Bank of America

Equality Progress Sustainability Bond (EPSB) Report

BANK OF AMERICA

At Bank of America, we drive Responsible Growth by focusing on our clients, managing risk well and making sure our growth is sustainable. We firmly believe that by investing in the communities in which we live and work and committing resources from all of our business activities and operations, we can help address some of society's biggest challenges while delivering attractive returns for our shareholders.

In 2020, we amplified work already being done to address the obstacles to true racial equality and economic opportunity in the U.S., exacerbated by the global health crisis, by announcing a series of commitments. This includes $100 million in philanthropy to increase access to food and medical supplies in local communities, which is in addition to the $250 million in broader philanthropic support we provide each year. In 2021, we also announced an increase in our commitment to advancing racial equality and economic opportunity from $1 billion to $1.25 billion over five years, focused on minority-owned small business owners, job creation and workforce development, access to healthcare, and affordable housing.

We also completed two innovative bonds in 2020 that demonstrate our ability to scale capital deployment for important societal needs, while delivering for our clients. In May 2020, we issued a $1 billion COVID-19 social bond focused on fighting the pandemic; a report on its impact can be found here. In September 2020, we issued a $2 billion Equality Progress Sustainability Bond (EPSB) designed to advance racial equality, economic opportunity and environmental sustainability, the first offering of its kind in the financial services industry. The transaction was also the first sustainability bond issued by a U.S. bank holding company for which the social portion of the use of proceeds is dedicated to financial empowerment of Black and Hispanic-Latino communities.

"By addressing these critically important issues through ESG-themed securities, we are offering a way for fixed income investors to be part of social and environmental change, and drive solutions through the debt capital markets," said Anne Finucane, vice chairman at Bank of America, who leads our Environmental, Social and Governance (ESG), sustainable finance, capital deployment and public policy efforts. "Our communities and the environment are inextricably linked, and Bank of America cares deeply about both and continues to explore innovative ways to enable investors to use their investments to help address these societal challenges."

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Anne Finucane,
Vice Chairman

Racial equality and economic opportunity are large, systemic issues and require significant investment to address. As outlined in our Annual Report, we have taken wide-ranging steps across our company to support communities through ESG and sustainable finance. In the following pages, we share the impact of these new investments made in association with our $2 billion EPSB — from helping small businesses grow, to funding the construction of new affordable housing and the creation of renewable energy projects.

$9.85 billion

In eight corporate green, social and sustainability bonds issued since 2013

Eligible Assets[1]

Bank of America has a longstanding focus on supporting investments to address racial justice, advocacy and equality for people and communities of color. Recognizing that we all need to do more, we allocated bond proceeds only to new investments to expand our relationships and provide opportunities for additional individuals, families, business owners and entrepreneurs.

Social Assets

Eligible social assets include financing and investments in new projects in specified target markets that seek to help reduce inequalities for Black and Hispanic-Latino communities in the United States. In order to evaluate identified Eligible Social Assets, our ESG Group and Global Sustainable Finance Group worked with relevant lines of business to consider the potential for such assets to positively impact accessibility to financing for excluded, marginalized or underserved minority communities, particularly Black and Hispanic-Latino communities.

Affordable Housing[2]

- Mortgage lending and other financing and investments related to single or multifamily housing
- Construction loans and equity investments in affordable housing projects

Socioeconomic Advancement and Empowerment

- Financing for medical professionals to create or expand medical, veterinary and dental practices[3]
- Supply chain finance loans to be offered directly to minority-owned business enterprises
- Deposits and equity investments in Black and Hispanic-Latino Minority Depository Institutions[4] that are also Community Development Financial Institutions[5]

[1] For more specifics on detailed use of proceeds, and definitions, see our pricing supplement.

[2] Projects in these categories must be qualified under the Community Reinvestment Act (CRA) and (i) be provided to borrowers self-identifying as Black or Hispanic-Latino, or (ii) support single and multifamily housing located in U.S. census tracts where the proportion of Black and Hispanic-Latino populations, individual or combined, is greater than any other single racial demographic group. Mortgage lending and other financing and Investments related to single or multifamily housing are classified as Affordable Homeownership Solutions. Construction loans and equity Investments in affordable housing projects are classified as Affordable Housing Development.".

[3] Financing for medical professionals to create or expand medical, veterinary and dental practices that qualifies under the Community Reinvestment Act (CRA) and is provided for practices located in U.S. census tracts where the proportion of Black and Hispanic populations, individual or combined, is greater than any other single racial demographic group.

[4] As defined by the FDIC, Minority Depository Institutions (MDIs) are depository institutions where either (i) 51% or more of the voting stock is owned by minority individuals or (ii) a majority of the board of directors is minority and the community that the institution serves is predominantly minority.

[5] Community Development Financial Institutions (CDFIs) are certified by the U.S Department of Treasury's CDFI Fund, in recognition of their provision of financial services to low-income communities and to people who lack access to financing. In order to be certified as a CDFI by the U.S. Department of Treasury, an organization must a) be a legal entity at the time of the CDFI application for certification, b) have a primary mission of promoting community development, c) be a financing entity, d) provide development services in conjunction with its financing activities, e) primarily service, and maintain accountability to, a defined market and e) be a non-government entity and not under the control of any government entity (except tribal governments).

- Equity investments in Black and Hispanic-Latino owned or operated businesses and venture capital funds and private equity funds that focus on investing in Black and Hispanic-Latino owned/operated businesses or entrepreneurs

Green Assets

Eligible green assets include financing, leasing and investments that promote a transition to a low-carbon economy.

Renewable Energy and Clean Transportation

- Financing, leasing and investments for wind and solar renewable energy
- Financing, leasing, and investments in zero emission vehicles and electric vehicle (EV) charging infrastructure

Allocation report as of July 31, 2021 ($ in millions)

Asset area	
Amount issued	$2,000
Offering expenses	$6
Net proceeds	**$1,994**

Amount allocated by category	
Affordable Homeownership Solutions	$425
Affordable Housing Development	$388
Total Affordable Housing	$813
Socioeconomic Advancement and Empowerment	$100
Total Social Assets	**$913**
Renewable Energy	$971
Clean Transportation	$26
Total Green Assets	**$997**
Total amount allocated	**$1,910**
Amount pending allocation	**$84**

Affordable Housing

Impact metrics

Number of affordable housing units financed	6,300 units
Dollar amount of affordable housing units financed	$388 million
Number of mortgages provided	1,361
Dollar amount of mortgages provided	$425 million
Percent first time homebuyers	95%

Liberty Square, Miami, FL

$150 million in lending and investing (allocated $34.8 million from the bond to the project)

Known as the oldest and largest public housing development in the southeastern United States, Liberty Square is being redeveloped to soon offer 600 multifamily affordable housing units. The garden-style residences prioritize innovative and sustainable design, with all units built to the National Green Building Standards.[6] The project will feature units that are reserved for low- to moderate-income (LMI) families, very low-income residents with special needs, low-income seniors, and those in workforce housing. Residents will have access to multiple amenities, including recreation facilities, a grocery store, local retailers and a community health center. Job training, placement and financial empowerment programs will also be offered. Liberty Square is also the largest redevelopment in the history of Miami-Dade County, estimated to create more than 2,200 jobs.

A rendering of Liberty Square

[6] The National Green Building Standard (NGBS) is the only green building rating system for homes and apartments approved by the American National Standards Institute (ANSI), as an American National Standard. The NGBS provides a blueprint for builders to follow for the design and construction of new and renovated single-family homes and multifamily apartment buildings. https://www.ngbs.com/the-ngbs-green-promise

Mattapan Station, Mattapan, MA

$88.5 million in lending and investing (allocated $11.8 million from the bond to the project)

Developed by Preservation of Affordable Housing Inc. ("POAH") and Nuestra Comunidad, Mattapan Station is a newly constructed affordable housing project, with nearly half of the 135 units reserved for extremely or very low-income households earning less than 50% of the area median income. Mattapan Station is located within walking distance to the Neponset River Greenway, Mattapan MBTA Bus and Trolley Station and Blue Hill Ave Commuter Rail Station. In addition to amenities — lounge areas, exterior patios and green spaces, a community garden, and community room — the building is constructed to the highest standards of energy efficiency. In addition, solar panels will be installed on the roof to further minimize the building's carbon footprint.

A rendering of Mattapan Station

Mission Heritage Plaza, Riverside, CA

$46.7 in lending and investing (allocated $5.5 million from the bond to the project)

Located in downtown Riverside, CA, Mission Heritage Plaza is a newly constructed Low-Income Housing Tax Credit (LIHTC) affordable multifamily property with 71 units for very low-income families including veterans and formerly homeless veterans. Through an on-site community center, residents have access to school enrichment programs, English as a Second Language classes, life skills and career counseling for adults, fitness and health cooking classes, financial empowerment education, and on-site and off-site programs to promote housing stability and individual well-being. Developers Wakeland Housing & Development Corporation and Fair Housing Council of Riverside County work with LightHouse Social Service Centers to provide veteran-specific services, including case management, linkages to available resources, community activities, and assistance securing employment and benefits. The mixed-use development also includes offices for the Fair Housing Council of Riverside County and a new facility, the Civil Rights Institute of Inland Southern California, which will trace the region's long history of civil rights activism.

A rendering of Mission Heritage Plaza

Neighborhood Assistance Corporation of America (NACA)

For 25 years, the NACA/Bank of America Homeownership Program has provided mortgages for individuals and families. The mortgages have no down payment requirement, are at a below market-fixed rate and Bank of America covers the closing costs. This partnership has provided affordable mortgages for more than 42,000 homebuyers through the program since 1996. Bank of America and NACA expanded the program in 2021, with a goal to provide $15 billion in mortgages to LMI homebuyers through May 2027.

Vanika Spencer is a new homeowner through the NACA/Bank of America Homeownership Program. She recently purchased a two-family flat in St. Louis, and plans to rent out the bottom unit to a tenant to recoup expenses and pay her loan off more quickly. “I didn’t come in with a lot of money,” says Vanika. “I’m 30, working, but always could be better. A friend told me about NACA and I was overjoyed that even with modest salary, I, too, could own a home. This is the first step in creating generational wealth. I'm most excited to really settle into a city I love.”

Socioeconomic advancement and empowerment

Impact metrics

#, $ of deposits and equity investments made in Black and Hispanic-Latino Minority Depository Institutions that are also CDFIs	11 MDIs that are also CDFIs, $34 million
#, $ Equity investments in Black and Hispanic-Latino owned or operated funds that invest in Black and Hispanic-Latino owned businesses	19 funds, $16 million
#, $ in loans to medical professionals located in predominantly Black and Hispanic-Latino owned communities	Approximately 130 medical practices supported, $50 million

Bank of America has long focused on supporting the needs of under-represented small business owners and entrepreneurs, including our work with an established network of community partners such as Community Development Financial Institutions (CDFIs), Minority Depository Institutions (MDIs), as well as minority-focused funds that support entrepreneurs.[7]

PDL Community Bancorp (Ponce Bank) New York

One such MDI and CDFI bank is PDL Community Bancorp (Ponce Bank). Founded in 1960, Ponce Bank was started by community leaders in the South Bronx looking to provide financial services to the area's mostly Puerto Rican population, an immigrant community largely underserved by mainstream banks. More than 60 years later, the institution has grown to 13 branches and six mortgage offices still serving predominantly immigrant neighborhoods. As systemic inequities and biases continue — particularly during the pandemic — Ponce has worked to be an engine for economic empowerment, helping to reduce the health and wealth gap that exists in the communities they serve.

"The confluence of events over the past year have highlighted the importance of institutions such as ours. Over this year we have supported everyone from the restaurant owner down the street to one of the largest builders of affordable housing in NYC. We are committed to continue to grow and support the needs of the communities we serve because those needs continue to exist, and we understand that because we live it."

Carlos Naudon,
President of Ponce Bank

[7] Bank of America has investments in CDFIs, CDFI Banks, MDI banks and minority funds owned or operated by individuals of all races and ethnic backgrounds, including Black, Hispanic-Latino, Asian and Native American. As outlined in the pricing supplement of the bond, proceeds from Bank of America's EPSB are targeted to deposits and equity investments in Black and Hispanic-Latino Minority Depository Institutions that are also Community Development Financial Institutions, and equity investments in Black and Hispanic-Latino owned or operated businesses and funds that invest in Black and Hispanic-Latino owned businesses. Impact metrics and client stories are specific to the use of proceeds for this bond.

Investments in venture capital funds and businesses

Allocated $16 million from the bond

Proceeds from the EPSB were also allocated toward minority-focused funds that help address a persistent gap in capital available for underrepresented minority and women entrepreneurs. These funds are also led by diverse managers.

To date, 19 funds and companies have received investment from the EPS bond. These include New Community Transformation Fund, which invests in and works with West Michigan businesses involved in advanced manufacturing, food processing and agribusiness, life sciences and medical devices, and information technology. In Washington, D.C., we're working with Zeal Capital Partners, focused on early-stage fintech and future-of-work companies. And on the West Coast, MaC Venture Capital invests in technology startups, also providing hands-on support on operations strategy, brand building, recruiting and sales development.

> "By providing this capital, we're helping to level the playing field and open more doors for minority-led businesses, entrepreneurs and innovation."
>
> *Brian Moynihan, CEO of Bank of America*

Completed investments include (as of July 31, 2021):

1. Avenue Growth Partners Fund — Washington, DC
2. Black Star Fund — Sacramento, CA
3. Bright Ventures Fund — Brooklyn, NY
4. Cleveland Avenue State Treasurer's Urban Success Fund — Chicago, IL
5. Collab Capital — Atlanta, GA
6. E^2JDJ — New Orleans, LA
7. Global Impact Fund II — Glenwood, MD
8. Harlem Capital — New York, NY
9. Jumpstart Nova — Nashville, TN
10. Kapor Capital — Oakland, CA
11. MaC Venture Capital — Los Angeles, CA
12. New Community Transformation Fund — Grand Rapids, MI
13. Noemis Ventures — New York, NY
14. Reign Ventures — Miami, FL
15. Sixty8 Capital — Indianapolis, IN
16. Ulu Ventures — Palo Alto, CA
17. Wilshire Lane Partners — Los Angeles, CA
18. Zane Ventures — Atlanta, GA
19. Zeal Capital Partners — Washington, DC

EZE Dental

Largo, MD

Dr. Okoro

Growing up in Nigeria, Dr. Chibueze George Okoro ("Dr. O"), was encouraged by his family to pursue an engineering career that would challenge his mind and hands. That trajectory changed for him when a toothache resulted in a trip to the dentist and an extraction. Dr. O was fascinated by the process, and driven instead to use his hands to help people out of pain, and make their teeth and faces beautiful.

Dr. O brought international training and experience to finish up dental school in Boston before moving to Maryland, where after three years as an associate, he was offered an opportunity to open his own practice. Working with Bank of America's small business team, Dr. O purchased an existing practice from a retiring dentist in his area and opened EZE Dental in December 2020. His first few months have been filled with getting to know his new clients, and pursuing plans to invest in new technology that will allow for long-term treatment.

Impact metrics

Technology	GHG Emissions (mtCO2e) avoided	Water Withdrawals avoided (gallons)	Air Pollutants avoided (mt)
Solar	466,053	44,859,352,336	2,409
Wind	1,189,603	130,226,693,865	10,485
Clean Transportation	874	-163,780,954	53
Total	**1,656,529**	**174,922,265,248**	**12,946**

Avoided impacts based on Bank of America financing out of total project financing were calculated for solar and wind renewable energy projects. For electric vehicles, the vehicle's entire avoided impacts were attributed to Bank of America. Impact categories include GHG emissions (scope 2 and scope 3 fuel- and energy-related activities), water withdrawals and local air pollutants (SOx, NOx, CO, PM, and VOC).

The EPSB builds upon our leadership in leveraging the debt capital markets to address society's greatest challenges, including climate change. Bank of America has issued eight ESG-themed bonds since 2013, including five corporate green bonds that have raised a total of $6.35 billion for renewable energy projects. Investments associated with this bond focused on expanding access in communities in the U.S. and around the world to innovations in electric vehicles, solar and wind power.

ALLETE

$118.5 million tax equity investment[7]
(allocated $113.8 million from the bond to the project)

This partnership invests in Nobles 2, a 250.4 MW wind facility located in Nobles County, Minnesota, invested in by ALLETE South Wind (subsidiary of ALLETE Enterprises and ultimately ALLETE), a leading provider of electricity in the Midwest. All of the electricity generated by the facility will be sold pursuant to a long-term power purchase agreement with Minnesota Power. The transaction will allow ALLETE to increase its renewables footprint and pursue its commitment to sustainable energy.

Clearway Energy Group, LLC

$100 million tax equity investment[7]
(allocated $11.8 million from the bond to the project)

Clearway Energy Group, LLC is a leading developer, owner, operator and servicer of renewable energy assets in the U.S. Proceeds from the bond financed a portfolio of 40 community solar projects located across Massachusetts, Minnesota, Illinois and New York. The local solar facilities are shared by multiple subscribers — homeowners, renters and business owners — that will receive credit on their electricity bill for their share of the power produced, providing equal access to the economic and environmental benefits of solar energy generation.

One of Clearway Energy Group's recent solar projects

EDF Renewables, Inc. (EDFR)

$272.5 million tax equity investment[7]
(allocated $268.9 million from the bond to the project)

EDFR is a leading renewable energy developer, operator and asset manager of wind and solar projects developed throughout North America and a wholly owned U.S. subsidiary of EDF Renouvelables SA. This partnership invests in Milligan 1 Wind, a 300 MW wind facility located in Saline County, Nebraska. The electricity generated by the facility will be sold pursuant to a long-term power purchase agreement, providing clean, low-cost electricity for approximately 100,000 homes within the local area.

Fourth Partner Energy

$50 million (356.5 Crore INR) bilateral debt warehouse facility
(allocated $5.2 million from the bond to the project)

Fourth Partner Energy provides end-to-end services to install and operate distributed solar generation projects for corporations, institutions and government entities. As of June 2021, this transaction financed the installation of 76 distributed generation solar projects across 12 states in India.

One of Fourth Partner Energy's recent solar projects

NextEra Energy Partners

$178.5 million tax equity investment[8]
(allocated $170.3 million from the bond to the project)

NextEra Energy Partners' (NEP) Golden Plains wind portfolio consists of NC1 and NC2, located in Logan County, Colorado, and Baldwin, located in Burleigh County, North Dakota. NC1 and NC2 have operated since 2009 and Baldwin has operated since 2010. Leveraging the tax equity investment by Bank of America, between May and November 2020, NEP replaced select components of the existing turbines with new turbine components, helping to increase production at each of the sites.

Polestar Electric Vehicle Program

$670 million over three years
(allocated $25.5 million from the bond to the project)

Polestar Automotive USA ("Polestar") is an automotive brand focusing on the development of electric performance passenger vehicles.

Through an innovative captive finance program, this transaction will help facilitate broader adoption of electric vehicles by providing competitive lease pricing through the efficient use of electric vehicle tax credits. Electric vehicles can qualify for a $7,500 federal tax incentive, claimed by the owner of the vehicle. Bank of America structured the transaction to be the owner of the vehicle, and as such is able to claim the tax credit and offer discounted lease pricing.

The Polestar 2 electric fastback

SunPower

$146 million tax equity investment[7]
(allocated $55.3 million from the bond to the project)

SunPower is a developer, installer and operator of solar systems in the U.S. with over 35 years of dedicated solar experience. This partnership invests in the purchase of 75 MW of Investment Tax Credit-qualified residential solar systems with a portion including ITC-qualified battery storage devices. The residential solar systems will be mounted on the rooftops of private residences across eleven states (AZ, CA, CO, CT, HI, IL, MA, MD, NJ, NY and NV). This investment will help to provide decades of clean power to tens of thousands of households.

[8] The investments in ALLETE, Clearway Energy Group, LLC, EDF Renewables, Inc., NextEra Energy Partners, and SunPower are structured as a disproportionate-allocation flip partnership in which Bank of America holds the tax equity interest while ALLETE, Clearway Energy Group, LLC, EDF Renewables, Inc., NextEra Energy Partners, and SunPower hold the sponsor equity interest in the respective deals.

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