

# Approach to Zero™

Our commitment to helping finance the transition  
to net zero before 2050

**APRIL 2022**

# Approach to Zero

Climate change is one of the world's most pressing issues. According to a recent analysis by the Intergovernmental Panel on Climate Change, over 40% of the world's population — approximately 3.6 billion people — are highly vulnerable to destructive heat waves, droughts, wildfires and rising sea levels if the average global temperature surpasses 1.5°C above preindustrial levels<sup>1</sup>. To address and avoid the most catastrophic impacts of climate change, experts currently assess that the global economy needs to reduce annual global greenhouse gas (GHG) emissions over the next few decades to net zero by 2050.

Consistent with our approach toward Responsible Growth as outlined in our [2021 Annual Report](#), we are helping finance the transition to net zero emissions by 2050 by setting and achieving milestone targets, partnering with clients to support their transition, investing in climate solutions, developing decision-useful metrics to drive progress, leading industry collaborations and following guidance for transparency.

Our **Approach to Zero** strategy is based on five pillars that shape our work: 1) Assist; 2) Advocate; 3) Analyze; 4) Align; and 5) Attest. This paper will outline each pillar in detail. At the heart of our work is the commitment to assist clients in their own net zero objectives with all the capabilities we can bring to help ensure a just transition to a more sustainable future.

Achieving net zero emissions will take the collective action of governments at all levels, corporations, individuals, nonprofits and other actors. The private sector is already playing an important role in helping to drive this transition. Building on our history of climate leadership, in 2021, we announced a commitment to achieve net zero emissions across our financing activities, operations and supply chain before 2050. We also established a \$1 trillion by 2030 goal to mobilize capital to accelerate this low-carbon transition as part of our \$1.5 trillion commitment to support the United Nations (UN) Sustainable Development Goals (SDGs). Since 2007, we have mobilized more than \$350 billion toward climate and environmental action, including more than \$150 billion in 2021.

## Assist

clients in the transition to net zero, including the development of products and services as well as investment in climate solutions



## Advocate

for consistent industry and global standards to drive comparable commitments and disclosure



## Analyze

data to develop decision-useful metrics to drive progress, uncover business opportunities and manage the transition



## Align

our strategy to the best available science by setting appropriate milestone targets to reach net zero before 2050



## Attest

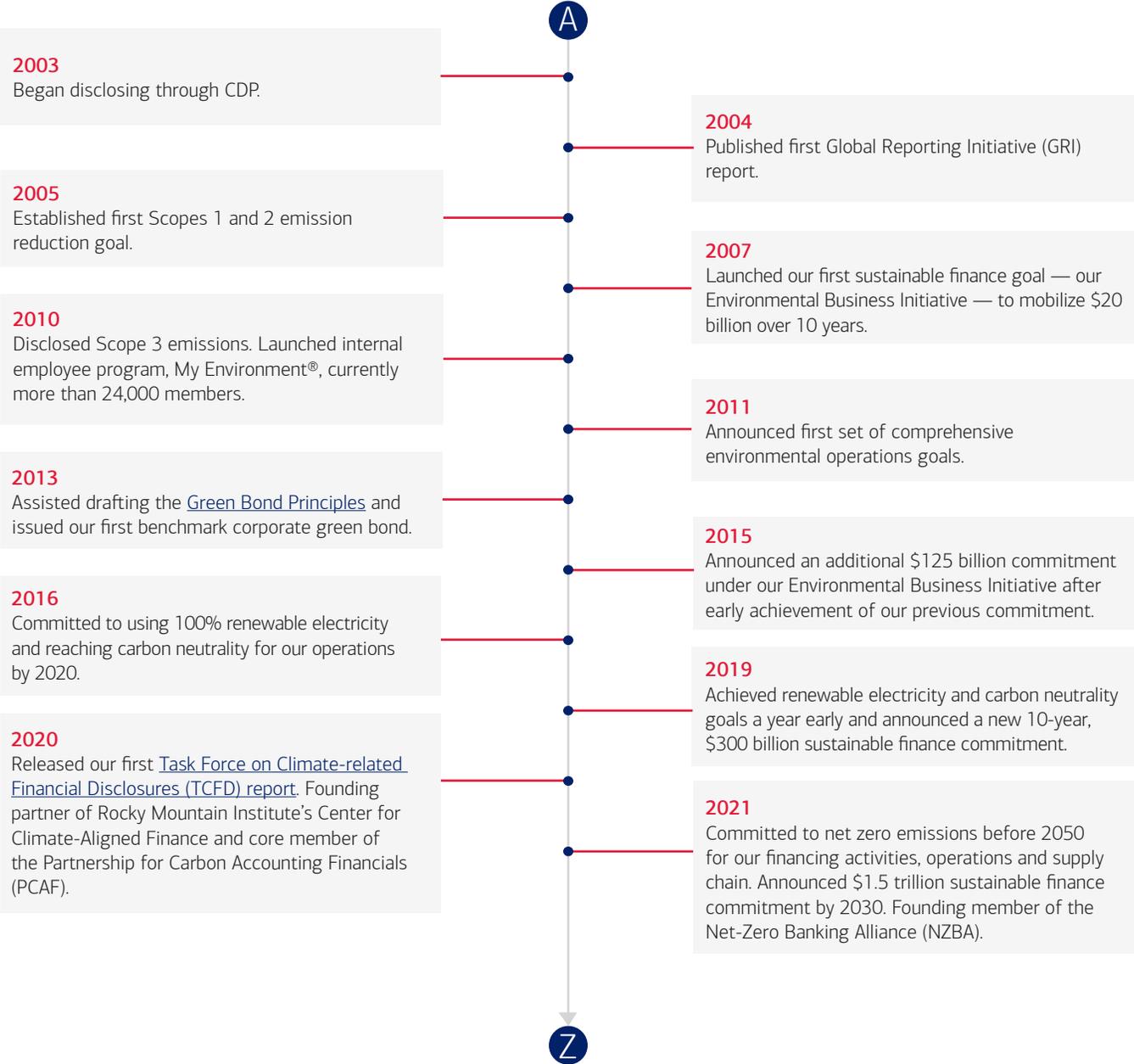
annually following the Task Force on Climate-related Financial Disclosures and Net-Zero Banking Alliance guidance for transparency



<sup>1</sup> [https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC\\_AR6\\_WGII\\_SummaryForPolicymakers.pdf](https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_SummaryForPolicymakers.pdf)

# History of Bank of America's Environmental Commitment

Bank of America's commitment to net zero emissions builds on twenty years of climate leadership. Since 2003, Bank of America has led the way on environmental disclosure, reducing operational impacts and scaling climate finance.



# 2030 Targets

Together with our commitment to reach net zero before 2050, in February 2021 we announced our 2030 targets for operations and supply chain. With this paper, we are pleased to announce our first emission reduction targets for financing activity in the auto manufacturing, energy and power generation sectors.<sup>2</sup>

Operations	Supply Chain	Financing Activity
<ul style="list-style-type: none"> <li>• Maintain carbon neutrality (Scope 1 and 2) and 100% zero carbon electricity</li> <li>• Reduce GHG emissions by 75% by 2030 (Scopes 1 and 2, location-based) from 2010 baseline</li> <li>• Reduce energy use by 55% from 2010 baseline</li> <li>• Reduce potable water use by 55% from 2010 baseline</li> <li>• Achieve LEED® certification (or comparable) for 40% of building space</li> <li>• Responsibly manage waste to reduce amount sent to landfill               <ul style="list-style-type: none"> <li>- Divert 75% of construction and demolition waste from landfill</li> <li>- Dispose 100% of electronic waste using certified responsible vendors</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Ensure 70% of global vendors, by spend, set GHG emissions reduction or renewable energy targets</li> <li>• Assess 90% of global vendors, by spend, for Environmental, Social, Governance (ESG) risks as outlined by our Vendor Code of Conduct</li> <li>• Continue to reduce paper use and purchase 100% of paper from certified sources</li> <li>• Utilize Sustainable Aviation Fuel (SAF) for at least 20% of the company's total annual corporate and commercial jet fuel usage equating to approximately three million gallons of SAF each year</li> </ul>	<p><b>Auto Manufacturing:</b></p> <ul style="list-style-type: none"> <li>• Reduce intensity 44% gCO<sub>2</sub>e/km Scope 1-3 end use</li> </ul> <p><b>Energy:</b></p> <ul style="list-style-type: none"> <li>• Reduce intensity 42% gCO<sub>2</sub>e/MJ Scope 1-2</li> <li>• Reduce intensity 29% gCO<sub>2</sub>/MJ Scope 3 end use</li> </ul> <p><b>Power Generation:</b></p> <ul style="list-style-type: none"> <li>• Reduce intensity 70% kgCO<sub>2</sub>/MWh Scope 1</li> </ul>



## Assist

clients in the transition to net zero, including the development of products and services as well as investment in climate solutions

The financial services sector is playing an important role in the global transition to net zero. The transition is a significant business opportunity; a Global Financial Markets Association report<sup>3</sup> estimates investments totaling \$100 to \$150 trillion will be required over the next three decades to transition to a net zero economy. This translates to at least \$3 to \$5 trillion of investment per year — an increase of five to eight times current levels. We are assisting clients by providing lending, capital raising, advisory, investment services, and other financial solutions as well as climate and blended finance focused partnership vehicles and funds. Only the private sector can mobilize the scale of capital needed to drive the sustainable future we all want.

A key aspect of our Approach to Zero includes extensive engagement with our clients across all lines of business. We have developed net zero awareness training for banking, credit and risk teammates to increase their knowledge and

understanding of how to best support clients in reaching net zero. Furthermore, we have created an online ESG, Climate and Sustainable Finance college available to all teammates to deepen their understanding of these topics. Our aim is to help our clients understand the primary decarbonization strategies for individual sectors and the traditional and new financing solutions we can offer to assist in their transition. We have a dedicated Global Sustainable Finance Group that works with client relationship teams across each of our lines of business to develop innovative products and services, including lending, capital markets and advisory services to help clients reach their emissions reduction goals.

As part of our \$1.5 trillion commitment to support the UN SDGs we have mobilized more than \$350 billion toward climate and environmental action since 2007, including more than \$150 billion in 2021. We believe there is a tremendous business opportunity in assisting our clients

<sup>2</sup> Baselines will be published in our next TCFD report

<sup>3</sup> <https://www.gfma.org/policies-resources/gfma-and-bcg-report-on-climate-finance-markets-and-the-real-economy/>

with their net zero transition and are committed to developing innovative products and services to do so. Some examples include:

- We co-wrote the original Green Bond Principles more than a decade ago, and we have been the leader in green bond underwriting. Since 2013, we have assisted more than 225 clients in supporting their sustainable business needs by raising in excess of \$300 billion through more than 400 ESG-themed bond offerings.
- We are a leader in structuring and arranging sustainability-linked financing across loans, trade finance and supply chain finance. In the loan market, whether in the syndicated market or on a bilateral basis, we offer margin adjustment mechanisms based on client

achievements against key ESG performance metrics, including science-based GHG reductions and other targets.

- Since 2015, we have been a top renewable energy tax equity investor in the U.S. with a portfolio of more than \$12 billion at the end of 2021. Historically, our investments have contributed to the development of approximately 16% (38 gigawatts) of total installed renewable wind and solar energy capacity in the U.S.

We are also financing emerging technologies that will be critical to achieving net zero by 2050 such as bioenergy (e.g., sustainable aviation fuel), electric vehicle infrastructure, carbon sequestration and removal, and sustainable agriculture.



## Advocate

for consistent industry and global standards to drive comparable commitments and disclosure

Organizations across markets and geographies need common measurement tools and disclosure practices to help drive the global economy toward net zero emissions. The scope and range of potential impacts from climate change require close attention by all companies, ensuring that climate-related risks and opportunities are appropriately identified, managed, and consistently disclosed to shareholders and other stakeholders. These stakeholders, including the financial industry, benefit from more consistent and comparable disclosure on climate to help them make decisions on where best to deploy capital. A uniform approach to data standards and metrics is critical to achieve this objective. We have a long history of participating in public-private and cross-sector efforts to drive progress in this area. We will continue to lead and participate in coalitions and collaborations designed to encourage or facilitate decarbonization pathways, create consistent reporting and calculation methods, and drive capital toward climate solutions. Some of our engagements include:

- At the World Economic Forum's International Business Council (IBC), under the chairmanship of our Chief Executive Officer (CEO) Brian Moynihan, we worked with the Big Four accounting firms to develop the Stakeholder Capitalism Metrics<sup>4</sup>. These metrics were drawn from a range of existing global standards, to create a baseline of industry-agnostic reporting metrics aligned to the pillars of the UN SDGs. We have reported these metrics in our Annual Report to Shareholders for the last two years. More than 150 global companies have agreed to report on these metrics, and the IBC working group is

aligned to the Technical Readiness Working Group of the International Financial Reporting Standards Foundation to assist in the development of a single set of global sustainability reporting standards.

- CEO Brian Moynihan also co-chairs the Sustainable Markets Initiative (SMI) with His Royal Highness the Prince of Wales. The Financial Services Task Force of the SMI, which includes Bank of America, released a Net Zero Practitioner's Guide<sup>5</sup> in 2021 on setting science-aligned interim targets for financing activities. Bank of America is a signatory of the SMI's Terra Carta Charter and was one of the first companies to earn the Terra Carta Seal for our commitment to the creation of sustainable markets.
- We are a founding member of the Net-Zero Banking Alliance (NZBA), one of the financial industry alliances under the Glasgow Financial Alliance for Net Zero (GFANZ). Brian Moynihan is a member of the Principals Group guiding GFANZ which brings together all components of the financial industry under one umbrella to drive collaboration, accountability and progress. Our Global Environmental executive also serves on the steering group for NZBA which develops guidelines and requirements for credible net zero commitments and interim targets for banking members.
- We are a core member of the Partnership for Carbon Accounting Financials (PCAF) which is a global partnership of financial institutions that are working together to develop and implement a harmonized approach to assess and disclose the GHG emissions associated with loans and investments. PCAF released a GHG accounting standard in November 2020 to quantify the emissions associated

<sup>4</sup> <https://www.weforum.org/reports/measuring-stakeholder-capitalism-towards-common-metrics-and-consistent-reporting-of-sustainable-value-creation>

<sup>5</sup> [https://a.storyblok.com/f/109506/x/a2be4f2b85/20211015\\_practitioners-guide-vfinal.pdf](https://a.storyblok.com/f/109506/x/a2be4f2b85/20211015_practitioners-guide-vfinal.pdf)

with financing activities for many asset classes. This standard enables transparency and comparability across all components of the financial industry.

- Our Global Climate Risk executive chairs the Climate Risk Consortium of the Risk Management Association (RMA). The Consortium brings together risk management professionals at global financial institutions with the purpose of advancing awareness of, and addressing risks relevant to, climate change. Members of the group are committed to developing frameworks and recommendations for governance, disclosure and risk management principles; sharing experiences with peers; and helping to move the industry forward on the topic of climate change risk.

We will continue to encourage and help inform a policy and regulatory environment that facilitates flows of private-sector capital and practical approaches to a just transition

for a net zero future. We will engage with peers and policymakers in the U.S., Europe, Asia and other regions to share our perspectives and expertise to drive consistent, transparent, and incentive-based policies. We provided written feedback to the U.S. Securities and Exchange Commission (SEC) as part of their March 2021 request for public input on climate change disclosure, which they used to inform the recently released proposed disclosure requirements for climate reporting. Our objective is to help hasten the net zero transition while maximizing opportunities for investment in innovation and minimizing the costs and other impacts to the people, companies, institutional investors and communities we serve.

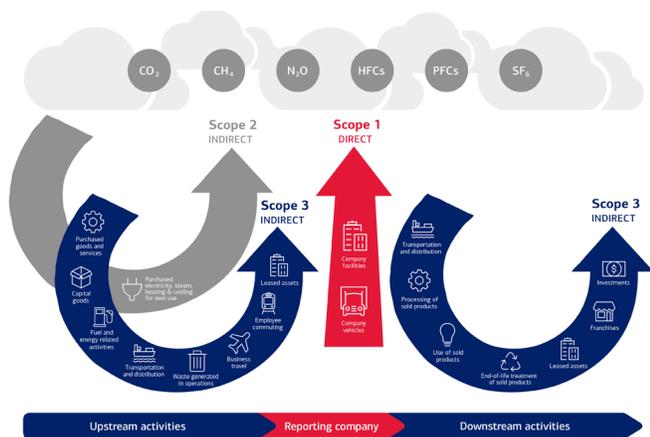
Facilitating this transition will require pragmatic, risk-informed strategies and policies to help reach the objective of net zero emissions across the entire economy.

## Analyze

data to develop decision-useful metrics to drive progress, uncover business opportunities and manage the transition

We are developing tools and systems that leverage various data to create decision-useful metrics to inform our business strategy. This includes comprehensive systems that will enhance our ability to analyze and manage climate risk, fulfill regulatory and voluntary obligations, capitalize on business opportunities, inform client engagement and support achievement of our net zero commitment and milestone targets. We plan to include more detail about these tools and systems in our next TCFD report that we expect to publish in the fall of 2022. In this paper, we provide an overview of how these tools and systems pertain to emissions associated with our financing activity and 2030 target setting.

To quantify the emissions associated with our financing activity (“financed emissions”) following the PCAF standard we must first understand and assess the emissions footprint of our clients. The GHG Protocol was developed in 2001 by the World Resources Institute and the World Business Council for Sustainable Development and established a GHG measurement methodology for organizations. The GHG Protocol classifies emissions into three different scopes for reporting purposes and provides the universal standard for organizations to follow when calculating emissions.



**Diagram 1.** The Greenhouse Gas Protocol (GHGP), a joint initiative of World Resources Institute and WBCS, Corporate Value Chain (Scope 3) Accounting and Reporting Standard. [https://ghgprotocol.org/sites/default/files/standards/Corporate-Value-Chain-Accounting-Reporting-Standard\\_041613\\_2.pdf](https://ghgprotocol.org/sites/default/files/standards/Corporate-Value-Chain-Accounting-Reporting-Standard_041613_2.pdf)

### Scope 1

Direct GHG emissions that occur from sources owned or controlled by the reporting company.

### Scope 2

Indirect GHG emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by the reporting company.

### Scope 3

All other indirect GHG emissions (not included in Scope 2) that occur in the value chain of the reporting company. Scope 3 can be broken down into upstream emissions that occur in the supply chain and downstream emissions that occur through use of a company’s products or services.

Financed emissions as defined by PCAF are the emissions associated with our loans and investments, shown in diagram 1 as Scope 3 category 15 of the GHG Protocol. We are starting by quantifying absolute financed emissions for business loans in our commercial credit portfolio. To calculate these emissions for each client, we divide our on-balance sheet utilized exposure to the client by the client enterprise value including cash (EVIC)<sup>6</sup>. This calculation provides us with an attribution factor to apply to the client's material Scope 1, 2 and 3 emissions to measure our absolute financed emissions from that client (see equation below).

### PCAF Financed Emissions

$$\sum \left( \frac{\text{Client Financing}}{\text{Client (EVIC)}^6} \times \text{Client Emissions} \right)$$

As part of our commitment to develop decision-useful metrics, we are building an internal technology system to, among other things: collect and house client emissions data, estimate client emissions where not available, calculate client physical unit emissions intensity and quantify our absolute financed emissions. We are prioritizing client-reported emissions data to conduct these calculations and monitor client progress over time. Client-reported emissions data continues to be limited, especially for Scope 3 emissions. In addition, we have found that very few companies provide a third-party verification of their emissions data. However, we have seen an increase in reporting as more companies make net zero commitments and as policymakers and regulators across different

geographies promulgate requirements for emissions reporting, such as the recently proposed SEC disclosure rules. Just the same, data gaps present a challenge in measuring the emissions attributed to our financing activities. To fill these gaps, we have developed methodologies in accordance with PCAF and the GHG Protocol to help estimate client emissions where necessary.

Given the multiple internal and external data sources, development of a new technology system to conduct calculations, need for estimation methodologies where client emissions data is missing, and regulatory requirements related to this reporting, the financed emission metrics are undergoing internal model review and governance. This review helps to ensure that we have comprehensive documentation, meet rigorous standards, utilize an appropriate methodology for estimation, deliberate with key internal stakeholders, and ensure governance review that includes senior executive oversight and approval. It also validates that the financed emissions model will be managed across its lifetime to our internal model standards. Following this model governance and internal approval as well as a third-party verification process, we will disclose our relevant financed emissions baselines and more information related to the model in our TCFD report.



## Align

our strategy to the best available science by setting appropriate milestone targets to reach net zero before 2050

As part of our commitment to reach net zero before 2050, we set science-aligned 2030 targets for our operations and supply chain and have established our first emission reduction targets related to our financing activity for the auto manufacturing, energy and power generation sectors. Our Approach to Zero is based on our assessment of the best available climate science, the GHG Protocol, the PCAF standard, the NZBA guidelines and the SMI Net Zero Practitioner's Guide. To guide our target-setting process, we established new cross-functional working routines and leveraged existing governance structures.

Working closely with leaders in our lines of business, the Global Public Policy and Environment Group leads our work to calculate financed emissions and the process for setting 2030 targets. To manage and make decisions related to this extensive body of work, we formed an executive working group including senior leaders from relevant lines of business and support functions including Business Banking, Global Commercial Banking, Global Corporate & Investment Banking, Enterprise Credit, the Global Sustainable Finance Group, Global Climate Risk, Global Risk Analytics, Credit Risk, Global Research, Chief Financial

<sup>6</sup> The sum of the market capitalization of ordinary shares at fiscal year end, the market capitalization of preferred shares at fiscal year-end, and the book values of total debt and minorities' interests. No deductions of cash or cash equivalents are made to avoid the possibility of negative enterprise values.

Officer Group, Legal and Compliance. These groups met regularly to guide research, analysis and decision making to arrive at targets. We also engaged with external advisors and stakeholders with climate expertise including a member of our National Community Advisory Council (NCAC). The NCAC is comprised of senior leaders from several external organizations who provide outside perspective on our business practices.

Governance of our environmental strategy takes place at various levels within the organization, with ultimate responsibility resting with the Board of Directors (Board) and senior management team of the company. It includes the Corporate Governance, ESG and Sustainability Committee of the Board, which has specific responsibility for overseeing the Company's ESG and sustainability activities and practices. The Board's Enterprise Risk Committee (ERC) is responsible for overseeing the Company's overall risk framework, risk appetite and control of key risks facing the company. The management-level Global Environmental, Social and Governance Committee (ESG Committee) comprises senior leaders from each line of business and support function and is responsible for overseeing ESG strategy and initiatives. The ESG Committee is accountable to the CEO and the Corporate Governance, ESG and Sustainability Committee of the Board. On matters of environmental and social risk, the ESG Committee reports to the Management Risk Committee, which in turn reports to the ERC. The 2030 sector targets outlined herein were approved by the ESG Committee and reviewed by senior management and the Board.

## Key Target Decisions

### Exposure

While our financed emissions reporting per the PCAF standard is based on utilized credit exposure, we set our 2030 targets using committed exposure. We chose to use committed credit exposure for target setting as we believe it best represents the support we provide clients, avoids volatility associated with timing of clients' use of credit facilities and is in alignment with our peers. These targets cover the business loan exposure for the sector. We did not include capital markets activity due to the lack of a consistent industry methodology. We will add capital markets activity to our 2030 targets and our broader net zero goal once a methodology is finalized and released by PCAF. We are an active participant in the PCAF working group developing this methodology and standard.

For the power generation target, it is our intent to include in our target boundary project-specific debt and tax equity investments, in addition to business loans, once these projects begin to generate power. As one of the

top tax equity investors in wind and solar in the U.S., we believe this sector represents both a tremendous business and decarbonization opportunity. We are committed to continuing to invest in renewable energy solutions and hope to continue to see a policy environment that encourages this investment.

### Carbon Credits

We intend to apply client use of carbon removal credits to our 2030 targets as the data is available and as we have established an internal review and due diligence system. These credits will have to meet specific criteria including certification by a credible body, adherence to the Core Carbon Principles developed by the Taskforce for Scaling the Voluntary Carbon Market and use in combination with a science-aligned emission reduction commitment. We recognize this area is rapidly evolving and will continue to follow guidance from NZBA and other parties on the application of carbon credits.

### Scenario Alignment

We reviewed multiple scenarios for target setting, including the Network for Greening the Financial System pathways, and two International Energy Agency (IEA) scenarios: the Sustainable Development Scenario (SDS) OECD pathway and the IEA Net Zero Emissions 2050 (NZE2050) global pathway. In alignment with the NZBA criteria and our commitment to net zero before 2050, we chose to use the IEA NZE2050 scenario released in 2021 for all three targets. We also took learnings from differences in the SDS global and OECD scenarios to understand how pathways in the NZE2050 OECD scenario — due to be released by IEA later in 2022 — will evolve. The NZE2050 global scenario provided the necessary detail to develop appropriate and relevant targets for the three sectors using 2019 as the baseline.

### Target Type

The NZBA guidelines allow for either intensity (emissions per unit of output) or absolute (total quantity of emissions) targets. Based on our review of various target types, we decided to set weighted-average physical unit emissions intensity targets for these three sectors. This metric is derived by taking the client emissions divided by the client physical unit activity for the year to develop a client-level emissions intensity per unit of output. That intensity is then multiplied by our committed exposure to the client divided by our total exposure to the sector. These individual intensities are then summed to create a portfolio-wide intensity for the sector. Physical unit emissions intensity targets are commonly used in these industries and are a useful metric for engaging with our clients and monitoring progress. While our net zero before 2050 target is based on absolute

financed emissions and we will report on those emissions for these sectors, year-over-year EVIC volatility made it more challenging for use in a shorter-term, 2030 target. In addition, we believe a physical unit intensity metric effectively represents the transition to cleaner energy, power and automobiles. As we move to other sectors, we will evaluate each industry to determine the best target metric.

**Auto Manufacturing**

We chose to include light duty passenger car and truck manufacturers in the boundary of this target. The target was derived from the NZE2050 emissions pathway for road vehicles. The target covers Scope 1, 2 and end use Scope 3 carbon emissions of our clients. These end use emissions are the most material for this sector and are often referred to as tank-to-wheel emissions (or tailpipe). The emissions intensity target will include the lifetime emissions of each new vehicle sold within the year.

**Energy**

These physical unit intensity targets include upstream producers, refiners and integrated companies within the oil and gas industry, as we believe this metric is best applied

to these sub-sectors and it represents the majority of emissions within the sector. We set separate intensity targets for Scope 1 and 2 and then Scope 3 in order to best apply the different NZE2050 pathways for the sector and to reflect progress in reducing both operational emissions and end use emissions. To arrive at a separate target for Scope 1 and 2 we applied the NZE2050 reduction pathways for methane, flaring and other carbon emissions. For Scope 3 we applied the intensity reduction pathway for the sector end use emissions.

**Power Generation**

This target includes the Scope 1 carbon emissions from clients that generate power, as these emissions are the most material for this sector. We chose physical unit intensity for the target as it is commonly used in the industry, reflects the expected increase in generation as the economy moves to electrification, encourages the transition to zero carbon electricity and directly aligns with the NZE2050 pathway.

**2030 Targets**

<b>Auto Manufacturing</b>		
Scope 1-2 CO <sub>2</sub> e, Scope 3 end use CO <sub>2</sub>	44% reduction	gCO <sub>2</sub> e/km
<b>Energy</b>		
Scope 1-2 CO <sub>2</sub> e	42% reduction	gCO <sub>2</sub> e/MJ
Scope 3 end use CO <sub>2</sub>	29% reduction	gCO <sub>2</sub> /MJ
<b>Power Generation</b>		
Scope 1 CO <sub>2</sub>	70% reduction	kgCO <sub>2</sub> /MWh

$$\text{Weighted Average Physical Unit Intensity} = \sum \left( \frac{\text{Client Emissions}}{\text{Client Production}} \times \frac{\text{Client Financing}}{\text{Total Sector Financing}} \right)$$

As part of our net zero strategy and in alignment with NZBA guidelines, we plan to set milestone targets for other key sectors through 2024 to cover a significant majority of our financed emissions and incorporate capital markets activities after the methodology is released. As data continues to improve and the science evolves, we plan to re-evaluate our targets to ensure they remain relevant and in alignment with our goal of net zero before 2050.

We will continue to enhance our systems to analyze more data and produce useful metrics to engage and support our clients, manage risk and meet our targets. To complement these targets, we are also reviewing opportunities to enhance our financing policies related to the support we provide our energy and power clients as we work with them to finance their transition.



Our ESG metrics, including climate and emissions-related data, are currently published each year in our Annual Report to Shareholders and Environmental Social and Governance (ESG) performance document following the IBC's Stakeholder Capitalism Metrics guidance and GHG Protocol. The environmental metrics we disclose follow internal review, controls and governance and undergo third-party verification each year. As our environmental disclosure expands to include financed emissions, these metrics will be subject to the same rigor and covered under our model framework. As part of this process, we are committed to reporting each year following the requirements of regulators, PCAF, NZBA and the TCFD guidelines.

We plan to disclose our 2019 financed emissions baseline for the auto manufacturing, energy and power generation sectors along with 2020 data in our TCFD report. In addition, we will include our 2019 baseline and 2020 intensities for the targets outlined in this paper. We intend to disclose the financed emissions for our entire business loan portfolio in 2023 and continue to implement the other PCAF asset class standards in the future.

## Next Steps

Given the breadth and depth of our client relationships around the world, we have an important opportunity to help mitigate, adapt to and build resilience to climate change and to help ensure a just transition to a sustainable future. Doing so represents a significant business opportunity and risk management task, and we have established the internal governance structures, strategies, targets, tools and metrics to help guide us.

Over the next few years, we plan to continue to set milestone targets that will address and reduce the emissions associated with our financing activities while assisting clients in their transition. In addition, we will build on the more than \$150 billion in sustainable finance we mobilized just last year toward this transition, consistent with our goal to mobilize and deploy \$1.5 trillion by 2030 to help accelerate the low-carbon transition and support other UN SDGs. Our success will require continued engagement with our clients and a supportive policy environment. To help ensure a just and sustainable future will require collaboration among policymakers, regulators, nonprofits, shareholders, clients and other stakeholders. While ambitious, we believe these goals are achievable, represent a tremendous business opportunity for us and are necessary for a sustainable future.

## Disclosures, Cautionary Information and Forward-Looking Statements

This paper contains statements regarding Responsible Growth, as well as environmental, social and governance information and opinions, in each case which may include metrics, targets, goals, commitments and sustainability strategy (all of the foregoing, and any other contents of this paper being, collectively, the ESG Information). The ESG Information may consider broader definitions of materiality used by certain external frameworks and reporting guidelines. Accordingly, any such ESG Information may not be considered material for Securities and Exchange Commission (SEC) reporting purposes, and materiality and the use of the term “material” in the context of the ESG Information is distinct from such terms as defined for SEC reporting purposes. Any inclusion of ESG Information is not an indication that the subject or information is material to Bank of America Corporation for SEC reporting purposes. Additionally, the ESG Information and any statements made in connection therewith are not guarantees or promises that any metrics, goals, targets or commitments will be met, and are based on current goals, targets, commitments, estimates, assumptions, developing standards and methodologies and currently available data, which continue to evolve and develop. The ESG Information is as of the date referenced, subject to change without notice and should be regarded as indicative and for illustrative purposes only. The ESG Information may vary based on applicable laws, rules, and regulations and in different geographic areas.

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