Bank of America recognizes that climate change poses a significant risk to our business, our clients, and the communities in which we operate. As one of the world’s largest financial institutions, the bank has a responsibility to help mitigate climate change by leveraging our scale and resources to accelerate the transition from a high-carbon to a low-carbon society, and from high-carbon to low-carbon sources of energy.

The bank is committed to increasing our support of energy efficiency, renewable energy, and other low-carbon energy sources through our lending, investments, products and services, and operations. We also understand that at the present time, fossil fuels – including coal – will continue to supply a significant amount of the energy needed to power our society. There are environmental and other impacts associated with any energy source. For coal, these impacts result from extraction, processing and combustion. Bank of America continues to engage key stakeholders including those in the energy industry, leading universities, and environmental community on the environmental impacts of coal. From these engagements, we have developed a Coal Policy that will ensure that Bank of America plays a continued role in promoting the responsible use of coal and other energy sources, while balancing the risks and opportunities to our shareholders and the communities we serve.

Our Coal Policy is focused on the following elements:

**Extraction**

With regulatory pressure related to both extraction and combustion, changes in economic conditions, and increased pricing pressure due to the proliferation of natural gas and new energy technologies, the dynamics around coal are shifting. Energy companies and their subsidiaries that are focused on coal are currently the most exposed to these changes. Over the past several years, Bank of America has significantly reduced our exposure to coal extraction companies. Going forward, Bank of America will continue to reduce our credit exposure to coal extraction companies. This commitment applies globally, to companies focused on coal extraction and to divisions of diversified mining companies that are focused on coal.

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

For coal mining companies operating in the U.S., our due diligence includes review of client compliance with laws, regulations, and permitting, with particular attention to disclosures made to the Securities and Exchange Commission (SEC). SEC disclosures for the mining sector address federal and state oversight by multiple regulators including the U.S. Office of Surface
Mining Reclamation and Enforcement, the Environmental Protection Agency, and the Army Corp of Engineers. We review current material issues, as well as potential emerging issues, and the number and types of regulatory violations. In addition, we periodically conduct site visits and aerial surveys of both operating and reclaimed mine sites. We also evaluate the impacts of coal mining operations on the communities in which clients operate, as well as environmental and safety awards that our clients receive from various federal and local governmental agencies and communities.

Utilizing this and other data, our due diligence and client engagement teams evaluate material environmental issues faced by our clients including: meeting air quality standards, discharges into ground or surface water, dredging and land filling, endangered species protection, wetland protection, hazardous materials, reclamation and remediation, as well as health and safety. The bank will not finance coal mining companies that are not working to address significant, ongoing or recurring material violations of these and other relevant environmental, health or safety standards.

Mining companies who engage in mountain top removal mining (“MTR”) in the Appalachian region of the U.S. have been subject to both enhanced regulatory oversight and criticism related to MTR’s impacts. Bank of America’s clients in the region are substantially reducing their reliance on mountain top mining due to these and other challenges. In alignment with our commitment to reduce credit exposure to extraction companies focused on coal mining, Bank of America will continue to reduce our exposure to coal mining companies that utilize MTR practices in Appalachia.

Our due diligence on coal mining companies operating outside of the U.S. also includes the core elements we evaluate for U.S. companies in addition to a consideration of potential gaps in existing regulatory frameworks that might typically best evaluate and address environmental as well as health and safety risks. As such, we expect clients to align with industry best practices in addition to local regulations in mitigating or avoiding damage to ecosystems, especially critical natural habitat or internationally protected areas. In considering the impacts of client operations on local communities, we support fundamental principles of human rights, and expect our clients to do the same. In transactions where uses of proceeds are linked to a specific project, we expect clients to integrate respect for and consideration of free, prior and informed consent for impacted indigenous peoples.

**Technology**

Advanced technologies, such as carbon capture and storage, that capture carbon from fossil fuel plants and then sequester that carbon in geologic reservoirs will be necessary to address global climate change while enabling economies to flourish. Through our partnerships we will promote the necessary conditions for implementing carbon capture and storage on a global scale. We will employ our resources as a financial institution to promote the development and
deployment of these advanced technologies to reduce carbon emissions produced by the burning of fossil fuels.

**Financial Services Policy**

We will 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 reporting on emissions associated with our electric power utility portfolio – best practices for managing risks associated with the combustion of coal.