




The power to make a difference

Environmental, Social and Governance

A large wind turbine stands in a grassy field, with solar panels in the foreground. The sun is low on the horizon, creating a warm, orange glow. The background is a clear sky with a few wispy clouds.

Environmental, social and governance (ESG) principles help define how Bank of America delivers responsible growth and contributes to the global economy. It guides our role in society through how we deploy our capital, manage environmental and social risks and opportunities, and decide to use our voice in support of our values.

Integrated across our eight lines of business – our ESG focus reflects our values, ensures we are holding ourselves accountable, presents tremendous business opportunity, and allows us to create shared success with our clients and communities.

Our Global ESG Committee, comprised of senior leaders across Bank of America and led by Vice Chairman, Anne Finucane, meets regularly to identify and discuss issues central to our ESG focus – including our human capital management practices, product and service offerings, and investments in creating a sustainable global economy.

Capital Deployment

There is a significant gap between the capital that must be applied to global challenges and the amount that is being deployed now. This gap cannot be filled by the nonprofit and public sectors alone, it requires private sector engagement. This is the reason behind our focus on deploying capital for sustainable growth. This enterprise-wide initiative is designed to unlock the necessary financing to address major global and local challenges identified in the United Nations Sustainable Development Goals (SDGs), such as affordable housing, renewable energy, energy efficiency, clean water and sanitation, education and health care.

Managing Environmental and Social Risks and Opportunities

ESG underscores how we grow within our risk framework, engaging external stakeholders and providing strong oversight of environmental and social risks that present themselves through our business activities. This includes the responsible products and services we deliver to clients; how we evaluate business opportunities; and how we help enable social progress and economic mobility in communities around the world.

Bank of America's National Community Advisory Council (NCAC) advises the bank on community development, environmental, and consumer policy issues, with a concentration that includes a broad focus on ESG issues and performance. Formed in 2005, NCAC is comprised of senior officials from the country's leading social justice, consumer advocacy, community development and environmental organizations and think tanks.

Great Place to Work

The daily commitment our teammates make to our company's purpose allows us to continue to deliver strong results and drive responsible growth. One pillar of responsible growth is that it must be sustainable, and part of being sustainable is being a great place to work. We deliver on our commitment to be a great place to work by being an inclusive workplace for all of our employees, creating opportunities for growth and development, recognizing and rewarding performance, and supporting our teammates' physical, emotional and financial wellness. We provide benefits, resources and support to our employees so they can make a genuine impact and contribute to the sustainable growth of our business and the communities we serve.

“

We help tackle the most important issues facing society today by bringing together all sources of capital — private enterprise, the public sector, and philanthropy — with the full power of our enterprise, the expertise of our teams, and the passion of our employees around the globe.

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Anne Finucane,
Vice Chairman

Bank of America Merrill Lynch Global Research recently authored the report “ABCs of ESG,” the latest in a series of research focused on why investors and companies should be paying attention to environmental, social and governance factors.

CAPITAL DEPLOYMENT



Our focus on deploying capital for sustainable growth is designed to unlock the necessary financing to address major global and local challenges, such as those outlined in the SDGs. Through the combined resources and expertise of the global financial community, nonprofits and governments, we can address problems as business decisions that improve our communities, generate growth and lead to return on investments. Some recent highlights of this work include:

Our \$125 billion Environmental Business Initiative

We recognize that the deployment of our financial capital is one of our biggest opportunities to have a positive environmental impact. Through our \$125 billion environmental business commitment, we are directing capital to low-carbon, sustainable business activities through lending, investing, capital raising and developing financial solutions for clients around the world.

Since 2013, we have deployed nearly **\$105 billion** towards low-carbon and sustainable business activities.

In 2018, Bank of America launched a **new Blended Finance Catalyst Pool with an initial allotment of \$60 million** and the opportunity to stimulate additional private capital to finance sustainable development in emerging and developing markets. The financing pool specifically focuses on energy access (SDG7), affordable housing (SDG11), water and sanitation access (SDG6), and climate resiliency (SDG13). The initiative aims to support economic growth and result in more sustainable jobs, development and projects, as well as drive innovation.

CAPITAL DEPLOYMENT

In May 2018, we issued our fourth and largest green bond to date totaling \$2.25 billion in aggregate principal amount. With this offering, Bank of America became the first U.S. financial institution to issue four corporate green bonds, raising a total of \$4.35 billion for renewable energy projects since 2013. We have also been the leading underwriter of green bonds globally since 2007, underscoring our continued leadership in addressing climate change by financing the transition to a low-carbon, sustainable economy.

Affordable Housing

Through Bank of America's Community Development Banking (CDB), we provided \$4.7 billion in loans, tax credit equity investments and other real estate development solutions in 2018. Resources deployed by CDB help build and support strong communities by financing affordable housing, schools, health care and economic development.

The Catalytic Finance Initiative (CFI), launched in 2014 by Bank of America with a \$1 billion commitment, expanded to 12 partners and has completed 30 deals, **collectively mobilizing around \$11 billion of investments**. Under the CFI, GivePower Foundation received a \$250,000 grant from the bank in 2018 to support its newest initiative, bringing safe water to dry, coastal communities in developing areas.

We provided a **\$3 million grant to Water.org** in 2018 that will be deployed over three years to give **more than 250,000 people** in southern India and Brazil access to safe water and sanitation. This will be achieved through Water.org's microfinance solution, WaterCredit, which gives people in need access to small loans for water connections and toilets. Since 2011, our charitable foundation has provided Water.org with \$4.25 million in grants.



ENABLING SOCIAL PROGRESS AND ECONOMIC MOBILITY

To help people achieve a more secure financial life for themselves and their families, our economic mobility and community development efforts focus on increasing access and removing barriers to success for vulnerable populations through workforce development, affordable housing, small business lending and neighborhood revitalization.

Providing Access to Capital

We have a \$1.5 billion portfolio of loans and investments to 255 **Community Development Financial Institutions (CDFIs)** to finance affordable housing, economic development projects, small businesses, health care centers, charter schools, and other community facilities and services. In June 2018, we announced a \$20 million **Veteran Entrepreneur Lending Program** to connect U.S. military veteran business owners with affordable capital through participating CDFIs to help kick-start and grow their businesses. We also continue our partnership with the Tory Burch Foundation on the **Tory Burch Foundation Capital Program**, powered by Bank of America, which has delivered capital through CDFI lending to 1,700 women in 16 states to support economic independence and job growth.

Advancing Women's Economic Empowerment

Through our partnerships, we are connecting women entrepreneurs to the skills, resources, and capital needed to manage successful small businesses. The **Global Ambassadors Program**, a partnership between Bank of America and Vital Voices, brings together women leaders of small businesses and social enterprises for mentoring and strategic planning workshops that build organizational management, financial acumen and leadership skills. Since 2013, more than 67% of mentees have reported an increase in sales and revenue growth following the program. Since the program launched in 2012,

18 successful GAP events have been held across the world – including our 2018 programs in New York City and Dublin, Ireland – bringing together a total of 291 women (141 Global Ambassadors and 150 mentees) from 76 countries.

Creating Pathways to Employment

Through our partnerships with U.S. nonprofits, we are helping individuals of all socio-economic backgrounds find meaningful employment. In June 2018, we committed to **hiring 10,000 individuals from low- and moderate-income (LMI) neighborhoods** through our Pathways program. Over the next five years, we will recruit career-ready individuals or young adults and provide education for required skills, on-the-job training, and a roadmap for career opportunities in our Consumer and Small Business division.

Connecting Communities with Tailored Resources to Succeed

About one-third of our financial centers are located in LMI neighborhoods. Our tailored strategy is focused on improving the financial health of these communities by connecting individuals and businesses to the right mix of products and services, job opportunities, and capital through loans and philanthropic investments. We connect clients to free financial education resources and digital banking services through our mobile banking app and offer free WiFi in our LMI branches to increase access to online and mobile resources to help increase financial know-how, help clients lead better financial lives and foster economic mobility.

Creating Stronger Communities

To mark the 15th year of **Neighborhood Builders®**,



ENABLING SOCIAL PROGRESS AND ECONOMIC MOBILITY



2018 Global Ambassadors, Dublin, Ireland

We delivered approximately **\$200 million** in philanthropic investments in 2018.

In recognition of our employees' passion and commitment to improve the communities we serve, we enhanced our **Employee Giving & Volunteering programs**, including offering greater flexibility to give and volunteer year-round through a new mobile-friendly portal.

We employ more than **300 individuals with intellectual disabilities** in our Support Services Group, which provides printing and fulfillment services for the company.

Since 2014, we have partnered with (RED) to help create an AIDS-free generation, committing a total of **\$20 million through 2020 to the Global Fund** to Fight AIDS, Tuberculosis and Malaria.

our nonprofit leadership development program, we recently expanded our support of nonprofits and nonprofit leaders who focus on workforce development and education, community development, and basic needs, including increasing Neighborhood Builders grants from 66 to 98 annually, and introducing a complementary program, Neighborhood Champions, in 42 smaller communities we serve. To date, we have invested \$220 million in more than 1,000 nonprofits and provided leadership tools to more than 2,000 nonprofit leaders.

Fostering Better Money Habits

To help people make sense of their money and take steps to improve their financial outcomes, we continue to expand our free **Better Money Habits®** resources. This includes now offering the platform in Spanish and providing turn-key lessons to our 2,200+ Volunteer Champions and nonprofit partners to deliver in their communities through our new online Education Resource Center. In a recent analysis, 1 in 4 users of Better Money Habits content and tools grew their savings by 20% or more.

Arts Matter

Our Arts and Culture program is diverse and global, supporting nonprofit institutions that deliver visual and performing arts, provide inspirational and educational sustenance, anchor communities, create jobs, complement existing school offerings and generate substantial revenue for local businesses. Combined with our charitable foundation employee Matching Gifts program, each year the program supports more than 2,000 arts organizations worldwide. Since 2010, our **Art Conservation Project** has provided grants for more than 150 projects in 31 countries to conserve paintings, sculptures and archaeological pieces.

RECOGNITION

We're honored to be recognized by organizations and media around the world for our leadership in ESG. Some of our most recent awards:

FORTUNE

Ranked No. 1 financial services company and No. 3 overall on *Fortune's* annual Change the World list (Aug. 2018); Ranked No. 2 on *Fortune's* 50 Best Workplaces for Giving Back in 2018 (Feb. 2018)



Recognized in the Bloomberg Financial Services Gender-Equality Index for demonstrating leadership in our policies, practices and disclosures in support of gender equality (Jan. 2018)



Recognized as *Euromoney's* World's Best Bank and World's Best Bank for Diversity & Inclusion (July 2018)



Recognized as the Corporate Conservation Leader of the Year by The Nature Conservancy (June 2018)



Included on CDP Climate A List for leadership in greenhouse gas emissions management and reporting (2018)



Recipient of the 2018 Momentum for Change award — presented by the United Nations Climate Change Secretariat — for leadership in the Catalytic Finance Initiative (Sept. 2018)



Recognized as industry leader in the "Banks" category of JUST Capital's America's Most JUST Companies (Dec. 2018)

MSCI

BB

**Dow Jones
Sustainability
Index**

World and North
America

Sustainalytics

70/100

Investment products:

Are Not FDIC Insured

Are Not Bank Guaranteed

May Lose Value

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