluminum and cardboard is now available in 62 percent of our global workspace. In 2013, we continued the expansion of our recycling programs, participation in landlord-provided recycling, and secure paper shredding and recycling programs. Our waste and recycling programs saved nearly \$100,000 in 2013, resulting in cumulative savings of more than \$1 million since 2010.

Closing the gap between 53 and 70 percent will be a significant challenge that we will be focused on addressing in 2014 and 2015. We are working diligently to increase our diversion rate through tactics and initiatives in three major areas: improved provision of recycling services, employee education and expanded rollout of composting. Through these initiatives, we fully anticipate improving our diversion rate over the next few years.

We are also working to reduce the impact of our electronic waste streams. In 2010, we became an e-Stewards® enterprise, and are committed to disposing all of our electronic waste through certified responsible disposal vendors by 2015. In 2013, we returned more than 3,300 metric tons of electronic equipment to vendors for reuse by other customers, and more than 1,500 metric tons for recycling. We also collected more comprehensive e-waste data in 2013 and, as necessary, have adjusted reporting for 2011 and 2012. This year, we are reporting our baseline for the percentage of e-waste disposed of using certified, responsible disposal vendors, well on track to reach 100 percent by 2015.

When possible we redeploy equipment within our operations. This equipment is no longer reported as part of our electronic waste metric; we have adjusted 2011 and 2012 reporting accordingly. Additionally, we have developed an internal plan to identify and track all electronic waste streams and to ensure that recyclers possess appropriate certifications.



## EMPLOYEE PROGRAMS

Educating and empowering our employees to manage our and their environmental impact is crucial to our environmental sustainability efforts.

In 2013, nearly 15,500 of our employees — including more than 1,100 in India and 900 in the U.K. — participated in the My Environment program, which aims to help employees act as good environmental stewards at work and at home. This program enables employees to participate in educational and volunteer events, as well as programs that encourage employees to take a specific action to reduce their environmental impact. For example, in 2013, My Environment employees learned about the environmental consequences of food waste in partnership with the United Nations Environment Program's Think. Eat. Save. campaign, and then held 62 “waste-less lunches” across the globe to mark Earth Day.

Our low-carbon vehicle program has had more than 6,800 participants in the U.S. since its inception in 2006. Through this initiative, employees receive a \$3,000 reimbursement for the purchase of a low-carbon vehicle. In aggregate, employees who enrolled in the low-carbon vehicle program in 2013 reduced estimated annual emissions by more than 2,100 metric tons of CO<sub>2</sub>. As a result of its success in the U.S., we expanded the low-carbon vehicle program to the U.K. in 2013.

## ENVIRONMENTAL PHILANTHROPY & NONPROFIT PARTNERSHIPS

In 2013, we committed more than \$14.5 million in environmental philanthropy — investing in programs and partnerships that provide sustainable solutions to challenges facing communities around the world. We also engaged with many stakeholders, including critics and supporters, on environmental issues. A snapshot of these relationships and engagements is captured on the next page.

Group	Partnership
<b>LOW CARBON ECONOMY</b>	
American Forests	The Bank of America Charitable Foundation provided a grant in 2013 to American Forests to conduct urban forest assessments in five U.S. cities. These assessments will guide future tree planting efforts to expand the urban tree canopy in these communities.
Ceres	In 1996, we endorsed the Ceres Principles, a 10-point code of corporate environmental conduct. As an advocate for sustainability and responsible investing, Ceres provides forums that bring together investors and activists so they can find common ground and work together to build a low-carbon economy. Bank of America continues to be an active participant in and sponsor of these events.
Center for Climate & Energy Solutions (C2ES)	In 2006, Bank of America joined C2ES's Business Environmental Leadership Council — the largest U.S.-based group of corporations focused on addressing the challenges of climate change. We continued this partnership throughout 2013.
U.S. Green Building Council	Bank of America has been a member of USGBC since 1997 and was one of the first companies to make green building and LEED a priority across its corporate footprint. Bank of America worked with USGBC to develop the <i>Affordable Green Neighborhoods</i> program, dedicated to supporting affordable housing developments that are pursuing LEED certification. Also, we work together on the <i>Community Green</i> program, which develops green building training curricula for community colleges.
United Nations & World Bank Sustainable Energy for All Initiative (SE4ALL)	Bank of America Corporation chairman Chad Holliday serves as chairman of the Executive Committee of Sustainable Energy for All, a joint United Nations and World Bank initiative to increase access to modern energy services, energy efficiency and renewable energy.
National Wildlife Federation and Jobs for the Future (Greenforce Initiative)	Bank of America continued in 2013 its support of the Greenforce Initiative, established to strengthen workforce development and sustainability practices at community colleges around the U.S.
World Business Council for Sustainable Development (WBCSD)	Bank of America is an investor in the WBCSD, a global business association committed to addressing issues of climate change and driving a sustainable, low-carbon economy.
<b>CLEAN, SAFE WATER</b>	
The Nature Conservancy	Bank of America has supported a variety of Nature Conservancy projects for more than 20 years, totaling over \$18 million in contributions. In 2013 we invested in its "Great Rivers" initiative.
National Fish and Wildlife Foundation	In 2013, Bank of America partnered with the National Fish and Wildlife Foundation on an initiative to improve urban waterways. These projects were supported by the bank's employees in Dallas, Phoenix, New York, Boston and Tampa.
Water.org	Water.org continued its successful efforts to bring safe, affordable and accessible water and sanitation to Tamil Nadu, India. Bank of America has supported this work, which now includes a successful and sustainable micro loan program, since 2010.
Ocean Conservancy	For 12 years, Bank of America has sponsored and participated in the Ocean Conservancy's International Coastal Cleanup, the world's largest volunteer event promoting ocean health. 2013 was another successful year in this partnership, with Bank of America employees around the globe participating in local coastal clean-ups.
<b>RESEARCH AND INNOVATION</b>	
Center for Law, Energy & the Environment, University of California (UC) Berkeley Law and Emmett Center on Climate Change and the Environment, University of California in Los Angeles (UCLA) Law	The Bank of America Charitable Foundation continued its support of the Center for Law, Energy & the Environment (CLEE) at University of California Berkeley Law, which educates the next generation of environmental leaders and develops policy solutions to pressing environmental and energy issues. At UCLA School of Law, we have sponsored the California Climate Change and Business Research Initiative, a series of policy papers on how climate change will create opportunities for specific sectors of the business community.
Nicholas Institute for Environmental Policy Solutions, Duke University	Bank of America has supported the Nicholas Institute since 2010. In 2013, Bank of America helped host a conference that explored the role of coal in the energy future of the U.S. technologies that may have the potential to address the environmental impacts of coal use, and public policies that can spur deployment of innovative coal technologies.
Stanford University — Global Climate and Energy Project	In 2013, Bank of America invested in this collaboration of academic and business experts that identifies and supports new avenues of research to make environmentally sustainable, low-cost energy available to everyone.
Clean Air Task Force	In 2013, Bank of America made a grant to the Clean Air Task Force to support its efforts to reduce atmospheric pollution through research, advocacy and private sector collaboration.

ENVIRONMENTAL GOVERNANCE, POLICIES AND PRACTICES

As outlined in the previous chapter, our entire enterprise is subject to a rigorous risk management framework, and our approach to environmental risk management is reflected in these standards and practices.

Environmental risk management starts with our Client Selection and Due Diligence Policy, which defines the requirements for gathering information to evaluate and better understand potential risks involved in proposed transactions, including environmental risk. A variety of internal risk management and subject matter experts participate in this process. For example, specialists within our Environmental Services Department assist with the evaluation of environmental risk for real estate and other financial assets.

If during our due diligence process we identify potential environmental risks, we require that our clients take certain actions to mitigate and manage the issue. These client actions may range from cleaning up contaminated real estate to implementing environmental management practices for transactions involving higher-impact commercial or industrial operations.

As an example, in 2013, Bank of America was involved in a capital markets transaction related to a company in the mining industry facing challenges with environmental and social rights stakeholders. As a condition of our involvement, the mining company published a statement on sustainability and an action plan with six key initiatives that committed the firm to better engagement with stakeholders and addressing the concerns of these critics.

In addition to enhanced due diligence, Bank of America has instituted environmental policies that define our position on a wide range of issues such as climate change, energy, forest preservation, and coal mining and combustion. These policies are outlined further in the next few pages.

While Bank of America requires that our customers comply with environmental laws and regulations, we take additional measures to identify, evaluate and mitigate environmental risks for certain sectors or businesses. For many of these high-risk industries, we have dedicated subject matter experts who participate in the environmental risk review. These industries include:

- Energy production, in particular from nuclear, coal, oil and gas-fired power plants
- Petroleum and chemical manufacturing
- Mining
- Oil and gas exploration and production, including hydraulic fracturing
- Transportation, such as oil and gas pipelines, and terminals
- Agribusiness, such as the manufacture and distribution of pesticides and fertilizers
- Commercial industries, such as dry cleaning facilities and gasoline stations
- Waste disposal, such as waste treatment, incineration and recycling

Client managers are responsible for rigorously applying these environmental policies and guidelines to their risk management procedures, and escalating issues for enhanced review when appropriate. We conduct enhanced reviews according to guidelines that may result in one of three outcomes: we decline the transaction, we evaluate risks and approve the transaction, or we require the client to complete certain mitigating actions as a condition for closing the transaction.

4.8  
Mission, values, codes of conduct, and principles

FS3  
Monitoring, implementation and compliance of environmental and social agreements

DMA EN  
Overall

Enhanced reviews are conducted by the New Business Review Committee or subject matter experts in the Global Environmental Group. Environmental risk issues that meet certain criteria are reviewed by the Global Reputation Risk Committee, which includes the most senior executives of Global Risk Management. The table below is a summary of transactions that required enhanced environmental review during 2013.

Sector	Enhanced review by New Business Review Committee and/or Global Environmental Group	Enhanced review by Global Reputation Risk Committee
Oil and gas	4	1
Mining	7	1
Forestry and agriculture	2	0
Energy infrastructure	3	0
Other	4	0

In 2013 there were no transactions considered by Bank of America that were subject to the Equator Principles. However, in 2013 the scope of the Equator Principles was updated to include project-related corporate loans, bridge loans and advisory services—beyond traditional project finance transactions. In 2014 Bank of America will apply the new Equator Principles requirements to project finance-related transactions and services.

2013 ENVIRONMENTAL POLICY UPDATES

During 2013, we continued to review our environmental policies and procedures and discuss key environmental issues with our clients and stakeholders, to keep our policies up to date. In particular, we monitored issues associated with hydraulic fracturing and directional drilling. Additionally, the bank continues to review our coal policy closely, including regulatory developments and coal mining company activity. To this end, in 2013 we met with stakeholders, including environmental groups who strongly advocate on this issue, and reviewed peer policies surrounding coal. Based on these discussions, we anticipate updating our coal policy in 2014.

A review of our existing environmental policies follows.

Credit policy

Our credit policy outlines the appropriate levels of environmental due diligence we must apply to mitigate risks from borrowers who may become subject to liabilities arising from regulatory actions, litigation or other conditions. The level of environmental due diligence we require in a transaction is based on a number of factors, such as when real estate is involved, the past and present use of real estate property involved, and conditions of the loan.

Forest lending policy

We developed our forest lending policy in consultation with our customers who have expertise in the sector, as well as with environmental partners who work on developing best practices, including forestry certification. Our policy places additional value on forestry certification by incorporating it into our due diligence process.

Paper procurement policy

To reduce demands on forest resources, we work to minimize consumption of paper products. When procuring paper products containing virgin wood fiber, we require suppliers to use environmentally preferable practices that ensure the forests from which fiber is procured are managed properly. Our paper procurement policies mandate minimal use of paper containing virgin wood fiber. We will update this policy as needed to support our new targets.

Coal policy

We agree that climate change is happening, and that society needs to transition from high-carbon to low-carbon energy. Our strategy is to help accelerate a transition to the renewable and alternative energy sources that will play an integral and growing role in the future of energy—rather than to preclude business with more traditional energy sources, like coal.

As we expand our support and commitment to energy efficiency, renewable energy and other low-carbon energy sources through our lending, investments, products and services, and operations, we recognize that at least in the near term, fossil fuels, and coal in particular, supply a significant amount of the energy needed to power our society. Coal currently provides 40 percent of the world’s electricity. Although the majority of coal used in the U.S. is for thermal combustion to produce electricity, several industry sectors, beyond coal-burning power utilities and coal mining companies, are part of the coal value chain. From power production to transportation and manufacturing, coal is important to the economy and many of our customers.

4.8 Mission, values, codes of conduct, and principles

FS1 Environmental and social policies

FS3 Monitoring, implementation and compliance of environmental and social agreements

Over several years, we have engaged key stakeholders including coal producers, utility companies, leading universities and the environmental community on energy, coal, the environment and the necessary technologies to promote low-carbon energy. In 2013, Bank of America conducted a review of our coal policy, and in 2014 we will establish updates on our policy that will continue to reflect our role in transitioning society to lower-carbon energy. Bank of America plays a significant role as a leading financial services company in promoting the responsible use of coal, while continuing to focus resources on promoting the benefits of conversion to renewable energy sources. Our current policy is focused on the following elements, some of which will be enhanced in 2014:

- **Technology:** We help promote the necessary conditions for implementing carbon capture and storage (CCS) technology on a global scale. We employ our resources as a financial institution to promote the development and deployment of these advanced technologies to reduce the carbon emissions produced by the burning of fossil fuels.
- **Financial Services Policy:** We support, adopt and adhere to leading practices for managing the environmental impacts associated with coal. Bank of America has taken a leadership position by committing to the Carbon Principles and tracking and reporting on emissions associated with our utility portfolio as best practices for managing risks associated with coal.
- **Extraction:** We are particularly concerned about surface mining conducted through mountaintop removal in locations such as central Appalachia. We therefore will phase out financing of companies whose predominant method of extracting coal is through mountaintop removal. While we acknowledge that surface mining is economically efficient and creates jobs, it can be conducted in a way that minimizes environmental impacts in certain geographies.

#### Biodiversity

When biodiversity issues arise, we have several processes in place to mitigate and address the issue, including the use of external experts to provide guidance and counsel. Additionally, the policies in place to reduce the impact of our operations, like certified paper, water reduction and energy reduction, are designed to help mitigate indirect impacts on biodiversity.

## ENVIRONMENTAL EXPERTISE, RESOURCES AND TRAINING

Individuals and teams across the bank focus on specific components of our environmental initiative. These include experts from the Global Environmental Group, Corporate Workplace and Enterprise Services, Risk Management and lines of business who have years of experience in specific sectors like oil and gas, power utilities, metals and mining, agriculture and forestry. Others review technical environmental investigations as a part of our due diligence process. Additional assessments may be conducted by consultants or other outside experts and can range from simple questionnaires to complex and lengthy evaluations that may include community input, geological, engineering and other studies.

We conduct periodic internal training sessions to review policies and due diligence procedures for our relationship managers who have significant exposure to client decision-making and transaction review activity in higher-risk environmental sectors. In 2013, 557 of those managers participated in this training.

## VENDORS AND THE ENVIRONMENT

The bank employs a range of policies and initiatives to manage the environmental impacts of our supply base. Since 2009, we have invited vendors to respond to the CDP Supply Chain Survey, which helps us to measure greenhouse gas emissions and associated risks in our supply chain. In 2013, we requested disclosure from 173 significant vendors — an increase of 10 vendors from the previous year. Despite expanding the number of survey participants, we achieved a best-in-class response rate of 90 percent, up from 88 percent in 2012. After the survey, we provided individualized feedback to vendors and their vendor managers regarding vendor performance. This encouraged dialogue regarding areas of improvement and gave us the opportunity to recognize leadership.

Thirteen of our largest vendors were named to the inaugural CDP Supplier Climate Performance Leadership Index, based on their responses to the survey and demonstration of strong and transparent climate strategies and emissions reduction programs. Bank of America was also named to the Leadership Index for the quality of our own response to the survey, placing us among the top four percent of suppliers focused on these issues.

In addition to engaging our supply base via CDP, we have integrated environmental sustainability criteria into our supplier sourcing processes. We provide sourcing managers with sustainability questions and scoring criteria to incorporate into requests for proposals (RFPs) and requests for information (RFIs).

### FS1

Environmental and social policies

### FS2

Environmental and social risk assessment

### FS3

Monitoring, implementation and compliance of environmental and social agreements

### FS5

Stakeholder interactions on environmental and social risks and opportunities

### DMA EN

Biodiversity

### EN12

Biodiversity impact on protected areas

### EN14

Managing impacts on biodiversity

## COMPLIANCE PROCEDURES — ENVIRONMENTAL MANAGEMENT SYSTEM (EMS) POLICY

Bank of America employs an Environmental Management System (EMS) that relies on a comprehensive compliance database to help Corporate Workplace Environmental Risk 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 covers all key areas including 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 (ID|ea), is an online tool that allows 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 the result of our rigorous EMS.

## ENVIRONMENTAL FINES

Environmental fines paid by the bank increased slightly, from \$16,350 in 2012 to \$28,200 in 2013. We consider these penalties to be minimal given the size of the bank's overall portfolio. The bank was assessed and paid three fines; two for late fees related to certificates of operation for fuel burning equipment (\$575) and one for impacts on a wetland area during a construction project (\$27,625).

## ABOUT OUR DATA

Following are charts containing data on our 2013 environmental activities within the framework of the Global Reporting Initiative 3.1 Sustainability Reporting Guidelines, as well as its Financial Services Sector Supplement.

We continue to track and manage the environmental impacts of the bank's operations and refine the methodology used to most accurately collect and report on this data. These refinements led us to restate our water usage and waste diversion rates, in addition to minor restatements regarding our greenhouse gas emissions, paper usage and LEED-certified workspaces.

## GREENHOUSE GAS EMISSIONS (metric tons CO<sub>2</sub>e)

	2010	2011	2012	2013
<b>Scope 1 direct emissions</b>	141,750	133,688	120,778	112,964
<b>Scope 2 indirect emissions</b>	1,670,103	1,563,502	1,420,164	1,335,434
<b>Total scope 1 and 2 emissions</b>	1,811,853	1,697,190	1,540,942	1,448,397
<b>Reduction in total scope 1 and 2 emissions</b> Percent decrease from base year	N/A	6%	15%	20%
<b>Reductions from renewable energy certificates</b>	24,551	10,309	2,130	3,487
<b>Net emissions</b>	1,787,302	1,686,882	1,538,812	1,444,911
<b>Reduction in net emissions</b> Percent decrease from base year	N/A	6%	14%	19%
<b>Scope 3 indirect emissions (metric tons CO<sub>2</sub>e)</b>				
<b>Category 1 — Purchased goods and services</b>	N/A	2,613,478	2,290,251	2,010,852
<b>Category 2 — Capital goods</b>	N/A	379,547	354,510	381,037
<b>Category 3 — Fuel- and energy-related activities</b>	332,334	314,854	294,206	271,316
<b>Category 4 — Upstream transportation and distribution</b>	56,735	56,512	37,734	26,159
<b>Category 5 — Waste (traditional disposal)</b>	N/A	53,842	53,365	47,619
<b>Category 6 — Business travel</b>	214,048	217,084	197,949	238,569
<b>Category 7 — Employee commuting</b>	707,216	528,895	494,216	446,186
<b>Category 9 — Downstream transportation and distribution</b>	N/A	N/A	1,300,000	1,200,000
<b>Category 11 — Use of sold products</b>	N/A	N/A	10,000	10,000
<b>Category 12 — End of life of sold products</b>	N/A	N/A	20,000	17,000
<b>Supplemental information (metric tons CO<sub>2</sub>e)</b>				
<b>Avoided emissions from recycling and composting</b>	N/A	(169,076)	(170,844)	(178,723)

## 3.9

Data measurement techniques

## FS3

Monitoring, implementation and compliance of environmental and social agreements

## DMA EN

Compliance

## EN5

Energy saved

## EN16<sub>COMM</sub>

Total direct and indirect greenhouse gas emissions by weight

## EN18

Initiatives to reduce greenhouse gas emissions and reductions achieved

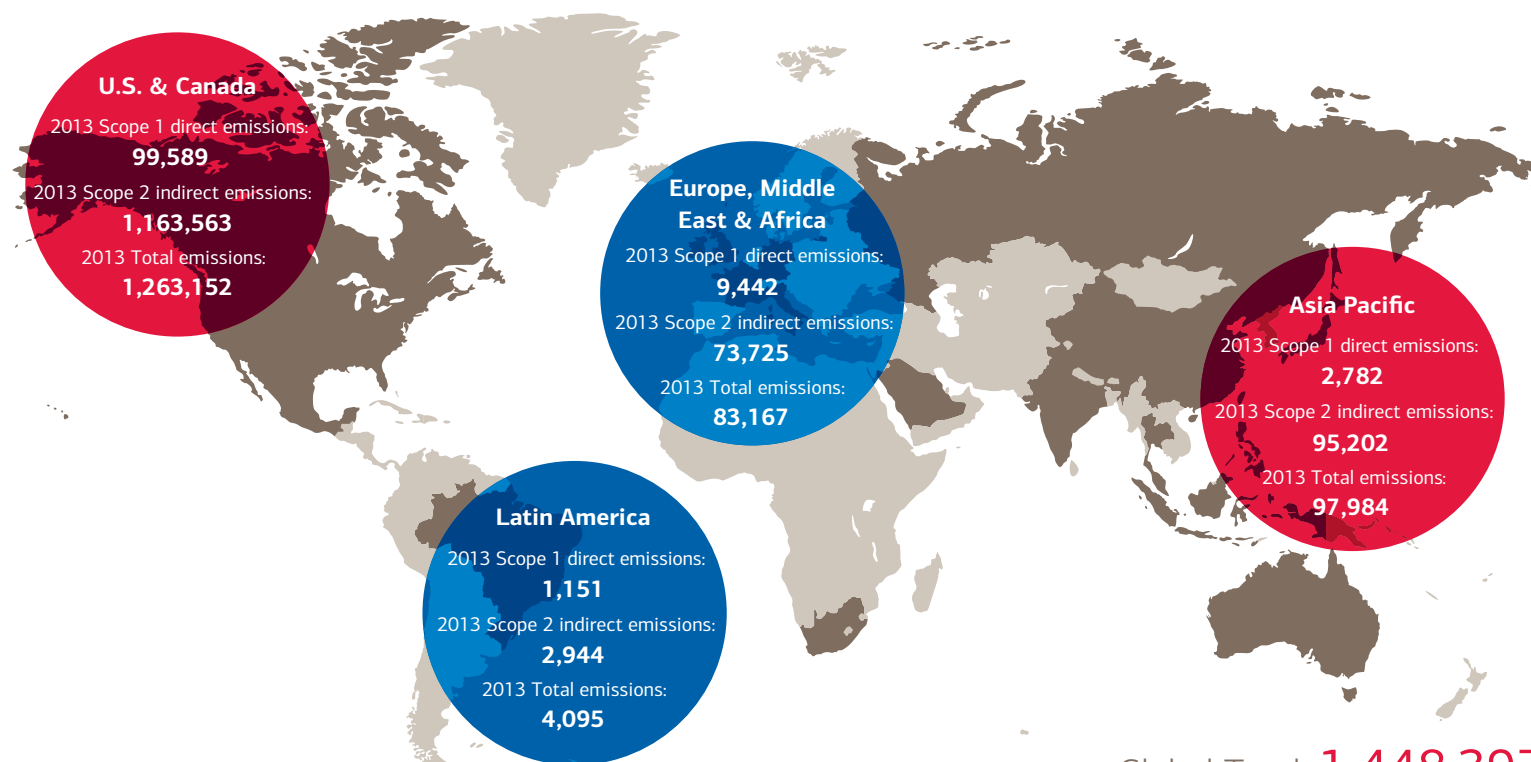
## EN28

Environmental fines

## EN29

Environmental impacts from transportation

## GREENHOUSE GAS EMISSIONS BY REGION (metric tons CO<sub>2</sub>e)



## GREENHOUSE GAS EMISSIONS BY COUNTRY (metric tons CO<sub>2</sub>e)

	2013 scope 1 direct emissions	2013 scope 2 indirect emissions	2013 total scope 1 and 2 emissions
United States	99,465	1,163,202	1,262,667
United Kingdom	7,342	66,749	74,092
India	2,157	55,689	57,847
China	387	16,094	16,481
Japan	93	7,857	7,950
Australia	7	3,563	3,570
Ireland	1,077	2,162	3,239
South Africa	13	1,820	1,833
Canada	124	361	485

	2013 scope 1 direct emissions	2013 scope 2 indirect emissions	2013 total scope 1 and 2 emissions
Southeast Asia*	53	9,110	9,163
Mexico	53	1,183	1,236
Russia	142	523	665
Germany	96	567	662
Italy	47	386	433
Brazil	28	283	311
France	9	55	64
Saudi Arabia	5	39	43
Rest of World	1,866	5,791	7,656

\*Singapore, Malaysia, Philippines, Thailand, and Indonesia

## EN16<sub>COMM</sub>

Total direct and indirect greenhouse gas emissions by weight

## EN29

Environmental impacts from transportation



## NO<sub>x</sub>, SO<sub>x</sub>, AND OTHER SIGNIFICANT AIR EMISSIONS FROM DIRECT COMBUSTION

	2010	2011	2012	2013
SO <sub>x</sub>	17	17	15	10
NO <sub>x</sub>	45	42	37	35
CO	56	53	47	48
VOC	3.9	3.7	3.2	3.3
PM	7.3	6.9	6.1	5.6
Ozone-depleting substances	14	13	13	22

## DIRECT AND INDIRECT ENERGY CONSUMPTION (GIGAJOULES)

	2010	2011	2012	2013
Electricity	11,796,489	11,021,687	10,583,245	9,791,997
Other indirect (purchased steam and cooling)	200,907	201,335	200,361	158,006
Natural gas	1,489,657	1,401,520	1,240,870	1,296,277
Other direct (fuel oil, jet fuel, gasoline, diesel fuel, propane)	348,755	323,555	273,260	236,686

## INDIRECT ENERGY CONSUMPTION BY PRIMARY FUEL SOURCE (GIGAJOULES)

	2010	2011	2012	2013
Coal	12,566,064	11,748,000	10,746,803	10,255,252
Petroleum	759,583	1,195,835	454,949	364,021
Natural gas	8,174,641	8,219,187	7,801,351	7,440,835

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

## INDIRECT ENERGY CONSUMPTION BY FUEL MIX

	2010	2011	2012	2013
Coal	35%	34%	33%	34%
Petroleum	3%	5%	2%	2%
Natural gas	30%	32%	31%	32%
Nuclear	24%	22%	24%	23%
Renewable	8%	8%	10%	10%

## MATERIAL USAGE — IT EQUIPMENT (NUMBER OF UNITS PROCURED)

	2012	2013
Desktops & workstations	78,786	80,926
Laptops & tablets	35,070	59,023
Printers & multifunction printing devices	2,267	8,301
Servers	1,076	1,541
Monitors	96,213	131,366

## MATERIAL USAGE — PAPER

Units	2010	2011	2012	2013
Total usage (Metric tons)	66,614	66,693	56,529	50,166
Percent decrease from base year	N/A	0%	15%	25%
Recycled input materials by weight	8%	9%	9%	9%
Certified input materials by weight	N/A	93%	95%	97%

### EN1

Materials used by weight or volume

### EN2

% of recycled input materials used

### EN3

Direct energy consumption by primary energy source

### EN4

Indirect energy consumption by primary source

### EN7

Indirect energy consumption and reductions

### EN17

Other relevant indirect greenhouse gas emissions by weight

### EN19

Emissions of ozone-depleting substances by weight.

### EN20

NO<sub>x</sub>, SO<sub>x</sub>, and other significant air emissions by type and weight

### EN29

Environmental impacts from transportation

## ELECTRONIFICATION OF PAPER

	Units	2010	2011	2012	2013
<b>Suppression</b>	Metric tons of paper avoided	5,280	8,430	8,608	9,870
	Metric tons of CO <sub>2</sub> e avoided	14,296	24,312	23,196	26,596
<b>Electronic payment</b>	Metric tons of paper avoided	1,032	1,052	1,091	1,241
	Metric tons of CO <sub>2</sub> e avoided	2,794	3,032	2,940	3,344
<b>Print monitoring and control</b>	Metric tons of paper avoided	0	1,526	1,409	869
	Metric tons of CO <sub>2</sub> e avoided	0	4,398	3,797	2,343
<b>Image ATM envelope elimination</b>	Metric tons of paper avoided	3,922	4,280	4,169	1,496
	Metric tons of CO <sub>2</sub> e avoided	1,361	1,485	1,547	4,031

## WATER

	Units	2010	2011	2012	2013
<b>Water consumption</b>	Billion U.S. gallons	3.55	3.53	3.25	2.88
	Million cubic meters	13.5	13.4	12.3	10.9
<b>Reduction in total water consumption</b>	Percent decrease from base year	N/A	1%	9%	19%
<b>Water reused or recycled</b>	Thousand U.S. gallons	N/A	600	1,010	930
<b>Estimated annual savings from water reduction projects</b>	Thousand U.S. gallons	N/A	43,829	245,420	43,194

## WASTE

	Units	Disposal method	2011	2012	2013
<b>Non-hazardous waste (office, confidential)</b>	Metric tons	Landfill & incineration	61,068	59,047	54,284
	Metric tons	Recycling & compost	48,640	50,738	51,767
	Diversion rate		44%	46%	49%
<b>Non-hazardous waste (construction &amp; demolition, carpet)</b>	Metric tons	Landfill & incineration	598	71	2,994
	Metric tons	Recycling & compost	787	295	7,364
	Diversion rate		57%	81%	71%
<b>Non-hazardous waste (kitchen grease)</b>	Metric tons	Landfill & incineration	0	0	0
	Metric tons	Recycling & compost	40	43	307
	Diversion rate		100%	100%	100%
<b>IT waste</b>	Metric tons	Landfill & incineration	0	0	0
	Metric tons	Recycling & remarketing	3,931	3,761	4,932
	Diversion rate		0%	0%	0%
	Certified Disposal rate		84%	87%	89%
<b>Hazardous, universal, used oil and asbestos waste</b>	Metric tons	Landfill & incineration	470	2,320	695
	Metric tons	Recycling, reuse & salvage	462	267	421
	Diversion rate		50%	10%	38%
<b>Total waste</b>	Metric tons	Landfill & incineration	62,135	61,438	57,974
	Metric tons	Recycling & other diversion	53,860	55,104	64,792
	Diversion rate		46%	47%	53%

## EN8

Total water withdrawal by source

## EN9

Percentage and total volume of water recycled and reused

## EN10

Percentage and total volume of water recycled and reused

## EN21

Total water discharge by quality and destination

## EN22<sup>COMM</sup>

Total weight of waste by type and disposal method

## FACILITIES

	Units	2010	2011	2012	2013
<b>LEED certifications</b>	Net square feet	12,537,553	17,102,514	17,076,583	17,548,097
	Percent of total workplace	10%	15%	16%	18%
<b>Carpet</b>	Metric tons purchased	530	2,136	1,376	1,425
	Recycled input materials by weight	N/A	N/A	N/A	27%
<b>Environmentally sustainable cleaning</b>	Square feet cleaned using qualifying products	77,000,000	78,000,000	72,300,000	62,243,807

## TRANSPORTATION

	Units	2010	2011	2012	2013
<b>Employee commuting</b>	Annual miles traveled	1,962,652,062	1,516,150,982	1,375,785,444	1,274,259,233
<b>Hybrid vehicle reimbursement program</b>	New participants	669	842	1,168	1,093
	Metric tons of CO <sub>2</sub> e avoided by new participants	771	1,254	1,726	2,154
<b>Telepresence</b>	Number of calls	13,201	56,991	64,469	81,204

## COMPLIANCE

	Units	2010	2011	2012	2013
<b>Non-compliance with environmental regulations</b>	Value of monetary fines	\$23,854	\$16,240	\$16,350	\$28,200
	Non-monetary violations	9	19	7	9
<b>Reportable spills</b>	Number	2	2	1	3
	Volume – U.S. gallons	3	1,340	400	23

## ENVIRONMENTAL SPEND

	Units	2012	2013
<b>Environmental protection spend</b>	Value of spend	\$21,076,632	\$21,200,000

### EN23

Total number and volume of significant spills

### EN29

Environmental impacts from transportation

### EN30

Total environmental protection expenditures and investments by type

## 5 | Social impact

*In this chapter we explain our social impacts including the direct and indirect economic effects of our business and operational activities, our approach to local community engagement, our efforts to improve access to financial services and our philanthropic investments.*

We work to achieve our core purpose of making the financial lives of our customers, clients, shareholders and communities better by connecting individuals, families and businesses to the solutions they need to meet their goals and help their communities flourish. Ultimately, our aim is to bring the breadth of the bank's capabilities—including access to capital, strategic expertise, specialized products and a global workforce—to help public, private and nonprofit clients amplify their impact on the social, environmental and economic challenges they are addressing.

While we operate in more than 40 countries worldwide, our greatest number of community touch points presently remains in the U.S., where we maintain more than 5,000 retail branches and employ nearly 85 percent of our workforce. This footprint is reflected in how we focus our community development and philanthropic efforts, which we discuss below.

This section is organized as follows:

- Community development lending and investing
- Community development financial institutions
- Other community development activities
- Access to financial services
- Mitigating externalities
- Philanthropy



*Read the complete GRI disclosures listed, starting on [page 75](#).*

### **DMA EC**

Economic performance<sub>COMM</sub>

### **DMA EC**

Market presence

### **DMA EC**

Indirect economic impacts

### **DMA SO**

Local communities

### **SO1 (FSSS)**

Impacts of operations on communities

### **SO1 (G3.1)**

Local community engagement

## COMMUNITY DEVELOPMENT LENDING AND INVESTING

Community development lending and investing helps fill the gap of unmet needs of economically distressed households — particularly those in low- and moderate-income communities — who often face challenges in gaining access to capital, credit and other resources. According to a study released in 2013 by the Federal Reserve Bank of New York's Research and Statistics Group, 19 percent of U.S. households and 28 percent of lower-income U.S. households had unmet demand for credit. Research from the Urban Institute indicates that for every 100 extremely low-income renter households, there are only 29 affordable housing units available. Our community development lending and investing initiatives enable us to address the needs of these communities and provide access to important resources.

By extending credit to individuals, small businesses and community organizations, we help fuel local revitalization while focusing on a fair return for our shareholders. We work with organizations, large and small to provide customers and businesses with access to capital and resources to help them, their families and their communities thrive.

We have a longstanding commitment to community development through lending and investing, focusing on partnerships and programs to address the needs of low- and moderate-income communities by providing affordable housing, supporting small businesses, lending to consumers and other activities to promote economic development. The U.S. government defines low- and moderate-income as individuals and households with income less than 80 percent of area median income.

In 2013, we extended approximately \$545.5 billion in credit in the U.S. As part of our \$1.5 trillion, 10-year community development lending and investing goal, since 2009 we have extended \$676.6 billion in community development lending and investments in the U.S. In 2013, this included \$107 billion, helping communities grow through lending and investing targeted at affordable housing, small businesses, consumer lending and economic development activities. This translates, on average, to nearly \$420 million in support of community development investments every business day throughout 2013.

### COMMUNITY DEVELOPMENT LENDING AND INVESTING BREAKDOWN (\$ IN BILLIONS)

	2009	2010	2011	2012	2013	2009-2013 total
<b>Affordable housing</b>	\$146.84	\$151.16	\$109.72	\$85.77	\$85.70	\$579.19
<b>Small business</b>	\$12.84	\$11.25	\$12.74	\$14.53	\$15.80	\$67.16
<b>Consumer lending</b>	\$5.19	\$2.99	\$1.55	\$1.08	\$1.95	\$12.76
<b>Economic development</b>	\$3.85	\$2.98	\$2.90	\$4.15	\$3.60	\$17.48
<b>Year totals</b>	<b>\$168.72</b>	<b>\$168.38</b>	<b>\$126.91</b>	<b>\$105.53</b>	<b>\$107.05</b>	<b>\$676.59</b>

The following activities contribute to our community development lending and investing goals.

#### Affordable housing

We are recognized as a leader in affordable housing finance in the U.S. In 2013, as part of our \$1.5 trillion lending and investing goal, we provided more than \$85 billion in affordable housing. Most of this total was in mortgage-related lending that helped low- and moderate-income and multicultural customers realize home financing solutions. See [page 49](#) for more detail on consumer lending.

Through community development lending, tax credit equity investments and real estate development solutions in 2013, we provided more than \$3.3 billion in commitments that are expected to help create more than 13,600 affordable housing units, while helping revitalize communities and creating stronger economies.

Our financing and equity commitments include housing developments for low- and moderate-income families, seniors and veterans, and we support housing development and projects that incorporate energy-efficient and transit-oriented elements.

Commitments included \$2.2 billion in commercial real estate-based lending, up more than 25 percent from the previous year. We also made \$1.1 billion in tax credit investments and other community development equity, up approximately 20 percent from 2012.

## EC8

Infrastructure investments and services provided for public benefit

## SO1 (FSSS)

Impacts of operations on communities

## SO1 (G3.1)

Local community engagement

## FS6

% of the portfolio for business lines

## FS7

Monetary value of social benefit products and services

## EC1<sub>COMM</sub>

Direct economic value generated and distributed to capital providers and governments

### Bridge housing

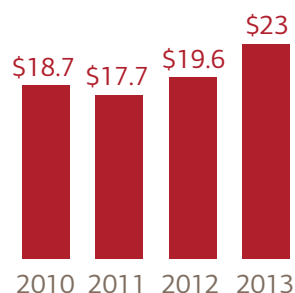
One example of our support for affordable housing in 2013 was \$77 million in financing to help transform an industrial neighborhood in San Diego, California, into a vibrant, transit-oriented, mixed-use and mixed-income community. The financing for Bridge Housing Corp. included \$44 million of debt and \$33 million of equity for the construction of 200 affordable housing units for families, seniors and former foster care youth.

### Small businesses

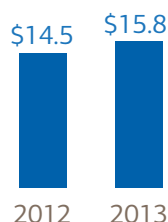
Connecting small business owners with the resources necessary to sustain and expand their operations promotes economic growth and job creation. In 2013, we provided financial services to more than three million small business customers in the U.S., including more than \$23 billion in overall small business lending. This included \$10.7 billion in new credit, representing a 24 percent increase over 2012. Of that total amount, \$15.8 billion, or nearly 72 percent, was extended in community development-related small business loans.

Lending to small businesses  
(<\$20 million in revenue)  
(in billions)

New originations and  
commitments to small  
businesses (<\$20 million  
in revenue) (in billions)



Combined new and renewal of  
lending to small businesses  
(<\$20 million in revenue) in low-  
and moderate-income areas  
(in billions)



High-quality financial and advisory support for small businesses helps them grow, hire workers and contribute to the prosperity of their communities. In fact, our most recent Small Business Owner Report indicates that small business owners who meet with their bankers at least three times a year are more optimistic that they will increase revenue over the next year.

In 2013, we announced our plans to hire 200 new small business bankers in key markets throughout the U.S. in 2014. Bank of America has significantly increased its small business banking since 2010 by hiring 1,000 small business bankers. This has meant that more small business owners have had the opportunity to meet with bankers, contributing not only to the growth of their business, but also their confidence.

We continue to engage with nonprofit and government organizations, and participate in programs to offer much-needed support to small businesses that do not meet traditional lending criteria, thereby providing opportunities to create jobs and grow local economies. For example, in 2013, Bank of America worked with the U.S. Small Business Administration (SBA) and U.S. Department of Agriculture (USDA) on their flexible, long-term and low-cost loan loss reserve programs.

As a top lender in the SBA 504 program, we originated \$579.8 million in new first- and second-trust deed loans with long-term, fixed-rate financing in 2013. Additionally, we offer SBA 7(a) and Express loans for clients.

Bank of America is also among 13 banks that pledged to the White House and the SBA to increase new small business lending by a total of \$20 billion through 2013. The bank exceeded its portion of that goal by more than \$6 billion.

In addition to our efforts in the U.S., we are committed to providing small business owners worldwide with access to capital and other resources necessary to successfully grow their businesses.

### Itaú Unibanco

More than 40 percent of businesses registered in Latin America and the Caribbean are owned by women; however, the credit gap for women-owned enterprises remains high throughout the region, and access to finance is a major constraint in operating and growing businesses. In 2013, Bank of America Merrill Lynch provided a loan to Itaú Unibanco to help expand financial access to women-owned small and medium enterprises (SMEs) throughout Brazil. We served as a participating lender on a \$470 million three- and five-year unsecured credit facility through the International Finance Corporation's (IFC) Banking on Women program — the largest program loan in Latin America, and the largest worldwide.

### SO1 (FSSS)

Impacts of operations  
on communities

### SO1 (G3.1)

Local community  
engagement

### FS14

Initiatives to improve  
access to financial services  
for disadvantaged people

### FS3

Monitoring, implementation  
and compliance of  
environmental and  
social agreements

### FS7

Monetary value of  
social benefit products  
and services

### EC8

Infrastructure investments  
and services provided for  
public benefit

Consumer lending: Home ownership

We are continually engaging with individuals and communities to help support the continued recovery and strengthening of the U.S. housing market. We provide education for homebuyers and homeowners through tools such as our [Home Loan Guide](#), community events, and partnerships with more than 3,000 national and regional nonprofit organizations. These resources support our commitment to serving low- and moderate-income customers, multicultural communities and mortgage customers in need of assistance.

Our mortgage business focuses on serving customers directly through our direct-to-consumer channels, aligning our staff resources to the evolution of our business, connecting our customers with home finance solutions and deepening relationships with credit-worthy individuals while exercising greater control over our responsible extension of credit. Since this repositioning, we have seen steady growth in new originations, and in 2013, we extended nearly \$89.8 billion in mortgage credit to customers (\$85.7 billion in first mortgages).

We offer assistance and educational support to provide more transparency and clarity about the home-buying process and meet the diverse needs of low- and moderate-income and multicultural communities. In 2013, our efforts were driven by partnerships with nonprofit organizations, our online tools and outreach events. We worked with a number of HUD-approved housing counseling agencies on [Connect to Own®](#), our homebuyer education program. We also continued to encourage customers to visit our online tools, including the Home Loan Guide, which we offer in both English and Spanish.

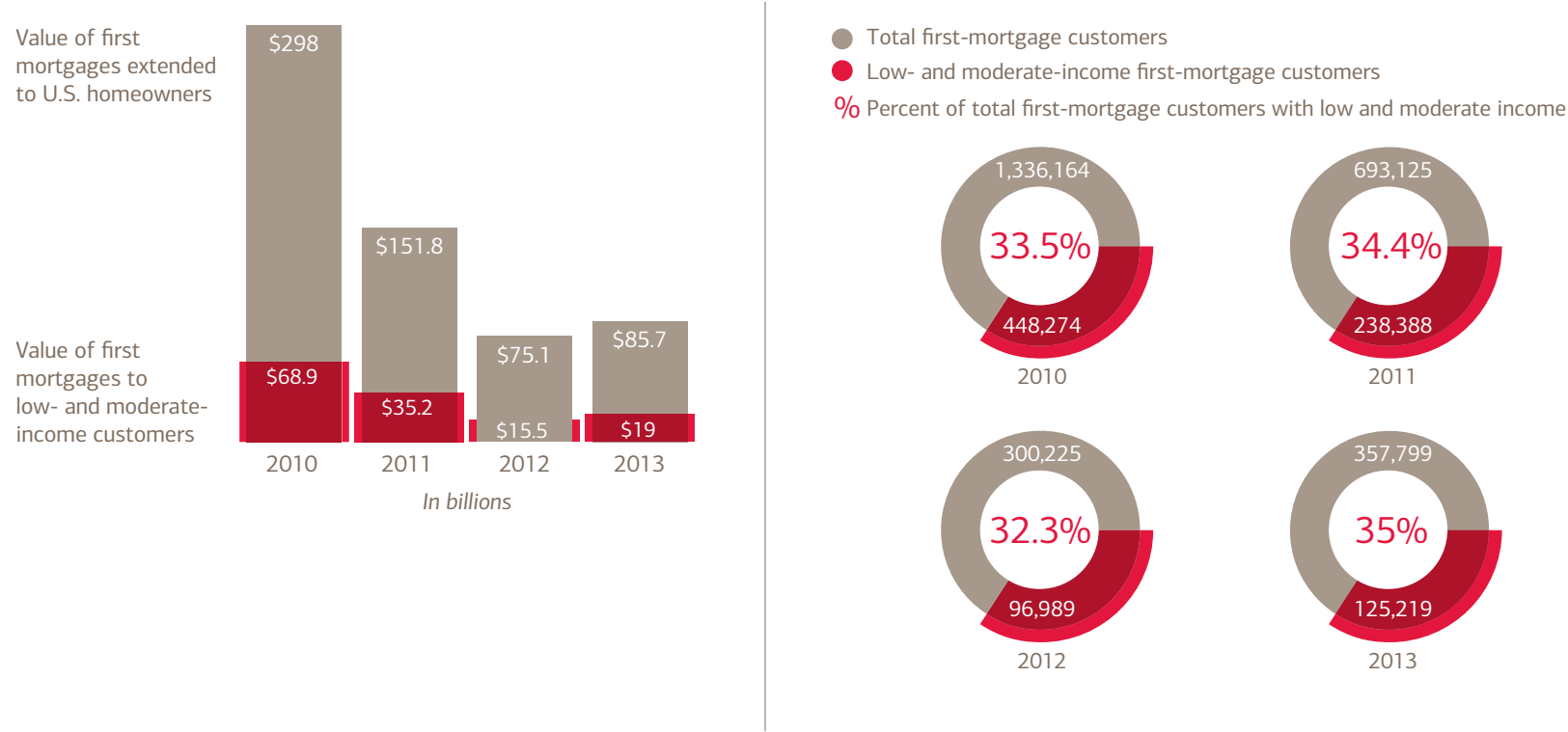
**FS3**  
Monitoring, implementation and compliance of environmental and social agreements

**FS7**  
Monetary value of social benefit products and services

**S01 (FSSS)**  
Impacts of operations on communities

**S01 (G3.1)**  
Local community engagement

OUR HOME MORTGAGE LENDING

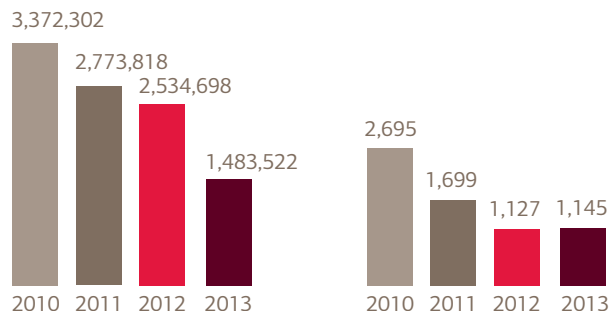




## SUPPORT FOR HOME BUYERS

Number of consumers who visited the Home Loans Guide

Number of consumers who participated in face-to-face counseling with our Connect to Own partners



We sponsor and participate in a variety of homebuyer education events, focusing on areas of the country that are most in need. Events of this kind provide consumers the opportunity to participate in workshops taught by housing counseling partners and Bank of America mortgage loan officers on relevant topics including understanding down payments, finding the right real estate agent and sustaining successful homeownership.

In 2013, Bank of America helped low- and moderate-income customers with more than \$12.7 billion in home-improvement loans as well as other secured and non-secured financing solutions to help meet their needs.

### Economic development activities

As part of our 10-year, \$1.5 trillion community development lending and investing goal, in addition to affordable housing, small business and consumer lending, we also invest in economic development projects to help communities grow and thrive. Through these projects, we help to revitalize neighborhoods by creating jobs, and building or renovating buildings, land and infrastructure to drive and enrich local economies and communities. Several examples of our economic development activities include:

#### MHPN Whitney SPE LLC

In 2013, we provided a loan to support the construction and renovation of the Whitney Building, a historic commercial building representing a major gateway to downtown Detroit, Michigan, and the Central Business District, into a mixed-use facility to include residential, retail and hotel. The project is expected to create 105 moderately priced units, approximately 7,000 square feet of retail space and 75 full-time jobs, while driving traffic to the neighborhood.

#### San Francisco Wholesale Produce Market

Through a New Markets Tax Credit equity investment, we supported the construction and renovation of a warehouse building with approximately 86,000 square feet — the first phase of a four-phase revitalization of the existing San Francisco Wholesale Produce Market. The market donates over more than 800,000 pounds of produce to the San Francisco Food Bank. It is also critical to the retention and expansion of employment in the production, distribution and repair segment of the city's economy, and to the support of the neighborhood markets, restaurants, hotels, caterers and produce growers that make up the region's vibrant and growing healthy food supply system. The project is expected to generate 150 permanent jobs, and will help businesses in this community as well as potential new businesses, providing space consistent with current food industry standards.

#### Washington Latin Charter School

In 2013, we invested in the construction and renovation of a former elementary school building into a new campus for middle and high school programs at Washington Latin Charter School, a high-performing public charter school in Washington, D.C. serving grades five through 12. The project will enable the school to increase enrollment by about 50 students to 650 total, as well as increase its staff. The renovation itself is expected to employ more than 50 construction workers.

### FS3

Monitoring, implementation and compliance of environmental and social agreements

### FS6

% of the portfolio for business lines

### FS7

Monetary value of social benefit products and services

### EC8

Infrastructure investments and services provided for public benefit

### SO1 (FSSS)

Impacts of operations on communities

### SO1 (G3.1)

Local community engagement

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

Community Development Financial Institutions (CDFIs) are nonprofit local loan centers that provide credit and technical support to low- and moderate-income communities, promoting affordable housing, small business growth, economic development and job creation. We've increased our industry-leading \$1.2 billion investment to more than 240 of these nonprofit community lenders across all 50 U.S. states, the District of Columbia and Puerto Rico, to provide low-cost capital, liquidity and technical assistance to those who may not qualify for a traditional loan, allowing us to ensure people have access to needed products and services.

	2010	2011	2012	2013
Capital in CDFIs	\$1 billion	\$1.1 billion	\$1.1 billion	\$1.2 billion
Number of CDFIs that the bank has invested in	120	200	240	244
Number of U.S. states where the bank has CDFI investments	39	40	50	50

In addition to our overall portfolio, we have specifically targeted initiatives to address certain economic and social issues including job growth, community development, energy efficiency and women's economic empowerment. Several examples of key recent projects are highlighted below.

CDFI Bond Guarantee Program Qualified Issuer

In 2013, the U.S. Department of Treasury selected Bank of America as one of the first Qualified Issuers of loans to CDFI through the CDFI Bond Guarantee Program. The program provides long-term capital (including guarantees of bond loans) to eligible CDFIs for investments in low-income and distressed communities across the country. As part of the program, we provided a \$100 million loan to two leading, eligible CDFIs — Local Initiatives Support Corporation (LISC) and Enterprise Community Loan Fund — to go toward 30-year permanent loans for multi-family housing developments, charter schools and health care clinics, resulting in more than 30 housing developments and 15 schools or clinics in low-income communities nationwide.

Community Advantage Solutions

To address the limited resources of community-based lenders to serve the capital needs of these businesses, we are leveraging a program — Community Advantage Solutions — to help Community Advantage lenders deploy new loan funds. This program supports the SBA expansion of its 7(a) Loan Guaranty program that created a class of Community Advantage lenders. The SBA provides Community Advantage Lenders with a guaranty on loans of up to \$250,000 to growing small businesses and entrepreneurs in low- and moderate-income communities. Bank of America's Community Advantage Solutions program will provide grants, loans and capacity-building technical assistance to lenders serving identified Bank of America markets.

Energy Efficiency Finance Program

The Bank of America Energy Efficiency Finance Program was established to provide catalytic resources to CDFIs that are working on innovative financing programs for energy efficient retrofits in low- and moderate-income communities — focusing on affordable housing, community facilities and small businesses. This \$60 million program involves \$55 million of debt and \$5 million of grants from Bank of America. One notable New York City-based affordable housing property financed, in part, by Enterprise Community Loan Fund through this program is Ocean Towers in Coney Island — a 360-unit affordable housing property.

As we continue to expand our CDFI investments, we acknowledge the unique challenge women small business owners and entrepreneurs face globally in gaining access to capital and other resources. Recently, we launched partnerships with the [Tory Burch Foundation](#) and [Calvert Foundation](#) to provide these women with access to low-cost capital, products and services.

**FS3**  
Monitoring, implementation and compliance of environmental and social agreements

**FS7**  
Monetary value of social benefit products and services

**S01 (FSSS)**  
Impacts of operations on communities

**S01 (G3.1)**  
Local community engagement

**FS14**  
Initiatives to improve access to financial services for disadvantaged people

## WOMEN'S ECONOMIC EMPOWERMENT

Despite the significant role women play in advancing growth within their communities and the global economy, they may face challenges in gaining access to capital and resources. Recognizing this and women's roles as economic drivers, we are investing in partnerships and programs that connect emerging and current women leaders around the world to the capital, resources, networks and mentoring they need to start and grow their own businesses and play a larger leadership role in their communities. Bank of America also devotes significant philanthropic resources to women in the U.S. who live in or are at risk of poverty by promoting community development, workforce development and education.

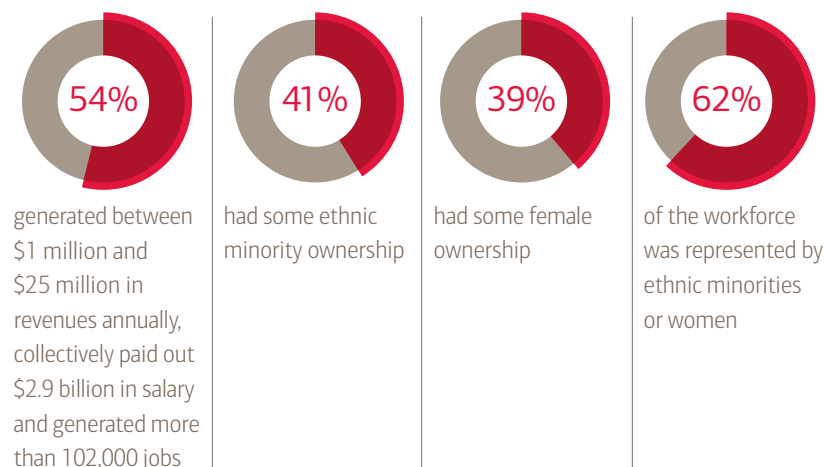
Through strategic partnerships, investments and programs, we're connecting women to the human, social and financial capital resources they need to maximize their potential. Our efforts are empowering women to enrich their lives, as well as those of their families and communities, and helping to create stronger economies worldwide. For example, our partnership with Vital Voices led to the creation of our Global Ambassadors Program, which brings women leaders from emerging countries together with established women executives for one-on-one mentoring. At forums in Qatar, Brazil, Singapore, India, South Africa and Haiti, we've convened hundreds of women to discuss opportunities for leadership to address economic issues facing their countries and their communities.

## OTHER COMMUNITY DEVELOPMENT ACTIVITIES

### Socially responsible private equity

Through [BAML Capital Assets Fund Management, LLC \(CAF\)](#), we focus investments on the domestic emerging market, and deploy capital to entrepreneurs and communities that have historically lacked sufficient access to investment capital and its attendant opportunities. Over the last year, CAF reviewed a record number of high-quality fund investment opportunities in the emerging domestic market to support emerging managers and seed underserved communities, increasing 131 percent from the previous year. As of March 31, 2013, CAF had committed more than \$1.5 billion across 45 funds, which are expected to raise an estimated \$11.5 billion in capital.

Through our Socially Responsible Private Equity group, which leverages capital deployed on behalf of institutional investors, underlying portfolio funds made investments in 541 small businesses located across 44 U.S. states and 317 cities in 2013. As of December 31, 2011, of the companies that compose the portfolio:



### Social impact bonds

Social impact bonds provide funding for nonprofits with a proven track record of success, and enable governments to save costs and repay investors only when positive results are achieved. This innovative financing model allows investors to earn returns while driving social change and fosters collaboration among the public, private and nonprofit sectors to achieve positive social outcomes. In 2013, Bank of America Merrill Lynch partnered with New York State and Social Finance Inc. to offer the first state-led social impact partnership in the form of social impact bonds. Through this partnership, \$13.5 million in capital was raised to finance a five-and-a-half-year pay-for-success program that will provide comprehensive reentry employment services to 2,000 formerly incarcerated individuals in New York City and Rochester, New York, to reduce recidivism and increase job creation.

### Community-based suppliers

Bank of America encourages supplier diversity through the use of diverse businesses, based on the categories of goods and services we purchase in the communities we serve. The Supplier Diversity and Development program managers collaborate internally to ensure that we include diverse

### FS3

Monitoring, implementation and compliance of environmental and social agreements

### FS7

Monetary value of social benefit products and services

### EC6

Spending on locally based suppliers

### S01 (FSSS)

Impacts of operations on communities

### S01 (G3.1)

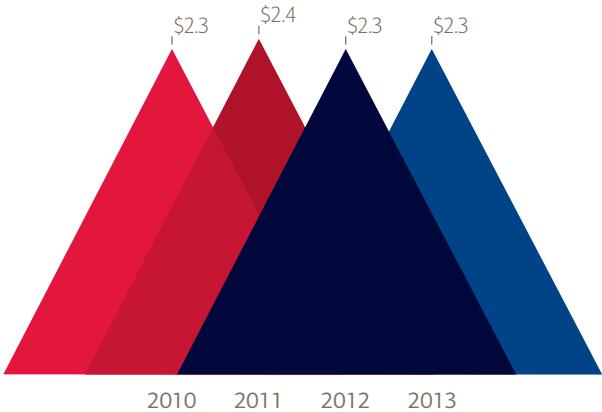
Local community engagement

### FS14

Initiatives to improve access to financial services for disadvantaged people

suppliers across the company. Examples of diverse suppliers include minorities; individuals with disabilities; or businesses owned by veterans, women, or individuals who are lesbian, gay, bisexual or transgender. In 2013, we spent \$2.32 billion with diverse businesses.

TOTAL \$ SPENT WITH DIVERSE SUPPLIERS (IN BILLIONS)



ACCESS TO FINANCIAL SERVICES

According to the U.S. Federal Deposit Insurance Commission (FDIC), one in 12 American households was unbanked and more than 20 percent were under-banked in 2012, making this a critical issue for the financial services industry. In addition to our community development lending and investing, we continue to promote access to financial products and services, helping to reduce one of the key barriers to economic security for individuals and businesses.

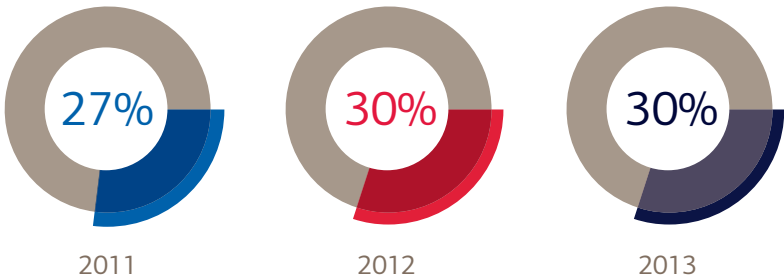
We are also committed to connecting people to the tools and information they need to make their financial lives better. This commitment comes to life through our employees, who help our customers and clients every day; in the education and resources we provide to help people develop financial know-how and better money habits; and in the design and transparency of our products and services.

Local banking center services

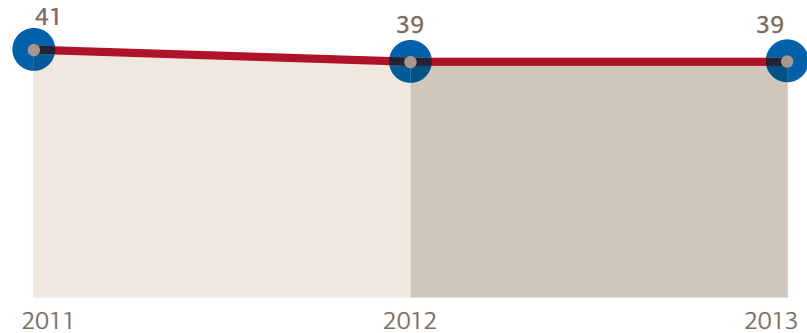
In 2013, we provided access through our more than 5,150 banking centers across the U.S., including 1,555 in low- and moderate-income neighborhoods. We have adopted a thoughtful approach to maintaining and updating our network of more than 5,000 banking centers to best serve all of our communities. By the end of 2013, we made more specialized

financial services expertise available through those centers, and expanded our specialized sales force to more than 6,700 financial solutions advisors, mortgage loan officers and small business bankers. We also continue to enhance the services offered by our telephone banking centers.

LOCAL BANKING CENTER SERVICES



Percentage of centers in low- and moderate-income neighborhoods out of total banking centers



Percentage of centers in or within a half mile of low- and moderate-income communities out of total banking centers

EC6  
Spending on locally based suppliers

S01 (FSSS)  
Impacts of operations on communities

S01 (G3.1)  
Local community engagement

FS13  
Access low-populated or economically disadvantaged areas

DMA EC  
Economic performance<sub>COMM</sub>

FS14  
Initiatives to improve access to financial services for disadvantaged people

FS3  
Monitoring, implementation and compliance of environmental and social agreements

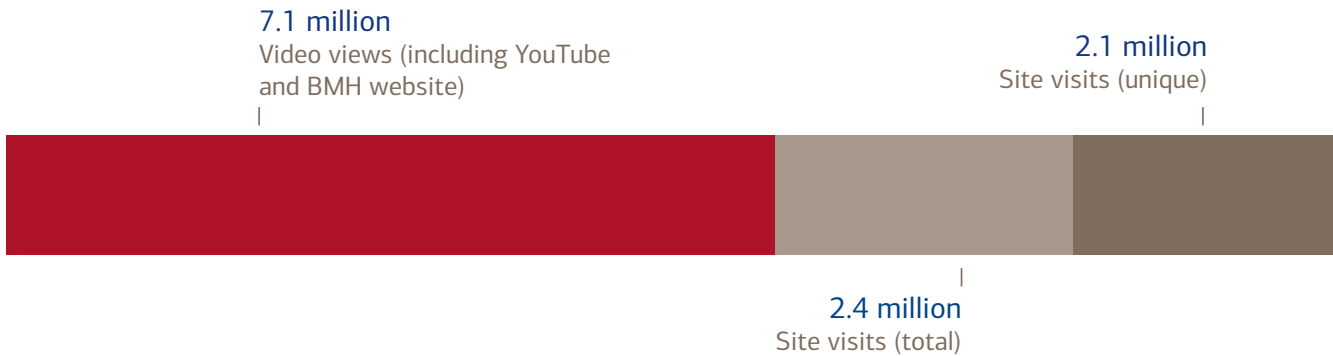
FS7  
Monetary value of social benefit products and services

Developing financial know-how and better money habits

We recognize the need for a fresh approach to financial education — taking a traditionally difficult and intimidating topic and making it more practical and accessible. A key component of this work is our partnership with Khan Academy, led by education innovator Sal Khan, to launch [BetterMoneyHabits.com](#). The website brings together Khan Academy’s accessible approach to online learning and Bank of America’s financial expertise to provide free, innovative financial education not just to our own customers, but to anyone. BetterMoneyHabits.com offers easy-to-understand videos exploring a wide range of financial topics from “Strategies for paying down your debt,” to “Building credit and keeping yours healthy,” to “How does a mortgage work?” The videos help all visitors understand topics including credit, interest, debt and budgeting, and provide information to help empower consumers to make good, informed financial decisions.

- This work complements our long-standing commitment to financial education. In addition to BetterMoneyHabits.com, we have:
- Helped customers better understand financial products by engaging in hundreds of community outreach events, partnering with nonprofits, and producing online and offline consumer guides.
  - Improved the clarity and transparency of product information through our Clarity Commitment® for mortgages, home equity loans and credit card accounts.
  - Created a companion guide to help low- and moderate-income and multicultural customers manage credit appropriately, and provided more information on our Home Loans website outlining our financial education initiatives for homebuyers and homeowners.
  - Continued to work with our nonprofit partners to integrate a small business curriculum into workshops and training programs.

2013 BETTER MONEY HABITS METRICS



S01 (FSSS)

Impacts of operations on communities

S01 (G3.1)

Local community engagement

FS13

Access in low-populated or economically disadvantaged areas

FS14

Initiatives to improve access to financial services for disadvantaged people

DMA EC

Economic performance<sub>COMM</sub>

FS3

Monitoring, implementation and compliance of environmental and social agreements

FS5

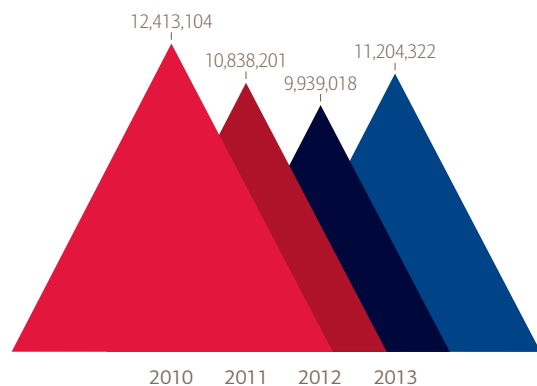
Stakeholder interactions on environmental and social risks and opportunities

FS7

Monetary value of social benefit products and services

In 2013, our broader financial education and literacy initiatives, including sales support, online education programs and home loan resources, reached more than 11.2 million individuals.

#### CONSUMERS REACHED WITH FINANCIAL EDUCATION AND LITERACY INITIATIVES



#### Fair and transparent products and services

To help people better understand their finances and have access to products that are right for them, we continue to create and enhance our current offerings with a focus on fairness and transparency.

#### Improvements to online and mobile banking

We recognize that our customers continuously redefine convenience and how, where and when they want to bank. To meet their needs, we continue to improve our multitude of channels to better connect customers with the banking tools they need, including online and mobile. Online and mobile banking are key tools for providing customers greater real-time transparency to their finances. In response to consumers' increasing adoption of our industry-leading online and mobile services, we further enhanced our mobile banking solutions, offering new apps and services in 2013. This has resulted in an increase in adoption from 12 million in 2012 to 14.3 million in 2013.

#### SafeBalance Banking™ (2014)

Based on extensive consumer research across a wide array of customer profiles, combined with valuable input from stakeholder advisors on our National Community Advisory Council (NCAC), in early 2014 we launched a low-fee alternative banking account. The SafeBalance account is designed

to help customers avoid overdraft fees by only allowing transactions to be approved when they have enough money in their account. This is the latest of a series of innovative product and service launches devised to fulfill repeated customer requests not to let them “spend money they don't have.”

#### MITIGATING EXTERNALITIES

As an employer of more than 245,000 people with a significant global footprint, we seek to prevent, manage and mitigate any potential and actual negative impacts on communities and stakeholders. Some examples of our work apart from our specific efforts to measure and manage our impacts are listed below.

#### Responsible mortgage lending

To strike a better balance between the safety and soundness of our products and the needs of consumers, we also made credit requirement changes to some of our products. These changes were based on our understanding that some home loan customers, particularly low- and moderate-income individuals, are more susceptible to economic downturns. Our revisions also reflect an anticipation of proposed regulatory standards, such as Qualified Mortgage, Basel III and Government-Sponsored Enterprises reform, which may lead to some credit tightening and less liquidity for the mortgage market.

#### Housing market recovery efforts

We continued to support the recovery of the U.S. housing market by helping customers in need of mortgage assistance and responsibly extending mortgage credit. Our disciplined approach includes:

- Providing customers with a variety of solutions to help them remain in their homes or otherwise avoid foreclosure
- Partnering with nonprofit organizations and community groups to support the recovery of neighborhoods through property donation and preservation activities
- Extending mortgage credit directly to qualified consumers; more than one of every three mortgages originated by Bank of America in 2013 was for a low- or moderate-income borrower

#### EC9

Indirect economic impacts

#### SO1 (FSSS)

Impacts of operations on communities

#### SO1 (G3.1)

Local community engagement

#### FS13

Access low-populated or economically disadvantaged areas

#### FS14

Initiatives to improve access to financial services for disadvantaged people

#### SO9

Potential negative community impact

#### SO10

Prevention and mitigation measures

#### FS3

Monitoring, implementation and compliance of environmental and social agreements

#### FS7

Monetary value of social benefit products and services

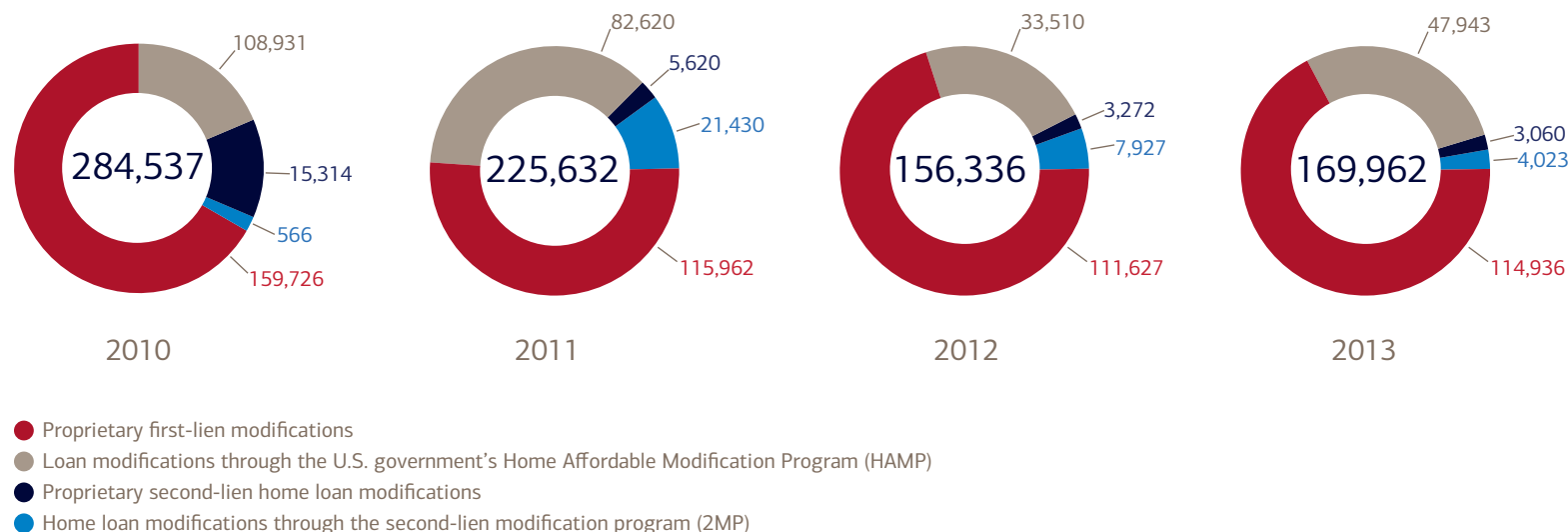
## Home loan modifications and alternatives

Since 2008, Bank of America has helped prevent more than 1.9 million foreclosures through loan modifications, short sales and deeds-in-lieu of foreclosure in the U.S. In addition, many more customers reduced their monthly payments by refinancing their mortgages.

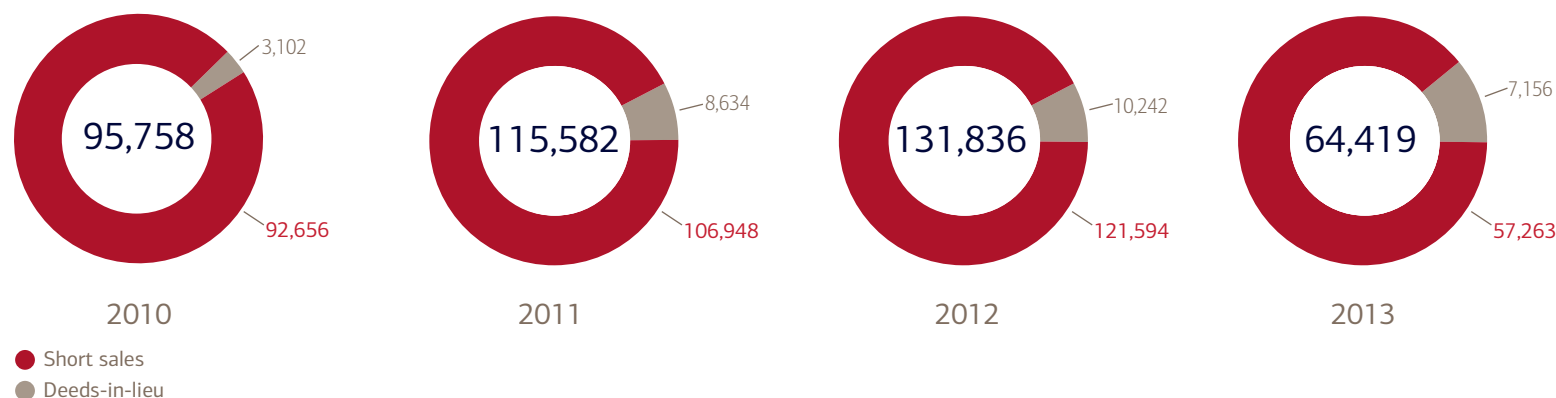
In preventing foreclosures, more than 1.3 million customers have been able to stay in their homes through home loan modifications. About 274,000 of the permanent modifications were completed through the government's

Making Home Affordable Program, while approximately 77 percent of all modifications have been completed under our own proprietary programs and under the terms of the National Mortgage Settlement. The leveling in our home loan modifications in recent years reflects a more disciplined approach to homeownership, as well as a decrease in the number of customers in need of mortgage assistance.

### MODIFICATIONS COMPLETED



### FORECLOSURE ALTERNATIVES COMPLETED



## S01 (FSSS)

Impacts of operations on communities

## S01 (G3.1)

Local community engagement

## S09

Potential negative community impact

## S010

Prevention and mitigation measures

## FS3

Monitoring, implementation and compliance of environmental and social agreements

## EC9

Indirect economic impacts



Outreach efforts

Through our Customer Assistance Centers (CACs) and homeowner events, we continue to provide face-to-face assistance to individuals and families in communities impacted by the housing crisis to better understand customers’ unique situations and deliver solutions to meet their needs.

While we continue to serve the needs of our customers, we have reduced our delinquent mortgage portfolio by one-fourth of what it was at its peak level. With this, we are seeing fewer customers in CACs and at events as reflected in the 50 percent decrease in customers reached.

	2010	2011	2012	2013
Number of CACs	6	50	50	49
Number of customers assisted by CACs	13,115	50,319	100,358	45,368
U.S. homeowner events	282	319	406	180
Customers reached at U.S. homeowner events	37,118	65,537	38,717	12,099

Property donations

Working closely with national and local organizations, we help revitalize communities impacted by property abandonment. Our property donations focus on six areas and support our enterprise and philanthropic goals: military, first responders/police officers, community development, environment, disaster relief and creating affordable housing through Habitat for Humanity.

In 2013, we provided 2,293 property donations to nonprofit organizations, land banks and municipalities, and are well ahead of our three-year commitment to donate 1,000 properties. As part of our donations program, Bank of America donated more than 800 homes in 2013 to military veterans and first responders via nonprofit organizations. For example, we recognized the bravery and sacrifice of Purple Heart recipient Marine Sergeant Jose Segura by donating a debt-free, mortgage-free home to him and his family. Segura served bravely for more than 10 years and was wounded in two separate combat attacks in Afghanistan, including an enemy ambush where he pulled 11 of his fellow Marines to safety.

PHILANTHROPY

Philanthropic investments

Through our philanthropy, we partner with U.S. and international organizations addressing local and regional needs as well as global issues. We recognize that while the global economy has improved, individuals and families continue to face challenges that impede their economic stability—from accessing affordable housing to putting food on the table and finding employment.

In order to help people move along the economic continuum, and in alignment with our enterprise focus on cultivating better money habits, we integrate financial education across our philanthropic investments and leverage our employees’ expertise and commitment to volunteer to serve community needs. Other CSR focus areas, such as environmental sustainability, arts and culture, and diversity and inclusion, are woven across our funding. We have a particular focus on helping to meet the needs of low- and moderate-income communities, as well as the specific needs of veterans, individuals with disabilities and women. Our overarching goal is to provide meaningful responses to the issues that matter in the local communities we serve.

During 2013, we provided more than \$200 million in U.S. and global philanthropic investments, including cash giving and in-kind property donations, toward our 10-year, \$2 billion philanthropic goal that was established in 2009. In addition to this direct giving, we’ve developed opportunities to connect our customers and employees to social issues, stemming from our philanthropic partnerships with military and hunger nonprofits, as well as our longstanding partnership with United Way Worldwide.

In response to the needs of individuals and families in the U.S., we focus on addressing issues related to housing (community development), jobs (workforce development and education) and hunger (basic human services). With the expansion of our company’s global footprint, our international philanthropy focuses on creating connections to issues that resonate across regions and continents, including the arts and education. Our objective is to improve economic futures through programs ranging from green bonds to initiatives mentoring emerging women leaders to help them achieve their business goals.

S01 (FSSS)

Impacts of operations on communities

S01 (G3.1)

Local community engagement

S09

Potential negative community impact

S010

Prevention and mitigation measures

FS3

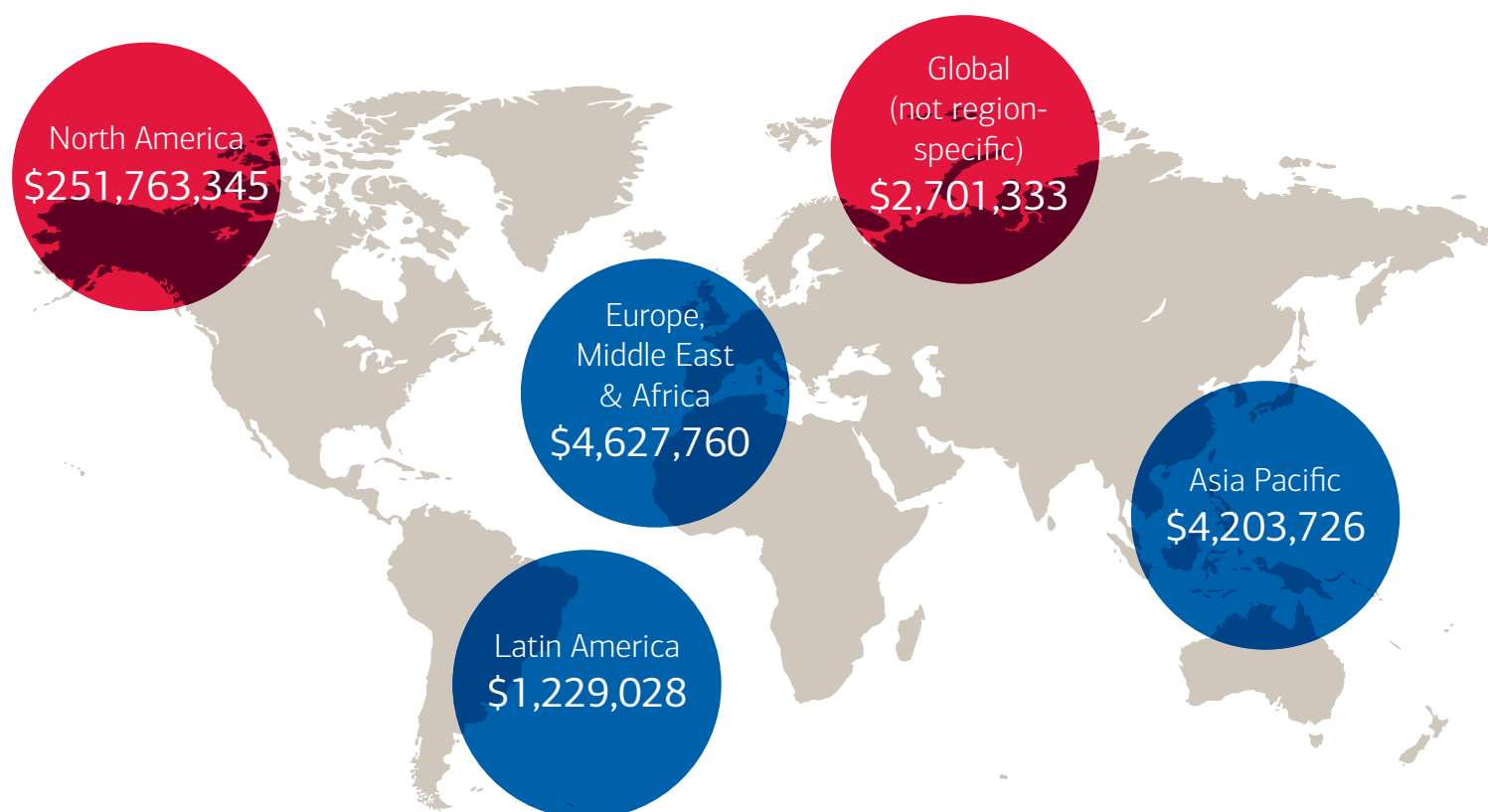
Monitoring, implementation and compliance of environmental and social agreements

FS7

Monetary value of social benefit products and services

EC9

Indirect economic impacts



\*More than \$87 million of our total philanthropic giving was from in-kind property donations. Of the 2,293 properties we donated in 2013, 804 were in support of our military program, at a cost of more than \$59 million, or 68 percent of our total in-kind donations. The remaining \$179 million was cash giving.

## CHARITABLE GIVING BREAKDOWN

### GIVING BY GEOGRAPHY

	2012	2013
<b>Total philanthropic giving</b>	<b>\$222,862,368</b>	<b>\$267,007,355</b>
North America	\$212,292,259	\$251,763,345
Latin America	\$668,000	\$1,229,028
Europe, Middle East, Africa	\$4,299,860	\$4,627,760
Asia-Pacific	\$3,173,675	\$4,203,726
Global (not region specific)	\$2,428,574	\$2,701,333

### GIVING BY AREA

	2012	2013
Community development	\$72,774,772	\$30,747,489
Workforce development & education	\$44,058,163	\$47,024,088
Critical needs	\$30,528,343	\$29,480,374
Arts & culture	\$14,277,102	\$12,054,713
Environment	\$4,555,834	\$4,715,547
Employee directed	\$29,444,311	\$30,096,804
Other	\$27,223,843	\$29,667,409

## EC1<sup>COMM</sup>

Direct economic value generated and distributed to capital providers and governments

## S01 (FSSS)

Impacts of operations on communities

## S01 (G3.1)

Local community engagement

Of our more than \$200 million in philanthropic giving in 2013, more than \$87 million was from in-kind property donations. Of the 2,293 properties we donated in 2013, 804 were in support of our military program, at a cost of more than \$59 million, or 68 percent of our total in-kind donations. The remaining \$179 million was cash giving.

We are focused on tracking the impact of our giving. In 2013, Bank of America provided \$66 million in funding to more than 3,000 nonprofits, serving 166 million individuals and families. Some examples include:

#### **Community development**

- Supporting more than 900 nonprofits with \$21 million in total funding, resulting in 24 million individuals served in low- to moderate-income communities.
- Our support contributed to the construction of affordable housing units built to green standards.

#### **Workforce development & education**

Providing \$22 million in total funding to 1,060 nonprofits, of which 93 percent serve low- to moderate-income communities with nearly nine million individuals served. Fifty-eight percent of these nonprofits help people manage their personal finances and financial goals.

#### **Basic Human Services**

Supporting nearly 1,100 nonprofits across the U.S. to provide hunger relief, assisting 133 million people with 720 million meals served in 2013.

#### **Company-wide initiatives**

**Express Your Thanks Campaign:** Through our *Express Your Thanks* campaign in 2013, more than 1 million people expressed their gratitude for the U.S. military by sharing messages of support through online and in-person venues. For each message, we made a \$1 contribution to the Wounded Warrior Project® and Welcome Back Veterans, two longstanding partner organizations that support returning veterans through education, housing and other services. The one million-plus messages resulted in a \$1 million total donation from the Bank of America Charitable Foundation to support service members reintegration to civilian life. We are approaching the needs of military service members comprehensively.

Since 2009, we have extended more than \$11 million in philanthropic funding to nonprofit organizations focused on military and veteran needs. This help has supported financial and career-building workshops supported by the Wounded Warrior Project. We have also partnered with national and local organizations, including Habitat for Humanity, Military Warrior Support Foundation and others, to donate and renovate homes for veterans, providing a stable environment as they adjust to civilian life. Since 2012, we have donated 1,000 homes to organization that provide housing solutions for veterans.

**Give A Meal:** Our philanthropic partnership with Feeding America, the leading hunger relief nonprofit in the U.S., was developed in response to the dramatic need for food assistance that individuals and families experienced during the economic downturn, and which remains an ongoing issue today. Feeding America encompasses a national network of more than 200 food banks serving people in all 50 states, and we've partnered to raise visibility and awareness around its Give A Meal program, an initiative we exclusively sponsor during the holiday season that rallies our customer base, employees and online networks to help feed more than 45 million hungry people nationwide. We're addressing the issue of hunger on a number of levels—from driving broader public awareness about this issue through the Give a Meal campaign, to providing funding to nonprofits locally and nationally, to connecting our customers and clients to events that illuminate the issue of hunger in the U.S. For example, we partnered with Participant Media to screen the documentary “A Place at the Table,” which brings the issue of hunger to life through powerful personal stories from individuals struggling to break the cycle of hunger, at special viewings for clients. We've also partnered with Feeding America to help food bank clients gain greater financial stability through our support of SNAP Outreach, providing financial empowerment materials to individuals while they secure other benefits.

#### **S01 (FSSS)**

Impacts of operations on communities

#### **S01 (G3.1)**

Local community engagement



**Leadership development:** We recognize that strong community leadership is vital to advancing economies and addressing community challenges, so we've created unique signature programs to equip local leaders with the tools and resources necessary to have a greater impact.

Since 2004, we have supported nearly 800 nonprofit organizations through our Neighborhood Builders® program, which offers a unique combination of funding and leadership training to nonprofit leaders. Aligned with our focus areas of community development, workforce development and basic human services, the program is designed to help local nonprofits and their leadership take their programs to the next level. In addition to the value of flexible funding to be directed according to the need of each nonprofit, executive directors and emerging leaders from nonprofit awardees participate in a year-long leadership program discussing issues such as leadership succession, financial management, nonprofit funding and more, building a valuable network of peer leaders. We're also helping build the next generation of community leadership, and preparing young people for success in the workforce, through our Student Leaders® program. This initiative has helped more than 2,000 community-minded U.S. high school students gain valuable skills and job experience through a paid summer internship with a local nonprofit and participation in a student leadership summit in Washington, D.C.



**Arts and culture:** As one of the world's leading corporate art supporters, Bank of America's support of the arts reflects our belief that the arts are a powerful tool to help economies thrive, to help individuals connect with each other and across cultures, and to educate and enrich societies, and a worthwhile investment to inspire our employees. We provide financial and other support to hundreds of nonprofit arts institutions worldwide, from local, community-based outreach and education programs to leading, world-class arts institutions.

In 2013, we continued our global sponsorship of the Chicago Symphony Orchestra, which included a tour throughout Asia. Our sponsorship of the *Roy Lichtenstein: A Retrospective* exhibition as it travelled from The Art Institute of Chicago to the National Gallery of Art, Washington, D.C., to the Tate Modern, London and Centre Pompidou, Paris, drew more than 1.4 million visitors. For the fifth consecutive year, we supported the Young Audiences theater program at the Kennedy Center in Washington, D.C., and The Metropolitan Opera's *HD Live in Schools* program, which provides opera education and access to students

throughout the U.S. We support arts and cultural organizations to help them reach local audiences, promote new works and offer unique experiences. A few examples of local support include the Portland Museum of Art in Portland, Maine, and the San Antonio Children's Museum in San Antonio, Texas.

We also put our art collection to work in myriad ways, from our exhibition loan program, described below, to an auction to benefit the San Francisco General Hospital, which generated more than \$1 million for that institution. Our program also includes the following unique initiatives.

- **Art in Our Communities®** — The Bank of America Art Collection is a resource from which museums and nonprofit galleries may borrow complete or customized exhibitions at no cost, which generates vital revenue for institutions. Since 2008, more than 60 exhibitions have been loaned to museums. In 2013, loaned shows included: *Ansel Adams*, World Forestry Center, Portland, Oregon; *Eye Wonder*, Cer Modern, Ankara, Turkey; and *Miradas*, Tucson Museum of Art, Tucson, Arizona.
- **Museums on Us®** — This program offers Bank of America and Merrill Lynch card holders the opportunity to visit more than 150 cultural institutions in the U.S. free of charge on the first full weekend of every month, generating additional visitors and revenue for our partner museums.
- **Bank of America Art Conservation Project** — This program has provided grants to museums in 26 countries for 58 art restoration projects including paintings, sculptures, documents, and archaeological or architectural pieces that are significant to the cultural heritage of a country or region, extending our support to cultures around the world. In 2013, the Art Conservation Project expanded once again to include 25 unique projects in 17 countries, including three iconic paintings by Jackson Pollock — *Number 1A*, 1948; *One: Number 31*, 1950; and *Echo: Number 25*, 1951 — at The Museum of Modern Art, New York; the *Watts Towers* of Simon Rodia at The Los Angeles County Museum of Art; Rembrandt's *Scholar in His Study* at the National Gallery in Prague; photographs from the personal collection of Frida Kahlo and Diego Rivera at *La Casa Azul (The Blue House)* at the Frida Kahlo Museum in Mexico City; and stone sculptures from the second century to the nineteenth century at the Beijing Stone Carving Art Museum. Additional works conserved in 2013 included ceramics from Qinglongzhen, Tang Dynasty and Song Dynasty, Shanghai Museum; ten Gerard Sekoto paintings at the Johannesburg Art Gallery, Johannesburg, South Africa; and 13 wall murals of Diego Rivera at the Detroit Institute of the Arts, Detroit, Michigan.

For more information on the bank's program of arts support, please visit: [bankofamerica.com/arts](http://bankofamerica.com/arts).

## S01 (FSSS)

Impacts of operations on communities

## S01 (G3.1)

Local community engagement



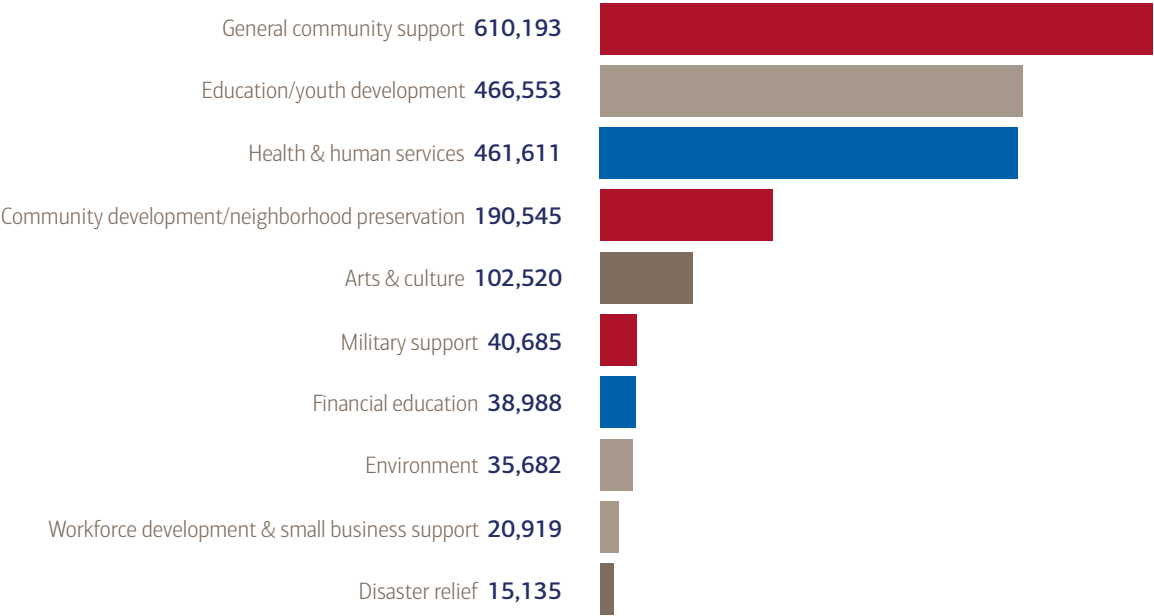
**Volunteerism:** As a business operating in communities across the U.S. and around the globe, civic engagement represents a key opportunity for us to create tangible impact and support our business strategy to foster connections with our customers, clients and stakeholders.

To better connect to communities worldwide, we set a goal for employees to achieve “2 Million Connections for Better” in 2013, building on our efforts from 2012 to reach two million volunteer hours. As part of the program, we focused on skills-based and charitable volunteering to increase the impact of our service.

Employees donated two million volunteer hours for the year through our [Employee Volunteer Program](#) (Bank of America Community Volunteers). Board service accounted for 13.7 percent of this time, with 5,260 unique employees serving on 5,525 boards in 2013.

To extend our impact, we aligned our volunteer efforts with our philanthropic priorities, focusing on issues related to housing, hunger and jobs. Our employees make a significant contribution by volunteering their time and expertise, helping to build economic success in communities across the globe.

2013 EMPLOYEE VOLUNTEER HOURS



**Total: 1,982,831 hours**

In support of our employees’ commitment to strengthening communities, the Bank of America Charitable Foundation offers a matching gift program and awards volunteer grants. In 2013, employees donated more than \$30.6 million to issues they care about, which when augmented by our matching gift program, resulted in more than \$61.2 million of community impact.

**S01 (FSSS)**

Impacts of operations on communities

**S01 (G3.1)**

Local community engagement

## 6 | Our people

*In this chapter, we provide a detailed profile of our employee population and outline our efforts to create a great experience working at our company.*

At Bank of America, we strive to be a great place to work. It's one of our company's [Operating Principles](#) and guides our business strategy and management. It is reflected in our inclusive hiring philosophy, how we treat our people, and the programs and support we offer employees to help them thrive and achieve their goals.

Our focus on the well-being of our employees is the foundation of our success, because it's our people working together around our common purpose who are making financial lives better for our customers and clients in communities across the globe.

It starts with attracting and hiring top talent from all corners of the globe, representing a true diversity of ethnicities, nationalities, backgrounds, interests and experiences.

Those who join our company find their career growth and professional development are a top priority. We provide extensive learning and development resources for every stage of an employee's career, to help ensure each employee realizes his or her full potential.

We also offer support to our employees and their families through a wide range of benefits, programs, education and counseling related to health and wellness, life management and retirement planning.

Finally, employee satisfaction and engagement is central to our management approach. We regularly seek feedback from our employees and make improvements based on their suggestions. Having strong, open lines of communication in and through every part of our company helps ensure that our people are aligned with the purpose, strategy and values of our company, empowering individuals to make the right decisions for our customers, clients and each other.

This section is organized as follows:

- Building and Fostering a Diverse Workforce
- Retaining and Developing Great Talent
- Supporting Employee Wellness, Work-Life Balance and Retirement Planning
- Listening and Taking Action to Keep Improving



*Read the complete GRI disclosures listed, starting on [page 75](#).*

**DMA LA**  
Employment

BUILDING AND FOSTERING A DIVERSE WORKFORCE

With a global workforce in more than 40 countries, diversity and inclusion — in thought, style, experience, culture, ethnicity and sexual orientation — is good for business. It helps us attract and retain talent to better reflect and serve our customers, clients and shareholders.

Our commitment to diversity and inclusion helps us to create not only a great place to work, but an environment where our employees, our customers and our communities around the world can reach their goals and connect with each other. It starts at the top with our CEO Brian Moynihan, who chairs our Global Diversity & Inclusion Council (GDIC), which is composed of senior leaders from around the world. GDIC is the chief governing body for diversity and inclusion globally. It sponsors and supports business and regional diversity and inclusion councils, and it ensures alignment on enterprise diversity and inclusion strategies and goals. The leadership of these councils has created a culture that keeps diversity and inclusion top of mind for managers throughout our organization.

We also promote diversity and inclusion through our Employee Networks. With more than 200 chapters across the globe, our networks enhance the development and engagement of more than 65,000 employee members through numerous events each year, focused on networking, mentoring and encouraging each other’s development, leadership and success.

GLOBAL WORKFORCE BY GENDER

	MALE	FEMALE	TOTAL
Number of Bank of America employees*	112,584	132,868	245,452*

\*Full- and part-time employees as of January 15, 2014

REGIONAL BREAKDOWN OF EMPLOYEES

North America	208,232
Asia Pacific	24,779
Europe, Middle East and Africa	9,964
Latin America	2,477
TOTAL	245,452

DMA LA

Employment

DMA LA

Diversity and equal opportunity

LA1

Total workforce

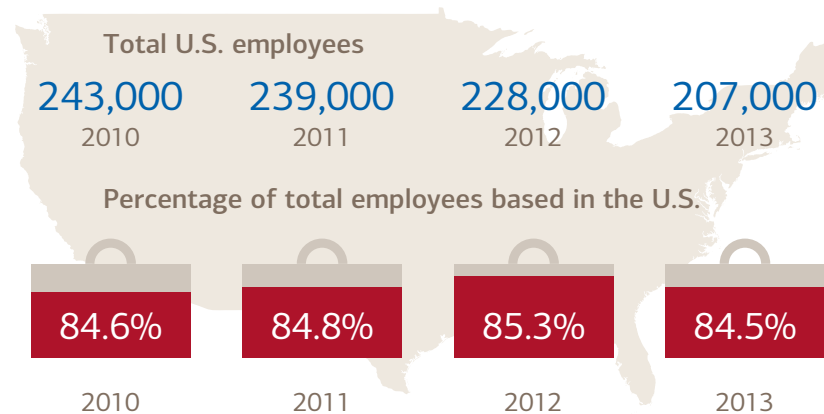
LA13

Composition of governance bodies and breakdown by employee category

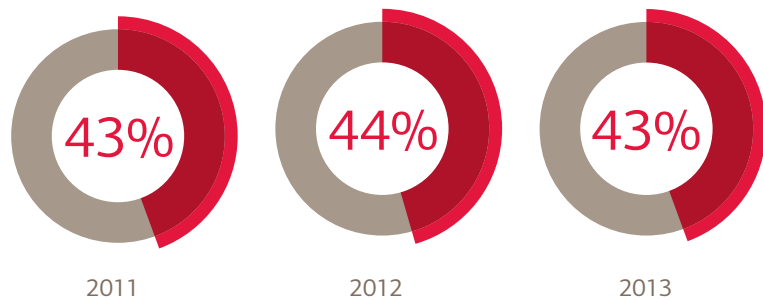




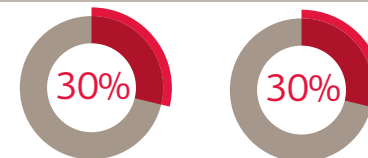
\*Full- and part-time employees



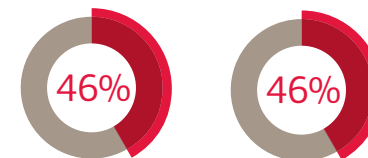
Percentage of people in the U.S. workforce that are of diverse races and ethnic backgrounds



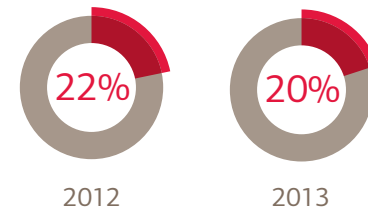
Percentage of U.S. officers and managers\* who are of diverse races and ethnic backgrounds



Percentage of U.S. workforce (excluding officers and managers\*) who are of diverse races and ethnic backgrounds



Percentage of Board of Directors who are of diverse races and ethnic backgrounds



\*\*Officers and managers" refers to executives, as well as senior, mid-, and first-level managers, who together constitute approximately 16 percent of our U.S. workforce. Other employees not included in this group include professional staff, technicians, sales workers and administrative support workers.

**DMA LA**

Employment

**DMA LA**

Diversity and equal opportunity

**LA1**

Total workforce

**LA13**

Composition of governance bodies and breakdown by employee category

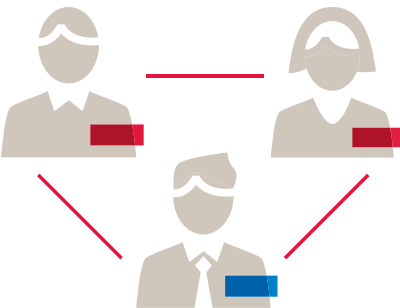
Percentage of Board of Directors who are female



Percentage of U.S. officers and managers\* who are female



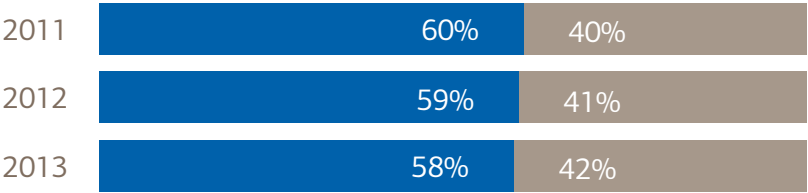
Percentage of U.S. workforce (excluding officers and managers\*) who are female



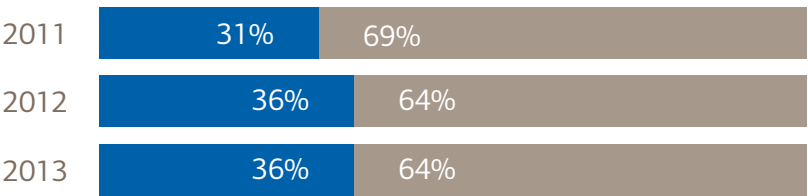
200+ Employee Network chapters

27% Participation in Employee Network chapter

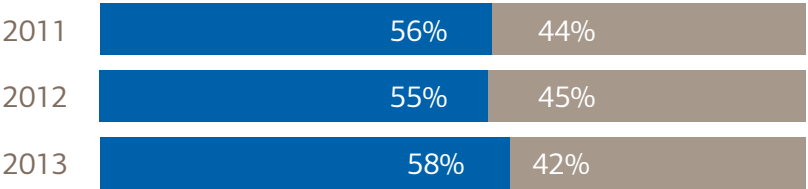
Female-to-male ratio in U.S. workforce



Female-to-male ratio on global management team



Female-to-male ratio in global workforce



DMA LA  
Employment

DMA LA  
Diversity and  
equal opportunity

LA1  
Total workforce

LA13  
Composition of  
governance bodies  
and breakdown by  
employee category

\*\*Officers and managers” refers to executives, as well as senior, mid-, and first-level managers, who together constitute approximately 16 percent of our U.S. workforce. Other employees not included in this group include professional staff, technicians, sales workers and administrative support workers.

## U.S. EMPLOYEE DIVERSITY IN 2013

JOB CATEGORY	GENDER	WHITE	BLACK/AFRICAN-AMERICAN	HISPANIC/LATINO	ASIAN	AMERICAN INDIAN/ ALASKA NATIVE	NATIVE HAWAIIAN/ OTHER PACIFIC ISLANDER	TWO OR MORE RACES	TOTAL BY GENDER	TOTAL
Executive/Sr. level officials and mgrs.	Male	2,585	81	90	181	7	1	10	2,955	<b>4,405</b>
	Female	1,256	68	44	70	9	0	3	1,450	
First/mid-level officials and mgrs.	Male	10,684	1,075	1,466	2,067	43	36	115	15,486	<b>30,607</b>
	Female	10,096	1,840	1,779	1,211	49	29	117	15,121	
Professionals	Male	25,935	1,662	1,892	5,030	114	73	345	35,051	<b>55,266</b>
	Female	13,542	2,125	1,386	2,863	65	56	178	20,215	
All Other	Male	16,379	5,455	7,962	3,462	119	218	740	34,335	<b>117,210</b>
	Female	37,378	16,957	19,443	6,905	337	381	1,474	82,875	
<b>Totals</b>	<b>Male</b>	<b>55,583</b>	<b>8,273</b>	<b>11,410</b>	<b>10,740</b>	<b>283</b>	<b>328</b>	<b>1,210</b>	<b>87,827</b>	<b>207,488</b>
	<b>Female</b>	<b>62,272</b>	<b>20,990</b>	<b>22,652</b>	<b>11,049</b>	<b>460</b>	<b>466</b>	<b>1,772</b>	<b>119,661</b>	

## ATTRACTING AND RECRUITING DIVERSE TALENT

We search for talent broadly through job listings, career fairs and employee referrals in local markets and in compliance with local and national regulations and laws. In addition, we partner with local colleges and universities in many of our markets, as well as a variety of national and global organizations, to attract the best diverse talent to our company.

Our Diversity Executive Recruiting team identifies prospective executives and connects talent to leaders within our organization. We also have increased our diversity hiring, with a focus on early candidate identification and development through partnerships with approximately 200 schools and external diversity organizations.

In 2013, we created the Black Executive Leadership Summit and the Hispanic Latino Leadership Summit, which provide our diverse leaders access to senior executives and opportunities to advance their careers. We also are planning to launch a Global Women's Conference for female leaders in 2014.

We hire employees in areas of our business where we have identified growth opportunities or require more employees to serve the needs of customers and clients. Senior management hires are based on business needs and specific position requirements. We offer support in terms of virtual and flexible work arrangement for positions that qualify.

## EC7

Local hiring

## DMA LA

Employment

## DMA LA

Diversity and equal opportunity

## LA1

Total workforce

## LA13

Composition of governance bodies and breakdown by employee category

MILITARY RECRUITING AND SUPPORT IS A TOP PRIORITY

In keeping with our commitment to support the U.S. military, we recruit military personnel and spouses, and employ nearly 7,000 veterans and reservists. We value the training, operational skills and leadership ability these men and women have developed while protecting their country. Their work ethic, integrity, trust and teamwork align with our values and make our company better. We continue to enhance our nationally recognized military recruiting efforts, and in 2013, we hired more than 2,000 employees with military experience. Once hired, we help our new teammates transition into their new roles by providing access to support networks, online resources, development opportunities and competitive benefits. For the support we provide to our employees who serve in the National Guard and Reserve, Bank of America was a recipient of the 2013 Secretary of Defense’s Employer Freedom Award. In addition, we’re furthering our commitment to hire veterans and members of the Guard and Reserve into positions throughout the company, with a goal of 10,000 new hires over the next several years.

See [Chapter 5](#) for additional information about how Bank of America is supporting returning U.S. military personnel and veterans.

**EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION STATEMENT**

**Through our equal employment opportunity and affirmative action statement, we formalize our commitment to recruiting and hiring diverse talent. This statement is as follows:**

*Bank of America and its affiliates consider for employment and hire qualified candidates without regard to race, religion, color, sex, sexual orientation, gender, gender identity, age, national origin, ancestry, citizenship, protected veteran or disability status or any factor prohibited by law, and as such affirm in policy and practice to support and promote the concept of equal employment opportunity and affirmative action, in accordance with all applicable federal, state, provincial and municipal laws. The company also prohibits discrimination on other bases such as medical condition, marital status or any other factor that is irrelevant to the performance of our teammates. Candidates must possess authorization to work in the U.S., as it is not the practice of Bank of America to sponsor individuals for work visas.*

RETAINING AND DEVELOPING GREAT TALENT

Our most important asset is our people. Our success as a company is contingent on providing the right opportunities, training and development for our employees to help them grow in their roles and continue to be rewarded for their achievements. We acknowledge the rights of each employee and the diversity of opinion represented by the communities we employ and serve. We are committed to sustaining a high-quality work environment where each employee feels valued and rewarded, so that they want to continue working at our company and deliver the level of service our customers and shareholders expect and deserve.

Wages

We use a pay-for-performance philosophy, where each employee’s compensation for the current year is determined by a number of factors, including the employee’s individual performance, the scope of their role, and company and line of business performance. Total compensation for these roles also is informed by the local market conditions and business needs. To operate a balanced and market-competitive program, we review the compensation mix for all of our employees annually.

Training and employee development

We provide training, coaching, development and mentoring to help our employees grow in their careers and expand into new roles. In 2013, nearly 22,000 employees found new job opportunities within the company. Through global learning programs, employees develop the skills they need for their job and future roles. In 2013, our employees logged 10.4 million training hours — taking advantage of the thousands of courses offered through our employee learning curriculum. Courses cover a wide range of topics, including banking and finance, sales, marketing, technology and leadership development. In the U.S., we also continue to offer our tuition reimbursement program, which provides up to \$5,250 per year for employees for both undergraduate and graduate courses that are job-related. Similar programs are offered in other countries.

We offer training to our employees on corporate, social and environmental policies and issues. In 2013, we provided more than 23,000 training hours related to diversity and inclusion through myLearning. Additionally, over 15,000 employees in 30 countries participated in our MyEnvironment program, which included more than 30 webinars and learning events across the year. For example, as part of United Nations Climate Week in March we hosted a webinar on food waste with the United Nations Environment Programme.

DMA LA

Employment

DMA LA

Labor/management relations

DMA LA

Training and education

DMA LA

Diversity and equal opportunity

DMA LA

Equal remuneration for women and men

DMA HR

Non-discrimination

4.8

Mission, values, codes of conduct, and principles

LA10

Average hours of training per year per employee by gender, and by employee category

LA11

Skills management and lifelong learning

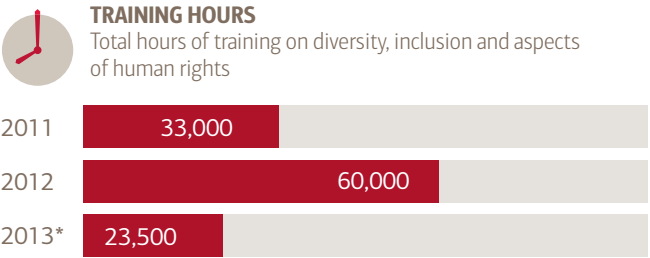
FS4

Staff training on environmental and social policies and procedures

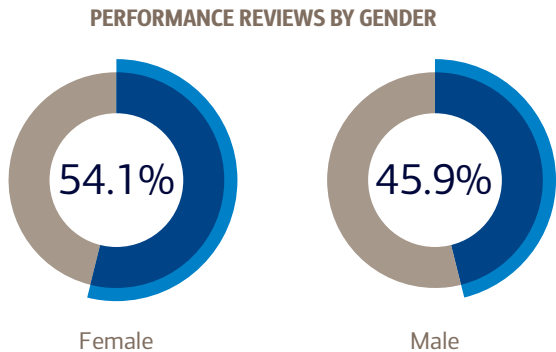
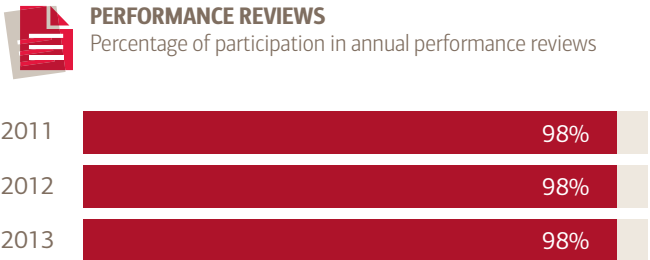
HR3

Human rights training for employees

Our Employee Networks also provided many other substantial training to participants throughout 2013.



\*The change in diversity and inclusion training hours reflects the fact that a large number of employees completed several foundational courses in 2012 that are only taken one time.



Additionally, every uniformed security officer undergoes 40 hours of training, during which human rights are covered, along with training on Bank of America’s other policies and procedures relating to our operations. In 2013, 100 percent of new security officers underwent this training.

Mandatory training is provided to all employees on the Bank of America Code of Ethics, which outlines business practices and policies that employees and directors are expected to adopt and uphold. The Code, which is grounded in our values, guides how we meet our responsibilities to customers, clients, shareholders and fellow employees.

Through our annual performance reviews, employees gain feedback on their skills and growth opportunities. We continue to ensure that the majority of our employees participate in these reviews.

**Occupational health & safety**

Bank of America takes the health and safety of our employees very seriously. We are a recognized leader among financial institutions in the implementation of best practices in safety and ergonomics. In 2013, we were named to the Dow Jones Sustainability Index based in part on Corporate Workplace, Environmental Services, Security and Insurable Risk Management’s Safety programs.

Bank of America provides extensive training in safety and injury prevention across the company, and since 2005, we have trained more than 7,000 managers to prevent injury and manage costs. We have established ergonomic design standards for our branches, offices and facilities, and at year-end 2013, had 100 safety committees across businesses.

In 2013, we conducted numerous site safety sessions and more than 1,000 telephonic ergonomics evaluations. We also established an Ergonomics Vendor Quality Program to improve ergonomics evaluations, developed an “Ergonomics and Your Work Environment” web-based training available to all employees, and developed a Safety & Injury Prevention web-based training course for Consumer Banking employees. During the year, our Safety & Injury Prevention team published four Safety Newsletters for employees and helped redesign the Security & Safety site on our internal communication’s page, providing clear and easily accessible information and resources about occupational safety and health.

- DMA LA**  
Employment
- DMA LA**  
Occupational health and safety<sub>COMM</sub>
- DMA LA**  
Training and education
- DMA HR**  
Security practices
- LA6**  
Management-worker health and safety committees
- LA10**  
Average hours of training per year per employee by gender, and by employee category
- LA11**  
Skills management and lifelong learning
- LA12**  
Performance and career development reviews
- 1.2**  
Key impacts, risks, and opportunities
- DMA EC**  
Economic performance<sub>COMM</sub>
- FS4**  
Staff training on environmental and social policies and procedures
- HR3**  
Human rights training for employees
- HR8**  
Security personnel trained on human rights

## SUPPORTING EMPLOYEE WELLNESS, WORK-LIFE BALANCE AND RETIREMENT PLANNING



### Health and wellness

We are committed to providing our employees with affordable access to quality health care while diligently addressing its rising costs. In 2013, we expanded our focus on wellness and introduced two consumer-directed health plans in the U.S. and activities to help our employees deepen their understanding of their own health.

To incentivize participation in these programs, we gave U.S. employees who enrolled a \$500 credit on annual health plan payroll contributions for 2013. Within the five-month window immediately following this enrollment period, more than 162,000 employees completed all of the assigned wellness activities, while more than 70,000 employees took direct action and engaged with a health coach or case manager to seek advice on making healthy choices and dealing with a variety of health and wellness concerns and conditions.

Following the success of the wellness activities, we launched our *Get Active!* program in 2013, an activity-based initiative that complements our existing wellness activities in response to employee feedback asking for increased physical activity. This voluntary program uses team-based challenges to help employees improve their overall health. Employees use the program's website to log their steps or exercise minutes, view team standings and show support for teammates. In the first eight-week challenge, participants could earn a reward by walking 56,000 steps per week, exercising 140 minutes per week or tracking calorie intake. Enrollment in the program exceeded expectations, with 96,000 employees participating, forming over 11,000 teams.

We continue to align the cost of health care with compensation — meaning the more employees earn, the more they pay for health care coverage. However, the bank continues to pay most of the cost for employees' medical coverage and offers health care accounts to help employees manage out-of-pocket expenses. All employees regularly scheduled to work 20 or more hours a week are eligible for health and insurance coverage. Over the past few years, the bank has reduced copayments for generic prescription drugs and offered low, fixed copayments for doctor visits under the Comprehensive Traditional Plans. We also offer employees consumer-directed health plans that allow employees to control how and when they pay for health care.

Our benefits also include Health Advocate, Condition Management and Healthy Lifestyle Coaching programs, which provide access to registered nurses and one-on-one assistance to coordinate care for complex health care needs. Through our benefits packages, a range of education, prevention and counseling programs related to serious diseases, including HIV/AIDS, cancer, a variety of cardiac and pulmonary conditions, and diabetes, are available to assist workforce members and their families.

Any eligible employee based in the U.S. who elected to cover a same-sex domestic partner and/or same-sex domestic partner's children through the company's insurance plans is eligible for a reimbursement to offset the additional required tax paid by the employee for that coverage.

### EC3

Coverage of the organization's defined benefit plan obligations

### DMA LA

Employment

### LA3

Benefits for full-time employees

## Life Management/Resources

Our Life Management/Resources programs are designed to assist employees with managing many of life's responsibilities. They include:

- **Adoption Reimbursement:** A program that provides employees up to \$8,000 annually for adoption expense reimbursement, per child.
- **Child Care Plus®:** A program that reached more than 20,000 employees and reimbursed eligible employees up to \$240 per month, per child, for childcare expenses.
- **Employee Assistance Program:** Voluntary, confidential services that reached more than 15,000 employees and their family members in 2013 to help them manage family problems, job-related issues, stress and other situations. Employees and their families also have access to LifeCare®, a free, confidential resource and referral program offering practical advice and support on topics such as financial management and parenting, and assistance finding child- and elder-care resources.
- **Commuter Benefit Program:** A program that reached more than 29,000 employees and offers employees who commute the opportunity to pay for work-related commuting expenses with pre-tax dollars.
- **Low-Carbon Vehicle Reimbursement Program:** A program in which eligible U.S. employees receive a \$3,000 reimbursement for the purchase of eligible new hybrid, highway-capable electric or compressed natural gas vehicles that emit less than 301 grams of carbon dioxide emissions per mile. In 2013, the program had more than 1,000 participants. In June, we expanded the program to the U.K., offering employees a reimbursement of £2000.
- **Back-up Care Program:** U.S.-based employees were eligible for 25 days of center-based child care when their primary caregiver was temporarily unavailable. More than 15,000 employees took advantage of the program.
- **Coming in 2014:** A new **Family Care Services** program consisting of a variety of services to help with a wide array of family care needs — such as back-up care for children and adults, professional care management for older adults or adults with special needs, and Elder Law services.

## Returning to work

We offer a range of paid and unpaid leave options to enable employees to take the time they need away from work. Parental leave policies differ from country to country. In the U.S., we provide 100 percent paid time off — up to 12 weeks for adoption, maternity and paternity leave — for eligible employees to care for and bond with a newborn or adopted child. An employee can take up to 26 weeks total paid and unpaid leave. We also offer Military Leave for eligible employees in the U.S.

We support employees who are new parents to help balance work with family life, by offering a number of programs and benefits that encourage them to return to work with Bank of America. In 2013, more than 10,000 employees took parental leave. This number includes employees who took more than one parental leave throughout the year. Approximately 98 percent of women and 99 percent of men returned to work after their leave.

## Flexible work program

Eligible employees in the U.S. can take advantage of opportunities that encourage flexibility in balancing life and work schedules, including:

- **My Work®:** A formalized plan that gives employees the opportunity to work from a variety of corporate bank locations or from wherever they are most productive as opposed to a traditional, dedicated cubicle or office.
- **Flextime and Compressed Workweeks:** A program that offers employees a flexible option to alter starting and/or departure times, or condense a full-time workweek into fewer days, and alter job responsibilities for a specific need.
- **Select Time:** A program that reduces an employee's work schedule and job responsibilities for a specific need.
- **Job Sharing:** A program that allows two non-overtime-eligible employees to share the responsibilities of one job. For example, two employees can share one full-time job and each work 20 hours a week. This program is one of many discount/resource programs offered by Bank of America.

## EC3

Coverage of the organization's defined benefit plan obligations

## DMA LA

Employment

## LA3

Benefits for full-time employees

## LA15

Return to work and retention rates

## LA8

Health education, training, counseling and prevention



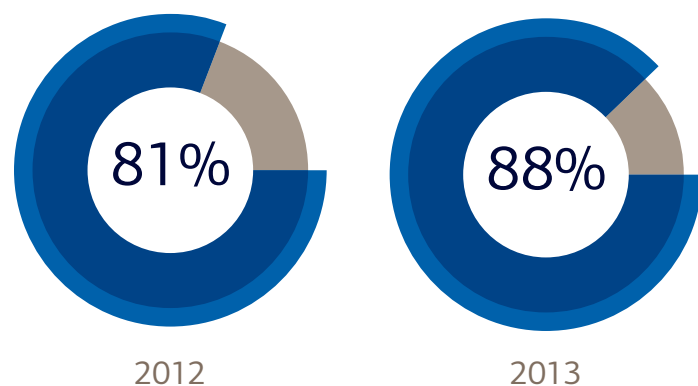
### Employee transition support

We provide support for eligible employees displaced due to workforce reductions, realignments or other changes, which may include severance pay, career transition resources and support in finding other employment opportunities inside or outside the company.

### Retirement benefits

We offer our employees a comprehensive set of retirement benefits that meet or exceed local standards. At the end of 2013, approximately 88 percent of U.S.-based employees participated in a retirement account, an increase of seven percent from the previous year.

#### PERCENT OF U.S.-BASED EMPLOYEES PARTICIPATING IN A RETIREMENT ACCOUNT



Our U.S. retirement benefits focus on the 401(k) plan, which gives employees greater control over their retirement savings by allowing them to choose how their money is invested. The plan is funded through employee payroll contributions, and the bank adds to the account through:

- Matching contributions of up to five percent of eligible compensation
- An annual company contribution of two percent or three percent of eligible compensation, based on years of vesting service

We also offer financial and educational tools to help employees develop a personal savings and retirement strategy. Through our Benefits Education & Planning Center, U.S.-based employees have access to online and one-on-one personalized confidential financial counseling through Ernst & Young at no cost. Staffed with experienced financial planners, our Benefits Education & Planning Center helps employees achieve their financial goals and make the most of our benefits, including health-related benefits.

In 2013, our employees continued to interact with these tools and services as a result of ongoing company-wide communications and the availability of interactive webinar series.

### Banking and investing resources

Our employees also have access to reduced fees for checking and savings accounts; favorable home loan, auto loan and credit card rates; discounts on investment products and services, including self-directed brokerage accounts; and financial and wealth advisors.

### LISTENING AND TAKING ACTION TO KEEP IMPROVING

We are committed to engaging our employees and continuing to improve their work and career experience by fostering open dialogue with employees about what's working well and what needs improvement. This has been critical to achieving our goal of creating a positive work environment that helps us serve our customers and clients better while building a sustainable business focused on long-term success.

Employees who are engaged and satisfied with their workplace also contribute to a positive, optimistic culture. They are more productive, delivering results for their customers and clients, and stay with the company longer. A robust employee engagement program ensuring that our people are aligned with our purpose, strategy and vision is an important tool for managing our business and empowering our people to make the right decisions for our customers, clients and each other.

Our regularly scheduled internal surveys help measure employee satisfaction and engagement. In 2013, our employee engagement score was 75 percent—a two point increase from 2012. This compares favorably to financial service industry peers. Our survey results indicate that a large majority of our employees are aligned on our values and strategic objectives, are optimistic about the company's future, and are proud to work for Bank of America.

### 4.16

Stakeholder feedback

### EC3

Coverage of the organization's defined benefit plan obligations

### DMA LA

Employment

### LA3

Benefits for full-time employees

	2012	2013
Bank of America employee engagement	73%	75%
Employees who would recommend Bank of America as a great place to work	73%	75%
Employee clarity about the strategy and direction of the company	70%	73%
Employees who feel proud to work for Bank of America	78%	79%
Employees who feel encouraged to share opinions, feedback and ideas	78%	80%
Employees who feel accountable for escalating risk	92%	93%
Employees who feel we act ethically and with integrity	92%	92%

After each survey, the management team, every line of business and every functional group review the results to evaluate our ongoing efforts to improve the employee experience. Each department forms employee satisfaction action teams to gain a deeper understanding of what is impacting survey results, prioritize issues and concerns, and develop solutions. The action team is also a vehicle to gather employee feedback on an ongoing basis on both the issues and the solutions. We know there's always room for improvement and take feedback seriously.

In addition to surveys, employees are also encouraged to share their feedback through many other mechanisms, including through direct feedback to their supervisors, regular employee town hall meetings, line of business meetings and Flagscape, our intranet website for bank employees. Through Flagscape, we run a program named "Speak Up!" that encourages all employees to share feedback, ideas, questions and success stories with management. In 2013, employees posted more than 19,000 submissions through the program. We also offer employees direct mechanisms to:

- Contact the Global Human Resources Service Center with HR-related questions
- Report ethical concerns or violations
- Contact Employee Banking & Investments for confidential solutions for Bank of America credit products
- Engage bank assistance on behalf of family members and friends (U.S. only)

Listening to our people and using their feedback to improve our work environment contributes to a healthy, fulfilling workplace and helps us create a great place to work.

## 4.16

### Stakeholder feedback

## 7 | Awards & recognition

*In this chapter we highlight the awards and recognition we received in 2013.*

In 2013, we were honored by a variety of organizations and publications for our employment and business practices. A representative sample of awards and recognitions from key areas and markets is listed below.

### ENVIRONMENT

- *The Banker* magazine named Bank of America Merrill Lynch Most Innovating in Climate Change & Sustainability, marking the third year in a row we received this award.
- Bank of America was recognized by the CDP Global 500 Climate Change Report 2013 and the CDP S&P 500 Climate Change Report 2013 for its sustainability leadership and positive progress made on behalf of economic, environmental and social issues. 2013 marked the fourth consecutive year that Bank of America had been included in the Global 500 CPLI and the S&P 500 CPLI and CDLI.
- Bank of America was listed as the Commercial Banking Sector Leader on the Climate Counts 2012-2013 Scorecard. Climate Counts is a nonprofit organization that rates corporations on their efforts toward mitigating climate change, in an effort to motivate deeper awareness among consumers.
- The bank was honored by the Environmental Protection Agency (EPA) and a group of respected nongovernmental organizations for taking a leadership role in reducing carbon pollution and addressing climate change. They received recognition in the category of Excellence in Greenhouse Gas Management (Goal Setting) because of the bank's commitment to establishing and exceeding ambitious targets for reducing its greenhouse gas emissions.

- Bank of America Merrill Lynch improved from fifth to third Leading Brokerage Firm for Integrated Research on Climate Change in the Thomson Reuters Extel and UKSIF SRI & Sustainability Survey.

### EMPLOYEES/WORKPLACE

- *Personnel Today* awarded MBNA the award for Employee Engagement, sponsored by Oakleaf Partnership.
- Bank of America was included on the Human Rights Campaign's Best Places to Work for LGBT Equality list for the seventh consecutive year with a 100% Human Rights Campaign Corporate Equality Index score.
- Bank of America was named one of the 100 Best Companies by *Working Mother* magazine for the 25th consecutive year.
- For the fourth straight year, Bank of America was recognized as one of the top 50 companies for executive women by the National Association for Female Executives.
- *Latina Style* magazine named Bank of America one of the 50 top companies for Latinas.
- Bank of America was once again named to *The Civic 50* list by the National Conference on Citizenship and Points of Light in partnership with Bloomberg LP, recognizing the most community-minded companies in the S&P 500.

### RESEARCH

- For the third straight year, Bank of America Merrill Lynch was named *Institutional Investor* magazine's Top Global Research Firm.



*Read the complete GRI disclosures listed, starting on [page 75](#).*

### 2.10 Awards

## COMMUNITY

- Bank of America was named a 2013 Secretary of Defense Employer Support Freedom Award recipient, the highest recognition given to companies for support of their employees who serve in the U.S. National Guard and Reserve. Freedom Award winners are recognized for their implementation of formal policies and informal initiatives that go above and beyond in assisting and encouraging National Guard and Reserve Service.
- Chris Heilmann of U.S. Trust honored with Alzheimer's Association, New York City Chapter award.
- Bank of America Merrill Lynch was recognized as a top affordable housing lender by *Affordable Housing Finance* magazine

## ESG

- Bank of America was recognized by the 2013 Dow Jones Sustainability Index (DJSI). This is the first time the bank has been added to both the World and North America indices of the DJSI.
- Bank of America has been a member of the FTSE4Good Index since 2003. The launch of the FTSE4Good Series in 2001 was in response to growing investor demand for Socially Responsible Investment (SRI) indices and products.
- Bank of America was ranked as the number one Leading Brokerage Firm for Thematic Research by Thomson Reuters Extel and UKSIF in their 2013 SRI & Sustainability Survey. The Survey also recognized Sarj Nahal and Valery Lucas-Leclin of Bank of America Merrill Lynch as the one and two Leading Brokerage Individuals for Thematic Research. Sarj Nahal was additionally recognized as the number one Leading Brokerage Individual for SRI Research.
- Bank of America was recognized by the Thomson Reuters Extel and UKSIF 2013 SRI and Sustainability Survey as the number two Leading Brokerage Firm for SRI & Sustainability Overall and number two Leading Brokerage Firm for SRI Research.
- *Institutional Investor* magazine recognized Bank of America as the number one provider of advice on socially responsible investing.

## CUSTOMER SERVICE

- J.D. Power and Associates recognized Merrill Edge call center customer service excellence for the third year in a row (2013).
- J.D. Power and Associates recognized Merrill Edge call center customer service excellence for the second year in a row (2012: announced 1/22/2013).

- *Private Asset Management* magazine named U.S. Trust as the recipient of its Best Private Bank — Client Service award for 2013.

## BUSINESS

- *The Banker* magazine recognized Bank of America Merrill Lynch as the Most Innovative Investment Bank of the Year 2013. They also recognized the bank as Most Innovative in Bonds, and Most Innovative in M&A.
- *Euromoney* magazine named Bank of America Merrill Lynch “Best Global Small and Medium Size Enterprises (SME) Finance House.” 2013 marks the first time the publication has introduced the SME award category.
- *Euromoney* magazine named Bank of America Merrill Lynch “Best Cash Management House in North America” as part of the Euromoney Awards for Excellence 2013.
- Bank of America Merrill Lynch's strong performance in global trade and supply chain finance has been recognized throughout the industry, highlighted recently by a number of key awards. Included in these accolades are: *Trade Finance* honored the bank as the “Best Trade Bank in the USA” and *Global Finance* magazine named the bank the “Best Trade Finance Bank in the United States.”
- Merrill Lynch Wealth Management was named Advisory Solutions Firm of the Year by Money Management Institute.
- Bank of America Merrill Lynch has been recognized by *Global Finance* magazine for the third consecutive year as the Best Overall Bank for Cash Management in North America.
- MBNA became the first U.K. credit card company to achieve Quality in Credit Management accreditation.

## TECHNOLOGY

- Bank of America was recognized recently for two innovating technology initiatives that benefit customers and clients, winning two awards at the 9th annual American Financial Technology Awards.
- In March, the “Green IT” team won the 2013 IT Team of the Year Award from *FStech*, a financial services technology publication. In partnership with the My Environment program, the team helps employees in EMEA protect the environment.
- Trade Pro, the online portal of Bank of America Merrill Lynch, was awarded “Best Use of IT in Wholesale/Transaction Banking” in the *Banking Technology* magazine 2013 Awards.

## 8 | Global Reporting Initiatives disclosures

### 3.12 Location of the Standard Disclosures

#### STANDARD DISCLOSURES PART I: Profile disclosures

1. Strategy and analysis			
Profile	Disclosure	Level of reporting	Location
1.1	Statement from the most senior decision maker of the organization.	Fully	Chapter 1, CEO Letter, <a href="#">page 2</a>
1.2	Description of key impacts, risks and opportunities.	Fully	Chapter 1, 2013 Overview, <a href="#">page 4</a> , <a href="#">pages 5-8</a>
2. Organizational profile			
Profile	Disclosure	Level of reporting	Location
2.1	Name of the organization.	Fully	Direct answer: Bank of America Corporation
2.2	Primary brands, products and services.	Fully	Chapter 2, Organizational Profile, <a href="#">pages 11-12</a>
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	<a href="#">2013 Form 10-K Filing</a> , <a href="#">page 24</a> , <a href="#">page 35</a>
2.4	Location of organization's headquarters.	Fully	Direct answer: Charlotte, North Carolina, U.S.A.
2.5	Number of countries where the organization operates, and names of countries either with major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	Chapter 2, Organizational Profile, <a href="#">pages 11-12</a> ; <a href="#">2013 Form 10-K</a> , <a href="#">page 24</a>
2.6	Nature of ownership and legal form.	Fully	Certificate of Incorporation available at <a href="http://bankofamerica.com/investor">bankofamerica.com/investor</a>
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	Chapter 2, Organizational Profile, <a href="#">pages 11-12</a> ; <a href="#">2013 Form 10-K</a> , <a href="#">page 5</a>
2.8	Scale of the reporting organization.	Fully	Chapter 2, Organizational Profile, <a href="#">pages 10-12</a> ; <a href="#">2013 Form 10-K</a> , <a href="#">page 24</a>
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	Chapter 1, Welcome and 2013 Corporate Overview, <a href="#">pages 2-4</a> ; Chapter 2, Organizational Profile, <a href="#">pages 10-12</a> ; <a href="#">2013 Form 10-K</a> , <a href="#">pages 24-26</a>
2.10	Awards received in the reporting period.	Fully	Chapter 7, Awards & Recognition, <a href="#">pages 73-74</a>

### 3. Report parameters

Profile	Disclosure	Level of reporting	Location
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	Chapter 9, Report Parameters, <a href="#">page 91</a>
3.2	Date of most recent previous report (if any).	Fully	Chapter 9, Report Parameters, <a href="#">page 91</a>
3.3	Reporting cycle (annual, biennial, etc.)	Fully	Direct answer: Annual
3.4	Contact point for questions regarding the report or its contents.	Fully	Chapter 9, Contact Us, <a href="#">page 96</a>
3.5	Process for defining report content.	Fully	Chapter 1, Materiality, <a href="#">pages 5-8</a> ; Chapter 3, Stakeholder Engagement, <a href="#">page 23</a> ; Chapter 9, Report Parameters, <a href="#">pages 91-92</a>
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	Chapter 2, Organizational Profile, <a href="#">pages 10-12</a> ; Chapter 9, Report Parameters, <a href="#">page 91</a>
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	Chapter 9, Report Parameters, <a href="#">page 91</a>
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	This report reflects the performance of wholly owned Bank of America entities and facilities
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	Chapter 9, Data Measurement, <a href="#">page 92</a> ; Chapter 4, About Our Data, <a href="#">page 41</a>
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	Restatements are clearly marked in this report, for example, calculation of water usage, <a href="#">page 34</a>
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	Direct answer: any significant changes are noted alongside data within the report.
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	Chapter 8: GRI Disclosures, <a href="#">page 75</a>
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	Chapter 9, External Assurance, <a href="#">page 92</a>

#### 4. Governance, commitments, and engagement

Profile	Disclosure	Level of reporting	Location
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	Chapter 3, Corporate Governance, <a href="#">pages 13-16</a> ; <a href="#">2014 Proxy Statement, pages 11-17</a>
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	<a href="#">2014 Proxy Statement, pages 11-12, page 19</a>
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	Chapter 3, Our Board of Directors, <a href="#">pages 15-16</a> ; Chapter 6, Workforce Diversity, <a href="#">pages 63-66</a>
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Chapter 3, Stakeholder Engagement, <a href="#">pages 23-25</a> ; <a href="#">2014 Proxy Statement, page 17</a>
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	Chapter 3, Executive Compensation, <a href="#">page 18</a> ; <a href="#">2014 Proxy Statement, page 27</a>
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	Direct answer: Bank of America's <a href="#">Code of Ethics</a> guides all staff and management on Conflicts of Interest
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Fully	Direct answer: We assess board members' capacity to guide overall company strategy, including their ability to understand environmental and social impacts. Additional information is available in our <a href="#">2014 Proxy Statement</a>
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	Chapter 3, Corporate Policies, <a href="#">pages 17-23</a> ; Chapter 4, Environmental Governance, Policies and Practices, <a href="#">pages 38-41</a> ; Chapter 6, Equal Employment Opportunity, <a href="#">page 67</a>
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	Chapter 3, Our Approach to Sustainability, <a href="#">pages 20-22</a>
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	Chapter 3, Executive Compensation, <a href="#">page 18</a> ; <a href="#">2014 Proxy Statement, page 27</a>
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	Chapter 3, Precautionary Approach, <a href="#">page 20</a>
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	Chapter 3, Our Approach to Sustainability, <a href="#">pages 20-22</a>



#### 4. Governance, commitments, and engagement

Profile	Disclosure	Level of reporting	Location
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: *Has positions in governance bodies; *Participates in projects or committees; *Provides substantive funding beyond routine membership dues; or *Views membership as strategic.	Fully	Chapter 3, Advocacy and Memberships, <a href="#">page 25</a>
4.14	List of stakeholder groups engaged by the organization.	Fully	Chapter 3, Stakeholder Engagement, <a href="#">pages 23-25</a>
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Chapter 3, Stakeholder Engagement, <a href="#">pages 23-25</a>
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	Chapter 3, Stakeholder Engagement, <a href="#">pages 23-25</a>
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	Chapter 1, Materiality, <a href="#">pages 5-8</a> ; Chapter 6, Listening and Taking Action to Keep Improving, <a href="#">pages 71-72</a> ; Chapter 9, External Review Committee Feedback, <a href="#">pages 93-96</a>

## STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

G3.1 FSSS DMAs	Disclosure	Level of reporting	Location
DMA PS	Disclosure on management approach PS		
Aspects	Product portfolio	Fully	Chapter 3, Chapter 4, Chapter 5
FS1	Policies with specific environmental and social components applied to business lines.	Fully	Chapter 3, Corporate Policies, <a href="#">page 18</a> , Our Approach to Sustainability, <a href="#">pages 20-22</a> ; Chapter 4, Environmental Policy Updates, <a href="#">pages 39-40</a>
FS2	Procedures for assessing and screening environmental and social risks in business lines.	Fully	Chapter 4, Vendors and the Environment, <a href="#">page 40</a>
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	Fully	Chapter 4, Environmental Governance, Policies and Practices, <a href="#">pages 38-41</a> ; Chapter 5, Community Development Lending and Investing, <a href="#">pages 47-50</a>
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	Fully	Chapter 3, Corporate Policies, <a href="#">page 17</a> ; Chapter 6, Training and Employee Development, <a href="#">pages 67-68</a>
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	Fully	Chapter 3, Corporate Policies, <a href="#">pages 17-23</a> , Our Approach to Sustainability, <a href="#">pages 20-22</a> ; Chapter 4, Vendors and the Environment, <a href="#">page 40</a> ; Chapter 5, Developing Financial Know-How and Better Money Habits, <a href="#">page 54</a>
	Audits	Fully	Chapter 3, Audits, <a href="#">page 22</a>
	Active ownership	Fully	Chapter 3, Voting Policies, <a href="#">page 22</a>
DMA EC	Disclosure on management approach EC		
Aspects	Economic Performance <sub>COMM</sub>	Fully	Chapter 1, Chapter 2, Chapter 5
	Market presence	Fully	Chapter 2, Chapter 5
	Indirect economic impacts	Fully	Chapter 3, Chapter 5
DMA EN	Disclosure on management approach EN		
Aspects	Materials	Fully	Chapter 4, Paper, <a href="#">page 34</a>
	Energy	Fully	Chapter 4, Emissions, <a href="#">pages 32-33</a> ; LEED, <a href="#">page 34</a>
	Water	Fully	Chapter 4, Water, <a href="#">page 34</a>

G3.1 FSSS DMAs			
	Disclosure	Level of reporting	Location
DMA EN	Disclosure on management approach EN		
	Biodiversity	Fully	Chapter 4, Biodiversity, <a href="#">page 40</a>
	Emissions, effluents and waste	Fully	Chapter 4, Greenhouse Gas Emissions, <a href="#">pages 32-33</a> ; Waste Management & Recycling, <a href="#">page 35</a>
	Products and services	Fully	Chapter 1, Materiality, <a href="#">pages 5-8</a> ; Chapter 2, ESG Investment Solutions, <a href="#">page 22</a> ; Chapter 4, Transformational Finance, <a href="#">pages 27-31</a>
	Compliance	Fully	Chapter 4, Compliance Procedures, <a href="#">page 41</a>
	Transport	Fully	Chapter 4, Scope 3 Emissions, <a href="#">pages 32-33</a>
	Overall	Fully	Chapter 4, Environmental Sustainability, <a href="#">page 26</a> ; Our Operations, <a href="#">pages 31-35</a> ; Environmental Governance, Policies and Practices, <a href="#">page 38</a>
DMA LA	Disclosure on management approach LA		
Aspects	Employment	Fully	Chapter 6, Our People, <a href="#">pages 62-72</a>
	Labor/management relations	Fully	Chapter 3, Code of Ethics, <a href="#">page 17</a> ; Chapter 6, Retaining and Developing Great Talent, <a href="#">page 67</a>
	Occupational health and safety <sub>COMM</sub>	Fully	Chapter 6, Occupational Health & Safety, <a href="#">page 68</a>
	Training and education	Fully	Chapter 6, Training and Employee Development, <a href="#">pages 67-68</a>
	Diversity and equal opportunity	Fully	Chapter 6, Building and Fostering a Diverse Workforce, <a href="#">pages 63-67</a>
	Equal remuneration for women and men	Fully	Chapter 6, Wages, <a href="#">page 67</a>
DMA HR	Disclosure on management approach HR		
Aspects	Investment and procurement practices	Fully	Chapter 3, Code of Ethics, <a href="#">page 67</a>
	Non-discrimination	Fully	Chapter 3, Code of Ethics, <a href="#">page 17</a> ; Chapter 6, Equal Employee Opportunity, <a href="#">page 67</a>
	Freedom of association and collective bargaining	Fully	Chapter 6, Retaining and Developing Great Talent, <a href="#">page 67</a>
	Child labor	Not	Not applicable

G3.1 FSSS DMAs		Disclosure	Level of reporting	Location
DMA HR		Disclosure on management approach HR		
Aspects	Prevention of forced and compulsory labor		Not	Not applicable
	Security practices		Fully	Chapter 6, Training and Employee Development, <a href="#">pages 67-68</a>
	Indigenous rights		Not	Not applicable
	Assessment		Not	Not applicable
	Remediation		Not	Not applicable
DMA SO		Disclosure on management approach SO		
Aspects	Local communities		Fully	Chapter 3, Code of Ethics, <a href="#">page 17</a> ; Chapter 5
	Corruption		Fully	Chapter 3, Anti-Corruption, <a href="#">page 19</a>
	Public policy		Fully	Chapter 3, Public Policy Engagement, <a href="#">page 19</a>
	Anti-competitive behavior		Fully	<a href="#">2013 Form 10-K</a> , pages 225-233
	Compliance		Fully	Chapter 3, Corporate Policies, <a href="#">pages 17-23</a>
DMA PR		Disclosure on management approach PR		
Aspects	Customer health and safety		Not	Not applicable
	Product and service labeling		Fully	Chapter 3, Fair Design and Sale of Banking Products and Solutions, <a href="#">page 20</a>
FS15	Policies for the fair design and sale of financial products and services		Fully	Chapter 3, Fair Design and Sale of Banking Products and Solutions, <a href="#">page 20</a>
	Marketing communications		Fully	Chapter 3, Fair Design and Sale of Banking Products and Solutions, <a href="#">page 20</a>
	Customer privacy		Partially	Chapter 1, Materiality, <a href="#">page 6</a>
	Compliance		Fully	Chapter 3, Fair Design and Sale of Banking Products and Solutions, <a href="#">page 20</a>

## STANDARD DISCLOSURES PART III: Performance Indicators

Product and service impact			
Indicator	Disclosure	Level of reporting	Location
Product portfolio			
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	Fully	Chapter 2, Organization Profile, <a href="#">pages 10-12</a> ; Chapter 5, Community Development Lending and Investing, <a href="#">pages 47-57</a> ; 2013 Form 10-K, <a href="#">pages 35-50</a>
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	Fully	Chapter 5, <a href="#">pages 47-57</a>
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	Fully	Chapter 4, <a href="#">pages 27-31</a>
Audit			
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	Partially	Chapter 3, Audits, <a href="#">page 22</a>
Active ownership			
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	Not	Proprietary Information
FS11	Percentage of assets subject to positive and negative environmental or social screening.	Not	Proprietary Information
FS12	Voting policy(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	Fully	Chapter 3, Voting policies, <a href="#">page 22</a>
Economic performance			
EC1 <sub>COMM</sub>	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	Revenue: Chapter 2, <a href="#">page 11</a> ; Social value through lending, investing and giving: Chapter 5, <a href="#">page 47</a> and <a href="#">page 58</a>
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	Chapter 4; <a href="#">pages 27-31</a> detail the business opportunities for Bank of America in helping clients address climate change, <a href="#">pages 31-45</a> detail the actions Bank of America is taking to manage its own operations in response to potential risks and opportunities presented by climate change
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	Chapter 6, Supporting Employee Wellness, Life Balance and Retirement Planning, <a href="#">pages 69-71</a>
EC4	Significant financial assistance received from government.	Fully	Direct answer: Bank of America did not benefit from any direct capital or liquidity assistance from the U.S. government in 2013

Economic			
Indicator	Disclosure	Level of reporting	Location
Market presence			
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Not	Proprietary Information
EC6	Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation.	Partially	Chapter 5, Community-Based Suppliers, <a href="#">pages 52-53</a>
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Partially	Chapter 6, Attracting and Retaining Diverse Talent, <a href="#">page 66</a>
Indirect economic impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	Chapter 4, Transformational Finance, <a href="#">pages 27-31</a> ; Chapter 5, Affordable Housing, <a href="#">pages 47-48</a> , Economic Development Activities, <a href="#">page 50</a>
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	Chapter 5, Mitigating Negative Externalities, <a href="#">pages 55-57</a>
Environmental			
Indicator	Disclosure	Level of reporting	Location
Materials			
EN1	Materials used by weight or volume.	Fully	Chapter 4, About Our Data: Material Usage, <a href="#">page 43</a>
EN2	Percentage of materials used that are recycled input materials.	Fully	Chapter 4, About Our Data: Material Usage, <a href="#">page 43</a>
Energy			
EN3	Direct energy consumption by primary energy source.	Fully	Chapter 4, About Our Data: Direct and Indirect Energy Consumption, <a href="#">page 43</a>
EN4	Indirect energy consumption by primary source.	Fully	Chapter 4, About Our Data: Direct and Indirect Energy Consumption, <a href="#">page 43</a>
EN5	Energy saved due to conservation and efficiency improvements.	Fully	Chapter 4, About Our Data: Reductions in Greenhouse Gas Emissions and Energy Consumption, <a href="#">page 41</a>
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	Chapter 4, Transformational Finance, <a href="#">pages 27-31</a>
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	Chapter 4, Our Operations, <a href="#">pages 31-35</a> ; About Our Data: Indirect Energy Consumption, <a href="#">page 43</a>

Environmental			
Indicator	Disclosure	Level of reporting	Location
Water			
EN8	Total water withdrawal by source.	Fully	Chapter 4, About Our Data: Water, <a href="#">page 44</a>
EN9	Water sources significantly affected by withdrawal of water.	Not	Not a material issue
EN10	Percentage and total volume of water recycled and reused.	Fully	Chapter 4, About Our Data: Water, <a href="#">page 44</a>
Biodiversity			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not	Not relevant because there is no land owned in protected areas.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Partially	Chapter 4, Biodiversity, <a href="#">page 40</a>
EN13	Habitats protected or restored.	Not	Not relevant
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Partially	Chapter 4, Biodiversity, <a href="#">page 40</a>
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not	Not relevant
Emissions, effluents and waste			
EN16 <sub>COMM</sub>	Total direct and indirect greenhouse gas emissions by weight.	Fully	Chapter 4, About Our Data: Greenhouse Gas Emissions, <a href="#">pages 41-42</a>
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	Chapter 4, About Our Data: Greenhouse Gas Emissions, <a href="#">page 43</a>
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	Chapter 4, Greenhouse Gas Emissions, <a href="#">pages 32-33</a> ; About Our Data- Reductions in Greenhouse Gas Emissions and Energy Consumption, <a href="#">page 41</a>
EN19	Emissions of ozone-depleting substances by weight.	Fully	Chapter 4, About Our Data: NO <sub>x</sub> , SO <sub>x</sub> , and Other Significant Air Emissions from Direct Combustion, <a href="#">page 43</a>
EN20	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions by type and weight.	Fully	Chapter 4, About Our Data: NO <sub>x</sub> , SO <sub>x</sub> , and Other Significant Air Emissions from Direct Combustion, <a href="#">page 43</a>
EN21	Total water discharge by quality and destination.	Fully	Chapter 4, About Our Data: Water, <a href="#">page 44</a>
EN22 <sub>COMM</sub>	Total weight of waste by type and disposal method.	Fully	Chapter 4, About Our Data: Waste, <a href="#">page 44</a>
EN23	Total number and volume of significant spills.	Fully	Chapter 4, About Our Data: Compliance, <a href="#">page 45</a>



## Environmental

Indicator	Disclosure	Level of reporting	Location
Emissions, effluents and waste			
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Fully	Direct answer: The total weight of hazardous waste exported by Bank of America is zero.
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Fully	Direct answer: The requested information is not material to the bank's operations, because we only discharge to municipal treatment systems.
Products and services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	Chapter 4, Transformational Finance, <a href="#">pages 27-31</a> ; Chapter 4, <a href="#">Paper, page 34</a>
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Fully	Direct answer: Bank of America does not manufacture products sold in packaging; therefore, this is not applicable.
Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	Chapter 4, Environmental Fines, <a href="#">page 41</a>
Transport			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Fully	Chapter 4, About Our Data: Greenhouse Gas Emissions, <a href="#">pages 41-43</a> ; Transportation, <a href="#">page 45</a>
Overall			
EN30	Total environmental protection expenditures and investments by type.	Fully	Chapter 4, About Our Data: Environmental Spend, <a href="#">page 45</a>

## Social: Labor practices and decent work

Indicator	Disclosure	Level of reporting	Location
Employment			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Partially	Chapter 6, Building and Fostering a Diverse Workforce, <a href="#">pages 63-66</a>
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Not	Confidential information
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	Chapter 6, Supporting Employee Wellness, Life Balance and Retirement Planning, <a href="#">pages 69-71</a>
LA15	Return to work and retention rates after parental leave, by gender.	Fully	Chapter 6, Returning to Work, <a href="#">page 70</a>
Labor/management relations			
LA4	Percentage of employees covered by collective bargaining agreements.	Partially	<a href="#">2013 Form 10-K Filing, page 2</a>
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Not	Proprietary Information
Occupational health and safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Partially	Chapter 6, Occupational Health & Safety, <a href="#">page 68</a>
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Not	Proprietary information
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	Chapter 6, Life Management Resources, <a href="#">page 70</a>
LA9	Health and safety topics covered in formal agreements with trade unions.	Not	Not applicable
Training and education			
LA10	Average hours of training per year per employee by gender, and by employee category.	Partially	Chapter 6, Training and Employee Development, <a href="#">pages 67-68</a>
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	Chapter 6, Training and Employee Development, <a href="#">pages 67-68</a>
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Partially	Chapter 6, Training and Employee Development, <a href="#">page 68</a>

## Social: Labor practices and decent work

Indicator	Disclosure	Level of reporting	Location
Diversity and equal opportunity			
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	Chapter 6, Building and Fostering a Diverse Workforce, <a href="#">pages 63-66</a>
Equal remuneration for women and men			
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Not	Proprietary Information

## Social: Human rights

Indicator	Disclosure	Level of reporting	Location
Investment and procurement practices			
HR1 <sub>COMM</sub>	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Not	Not applicable
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Partially	Direct answer: By the nature of our business, our company is not a major producer of goods and therefore this is not a statistic we track. However, our <a href="#">Code of Ethics</a> guides our operations and business and partnership decisions. Mandatory training is provided to all employees on the Bank of America Code of Ethics.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Fully	Chapter 6, Training and Employee Development, <a href="#">pages 67-68</a>

## Non-discrimination

HR4	Total number of incidents of discrimination and corrective actions taken.	Not	Proprietary Information
Freedom of association and collective bargaining			
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Partially	Direct answer: No U.S.-based employees are subject to collective bargaining agreements.

## Child labor

HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Not	Not applicable. By the nature of our business, our company is not a major producer of goods, and therefore this is not a statistic we track
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Social: Human rights			
Indicator	Disclosure	Level of reporting	Location
Prevention of forced and compulsory labor			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Not	Not available. By the nature of our business, our company is not a major producer of goods, and therefore this is not a statistic we track
Security practices			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	Chapter 6, Training and Employee Development, <a href="#">pages 67-68</a>
Indigenous rights			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not	Not applicable
Assessment			
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Not	Not available for disclosure
Remediation			
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Not	Confidential information
Social: Society			
Indicator	Disclosure	Level of reporting	Location
Local communities			
S01 (FSSS)	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Fully	Chapter 5, Social Impact, <a href="#">pages 46-61</a>
S01 (G3.1)	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Fully	Chapter 5, Social Impact, <a href="#">pages 46-61</a>
FS13	Access points in low-populated or economically disadvantaged areas by type.	Fully	Chapter 5, Access to Financial Services, <a href="#">pages 53-55</a>
FS14	Initiatives to improve access to financial services for disadvantaged people.	Fully	Chapter 5, Small Businesses, <a href="#">page 48</a> , Community Development Financial Institutions, <a href="#">page 51</a> , Access to Financial Services, <a href="#">pages 53-55</a>
S09	Operations with significant potential or actual negative impacts on local communities.	Fully	Chapter 5, Mitigating Negative Externalities, <a href="#">pages 55-57</a>
S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Fully	Chapter 5, Mitigating Negative Externalities, <a href="#">pages 55-57</a>

## Social: Society

Indicator	Disclosure	Level of reporting	Location
Corruption			
S02	Percentage and total number of business units analyzed for risks related to corruption.	Fully	Direct answer: 100 percent of business units are analyzed for risks related to corruption
S03	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	Direct answer: 100 percent of Bank of America employees are trained in anticorruption policies as part of Bank of America's Code of Ethics training
S04	Actions taken in response to incidents of corruption.	Partially	Chapter 3, Anti-Corruption, <a href="#">page 19</a>
Public policy			
S05	Public policy positions and participation in public policy development and lobbying.	Fully	Chapter 3, Public Policy Engagement, <a href="#">page 19</a>
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	Chapter 3, Public Policy Engagement, <a href="#">page 19</a>
Anti-competitive behavior			
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	<a href="#">2013 Form 10-K</a> , pages 225-233
Compliance			
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	<a href="#">2013 Form 10-K</a> , pages 225-233

## Social: Product responsibility

Indicator	Disclosure	Level of reporting	Location
Customer health and safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Not	Not applicable. As a financial services company, Bank of America does not manufacture and package consumer products. The requested information on the health and safety impacts of products and services is therefore not applicable to the business operations of Bank of America.
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not	Not applicable. As a financial services company, Bank of America does not manufacture and package consumer products. The requested information on the health and safety impacts of products and services is therefore not applicable to the business operations of Bank of America.
Product and service labeling			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Not	Not applicable
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not	Not applicable
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	Chapter 3, Customer and Client Engagement, <a href="#">page 23</a>
FS16	Initiatives to enhance financial literacy by type of beneficiary.	Fully	Chapter 1, Materiality, <a href="#">pages 5-8</a> ; Chapter 5, Access to Financial Services, <a href="#">pages 53-55</a>
Marketing communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	Direct answer: Bank of America has a robust internal process that reviews marketing communications and aims to ensure compliance with laws and voluntary codes.
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Not	Proprietary information
Customer privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Not	Proprietary Information
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	<a href="#">2013 Form 10-K</a> , pages 225-233

## 9 | Report parameters

*In this chapter we explain the parameters of this report including report content, materiality, data measurement, assurance and external review.*

In 2014, we are providing information on Bank of America's CSR activities in two main formats:

- **CSR Report:** Responds directly to the Global Reporting Initiative (GRI) 3.1 sustainability reporting guidelines as well as the Financial Services Sector Supplement. It provides extensive impact data, detailed examples, and an explanation of our approach to managing a range of our most material environmental, social and governance (ESG) issues. Our Executive Summary also provides data, examples, and an explanation of our approach to managing a range of our most material environmental, social and governance (ESG) issues in a more succinct format.
- **Website:** Additional information, news and case studies related to CSR at Bank of America can be found on our website at [bankofamerica.com/about](http://bankofamerica.com/about). Our website also hosts quarterly and annual financial reports, U.S. Securities and Exchange Commission (SEC) filings and executive presentations, as well as environmental sustainability reports and other relevant news, reporting and analysis.

We provide additional environmental, social and governance information through our annual submissions to the Carbon Disclosure Project, our 2013 Annual Report, our 2013 proxy filing and our online newsroom. Also, as an Equator Principles Financial Institution, we consider the social and environmental impacts of the development projects we finance and report annually on our work.

A team from across Bank of America's business lines and corporate functions was responsible for drafting this report, published in June 2014. It provides an account of Bank of America's CSR work and business impacts between January 1 and December 31, 2013. Our last CSR Report covered 2012, and was published in June 2013.

This report aims to present pertinent information about the global business of Bank of America and its major subsidiaries including Merrill Lynch Global Wealth Management, U.S. Trust and Bank of America Merrill Lynch, in more than 40 countries and across our six business divisions, as described in our [2013 Form 10-K](#). It also discusses important social, environmental and economic impacts in key geographies. Our CSR report should be reviewed alongside the 2013 Bank of America annual financial report, where we provide additional facts, figures and analysis.



*Read the complete GRI disclosures listed, starting on [page 75](#).*

- 3.6**  
Boundary of the report
- 3.7**  
Scope or boundary limitations of the report
- 3.1**  
Reporting period
- 3.2**  
Date of last report
- 3.5**  
Process for defining report content



### Materiality assessment

For the purposes of CSR activities, Bank of America's standard of materiality is as follows: *Issues that have a direct and indirect impact on stakeholders' decisions to do business with Bank of America as a customer, client, investor, employee or community partner.* A full discussion of our materiality assessment process and material issues is provided in [Chapter 1](#).

### Data measurement

WSP Environment & Energy USA was responsible for the collection of environmental performance indicators including greenhouse gas emissions, energy consumption, waste generation and water usage. Wherever possible, data was collected in conformance with GRI principles. Non-environmental data was collected by teams embedded across our business lines and functions, including Human Resources, The Bank of America Charitable Foundation, and Procurement. The completeness and accuracy of this data was thoroughly checked in accordance with Bank of America's internal line of business, legal and compliance review process.

### External assurance

Bureau Veritas North America (BVNA) conducted an independent review to confirm the accuracy and reliability of environmental data presented in [Chapter 4](#). Additionally, Bureau Veritas evaluated other reported data (e.g., economic, social, human rights, society, product responsibility) against the principles of the GRI Reporting Framework as defined in the GRI G3.1 Sustainability Reporting Guidelines (see Bureau Veritas North America's statement).

Our 2013 financial reporting was audited by PricewaterhouseCoopers, LLP, an independent, registered public accounting firm.

### External review committee summary

We engaged Business for Social Responsibility (BSR) to bring together a group of external stakeholders to review a draft of the full report and provide feedback and recommendations for improvement.

The Committee included representatives from:

- Committee to Encourage Corporate Philanthropy\*
- F&C Investments
- Harvard Initiative for Responsible Investment
- Trillium Asset Management
- The Initiative for Global Environmental Leadership, The Wharton School, University of Pennsylvania\*
- Nicholas Institute for Environmental Policy Solutions, Duke University\*
- Ceres\*
- Enterprise Community Partners\*
- REDF\*
- United Way\*

\*indicates organizations with which the bank has had a relationship, either through financial support, in-kind support assistance, or an organizational membership

The following highlights the feedback provided by stakeholders as part of this process, and our response.

### 3.5

Process for defining report content

### 3.9

Data measurement techniques

### 3.13

External assurance

**Balanced reporting**

In addition to a discussion of achievements, Bank of America should include a candid discussion of the challenges faced in 2013 and how they were addressed.

The bank's reporting around community development was perceived to be too general and lacking sufficient detail on impact.

The environmental section is strong, as it provided good detail on progress achieved.

**Recommendation**

Feedback suggested balancing the discussion of the bank's achievements with a more comprehensive discussion of the challenges related to the bank's sustainability efforts. This will give the report more credibility with stakeholders, and the discussion of achievements will be perceived as more balanced and authentic. Stakeholders commented that the level of detail reported for issues should be commensurate with the material importance of those issues. Stakeholders specifically commented that the community development reporting is less robust compared to the environmental sustainability reporting.

**Bank of America response**

In response to this feedback we have provided additional information on the challenges we have faced related to our sustainability efforts in the Welcome section of our report, and also those that apply more specifically to certain aspects of our CSR activities within the relevant chapters.

We are continuing to work to provide more information in our community development reporting, and we encourage stakeholders interested in learning our about these activities to visit our website for more detailed information.

**Context**

Situating Bank of America's CSR activities in the context of broader societal challenges and in relationship to its own activities (e.g. reporting percentages of a whole in addition to absolute numbers) is key to understanding the bank's CSR progress and to building credibility for the bank's disclosures.

**Recommendation**

In the 2012 CSR Report, in addition to describing CSR achievements, Bank of America includes a discussion of macro-trends faced by the bank and the financial services industry as a whole. This framing is important as it provides a contextual platform for Bank of America's CSR activities that is not present in the 2013 Report. The recommendation is to bolster the discussion of the bank's operating context, including climate change, inequality, and other challenges facing financial services sector at large, such as litigation and lack of public confidence. In addition to external context, the Report would be strengthened by adding more detail on the bank's internal operating context. For example, stakeholders suggest that reporting on achievements as a percentage of a whole is more effective than reporting absolute numbers and, as relevant, reporting year over year trends can demonstrate progression/regression.

**Bank of America response**

We have provided additional information on the external context of our CSR activities to better demonstrate our thinking and the impact of the bank's programs, including information on global trends for the industry and global issues of interest to investors.

Within the Social Impact chapter, we have added information on the total number of people who were unbanked in the U.S. and how many of these people were reached by our programs.

We continue to report on our internal context by offering data from prior years and explaining the change or progression of these numbers.

## Materiality

The report provided a relatively comprehensive view of material issues, however, the report should include a more thorough discussion of how the materiality process is conducted as well as the ways in which material issue influence strategy and goal setting.

## Recommendation

The bank briefly describes the process by which material issues were identified and prioritized, and includes a list of 24 material issues. A robust materiality process would include a more detailed discussion of the issue identification and prioritization process, and would describe how the results of the materiality analysis inform Bank of America's business strategy. As a materiality process is dynamic, addresses emerging issues, and is a key input for strategy, the Bank should consider engaging in a broader materiality process in the near future.

## Bank of America response

As we continue to conduct materiality assessments annually to help frame our CSR report content, we are looking to enhance and refine our analyses and processes, and believe that we have made progress from last year and years prior. Within the bank, we continue to discuss ways to improve in the future.

## Transparency and disclosure

Disclosure should be enhanced on several issues that were deemed material to the bank.

## Recommendation

Several items identified as material by Bank of America require additional transparency and disclosures. These disclosures would serve to link the Bank's activities to the overall CSR goals and to make the business case for CSR. These include to:

- Provide a more comprehensive discussion of systemic risk management, including the governance and management systems used to implement and manage the practice across the bank.
- Be more specific on disclosure of the bank's lobbying activities, including goals and costs.
- Bolster qualitative and quantitative reporting on the impact of community development activities and new products and services such as SafeBalance.
- Report greater detail on the financial impacts of 'Transformational Finance' initiatives.

## Bank of America response

In this year's report we have included significant new information around our updated Risk Framework and the various ways we have ensured that a strong culture of rigorous risk management is the obligation of every employee. Additional disclosure on this sensitive subject may have the unintended consequence of undermining the purpose of our Risk Framework, which is to maintain a robust internal system and network of controls that is by nature proprietary.

Specific disclosure of political and lobbying positions, activities, goals and costs does not lie within the scope of this report.

We have in response to this feedback provided additional quantitative reporting on community development impacts, but the SafeBalance account cited is a 2014 product and at the time of this report's publication not yet offered on a national basis.

## 4.16

Stakeholder feedback

## Performance

The bank's environmental sustainability achievements were well-reported, and stakeholders encourage the bank to strive for more ambitious environmental achievements.

## Recommendation

Stakeholders largely agree that both the bank's achievements against its environmental goals and the reporting and disclosures related to its environmental activities are among the strongest elements of the CSR Report. The bank should use these accomplishments and momentum to continue to set and execute against ambitious environmental goals, such as the reduction of financed emissions. The bank should consider using its environmental strategy as a roadmap for strengthening other elements of its CSR strategy and reporting, including community development.

## Bank of America response

The report provides an overview of our strategy and goals in all areas, including environmental sustainability and community development. We continue to set new goals and targets for our CSR activities, when and where possible, and share best practices across the enterprise for developing and then working against these goals.

## Sustainability Governance and Integration

The Report would benefit from additional discussion of the level of integration the CSR strategy has achieved within the business, and stakeholders expect deeper discussion of the CSR governance activities from Bank of America's leadership.

## Recommendation

The Report includes a useful CSR Governance Structure diagram and describes the establishment of a Global CSR Committee, reporting to the Governance Committee of the Board. This was a noted improvement over 2012. However, the report does not fully describe this group's responsibilities, strategy or authority. To strengthen the Report, recommendations were to include a discussion of how sustainability is integrated into the Bank's corporate strategy, as well as a discussion of successes and challenges related to embedding sustainability into the business.

Additionally, the CEO letter should be improved. The letter should set the right tone as the introduction and framing not only of the CSR Report, but of the bank's CSR activities and commitments overall.

## Bank of America response

In response to this feedback, we will continue to strengthen the ways in which we describe the responsibilities of the Council and the integration of sustainability into the bank's corporate strategy.

Information on the Global CSR Committee has been updated and clarified to reflect changes in the Committee charter.

## 4.16

Stakeholder feedback

## Readability

The report's length and density are a barrier to engaging a wider range of readers.

## Recommendation

Since the Report is long and content-rich, some stakeholders will only read the CSR Overview. The Overview should provide a more compelling snapshot of the bank's strategy, approach, achievements and challenges related to CSR. In order to engage a wider range of readers, the bank should also consider other potential report formats that share information in an interactive manner and/or are structured in shorter, more focused sections.

The bank could create modular CSR content areas on the website, and link report sections to those web spaces, which would allow the bank to report on CSR activities year-round rather than developing a lengthy and comprehensive report annually.

## Bank of America response

The length of the report is mainly driven by our desire to provide detailed responses to the GRI 3.1 indicators/disclosure categories, and to make this report an easily accessible and digestible single repository for both internal and external stakeholders of our comprehensive CSR strategies and activities. We have also designed the report specifically to provide sufficient information for readers to gain an in-depth and nuanced understanding of our CSR work, while remaining aware that certain sections of this report will be of greater interest to certain stakeholders than others.

For readers interested in gaining a more succinct account of our CSR activities, an Executive Summary of this report is available at [bankofamerica.com/about](http://bankofamerica.com/about). We also use our website to provide additional information, policies and case studies.

## CONTACT US

We appreciate your interest in Bank of America's Corporate Social Responsibility efforts and would welcome your feedback on this report. Please contact the Bank of America CSR team by sending an email message to T.J. Crawford, CSR Communications executive, at [csr2@bankofamerica.com](mailto:csr2@bankofamerica.com).

To report concerns about Bank of America's reporting, internal controls and procedures, auditing or other corporate matters, contact the Bank of America Board of Directors:

Corporate Secretary at Bank of America Corporation  
214 N. Tryon St.  
NCI-027-20-05  
Charlotte, NC 28255

## 3.4

Point of contact

## 4.16

Stakeholder feedback



## BUREAU VERITAS NORTH AMERICA INDEPENDENT ASSURANCE STATEMENT

### Introduction and objectives of work

Bureau Veritas North America, Inc. (BVNA) was engaged by Bank of America Merrill Lynch to conduct an independent assurance of the environmental data reported in its 2013 Corporate Social Responsibility Report (the Report). This Assurance Statement applies to the related information included within the scope of work described below. The intended users of the assurance statement are the stakeholders of Bank of America Merrill Lynch. The overall aim of this process is to provide assurance to Bank of America Merrill Lynch's stakeholders on the accuracy, reliability and objectivity of select information included in the Report.

This information and its presentation in the Report are the sole responsibility of the management of Bank of America Merrill Lynch. BVNA was not involved in the collection of the information or of the drafting of the Report.

### Scope of work

Bank of America Merrill Lynch requested BVNA to include in its independent review the following:

- Assurance of the environmental data and information included in the Report for the calendar year 2013 reporting period, specifically:
  - Materials (Total, and percentage of recycled input materials)
  - Energy (Direct and Indirect Consumption; Energy saved due to conservation; Initiatives to provide energy-efficient or renewable energy-based products; and Initiatives to reduce indirect energy consumption)
  - Water (Total withdrawal and volume recycled)
  - Emissions (Greenhouse gas emissions: Direct Scope 1, Indirect Scope 2, and Optional Scope 3 emissions by weight; Emissions of ozone-depleting substances by weight; Initiatives to reduce greenhouse gas emissions and reductions achieved; NO<sub>x</sub>, SO<sub>x</sub> and other significant air emissions)
  - Waste Quantities and Disposition
  - Total number and volume of significant spills
  - Products and Services (Initiatives to mitigate environmental impacts of products and services)
  - Compliance (Monetary value of significant fines for non-compliance with environmental laws & regulations)
  - Transport (Significant environmental impact of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce)
  - Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse, and review the environmental information reported;
- Evaluation of the reported data against the principles of the Global Reporting Initiative (GRI) Reporting Framework as defined in the GRI G3.1 Sustainability Reporting Guidelines.

Excluded from the scope of our work is any assurance of information relating to:

- Text or other written statements associated with Bank of America Merrill Lynch's 2013 CSR Report
- Activities outside the defined assurance period

### Methodology

BVNA undertook the following activities:

1. Interviews with relevant personnel of Bank of America Merrill Lynch (18 individuals including employees and external contractors at the corporate level);
2. Review of internal and external documentary evidence produced by Bank of America Merrill Lynch;
3. Audit of environmental performance data presented in the Report, including a detailed review of a sample of data; and
4. Review of Bank of America Merrill Lynch information systems for collection, aggregation, analysis and internal verification and review of environmental data.

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Verification of Sustainability Reports, based on current best practice in independent assurance. Bureau Veritas procedures are based on principles and methods described in the International Standard on Assurance Engagements (ISAE) 3000.

The work was planned and carried out to provide limited, rather than absolute assurance and we believe it provides an appropriate basis for our conclusions.

### Our findings

On the basis of our methodology and the activities described:

- Nothing has come to our attention to indicate that the reviewed information within the scope of our verification is not materially correct.
- Nothing has come to our attention to indicate that the reviewed information is not a fair representation of the actual environmental data for calendar year 2013.
- The performance indicators included within the scope of work conform to the GRI G3.1 Guidelines.
- Bank of America Merrill Lynch has established appropriate systems for the collection, aggregation and analysis of relevant environmental information, and has implemented underlying internal assurance practices that provide a reasonable degree of confidence that such information is complete and accurate.



#### **Statement of independence, impartiality and competence**

BVNA is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 180 years history in providing independent assurance services, and an annual 2013 revenue of \$3.9 billion Euros.

No member of the assurance team has a business relationship with Bank of America Merrill Lynch, its Directors or Managers beyond that of verification and assurance of sustainability data and reporting. We have conducted this verification independently and we believe there to have been no conflict of interest.

BVNA has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of BVNA standard methodology for the Assurance of Sustainability Reports.



**Bureau Veritas North America, Inc.**  
**San Ramon, California**  
**May 2014**





## Statement GRI Application Level Check

GRI hereby states that **Bank of America** has presented its report “Bank of America 2013 CSR Report” to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level B+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see [www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf](http://www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf)

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 16 June 2014

Ásthildur Hjaltadóttir  
Director Services  
Global Reporting Initiative



The “+” has been added to this Application Level because **Bank of America** has submitted (part of) this report for external assurance. GRI accepts the reporter’s own criteria for choosing the relevant assurance provider.

*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 4 June 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

Investment products:

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