Managing our Transition to a Sustainable Future

BANK OF AMERICA

2023 Task Force on Climate-related Financial Disclosures (TCFD) Report

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CAUTIONARY INFORMATION AND FORWARD-LOOKING STATEMENTS

This report contains statements regarding Responsible Growth and environmental, social and governance information and opinions, including metrics, aspirations, targets, goals, commitments, cumulative values and sustainability objectives (all of the foregoing and any other contents of this report being, collectively, the Sustainability Information), in connection with Bank of America Corporation's application of the Task Force on Climate-related Financial Disclosures recommendations. The Sustainability Information included in this report may consider disclosure recommendations and broader definitions of materiality used by certain voluntary external frameworks and reporting guidelines that differ from mandatory regulatory reporting, including the U.S. Securities and Exchange Commission (SEC). Accordingly, any such Sustainability Information may be presented from a different perspective and in more detail than in Bank of America Corporation's regulatory reporting, and materiality and any use of the term "material" in the context of the Sustainability Information may be distinct from such term as defined for SEC reporting purposes. Any inclusion of Sustainability Information in this report is not an indication that the subject or information is material to Bank of America Corporation for SEC reporting purposes. Additionally, Sustainability Information may be based on current or historic aspirations, goals, targets, commitments, estimates, assumptions, standards, metrics, methodologies and internal control frameworks, and currently available data, which continue to evolve and develop, and any statements made in connection with Bank of America Corporation's aspirations, goals, targets or commitments are not guarantees or promises that they will be met. The Sustainability Information is as of the date referenced, subject to change without notice and may be regarded as indicative and for illustrative purposes only. The Sustainability Information may vary based on applicable laws, rules and regulations and in different geographic areas. Such Sustainability Information may also include the use of financial and nonfinancial metrics and/or other information that vary in source, quality, timeliness and completeness and are subject to significant measurement uncertainties, which may include the methodology, collection and verification of data, various estimates and assumptions, and/or underlying data that is obtained from third parties, often which we cannot independently verify.

Additionally, certain statements contained in this report may constitute "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995, including sustainability-related statements regarding our aspirations, targets, goals and commitments, such as our commitment to achieve Net Zero before 2050 in our financing activities, operations and supply chain, interim 2030 Net Zero targets, including financed emissions targets and sustainable finance commitments, which may evolve over time. We use words such as "anticipates," "targets," "expects," "hopes," "estimates," "intends," "plans," "goals," "believes," "continue" and other similar expressions or future or conditional verbs such as "will," "may," "might," "should," "would" and "could" to identify forward-looking statements. Forward-looking statements are not based on historical facts but reflect management's current expectations, plans or forecasts, are not guarantees of future results or performance, involve certain known and unknown risks, uncertainties and assumptions that are difficult to predict and often beyond Bank of America Corporation's control and are inherently uncertain. You should not place undue reliance on any forward-looking statement. Actual outcomes and results may differ materially from those expressed in, or implied by, any of these forward-looking statements due to a variety of factors, including global socio-demographic and economic trends, energy prices, technological innovations and advances, climate-related conditions and weather events, legislative and regulatory changes, public policies, engagement with clients, suppliers, investors, government officials and other stakeholders, the quality and availability of third-party data, including data measured, tracked and provided by data providers, our clients and other stakeholders, our ability to gather and verify data, our ability to successfully implement sustainability-related initiatives under expected time frames, third-party compliance with our expectations, policies and procedures and other unforeseen events or conditions. Discussion of additional factors, including uncertainties and risks, can be found in Bank of America Corporation's 2022 Annual Report on Form 10-K and subsequent SEC filings. Forward-looking statements speak only as of the date they are made, and Bank of America Corporation undertakes no obligation to update or revise any forward-looking statement to reflect the impact of circumstances or events that arise after the date the forward-looking statement was made. Additionally, this report may contain statements based on hypothetical or severely adverse scenarios and assumptions, which may not occur or differ significantly from actual events. These statements should not necessarily be viewed as being representative of current or actual risk or forecasts of expected risk.

Website references and/or links throughout this report are provided for convenience only, and the content on the referenced websites is not incorporated by reference into this report. Such website references and/or links do not imply an affiliation, sponsorship, endorsement, etc.

This report was published on November 16, 2023, and is provided by Bank of America Corporation on behalf of itself and of its direct and indirect legal and operating subsidiaries and their branch operations worldwide, as applicable.

At Bank of America, we are guided by Responsible Growth:

- Win in the market, no excuses.
- Grow with a customer-focused strategy.
- Grow with the right risk principles.
- Grow in a sustainable manner: Be the best place to work, share our success with our communities and drive Operational Excellence.

As I describe each year in my annual report to our shareholders, these core tenets serve as the foundation for our performance and progress. Underpinning these core tenets is all we do to direct the talent, innovation and resources of our company to deliver on our purpose, which is to help make financial lives better.

This includes the societal, financial and economic impacts of the transition underway to a low-carbon economy, which are serious concerns for our stakeholders. With tens of trillions of dollars in investment needed over the next 30 years, this transition creates significant opportunities for our clients and for our lines of business.

We are committed to helping society accelerate toward a secure and sustainable low-carbon future by reducing our environmental impact, managing our climate-related risks, mobilizing capital and working alongside our clients and partners in this energy transition. As a global financial institution, we support clients of all sizes across every sector with comprehensive financial solutions, including lending, capital raising, advisory and investment services, and we invest in local sustainability efforts to help underserved communities make the transition.

Recognizing the amount of capital necessary to accelerate the transition, in 2021 we set a goal to mobilize and deploy $1.5 trillion in sustainable finance by 2030. This includes capital deployed across clean energy sectors and tailored financial solutions for emerging areas of the low-carbon economy, such as greenhouse gas removal technologies and green hydrogen, that will help achieve an affordable, clean and secure energy future.

While the private sector is uniquely positioned to lead in scaling the resources and expertise needed for the transition, public sector leadership is critical. The transition requires coordinated action by governments, corporations, individuals, nonprofits, philanthropic organizations and others. To foster this collaboration, we are helping catalyze efforts by working through forums focused on advancing climate finance in a targeted and equitable manner. That includes the Sustainable Markets Initiative, which was founded by His Majesty King Charles III and which I have the honor to chair. Another invaluable coalition we work through is the World Economic Forum's International Business Council (IBC). Our company has taken a leading role in the IBC, and I serve as chair of the IBC's Stakeholder Capitalism Metrics Initiative.

We believe that it is helpful to have a common framework for reporting climate-related information aligned to clear and consistent standards. The Task Force on Climate-related Financial Disclosures provides such a framework.

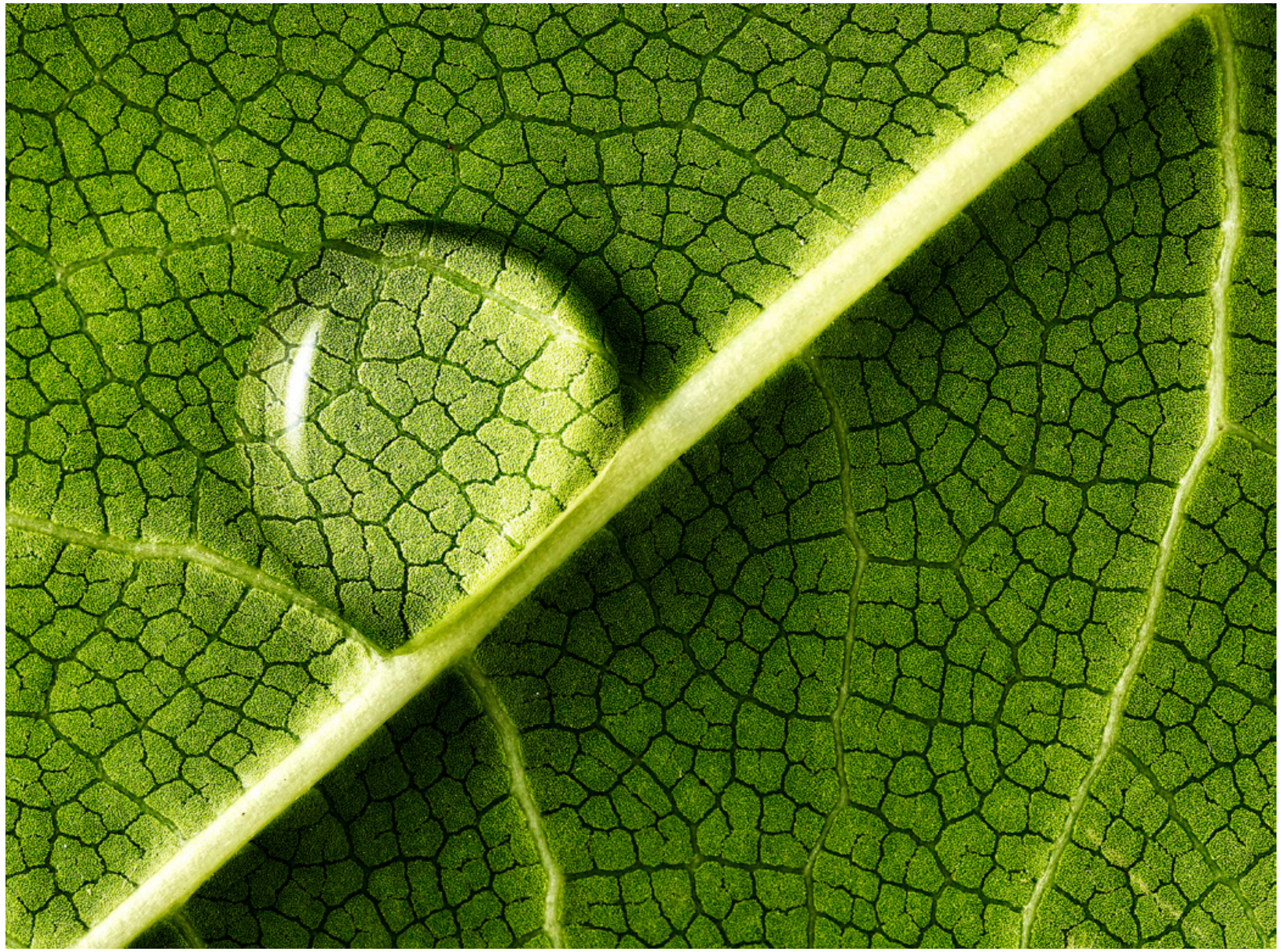
Managing the risks and opportunities that climate change and the associated transition to a low-carbon economy present is integral to how we run our company. Our approach is integrated across our company, enabling us to deliver on it throughout our business for our clients, teammates, shareholders and communities. Through all of this, we are committed to playing our part in the transition, pursuing this important opportunity to help our clients and communities adapt and thrive while working to address one of society's greatest challenges. It is great business and great for society.

Through Responsible Growth, we believe we can continue to deliver both profits AND purpose, and deliver for both our shareholders AND for society.

Thank you,

Brian Moynihan
Chair and CEO, Bank of America

The tenets of Responsible Growth serve as the foundation for Bank of America Corporation's (Bank of America or Company) performance and progress. We adopted Responsible Growth in 2014 and have disclosed our progress on its core tenets in our Annual Report to shareholders ever since. In keeping with these core tenets, it is our responsibility to guide our clients through times of economic stability and times of stress. According to some estimates, 91% of the world's Gross Domestic Product is encompassed by commitments from national governments to reach Net Zero carbon emissions by mid-century.[1] Reaching these goals will present challenges, but the transition to Net Zero[2] also creates significant opportunities for both our clients and our lines of business as we help support, enable and finance our clients through this transition.



In 2021, Bank of America committed to achieving Net Zero before 2050 in our financing activities, operations and supply chain (Net Zero goal), and in 2022, we released our Approach to Zero™, a framework for how we will achieve our Net Zero goal. In line with this approach, we have set and will continue to set interim 2030 targets across our financing activities (2030 Financing Activity Targets), operations and supply chain, all of which are further supported and complemented by our $1.5 trillion by 2030 sustainable finance goal.

Over the past year[3] we made progress toward our goals. We set additional 2030 Financing Activity Targets[4] — this time for the aviation and cement sectors — and refined our financed emissions methodology across all disclosed sectors to reflect advancements within this evolving space. We have made great strides in embedding sustainability into our ordinary business practices, refining our climate stress testing capabilities, instituting and enhancing sustainability-related governance routines and establishing processes that provide appropriate levels of oversight of our practices and systems. We continue to participate in various forums and work with a diverse set of stakeholders to share best practices and to advocate for smart growth policies that support a Net Zero future.

Our clients have their own unique needs in adapting to an economy underpinned by the growing importance of low-carbon technologies, resilient business models and energy security. As a global financial institution, our bankers continue to develop the expertise they need to best support our clients through their transitions. Our bankers serve as the primary point of contact for our clients, and they are being equipped with the knowledge, tools and skills necessary to help clients identify risks and opportunities associated with the transition to Net Zero; understand their clients' unique strategic objectives; and provide innovative and tailored product and service offerings across the platform for all of their needs.

As these efforts are best communicated through a common, comprehensive framework, we continue to leverage the TCFD framework to disclose how we manage the climate-related risks and opportunities relevant to our business. This document builds upon our previous TCFD reports and provides an update on our progress over the last year, noting areas of future focus as we work to reach our Net Zero goal.

1 Net Zero Tracker: zerotracker.net/insights/pr-net-zero-stocktake-2022.

2 "Net Zero" is the point at which human-caused greenhouse gas (GHG) emissions going into the atmosphere have been reduced as much as possible and remaining GHG emissions are balanced by carbon removal out of the atmosphere. Achieving Net Zero by 2050 on a global scale is a fundamental component of limiting temperature rise to 1.5°C above pre-industrial levels. Source: nasa.gov/press-release/nasa-clocks-july-2023-as-hottest-month-on-record-ever-since-1880.

3 The qualitative information detailed throughout this report reflects the Company's efforts as of the date of publication, whereas the quantitative information and specific case studies are as of year end 2022 unless otherwise specified.

4 Bank of America has committed to reduce the emissions intensity of its loan portfolios in key high-emitting sectors by 2030. See Aligning our strategy by setting milestone targets to reach Net Zero before 2050 for more details.

Recommended disclosure	Location	Additional resources
Governance		
Describe the Board's oversight of climate-related risks and opportunities.	**Governance** a. Board of Directors Oversight b. Management Oversight	2022 Annual Report to shareholders (p. 128–129) 2023 Proxy Statement (p. 38) Corporate Governance, ESG, and Sustainability Committee Charter
Describe management's role in assessing and managing climate-related risks and opportunities.	**Governance** a. Management Oversight b. Enterprise Functional Teams c. Performance and Remuneration	2022 Annual Report to shareholders (p. 128–129) 2023 Proxy Statement (p. 38–39, 42)
Strategy		
Describe the climate-related risks and opportunities the organization has identified over the short, medium and long terms.	**Strategy** a. Assisting our clients **Risk Management** a. Risk Identification b. Risk Measurement c. Assessing Climate-related Risk through Scenario Analysis	2023 Proxy Statement (p. 40 – 41)
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	**Strategy** **Risk Management**	2022 Annual Report to shareholders (p. 38, 128–129) Approach to Zero™
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	**Strategy** a. Aligning our strategy by setting milestone targets **Risk Management** a. Risk Measurement b. Assessing Climate-related Risk through Scenario Analysis	
Risk Management		
Describe the organization's processes for identifying and assessing climate-related risks.	**Strategy** **Risk Management** a. Risk Identification	2023 Proxy Statement (p. 42) Environmental and Social Risk Policy Framework (p. 4–7)
Describe the organization's processes for managing climate-related risks.	**Risk Management** a. Risk Control	2023 Proxy Statement (p. 42) Environmental and Social Risk Policy Framework (p. 4–7)
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	**Risk Management**	2023 Proxy Statement (p. 42) Environmental and Social Risk Policy Framework (p. 4–7)

Recommended disclosure	Location	Additional resources
Metrics and Targets		
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	**Governance** a. Performance and Remuneration **Strategy** a. Assisting our clients b. Aligning our strategy by setting milestone targets to reach Net Zero before 2050 **Risk Management** a. Risk measurement **Metrics and Targets**	Approach to Zero™ Performance Data Summary (p. 16–27) 2022 CDP Climate Change Questionnaire
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	**Metrics and Targets** a. Operations and Supply Chain Metrics and Targets b. Financing Activity Metrics and Targets	2022 Annual Report to shareholders (p. 63) Performance Data Summary (p. 17–20) 2022 CDP Climate Change Questionnaire
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	**Strategy** a. Assisting our clients b. Aligning our strategy by setting milestone targets to reach Net Zero before 2050 **Metrics and Targets**	Approach to Zero™ Performance Data Summary (p. 7) 2022 CDP Climate Change Questionnaire

Through our various bank and nonbank subsidiaries, we provide a diversified range of banking and nonbanking financial services and products through four business segments operating in the United States, its territories and more than 35 countries: Consumer Banking, Global Wealth & Investment Management (GWIM), Global Banking, and Global Markets. Our business segments are further subdivided into eight Lines of Business (LOBs) based on their services and clients. By delivering our capabilities through eight LOBs, we provide targeted expertise to deliver Responsible Growth across a diverse set of business activities to three groups of clients: people, companies of all sizes and institutional investors.

Consumer Banking

Retail Banking

Serves mass market U.S. consumers with a full range of financial products and services through award-winning digital banking capabilities and financial center network.

Preferred Banking

Provides personalized solutions, valuable rewards, advice and guidance for clients with more complex banking, borrowing and investing needs as well as for entrepreneurs and small businesses with revenues of up to $5 million.

Global Wealth & Investment Management

Merrill

Serves high net worth and ultra-high net worth clients. Our personal advisor relationships allow us to help individual investors and their families plan for and achieve their unique financial goals.

Private Bank

Provides comprehensive wealth and estate planning, investment management, banking and lending solutions to ultra-high net worth clients with investable assets of more than $3 million.

Global Banking

Business Banking

Locally based client relationship teams provide advisory and banking services for credit, treasury, trade, foreign exchange, equipment finance and merchant services to more than 21,000 small and mid-sized U.S. companies with annual revenues of $5 million to $50 million.

Global Commercial Banking

Provides treasury, lending, leasing, advisory, and debt and equity underwriting services to middle market companies with revenues of $50 million to $2 billion across all major industries. It brings clients the full capabilities of the Company paired with local service.

Global Corporate & Investment Banking

Provides clients around the world and across all major industries with solutions for treasury services, lending, leasing, advisory, and debt and equity underwriting. Serves corporate clients with more than $2 billion in revenues, financial institutions and government agencies.

Global Markets

Provides services across the world's debt, equity, commodity and foreign exchange markets. This includes liquidity, hedging strategies, industry-leading insights, analytics, and competitive pricing for corporate, commercial, government and institutional investor clients.

Bank of America's commitment to reaching Net Zero builds on 20 years of climate leadership. Since 2003, Bank of America has been a leader in environmental reporting, reducing operational impacts and scaling climate finance.

2003
Began disclosing Scopes 1 and 2 GHG emissions through CDP.

2004
Published first Global Reporting Initiative (GRI) report.

2005
Established first Scopes 1 and 2 emissions reduction goal.

2007
Launched first sustainable finance goal — our Environmental Business Initiative — to mobilize $20 billion over 10 years.

2009
Began disclosing Scopes 1 and 2 emissions through CDP.

2010
- Began disclosing Scope 3 emissions.
- Launched internal employee program, My Environment®.

2011
Announced first set of comprehensive environmental operations goals.

2013
Assisted in drafting the Green Bond Principles and issued our first benchmark corporate green bond.

2015
Announced an additional $125 billion commitment under our Environmental Business Initiative after early achievement of our previous commitment.

2016
Committed to using 100% renewable electricity and reaching carbon neutrality for our operations by 2020.

2019
Achieved renewable electricity and carbon neutrality goals a year early — announced a new 10-year, $300 billion commitment under our Environment Business Initiative.

2020
- Released our first TCFD report.
- Became founding partner of Rocky Mountain Institute's Center for Climate-Aligned Finance.
- Joined the Partnership for Carbon Accounting Financials as a core member.
- CEO Brian Moynihan became co-chair of the Sustainable Markets Initiative.

2021
- Began disclosing the WEF International Business Council metrics in our Annual Report to shareholders.
- Committed to Net Zero emissions before 2050 for our financing activities, operations and supply chain.
- Announced $1.5 trillion by 2030 Sustainable Finance commitment.
- Became founding member of the Net-Zero Banking Alliance, which serves as the banking element of the Glasgow Financial Alliance for Net-Zero.
- Received Terra Carta Seal from SMI.

2022
- Announced 2030 targets for reducing emissions associated with financing activities related to auto manufacturing, energy and power generation.
- Released Approach to Zero™, which details our Net Zero greenhouse gas emissions approach and target setting process.
- Set 2030 Sustainable Aviation Fuel (SAF) goals for sustainable finance mobilization and the Company's corporate and commercial jet fuel usage.
- Released our second TCFD report, in which we disclosed Scope 3 financed emissions and emissions intensity metrics for the auto manufacturing, energy and power generation sectors.

2023
Set 2030 targets for reducing emissions associated with financing activities related to aviation and cement, and disclosed Scope 3 financed emissions and emissions intensity metrics for these sectors.

In this document, we outline how we're working to realize our enterprise climate strategy. This includes how climate change is governed within the Company, the goals and priorities we set, the actions taken and resources allocated to achieving these goals, our exposure to and management of climate-related risks, and the metrics and targets we track to monitor progress. We have used the TCFD framework as a foundation to articulate how Bank of America is using its financial and intellectual capital to help accelerate the transition to a more sustainable global economy.

Highlights of progress since our last report

Formed a dedicated workstream, the Financing Activity Methodology and Strategy (FAMS) workstream, to manage and expedite decision-making related to reaching our Net Zero goal.

Created the Sustainability Transaction Forum to review and discuss sustainability transactions in Global Banking with potential reputational risks to determine and recommend further action.

Appointed a Corporate Sustainability Controller to oversee the controls and governance around our climate reporting.

Board of Directors oversight

The Company's Board of Directors (Board) oversees the business and affairs of the Company, providing active and independent oversight of management, including its development and execution of our climate-related activities. Our directors are seasoned leaders who bring deep and diverse experience from a range of industries and backgrounds. In addition, the Board, through its Corporate Governance, ESG, and Sustainability Committee (CGESC), follows applicable regulations in confirming that our Board includes members with an understanding of risk management principles, policies and practices, and have experience in identifying, assessing and managing risk exposures. Our directors' perspectives, experiences and expertise help inform and guide how we deliver long-term, sustainable value for our shareholders and share success with our communities. Our Board actively oversees the Company's drive toward Responsible Growth, a key tenet of which is to grow in a sustainable manner, through comprehensive governance and risk oversight practices.

The Board and the committees that report to it regularly discuss climate-related topics through various channels. For example:

- The Board receives periodic presentations from management on the Company's climate-related activities and climate-related risk management practices and opportunities.
- The Board's CGESC, which has specific responsibility for overseeing the Company's environmental and social sustainability-related activities and practices, regularly reviews the Company's climate-related work and policies.
- The Board, in coordination with its Enterprise Risk Committee (ERC), oversees climate risk — a risk that spans across all key risk types — as set forth in the Company's Board- and ERC-approved Risk Framework and Risk Appetite Statement (RAS).[5] To this end, the Board and the ERC receive quarterly risk reporting and periodic deep dives that address and provide updates on key and emerging risks, including climate risk.
- The Board, through its Audit Committee, periodically reviews the Company's enterprise climate disclosures in its financial reports filed with the U.S. Securities and Exchange Commission (SEC). The Audit Committee also receives regular updates on global developments in climate-related reporting.

Key topics covered with the Board and/or its committees include our sustainable finance activities, updates on the execution of our Net Zero goal, our 2030 emissions reduction targets related to our financing activities, climate-related oversight requirements, regulatory landscape and the continued enhancement and evolution of the climate risk management efforts.

5 In the Risk Framework and RAS, climate risk is identified as a risk spanning all seven key risk types and the RAS includes a qualitative component outlining how the Company manages climate risk in a manner consistent with Responsible Growth.

Management oversight

Supporting the Board in its oversight of climate-related activities are management-level committees comprised of senior leaders across every major LOB and control function.[6] Among these, the Management Risk Committee (MRC), co-chaired by our chief executive officer (CEO) and chief risk officer, oversees risks facing the Company, taking into consideration climate risk, which spans across all key risk types. The MRC reports to the Board's ERC and is supported by subcommittees organized by risk type (e.g., credit, market, operational) and LOB, which also review the implications of climate-related risks.

The Responsible Growth Committee (RGC) is responsible for overseeing the Company's mandate to grow in a sustainable manner and works to accelerate our progress on environmental and social initiatives, including climate. The RGC is co-chaired by our chief administrative officer and our vice chair, who was formerly our chief financial officer, and currently oversees the Company's sustainability activities and stewards our work and progress to achieve our Net Zero goal. Its members are comprised of senior leaders representing each LOB and control function. The RGC is accountable to the CEO and is supported by the ESG Disclosure Committee, which is responsible for reviewing and providing oversight of our climate and other sustainability-related public disclosures.

The RGC engages in dialogue and debate on sustainability issues that are significant to our business. It escalates relevant sustainability matters and related risks to the CGESC and to the MRC, respectively. It is charged with providing overall leadership for the Company in environmental and social areas, and it monitors our focus on climate transition and sustainable finance across our LOBs as we work to meet our Net Zero goal. The details on our approach to Net Zero and the 2030 Financing Activity Targets outlined herein were approved by the RGC and reviewed by senior management and the Board.

We have established a climate program, which includes various workstreams to help achieve our climate objectives (Climate Program). The Climate Program Executive Steering Council (Climate SteerCo) coordinates and integrates the capabilities required to drive the execution of our work in these areas. Additionally, the Climate Risk Council, which consists of leaders across risk, LOBs and control functions, meets routinely to discuss our approach to managing climate-related risks in line with our Risk Framework. This council is overseen by the climate and environmental risk executive, who reports to the corporate social responsibility (CSR) and environmental risk executive, a member of the chief risk officer's leadership team.

In addition, since our last report, we have established the role of corporate sustainability controller to oversee the controls and governance around our climate reporting.

6 Control functions provide guidance and subject matter expertise on day-to-day activities affecting the Company and include Legal, Global Human Resources and certain groups within the Chief Financial Officer and Chief Administrative Officer Groups and Global Strategy and Enterprise Platforms.

Enterprise governance of climate-related risks and opportunities

Our governance framework establishes oversight of our climate strategy by the Board and management-level committees. Additionally, across the first and second lines of defense, we have routines in place to help deliver decisions in a timely manner, escalate risks and issues for solutions, and achieve milestones.

Global coverage

Sustainability-related strategic, risk and regulatory governance routines are conducted in each region (Europe, Middle East and Africa (EMEA), Latin America (LATAM) and Asia Pacific (APAC)) and for certain legal entities, as needed. These councils and steering groups provide management oversight of activities related to the financial risks and opportunities from climate change and of sustainability-related regulatory requirements.

Governance routines

Board of Directors
Oversees all environmental and social sustainability-related matters, including climate risks and opportunities, and engages with management on climate topics, including the Company's Net Zero Goal

Board-Level Committees

Enterprise Risk Committee
Oversees risks, including reputational and climate risks

Audit Committee
Oversees the integrity of our financial reporting, including sustainability-related disclosures

Compensation and Human Capital Committee
Oversees human capital management practices, including compensation programs

Corporate Governance, ESG and Sustainability Committee
Oversees social and environmental sustainability matters generally, other than human capital matters

Management-Level Committees | Accountable for execution of the climate strategy, including climate risk management

Management Risk Committee
Oversees all company risks, including sustainability-related risks, such as climate risk

Responsible Growth Committee*
Oversees our mandate to grow in a sustainable manner and works to accelerate our progress on social and environmental initiatives

LOB, Regional and Functional routines for oversight of climate-related risk

Regional and LOB Risk Committees
Embed climate risk into key risk considerations across LOBs

Regional and LOB Reputational Risk Committees
Oversee and review business activities that present elevated levels of reputational risk

ESG Disclosure Committee
Oversees accuracy, completeness and timeliness of ESG-related disclosures

International (EMEA, LATAM, APAC) | Regional Sustainability-related Forums; Risk, Regulatory and Strategic Councils; Climate Oversight and Steering Groups

Climate Program Workstreams
Deliver on workstream goals to achieve Enterprise climate objective | Prepare LOBs to adopt and own new processes and capabilities | Maintain clear roles and responsibilities consistent with Risk Framework

Councils, Forums, Committees

Climate Program Executive Steering Council
Oversees execution of Enterprise Climate Program

Global Sustainable Finance Data Taxonomy Governance Council
Sets governance for sustainable finance product taxonomy

Sustainability Transaction Forum
Reviews and discusses Global Banking sustainability transactions with potential reputational risks to recommend further action

Legal Entity Risk Committees
Review and oversee risks at the legal entity-level, including climate-related risks

Sustainable Finance Cross-LOB Council
Implements and accelerates the Company's sustainable finance strategy and initiatives across all eight LOBs and core types of financing activities

Climate Risk Council
Reviews and discusses our approach to managing climate-related risks in line with our Risk Framework

Arrows

A ⟶ B means A informs or reports to B

*The Board's CGESC regularly receives reports from the RGC on sustainability matters and reviews the RGC charter.

Enterprise functional teams

Multiple teams across Bank of America work to execute against our Net Zero goal, mobilize intellectual and financial capital to assist clients in their transition, and assess and manage both climate-related risks and opportunities. These groups report progress to senior management through committees such as the RGC and MRC.

The **Global Environmental Group (GEG)** within the Global Public Policy group is an enterprise advisory function that oversees our environmental policies, including our work to drive progress toward our Net Zero goal and other environmental commitments. The group also catalyzes and supports the development of low-carbon business activity, the achievement of greenhouse gas (GHG) emissions reductions and carbon neutrality across our operations, the development of environmental positions and practices (e.g., Environmental and Social Risk Policy Framework (ESRPF)) and the monitoring and reporting of environmental activities. This team works across the enterprise to help embed our environmental work into our business in support of Responsible Growth and a just transition, across the globe and in the communities we serve.

As part of the Climate Program and to streamline decision-making related to our approach to reaching our Net Zero goal, in 2022, GEG formed the FAMS workstream, directed by senior leaders within the Global Environmental Group and LOBs including Global Corporate & Investment Banking, Global Commercial Banking and Business Banking. The FAMS workstream leads the development of the strategy associated with the Company's Net Zero goal, all methodological decisions related to financing activity emissions (including calculations and targets), and management of many of the alliances and organizations with which the Company is involved. Within the workstream we have established a cross-functional group to help develop recommendations that go through various levels of review and approval by the workstream leaders before being implemented. In addition to senior leaders, the workstream includes industry experts within the LOBs and teammates from Climate and Environmental Risk, Credit Risk, Global Risk Analytics, International Risk, Enterprise Credit, Chief Financial Officer Group, Legal, Compliance and Corporate Audit. Key decisions and recommendations resulting from this workstream are approved by the RGC.

The **Corporate Social Responsibility (CSR) Group** includes both the International CSR Group and the CSR Data and Reporting Team, both of which contribute to reaching our Net Zero goal. These teams work in close coordination with GEG and report to the chief administrative officer.

- The **International CSR Group** works across regions outside of the U.S. to integrate our environmental and social strategies into all aspects of our business and in support of the communities we serve. This team includes an enterprise advisory function that works across different LOBs to support sustainable business activity including to drive progress toward our $1.5 trillion sustainable finance commitment and our Net Zero goal. The group also contributes to the development of our policies and practices as well as brings expertise to support a balanced and just transition globally. Additionally, the group catalyzes and supports the monitoring and reporting of a number of our environment- and climate-related activities.
- The **CSR Data and Reporting Team** leads data management and external disclosures of the Company's activities related to Stakeholder Capitalism (people, planet, prosperity, principles of governance). This includes collaboration with the Chief Financial Officer (CFO) Group with regard to disclosure controls; and oversight and governance through the ESG Disclosure Committee.

The **Corporate Sustainability Controller** is part of the CFO Group and also supports the work to reach our Net Zero goal and contributes to our overall climate strategy. This team works in close cooperation with the CSR Data and Reporting Team and GEG, focusing on strengthening our control environment and governance processes for climate reporting.

The **Global Sustainable Finance Group (GSFG)** is an enterprise-wide front-line unit (FLU) within Global Markets that works with our Management Team and partners across our LOBs to establish Bank of America's firm-wide sustainable finance objectives, set Bank of America's capital mobilization and deployment goals (e.g., Bank of America's $1.5 trillion by 2030 sustainable finance commitment), drive thought leadership across international alliances and task forces, expand existing sustainable finance activities across LOBs and innovate across emerging areas of environmental (including climate) and social finance. The Global Head of Sustainable Finance chairs the Global Sustainable Finance Cross-LOB Council (the SF Council) which is accountable to and serves as a sub-council of the RGC. The SF Council meets routinely and is responsible for implementing initiatives and accelerating the Company's sustainable finance progress across all eight LOBs and all four core roles the Company plays in sustainable finance, including: (i) balance sheet deployment — financing and investment, (ii) underwriting/distribution, (iii) advisory/ Governance Council provides governance of our sustainable finance reporting and oversees the Sustainable Finance Taxonomy and key data decisions.

Within our Global Corporate & Investment Banking (GCIB) business, our **Sustainable Banking Solutions Group (SBSG)** delivers expertise on how addressing sustainability considerations impacts clients' cost of capital and ability to execute on their strategic priorities. SBSG provides market insights and investor perspectives, in coordination with investment banking, corporate banking and capital markets partners, to help structure and execute transactions where sustainability factors are a component of the value proposition for investors. This includes Green, Social and Sustainability Bonds[7] and other financings for projects and investments with environmental and social benefits and sustainability-linked transactions focused on issuers' performance on sustainability. The team also partners across the Company to allow for all groups within GCIB to progress on sustainability-related commitments made by the Company. Notably, SBSG is driving the work to keep the business on track toward meeting our 2030 Financing Activity Targets. This includes instituting a framework to drive client engagement, data collection and assessment and monitoring progress. See the Assisting our clients and Aligning our strategy by setting milestone targets to reach Net Zero before 2050 sections for additional details.

7 Green/Social/Sustainability Bonds are use of proceeds bonds where the proceeds or an equivalent amount are applied to finance or refinance new or existing projects whose outcomes are either environmentally beneficial, socially beneficial or both, respectively. We follow International Capital Market Association (ICMA) Principles in our issuance and underwriting of Green, Social and Sustainability Bonds.

In 2023, the Sustainability Transaction Forum (Forum) was created in GCIB to review and discuss sustainability transactions with potential reputational risks to recommend further action. Core participants of the Forum include senior leaders from Global Banking as well as representatives from Global Banking Legal, Climate and Environmental Risk, the Global Environmental Group and other rotational participants as necessary based on the transaction type.

The **Business Banking and Global Commercial Banking Sustainability** team helps our clients use sustainability principles to grow their businesses responsibly. Via banker activation, client engagement and capital deployment, the team is focused on helping our bankers expand and deepen relationships and educate clients on the potential risks and opportunities to drive low-carbon, sustainable business models.

Global Climate and Environmental Risk (GCER) is a second-line function[8] within Global Risk Management (GRM) responsible for overseeing climate risk management in line with our Risk Framework, establishing the climate risk framework and governance structure, providing independent assessment and challenge of enterprise-wide climate risks, providing input on risk appetite, and delivering an enterprise-wide view on climate risk metrics. GCER provides subject matter expertise to help FLUs and Control functions integrate the unique aspects of climate risk into their risk management programs, such as identifying climate risks over the relevant time horizons and determining climate risk scenario requirements for risk management use and regulatory reporting.

Performance and remuneration

Our Board of Directors' Compensation and Human Capital Committee promotes strong governance of our pay-for-performance compensation philosophy, which focuses on pay for performance over the long-term, as well as on an annual basis. Performance considerations include both financial and nonfinancial measures, including not only actual results, but also the manner in which results are achieved for the Company, LOBs and the individual. At the start of each year, goals aligned to the tenets of Responsible Growth, including growth in a sustainable manner with focused sustainability leadership, are set for each executive officer and progress to meeting those goals are tracked on scorecards and taken into consideration by the Board's Compensation and Human Capital Committee when making compensation decisions. For example:

- Our Executive Management Team's performance dashboards contain sustainability metrics that are tracked and reported to our Board. The Board also reviews and considers progress toward our $1.5 trillion sustainable finance commitment and Net Zero goal in its evaluation of performance.
- FLUs, such as the GSFG, Renewable Energy Finance and Sustainable Banking Solutions, focus directly on climate innovation and environment-related revenue streams and are evaluated based on the management of these opportunities as well as engagement with our eight LOBs to finance the environmental transition in alignment with the UN SDGs.
- The chief procurement officer is responsible for the Company's responsible sourcing strategy and is evaluated on success in these areas. The Third Party Program is tasked with engaging suppliers on the management of climate change and delivering on our climate-related supplier engagement targets.
- Teams responsible for delivering operational and supply chain GHG emissions reductions and maintaining carbon neutrality include Global Real Estate Services, Global Technology, Global Operations, Consumer, the Third Party Program, Corporate and Executive Travel Services and the Global Environmental Group. Team performance is evaluated based on successfully implementing activities and initiatives that support energy efficiency and manage and help reduce GHG emissions.

Employee and stakeholder engagement

We engage multiple internal and external stakeholders to inform our efforts to address climate-related risks and opportunities. Our key stakeholders include employees, customers, investors/shareholders, communities and partners, regulators and policymakers and suppliers. Through this engagement, we glean valuable insights and perspectives that shape our efforts. One of the things we have learned is the importance of sharing external stakeholder perspectives with our employees.

With more than 26,000 employee members around the world, the My Environment® employee program drives positive environmental change by engaging employees in our environmental initiatives and programs and by providing opportunities to participate in educational and volunteer events to help them act as better environmental stewards at work, at home and in the community. Program elements include local market and enterprise webinars, virtual discussion courses, lunch and learn sessions, newsletters and employee engagement initiatives to reinforce sustainable living habits.

Employees are critical to our ability to reach our Net Zero goal and effectively manage climate-related risks and opportunities. We strive to equip our employees across the Company with the skills and knowledge needed to act in accordance with our enterprise climate priorities. Employees are educated on various climate-related topics such as climate risk, sustainable finance and Net Zero. Bank of America's learning organization, The Academy, oversees training across the enterprise to help drive consistency, coordination and content development of Net Zero- and climate-related learning assets. See Assisting our clients for more information on our LOB-specific efforts to educate our bankers on climate and Net Zero.

2022 Employee engagement highlights

- More than 24,000 Net Zero training course completions.
- Bank of America employees, and risk employees, actively pursue third party industry certification for climate and sustainability risk. Our company encourages and supports employees seeking such industry certification.

8 Bank of America manages risk across three lines of defense: FLUs (first line), Global Risk Management (second line) and Corporate Audit (third line). The Company also has control functions (e.g., Legal and Global Human Resources) outside of these three lines of defense that provide guidance and subject matter expertise in support of managing risks facing the Company.

Information on how we engage external stakeholders is illustrated below with references to where further content is located throughout the document or in other public disclosures.

Stakeholder engagement

Stakeholder group	How we engage	Where to go for more information
Customers	With extensively trained employees across the enterprise, Bank of America delivers insights, ideas, products and award-winning research that serve to empower customers and clients across our LOBs to transition themselves and their businesses to thrive in a more sustainable economy. As part of our $1.5 trillion sustainable finance commitment, we provide a vast range of clients across sectors with diverse sustainability solutions, supporting everything from alternative fuels to energy efficiency. In our retail business, we provide options such as recycled credit and debit cards, paperless statements and wide availability of electric vehicle loans. Across all LOBs, we want sustainability to be a central part of the conversations we have with our clients — whether it's with a small business owner or a Fortune 500 company.	2023 Small Business Owner Report Assisting our clients section
Investors	We engage regularly with investors to solicit their input on important corporate governance and sustainability matters including climate risk and opportunity. These exchanges help inform our Board, contribute to enhanced disclosure and help us address the issues our investors tell us matter most to them.	2022 Annual Report to shareholders
Communities and Partnerships	Community stakeholders are engaged in part through our National Community Advisory Council (NCAC), a forum made of senior leaders from social justice, consumer advocacy, community development, environmental and research organizations who provide external perspectives, guidance and feedback on our business policies and practices.	2023 Proxy Statement
Regulators and Governments	We regularly engage with regulators and governments (e.g., through in-person meetings) to deepen and strengthen relationships and to provide relevant and timely information. In addition, we commonly engage in consultations either directly or through our trades or membership-based partners.	Political Activities description on Investor Relations site Advocating for consistent industry and global standards: Public policy engagement section
Suppliers	All suppliers receive our Supplier Code of Conduct, which sets forth our environmental and social expectations for our global supply chain. We take a risk-based approach to managing environmental and social risk in our supply chain, engaging with our largest suppliers and suppliers within specific industries regularly to review suppliers' policies and processes and understand climate impacts. We support our suppliers through various initiatives to build their capacity, such as webinars, toolkits and advisory services, and encourage transparency, which drives accountability and progress toward environmental and social sustainability. We also engage and support the development of diverse-owned suppliers through our Supplier Diversity Program, which in turn helps communities thrive through business development and job growth.	Supplier Code of Conduct Performance Data Summary Aligning our strategy by setting milestone targets to reach Net Zero before 2050: Operations and supply chain section

Highlights of progress since our last report

- Set new emission reduction targets for aviation and cement and measured baseline emissions and emissions intensity for these sectors.
- Developed a framework to actively manage our 2030 Financing Activity Targets, including tasking a group of senior leaders within Global Banking to oversee progress on driving client engagement, data collection, assessment and monitoring.
- Continued to finance the transition to a low-carbon economy across LOBs with a variety of sustainable financing solutions.
- Added resources in Global Corporate and Investment Banking to deliver sustainability expertise to clients and help structure and execute transactions where sustainability factors are a component of the value proposition for investors.
- Established the Business Banking and Global Commercial Banking Sustainability team to help our clients use sustainability principles to grow their businesses responsibly.
- Continued to refine our approach to addressing nature- and biodiversity-related risks and opportunities.

Our approach to managing the risks and opportunities stemming from climate change and the associated transition to a low-carbon economy is embedded in our Responsible Growth perspective to running the Company. A key element of Responsible Growth is our three-pronged approach to climate: 1) minimizing our impact on the environment; 2) supporting and enabling our clients to achieve Net Zero; and 3) assessing and managing climate-related risks. The tactical framework underpinning the first two prongs is our Approach to Zero™ — five key pillars that shape our work and are explored in depth in the following pages: 1) Assist; 2) Advocate; 3) Analyze; 4) Align; and 5) Attest. For information on our tactical approach to achieving the third prong, see Risk Management.

Time horizons

While we have been addressing climate-related risks and opportunities for decades, the science and geopolitical context surrounding the clean energy transition continue to evolve. Based on this evolution, our work includes several time horizons, as shown below. These priorities and our Approach to Zero™ will continue to guide us as we work to manage our priorities across time horizons, confronting the societal, economic, political and technical challenges that may arise along the way.

Short-term: one to three years; actions taken detailed throughout this document.

Medium-term: 5–10 years; aligns with our 2030 targets for our financing activities, operations and supply chain, as well as our 2030 Sustainable Finance Goal and the time period of our industry credit risk assessments.

Long-term: more than 10 years; aligns with our goal to reach Net Zero before 2050.

Three-prong climate strategy

1. Minimize BAC's impact on the environment: Net Zero before 2050.
2. Support and enable clients to achieve Net Zero by 2050.
3. Assess and manage climate-related risks.

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.

Assist

Assisting our clients

At Bank of America, we work across the enterprise to actively engage with and bring our full suite of financial solutions to mobilize and deploy capital for our clients as they transition toward a low-carbon economy. We are guided by Responsible Growth which positions us to deliver for our shareholders, clients, teammates and communities.

We recognize that there are challenges with transitioning to a low-carbon economy, but we also think there are opportunities — for innovation, jobs and growth. Given our global presence and relationships with customers across industries and in more than 35 countries, combined with the experience of navigating our own climate journey, we believe we are well positioned to assist our clients and provide them with the advice and financial solutions necessary for them to achieve their transition goals.

Across our eight LOBs, we focus on helping individuals navigate every stage of their financial lives, working with companies, small to large, to help drive the world economy forward, and providing insights, ideas and award-winning research for institutional investors. Many of our original perspectives on the economy, sustainability and global transformation are publicly available on the Bank of America Institute website. Our goal is to position Bank of America as the financial partner of choice for clients, whether they are at the beginning of understanding how climate change could impact them or well on their way to managing the energy transition. All our LOBs partner closely with several enterprise-wide functional teams including the GSFG, SBSG, GEG, CSR and others to drive progress toward Net Zero, including identifying opportunities to support our clients in their transition.

In 2021, we set a goal to mobilize and deploy $1.5 trillion of sustainable finance capital by 2030. Aligned with the 17 United Nations Sustainable Development Goals (UN SDGs), $1 trillion is dedicated toward the Environmental Transition and $500 billion toward Inclusive Social Development. Through this commitment, we advance the environmental transition spanning sectors and geographies, including solutions in energy efficiency, renewable energy, sustainable transportation (sustainable aviation fuel, biofuels, etc.), resource efficiency, sustainable water (water treatment and water desalination), and agriculture as well as improved forestry and pollution control measures. We continue to expand our sustainable financing activities and capabilities, including increased asset-based lending, tax equity investments, and capital raising activities across technologies and activities that support clean energy and power, transportation and other industry sectors as well as nature and biodiversity.

Notwithstanding geopolitical and economic challenges, we remain focused and have made significant progress toward our sustainable finance goal. Since the announcement of our sustainable finance goal in 2021, through year end 2022, we have mobilized and deployed approximately $410 billion of sustainable finance capital of which approximately $235 billion has been directed toward the transition to a low-carbon, sustainable economy.

Bank of America sustainable finance eligibility criteria

Sustainable finance is the mobilization and deployment of capital to finance the transition to a low-carbon, more inclusive economy. To confirm the integrity of our $1.5 trillion sustainable finance goal, we worked with a third-party sustainability advisory firm to create an internal taxonomy document, the Sustainable Finance Taxonomy (Taxonomy), that aligns with the 17 UN SDGs. The Taxonomy provides thematic guidance to determine enterprise-wide activities that align to particular UN SDGs and is informed by external market standards such as the EU Taxonomy and the Green, Social and Sustainability Bond Principles which were developed by the International Capital Markets Association (ICMA). Utilizing the Taxonomy guide posts, Bank of America includes primary market activities consisting of lending, investing, capital markets and advisory as part of our $1.5 trillion in sustainable finance by 2030 goal. In addition, understanding that the Taxonomy and associated products continue to evolve, Bank of America has developed robust governance of the Taxonomy and accounting methodologies through the Global Sustainable Finance Data Taxonomy Governance Council which is a subcouncil of the RGC.

The focus of our sustainable finance business

Environmental Transition

Address climate change and promote the circular economy including solutions for renewable energy, energy efficiency, clean transportation, water and sanitation, recycling, sustainable agriculture, and carbon capture and sequestration.

Category	Definition
Renewable energy or other low-carbon technologies	Power generation from renewable or low-carbon sources such as wind, solar, geothermal, biomass, oceans, hydropower, nuclear and hydrogen; development or manufacturing of renewable energy or storage technologies.
Energy efficiency	Energy efficiency improvements in residential and commercial buildings, agricultural and industrial processes, utilities and other public services.
Clean transportation	Zero- or low-emissions vehicles, rail or boats, public or mass transportation, sustainable aviation fuel.
Water and sanitation	Water conservation, improvements in water supply, quality and infrastructure, desalination, wastewater treatment.
Sustainable food, agriculture and forestry	GHG emissions reductions, land conservation and food loss and waste reduction through sustainable forestry and agricultural practices.
Recycling, carbon capture and sequestration	Recycling and waste management, processes/systems to reduce GHG emission in product supply chains, carbon capture and storage or reuse, circular economy projects.

Inclusive Social Development

Advance community development, affordable housing, health care, education, financial and digital inclusion, access to basic services and promote a just transition.

Category	Definition
Affordable housing	Development of affordable and workforce housing, provision of affordable homeownership for low- to moderate-income families.
Health care	Development of nonprofit, public health care facilities, expansion of health care for LMI communities and other vulnerable populations, development of critical medical equipment, research into neglected diseases, affordable or subsidized medicines, access to fresh food, water and nutrition programs.
Education	Public K-12 schools, colleges and universities, educational services for marginalized populations.
Financial inclusion	Support for minority or women-owned businesses, MDIs and funds; small businesses located in LMI geographies, nonprofit organizations or CDFIs with programs and activities that support environmental transition or inclusive social development.
Digital inclusion	Infrastructure to increase rural or remote connectivity including free or affordable internet or improved transportation.
Economic development	Financing provided to Development Finance Institutions or clients located in World Bank Eligible countries which are countries the World Bank lends to based on classifications as International Development Association (IDA), International Bank for Reconstruction (IBRD) or a blend of the two.

Highlights of how we are assisting our clients across our eight LOBs are as follows:

Consumer Banking

Within our Consumer Banking franchise, we are taking steps to help our customers become more sustainable by evolving our product and service offerings in the U.S., where our consumers are located, across key areas including credit and debit card products, vehicle lending, and electric vehicle (EV) charging capabilities.

In 2022, we announced that we will transition all plastic credit and debit card products to be made from at least 80% recycled plastic starting in 2023. Shifting to a recycled card product offers our customers a more sustainable solution. We issue 54 million consumer and commercial cards annually and estimate this effort will help to reduce more than 235 tons of single-use plastics annually, in addition to potentially reducing greenhouse gas emissions, energy and water usage.[9]

Given the revolutionary shift underway in the automotive industry from traditional fossil fuel powered vehicles to EVs, we continue to adapt our financings through strategic alliances with EV manufacturers, educating our clients on EVs and providing financial solutions that help make the transition to electric easier (e.g., offering dealers and manufacturers the option of letting consumers finance residential EV chargers alongside their auto loans and an innovative lease solution that includes the federal EV tax credit) which has positioned Bank of America to be a leader in financing EVs. In 2021 and 2022, we originated $3 billion in hybrid/EV loans and leases.

Availability of public and private charging stations is essential to increase plug-in EV adoption in the U.S. As of Q4 2022, Bank of America had 204 Electrify America individual EV chargers at 54 financial centers. Given the importance of building out the EV charging infrastructure, Bank of America announced plans to increase the number of financial centers equipped with EV charging stations by the end of 2024 to more than 350 chargers at over 90 financial centers. In addition to adding EV chargers to financial center locations, Bank of America is an EV100[10] member and has EV charging stations available at employee offices. Currently, the Company has EV chargers installed at more than 35 locations for employee use, as part of its workplace charging initiative that launched in 2017.[11]

Initiatives Bank of America has taken to facilitate the transition to EVs

- Created Lucid Financial Services with Lucid, a technology and automotive company that is setting new standards with its advanced luxury electric vehicles, to provide a quick and easy digital financing to Lucid Air customers (June 2022). The strategic alliance with Lucid Financial Services provided $87 million in consumer vehicle loans and leases in 2022.
- Executed an agreement with Polestar Automotive USA Inc. to support the establishment of Polestar Financial Services, which provides a variety of consumer finance and lease offerings for Polestar customers (December 2022). Polestar is a pure-play, premium electric performance car brand from Sweden.
- Celebrated World EV Day (September 9) in 2021 and 2022 through EVolution, a public "virtual convention center" showcasing vehicles from various EV manufacturers, technology advancements and exclusive interviews with key industry leaders.
- Began providing eligible teammates $4,000 for a purchase or $2,000 for a lease of a qualified new all-electric passenger car or truck (July 2022).

Global Wealth & Investment Management

Across GWIM, we remain focused on delivering thought leadership, investment guidance and solutions to support our clients' investing in the environmental transition. In 2022, we launched our 2022 Impactonomics® reports as part of an ongoing effort to educate our client investor base on the energy transition and related policy changes such as the Inflation Reduction Act of 2022 (IRA).

We delivered more frequent updates on sustainability topics via our Capital Markets Outlook and Investment Strategy Overview publications, as part of our commitment to keep our client investors apprised of the rapidly changing energy environment and how that can influence their investments. As client investors increasingly allocate capital to sustainability-focused funds, the chief investment officer's industry-leading platform of investment solutions includes 110 solutions aligned to climate and environmental sustainability. The team operates a due diligence process designed to understand how best to incorporate sustainability considerations into their decision-making processes and classifies each solution according to its sustainability objective, alongside traditional investment analysis, supporting clients as they navigate the sustainable investing universe. As of December 31, 2022, Bank of America had $45.5 billion of client balances in Sustainable & Impact Investments, which we define as investment strategies that intentionally integrate environmental, social or governance factors in order to avoid harm by reducing negative social or environmental efforts or managing risk by limiting certain exposures, benefit stakeholders by supporting positive social or environmental practices, or contribute to solutions that address specific and measurable sustainability outcomes or impacts. This is inclusive of climate-related investments.

Furthermore, to support clients' sustainable investing (SI) needs, we offer a broad range of resources to help GWIM clients better understand SI and the climate-related exposures of their portfolios and enable advisors to provide investment solutions aligned with clients' sustainability preferences. For example, our proprietary educational content helps clients better understand the impact of SI and creates awareness of GWIM's SI capabilities. GWIM educational content focused on SI is also available to advisors, including Net Zero training. Additionally, our Sustainable Investing Advisor Playbook helps advisors broach the topic of SI with clients, while our Sustainable and Impact Investing Implementation Guide provides SI-specific implementation guidance. Product specialists also frequently engage with and guide advisors and clients as they explore different SI strategies.

9 Source: newsroom.bankofamerica.com/content/newsroom/press-releases/2022/04/bank-of-america-will-transition-to-recycled-plastic-for-all-plas.html.

10 EV100 is a global initiative led by The Climate Group to bring together companies committed to switching their owned and contracted fleets up to 7.5 tons to electric vehicles and installing charging infrastructure for employees and customers by 2030.

11 Sources: Bank of America to More Than Double Electrify America Ultra-Fast Charging Stations at Financial Centers; BofA to Offer Financing for Residential Electric Vehicle Chargers (bankofamerica.com).

Examples of products launched in 2022

- Private equity offering TPG Rise III, a diversified portfolio allowing clients access to investments in high-impact businesses across six primary sectors, including Climate and Conservation.
- The Goldman Sachs Clean Energy Income Fund and SMA providing investors exposure to clean energy infrastructure in a total return vehicle with a focus on current income and price appreciation.
- Passive strategies included the climate focused iShares Paris-Aligned Climate MSCI USA ETF and SPDR MSCI ACWI Climate Paris Aligned ETF.

Global Banking

To support clients' evolving needs on their transition journeys and to help address the strategic and reputational risks and business opportunities associated with the transition to a low-carbon economy, Global Banking has been focused on training bankers across the platform on climate and Net Zero to enable active engagement with clients across all sectors. We have also established specialized coverage for emerging climate technology companies and incumbent clients in high-emitting sectors where capital needs are greatest and developed an operating model across Global Banking and enterprise-wide functional teams to support continued client engagement at scale.

Our Net Zero curriculum provides front-line bankers with the requisite knowledge, tools and skills to engage with and support clients on their paths to Net Zero. This curriculum includes mandatory training on Net Zero and Climate and modules on emerging decarbonization technologies, such as alternative fuels, carbon markets, carbon capture utilization and storage, energy efficiency, energy storage, electric vehicles, green hydrogen, renewable energy and resource efficiency. These trainings are used by front-line bankers to support their clients' decarbonization strategies and investments. Given our client base extends across multiple industries and regions, we also developed sector- and region-specific materials to support client engagement and deeper understanding of trends, benchmarking and financing opportunities. These materials cover high-emitting sectors such as automotive, aviation, chemicals, construction, energy, food and beverage, health care, machinery, metals and mining, real estate, retail and utilities.

Business Banking and Global Commercial Banking

Business Banking (BB) and Global Commercial Banking (GCB) are leveraging enterprise-wide sustainability resources to differentiate our capabilities in the market and drive meaningful client engagement on Net Zero at scale. In 2022, we created a new role to support our efforts — the Sustainability Executive for BB and GCB, who reports to the heads of both BB and GCB.

In 2022, we began educating our bankers on the business imperative for Net Zero, including foundational training and in-person sessions. Sector-specific primers outlined key climate trends, decarbonization pathways and case studies of leading industry players in a wide array of high-emitting sectors. Additionally, bankers were provided materials on climate technology, fundamentals, outlooks and areas of opportunity. We activated a wide network of internal subject matter experts to provide sustainability support that led to over 12,000 conversations with BB and GCB clients about the business case for Net Zero and a transition to low-carbon economy.

Through these conversations, bankers uncovered opportunities to deliver financing, raise capital and share thought leadership about this quickly evolving space. We remain focused on expanding and deepening relationships and educating clients on potential risks and opportunities as they transition to low-carbon, sustainable business models. We also continue to monitor the changing regulatory environment to understand and communicate the potential business impacts on our clients. In the long-term, we believe this effort will position Bank of America as the financial partner of choice for clients.

2022 CASE STUDIES OF OUR EFFORTS TO ASSIST CLIENTS IN BB AND GCB

Amogy

Amogy offers ammonia-based, emission-free, high-energy-density power solutions to decarbonize transportation for a sustainable future. To date, Amogy's scalable energy system has been demonstrated with success in a drone, heavy-duty tractor and semi-truck. Bank of America has worked with the company's founder and CEO since 2011, providing business banking and end-to-end working capital management via CashPro®, along with strategic growth advisory as Amogy has experienced rapid and sustained growth underpinned by a range of investors. Going forward, Bank of America is positioned as the strategic banking partner of choice to support Amogy's goal of securing future funding. This success story-in-the-making is another example of Bank of America's commitment to the sustainable technologies of tomorrow.

3450 Eads

Bank of America committed debt and equity investments for 3450 Eads, a 49-unit new residential construction project located in the northeast quadrant of the District of Columbia. With a 100% minority-owned sponsor, Neighborhood Development Company,[12] this project was the first transaction of Bank of America's $60 million Black, Indigenous and People of Color (BIPOC) Initiative, a proprietary fund that is intended to help facilitate racial equality in affordable/supportive housing real estate development.[13]

The project will be designed to meet the Passive House Institute's U.S. standards for energy performance and is the first LIHTC (low-income housing tax credits) project of its type in the D.C. market. Through its energy-efficient design and systems, the project is expected to use 70% less energy than a conventional multifamily housing project[14] and will feature a geothermal system, ENERGY STAR appliances, high-performance building envelope and windows, and a solar rooftop designed to minimize stormwater runoff.

12 Source: neighborhooddevelopment.com/project/3450eads/ and neighborhooddevelopment.com/what-sets-us-apart/.

13 Source: BofA Community Development Banking Provides Record $7.85 Billion in Lending and Investing in 2022.

14 Source: ecofirst.in/eads-washington.html.

Global Corporate and Investment Banking

Our GCIB business is at the forefront of supporting our clients' climate goals. A key indicator of our success is our position in the market for sustainability-themed debt. In 2022, our GCIB business was No. 1 globally in ESG debt issuance volumes,[15] and No. 1 globally in Green Bond issuance volumes. Further, with GCIB as an advisor, Bank of America continues to be one of the largest U.S. corporate issuers of sustainability-themed bonds. Since 2013, we have issued $13.85 billion across five green, two social and three sustainability bonds as of year end 2022. This includes the 2022 issuance of our third $2 billion-dollar Equality Progress Sustainability Bond, designed to help advance racial and gender equality, economic opportunity and environmental sustainability.

In the U.S., our Global Leasing franchise within GCIB remains a leader in renewable energy tax equity financing, with a portfolio of approximately $13.5 billion at the end of 2022. Our investments have contributed to the development of approximately 40.7 gigawatts of total installed renewable wind and solar energy capacity in the U.S. In addition to utility scale renewable projects, Bank of America has also provided financing for distributed solar generation for residential and commercial/industrial customers and EVs. Our current portfolio comprises 176 wind farms, 59 solar farms and over 160,000 rooftop installations.

As noted in the Enterprise Functional Teams section within Governance, in 2022, we added resources to a newly established group within GCIB, the SBSG, to deliver sustainability expertise to clients and help structure and execute transactions where sustainability factors are a component of the value proposition for investors. The SBSG provides market insights and investor perspectives, in coordination with investment banking, corporate banking and capital markets partners. This includes Green Bonds and other transactions with specific use of proceeds requirements, key performance indicator (KPI) linked issuances and offerings from pure play companies.[16] SBSG also delivers supplemental trainings to keep product and coverage bankers abreast of new developments in the markets.

We are also deepening climate expertise within sector teams in GCIB to focus on climate, sustainability and energy transition. In 2022, we introduced a dedicated Energy Transition vertical and repositioned the Natural Resources industry group to the Natural Resources and Energy Transition Group within our Global Investment Banking organization. Additionally, we have dedicated Climate and Sustainability resources within our Emerging Growth Regional Coverage practice. Within GCIB, we have organized forums across banking coverage teams to identify cross-sector opportunities, drive ideation and collaboration and enhance client engagement.

Across GCIB, we are strengthening our partnership with BB, GCB and GSFG to help provide coverage across all products and project/asset-level financing. This is expected to aid us in focusing on clients who are developing emerging technologies and provide coverage to companies who will be leaders in the clean energy space, in addition to current coverage of incumbent clients in high-emitting sectors.

15 Source: Bank of America 2022 Annual Report to shareholders.

16 Pure play companies focus on a single activity.

All of these initiatives led to a significant increase in banker familiarity with these topics as well as an increase in client engagement. We surveyed senior bankers across GCIB in February 2022 and then again in October 2022 to assess bankers' ability to engage with clients on sustainability topics and then measure the impact of our Net Zero training curriculum.

2022 CASE STUDIES OF OUR EFFORTS TO ASSIST CLIENTS IN GCIB

Mergers and Acquisitions

Sale of Archaea Energy to bp

In October 2022, Archaea Energy announced that it had entered into a definitive agreement to be acquired by bp for $4.1 billion; the transaction closed in December 2022. Bank of America acted as the sole financial advisor to Archaea Energy, which is one of the largest renewable natural gas (RNG) producers in the U.S., with an industry leading platform and expertise in developing, constructing and operating RNG facilities to capture waste emissions from landfills and convert them into low-carbon fuel. Archaea's differentiated commercial strategy is focused on long-term contracts that provide commercial partners a reliable, non-intermittent, sustainable decarbonizing solution to displace fossil fuels. With this transaction, bp provides Archaea access to leading world-class platforms, capabilities and capital resources for acceleration of its growth plans. Archaea's business will be able to access bp's trading capabilities and broad customer base, further helping many of bp's customers achieve their decarbonization goals. Archaea will be integral to bp's existing bioenergy business, which has established key positions in the segment and is one of bp's key transition growth engines, which is anticipated to further Archaea's growth into international markets.

bp is aiming to be Net Zero across their operations on an absolute basis by 2050 or sooner and to be Net Zero on carbon in their oil and gas production on an absolute basis by 2050 or sooner.[17]

Equity Capital Markets

LG Energy Solution Initial Public Offering

BofA Securities, Inc. (BofA Securities), acting as Joint Bookrunner, successfully priced the $10.8 billion Korea Stock Exchange Initial Public Offering (IPO) for LG Energy Solution. This marks the largest ever Korean IPO, raising more than double the proceeds than Korea's second largest IPO, Samsung Life.

LG Energy Solution is the largest producer of rechargeable lithium-ion batteries in the world in terms of production capacity (as of December 31, 2020). LG Energy Solution offers a wide array of battery products for various applications, with core product lines being (i) Advanced Automotive Battery, (ii) Mobility and IT Battery and (iii) Energy Storage System.

17 Source: ir.archaeaenergy.com/news-events/press-releases/detail/35/archaea-energy-to-be-acquired-by-bp-for-approximately-4-1.

2022 CASE STUDIES OF OUR EFFORTS TO ASSIST CLIENTS IN GCIB

Debt Capital Markets

Georgia Power Company Equality Progress Sustainability Bond

Georgia Power Company priced their inaugural corporate Equality Progress Notes — $800 million of 30-year Equality Progress Sustainability senior unsecured notes. With Bank of America acting as Sustainability Structuring Agent and Billing & Delivery Agent, this transaction marks the second corporate issuance of an Equality Progress Sustainability label (with Bank of America's own issuance being the first). BofA Securities is the only lead underwriter and structuring agent of the now four Equality Progress Sustainability issuances in the market. Equality Progress Sustainability Bonds are designed to advance racial equality, economic opportunity and environmental sustainability, with an amount equal to at least 50% of the net proceeds being allocated to social spend aimed to primarily benefit minority- and/or woman-owned businesses and suppliers. Georgia Power allocated 77% of an amount equal to the net proceeds of the Equality Progress Sustainability tranche to eligible projects in the Diverse and Small Business Suppliers category. The remaining amount equal to the net proceeds was allocated to eligible projects in the Renewable Energy category. Georgia Power intends to allocate at least 50% of an amount equal to the net proceeds of the 30-year Equality Progress Sustainability tranche to eligible projects in the category of Diverse and Small Business Suppliers supporting target populations of minority- and woman-owned businesses and suppliers. Georgia Power's Equality Progress Sustainability Notes are aligned to the four components of the Green and Social Bond Principles, administered by the International Capital Market Association (ICMA).

Georgia Power is the largest of the four electric utilities owned and operated by Southern Company, a gas and electric utility holding company based in the Southern U.S. Southern Company is the second largest utility company in the U.S. in terms of customer base as of 2021 and has a goal of achieving Net Zero by 2050 or sooner.[18]

Energy Services

Clemson University

Bank of America Global Leasing provided a $40 million tax-exempt financing for Clemson University for energy conservation measures (ECMs). The ECMs were installed by ESCO Johnson Controls, Inc., across the university's main campus buildings in Clemson, South Carolina, under an energy performance contract. Proceeds financed LED lighting and lighting controls, water conservation measures, HVAC and duct work improvements, mechanical system improvements, building controls and building envelope improvements.

Established in 1889, Clemson University, a public land grant research university, is the second largest university in South Carolina with 28,466 students enrolled across nine colleges.[19]

18 Source: georgiapower.com/company/news-center/press-releases.html.

19 Source: clemson.edu/about/index.html.

Global Markets

Global Sustainable Finance Group

GSFG is an enterprise-wide team that works across our eight LOBs on clean energy; efficient, low-carbon power generation and transmission; sustainable transportation with the emphasis on EVs and sustainable fuels; sustainable food and agriculture; clean water and sanitation; recycling and upcycling; and carbon capture and offsetting solutions. We focus our efforts in areas where we can (i) expand our product capabilities and existing capital deployment and mobilization activities and (ii) innovate by bringing new financing solutions to bear for our clients and communities.

As a global bank, we have expanded internationally into and created new markets that have led to numerous firsts. In 2022, we completed our first project level debt financing transaction in South Korea in support of an offshore wind farm, and we arranged a blended finance green loan supporting solar, EV and microgrid projects in the Dominican Republic, which is expected to allow, among other successes, for construction of the first EV charging facility in the Caribbean. Additionally, we are also exploring opportunities to support a just and inclusive transition across Africa and announced that we are working with an Africa-focused solar developer to structure a blended finance loan facility that is expected to be used to support the scaling of commercial and industrial renewable energy projects and battery storage solutions in Africa.

Municipal Banking

In 2022, our Municipal Banking team executed numerous sustainable municipal transactions across multiple states, cities and local governments for issuers across various municipal sectors including but not limited to airports, mass transportation, housing, pollution control/sanitation and water/sewer. Bank of America is a leader in Green Bond[20] issuances in the clean water sector and with Social Bond[21] issuance in the affordable housing sector and participated as a bookrunner on diverse sustainability labeled financings resulting in the Company being ranked as one of the top sustainable financing underwriters in the municipal markets in 2022.

Global Commodities

Global Commodities remains a leader in commodities markets, which are vital to the energy transition including clean power, renewable fuels, transition metals and environmental products. The team leverages its capabilities in sales, trading and structuring to deliver risk management and financing solutions that support clients on their decarbonization journey. Both independently and through internal joint ventures with Asset Backed Securitizations Banking and GSFG, Global Commodities has executed long-term hedging agreements to support the realization of renewable power projects. In addition, the team is an active market participant in both compliance and voluntary carbon markets providing trading, structuring, risk management and financing solutions to our clients.

20 Green bonds enable capital-raising and investment for new and existing projects with environmental benefits. Additional information can be found through the ICMA website.

21 Social bonds are use of proceeds bonds that raise funds for new and existing projects with positive social outcomes. Further information can be found through the ICMA website.

Driving further change: partnering with the public sector

In addition to our client work, we help catalyze efforts globally by playing a leading role in forums focused on accelerating and scaling climate finance in a targeted and equitable manner. These include the Sustainable Markets Initiative (SMI), which was launched in 2020 by His Majesty King Charles III, formerly His Royal Highness The Prince of Wales. The Company's CEO Brian Moynihan, who serves as the SMI chair, convened the 200 active CEO members throughout 2022, including at the 27th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP27), to help drive collective creativity, innovation and capital mobilization toward a sustainable future.

Through the SMI and other groups, including First Movers Coalition and Breakthrough Energy Catalyst, Bank of America has partnered with the private sector, governments, multilateral development banks (MDBs), development finance institutions (DFIs) and philanthropies to help bridge the funding gap and mobilize private capital toward sustainable development in emerging markets. Some examples of our work include:

- Exploring opportunities with DFIs to structure a blended finance loan facility for CrossBoundary Energy, a leading developer, owner and operator of commercial and industrial renewable energy projects in Africa, to support the development pipeline of solar and wind generation and storage projects.
- Supporting Just Energy Transition Partnerships (JETPs) with Indonesia and Vietnam as part of a coalition working to facilitate and mobilize public and private financing to help with the transition of each country's power sector to renewable energy and increase investment in transition-aligned jobs and industries of the future. JETPs are financing mechanisms wherein wealthier nations fund coal-dependent developing nations to support the country's path to phase out coal and transition toward clean energy, while addressing social consequences.

2022 CASE STUDIES OF OUR EFFORTS TO ASSIST CLIENTS IN GLOBAL MARKETS

GSFG | Latin America

Consorcio Energético Punta Cana — Macao Green Term Loan

Bank of America, acting as sole lead arranger and structuring agent, arranged a $40 million Green Term Loan to Consorcio Energético Punta Cana — Macao (CEPM), a leading power company engaged in the production and distribution of electricity and telecommunication in the Dominican Republic. The loan is intended to help enable the expansion and operation of solar energy generation, the construction of the first EV charging facility in the Caribbean and the electrification of the remote area of Isla Saona in Bayahibe. The transaction extends Bank of America's commitment to address climate change by supporting the energy transition of Small Island Developing States.

CEPM is a wholly owned subsidiary of InterEnergy Holdings, a diversified energy company with presence in Latin America and the Caribbean.

GSFG | Asia Pacific

ReNew Power

In 2022, Bank of America, acting as the sole lender and lenders' agent to ReNew Power, a subsidiary of ReNew Energy Global Plc, provided an approximately $96.6 million equivalent Term Loan to ReNew Power's project vehicle across two solar assets in India. The transaction marks the first nonrecourse financing in APAC provided by the bank.

Founded in 2011, ReNew Power is the largest renewable independent power producer in India and globally. It operates almost 120 utility-scale projects spanning wind, solar and hydro energy across in India.[22]

GSFG | Europe, Middle East and Africa

Hornsea 2 Offshore Wind Farm

Bank of America, acting as a lead arranger and hedging bank, committed almost £111 million as part of term debt facilities for the 1.3-gigawatt Hornsea 2 Offshore Wind Farm, a wind farm developed by Orsted and located 89 kilometers off the Yorkshire coast in the U.K. As of October 2022, it was the world's largest operational offshore wind farm. The wind farm became fully operational in August 2022, generating enough electricity to power ~1.4 million homes and is a key project supporting the U.K. government's objective of achieving 50 gigawatts of offshore wind capacity by 2030.

Orsted is a Danish-listed energy company and has emerged as one of the global leaders in renewable energy since the divestment of its oil and gas business in 2017.

22 Source: ReNew Operates in Solar, Wind and Rooftop Energy Solutions (renewpower.in).

2022 CASE STUDIES OF OUR EFFORTS TO ASSIST CLIENTS IN GLOBAL MARKETS AND THROUGH OUR PARTNERSHIP WITH THE PUBLIC SECTOR

Municipal Banking

Los Angeles World Airports

Bank of America acted as bookrunning senior manager on the $546 million Customer Facility Charge Revenue Bonds, the 2022 Series A taxable Green Bonds[23] for Los Angeles World Airports that will finance a portion of the construction costs for the new consolidated rental car facility at Los Angeles International Airport (LAX). The facility will reduce transportation-related GHG emissions by eliminating roughly 3,200 daily shuttle trips, centralizing rental car companies and customers, alleviating traffic congestion and developing robust infrastructure to support an expanded EV rental fleet. The facility is expected to achieve at least LEED Silver certification through EV chargers, LED interior and exterior lighting, solar arrays, drought-resistant landscaping and landfill waste diversion programs. The bonds are certified by Kestrel Verifiers as conforming to the Climate Bonds Initiative, making LAX the first U.S. airport to issue Green Bonds with a second-party certification.

LAX serves the nation's second largest city and one of the world's most populous metropolitan areas.

Municipal Banking

U.S. Steel Environmental Improvement Revenue Green Bonds[24]

Bank of America acted as bookrunning senior manager for U.S. Steel's $290 million unsecured Arkansas Development Finance Authority Environmental Improvement Revenue Green Bonds. U.S. Steel plans to use the proceeds from the Green Bonds to partially fund work related to its solid waste disposal facilities, including two electric arc furnaces, and other equipment and facilities at its new technologically advanced flat rolled steelmaking facility currently under construction near Osceola, Arkansas. The facility is anticipated to be the most advanced steelmaking facility in North America, operate with up to 70% to 80% fewer greenhouse gas emissions compared to the traditional integrated steelmaking approach and directly support U.S. Steel's sustainability commitments.

U.S. Steel Corporation is a leading American producer of steel and related products headquartered in Pittsburgh, Pennsylvania.

23 Source: Green bond of the year: US muni bond: Department of Airports of the City of Los Angeles: Environmental Finance (environmental-finance.com).

24 Source: U.S. Steel Announces Closing of $290 Million Green Bonds: ESG News.

Advocate

Advocating for consistent industry and global standards

As we continue to enhance our approach to reaching our Net Zero goal, it is imperative to track and monitor voluntary and regulatory expectations and participate in climate-related collaborations to advocate for uniform standards and disclosure, accessible climate solutions that promote a just and balanced transition and a policy environment that drives forward climate progress. The scope and range of potential impacts from climate change require close attention by all, so that climate-related risks and opportunities can be better identified, managed and consistently disclosed.

Policymakers, regulators and other stakeholders, including the financial industry, benefit from more consistent and comparable disclosure on climate to assist in decisions as to where best to deploy capital. To this end, earlier this year the International Financial Reporting Standards' (IFRS) International Sustainability Standards Board (ISSB) took an important step in developing a global baseline of comprehensive market-driven sustainability reporting with its launch of its inaugural standards, IFRS S1 and IFRS S2. In doing so, the ISSB has aided in driving the convergence of voluntary and regulated disclosure toward greater coherence, especially as the standards fully incorporate the TCFD recommendations and the IFRS Foundation has recently assumed TCFD monitoring duties.

Apart from our support of streamlined, comprehensive sustainability reporting standards, we also encourage policies that drive support for the infrastructure and technological advances needed to effectively decarbonize our economy. We have a long history of leading and participating in public-private and cross-sector coalitions and collaborations to drive progress in these areas and will continue to do so.

Various teammates from across the Company participate in such efforts to advance progress and transparency toward a sustainable future. Some key initiatives include the following (see Appendix 4: Key Partnerships for additional information):

Organization/initiative	Overview	Bank of America involvement
Glasgow Financial Alliance for Net Zero (GFANZ)	GFANZ brings together all components of the financial industry under one umbrella to drive collaboration, accountability and progress toward Net Zero.	We are a founding member of GFANZ, serve on the Principals and Steering Groups and participate in various work efforts.
International Capital Markets Association (ICMA)	ICMA and its members promote the development of the international capital and securities markets, pioneering the rules, principles and recommendations that have laid the foundations for their successful operation. ICMA serves as Secretariat to the Green Bond Principles, the Social Bond Principles, the Sustainability Bond Guidelines and the Sustainability-Linked Bond Principles, providing support while advising on governance and other issues.	Bank of America has representatives on both the ICMA Principles Executive Committee and the ICMA Board, as well as on the ESG Working Group of the ICMA Legal and Documentation Committee.
Net-Zero Banking Alliance (NZBA)	A banking alliance under GFANZ, which develops guidelines and voluntary commitments for credible Net Zero commitments and interim targets for banking members.	We are a founding member of NZBA, serve on the Principals and Steering Groups and participate in various work efforts.
Partnership for Carbon Accounting Financials (PCAF)	A global partnership of financial institutions to develop and implement a harmonized approach to assess and disclose emissions associated with loans and investments.	We have participated in the development of PCAF's various accounting methodologies. In 2022, we began quantifying and disclosing emissions related to our business loan portfolio (financed emissions) based on the PCAF standard.
Rocky Mountain Institute (RMI)	The RMI Center for Climate Aligned Finance collaborates with the financial sector to develop solutions and frameworks in partnership with industry clients in carbon-intensive sectors to drive decarbonization.	We assisted in the launch of the Center for Climate-Aligned Finance and are currently participating in the development of the aviation principles.

Organization/initiative	Overview	Bank of America involvement
Sustainable Markets Initiative (SMI)	Established to provide a coordinated worldwide effort to enable the private sector to expedite the transition to a sustainable future.	CEO Brian Moynihan chairs the SMI with the support of His Majesty King Charles III, who initiated the work as co-chair in 2019. We are a member of the Financial Services Task Force, a subgroup of the SMI, as well as many other work efforts. We were a signatory of the SMI's Terra Carta Charter and one of the first companies to earn the Terra Carta Seal for our commitment to the creation of sustainable markets.
World Economic Forum (WEF) International Business Council (IBC) Stakeholder Metrics Initiative	Commissioned by the WEF IBC, the Stakeholder Metrics outline a recommended set of 21 core and 34 expanded metrics, drawn from existing global standards, to drive toward a global convergence of nonfinancial reporting. Since their release in 2020, nearly 200 companies have committed to implementing the metrics, and more than 130 have incorporated them into their annual or sustainability reports. The work has catalyzed a broader discussion about the need for convergence of standards, and played a crucial role in the genesis of the establishment of the International Sustainability Standards Board.	Brian Moynihan recently completed a four-year term as chair of the IBC where he led the group on the Stakeholder Metrics Initiative, along with EY, Deloitte, KPMG and PWC. He now serves as chair of the Stakeholder Metrics Initiative, and we continue to incorporate the metrics framework into our Annual Report to shareholders.
International Financial Reporting Standards (IFRS) Foundation and the International Sustainability Standards Board (ISSB)	The IFRS Foundation is a not-for-profit, public interest organization established to develop high-quality, understandable, enforceable and globally accepted accounting and sustainability disclosure standards. The IFRS formed the International Sustainability Standards Board (ISSB), which plans to deliver a comprehensive global baseline of sustainability disclosures focused on the needs of investors and the financial markets.	Bank of America supports ISSB's development of IFRS S1 and IFRS S2 as a global baseline for sustainability reporting that are based on and incorporate key principles from existing reporting frameworks such as the TCFD recommendations, SASB standards and the WEF IBC Stakeholder Capitalism metrics, among others. Our Corporate Sustainability Controller is a member of the Forum ISSB Preparers Group, which is a collaboration between the WEF and the ISSB.

Public policy engagement

Achieving Net Zero will require collective action by governments at all levels, corporations, individuals, nonprofits and other actors. Our public policy team is engaged with policy makers across the globe to help us understand and, where appropriate, work to influence potential policy changes that could impact the firm or our clients.

Independently, and working with trade associations and other collaborations, we promote policies that align with the role played by banks in helping to finance the balanced and just transition to Net Zero. We support and encourage the role government policymakers can play to accelerate the work underway in the private sector. Key areas of focus include:

Climate risk and GHG emissions disclosure

We continue to support convergence among the many efforts to drive transparent, comparable and consistent climate risk and GHG emission disclosures and believe that regulation is needed for such disclosures share these characteristics. Organizations across markets and geographies will greatly benefit from common measurement tools and disclosure practices to help accelerate the transition of the global real economy toward lower (and ultimately Net Zero) carbon emissions.

Demand signals

The viability of decarbonization pathways depends on both sufficient customer demand for low-carbon products and conditions that enable effective supply to meet the demand. Both public and private initiatives can facilitate and strengthen the necessary demand signals to drive effective decarbonization. For example, in 2021 the Biden Administration launched a goal to supply at least 3 billion gallons of Sustainable Aviation Fuel (SAF) per year by 2030, while the U.S. Department of Energy issued a plan in 2022 detailing a government-wide strategy for ramping up SAF production and use. These efforts are supplemented by incentives in the IRA, which requires SAF producers receiving tax credits to demonstrate sufficient GHG reduction compared to petroleum fuel, ensuring the industry provides meaningful benefit as it develops. Similarly, Bank of America is part of the Sustainable Aviation Buyers Alliance (SABA) where we purchase SAF certificates at scale, along with other buyers. These SAF certificates provide the market with a demand signal for fuel producers to make more high-integrity SAF, which in turn influences SAF cost competitiveness with conventional jet fuel. Our actions serve as another lever to help advance the necessary economic signal stimulating clean technology and market innovation to fuel new, low-carbon drives of economic growth.

MDB reform

Multilateral Development Banks (MDBs) and Development Finance Institutions (DFIs) are in a key position to catalyze private investment in emerging and developing economies. The inability of these entities to mobilize private capital at levels required to meet the UN SDGs is a function of their current operating model which is incentivized toward on balance sheet capital deployment versus total capital mobilization. Given the importance of crowding in private capital where it is needed most, Bank of America is actively participating across a number of convening organizations, such as SMI, GFANZ and the UN Global Investors for Sustainable Development (GISD), to provide recommendations with the goal of increasing MDBs and DFIs capital mobilization abilities. These recommendations include, but are not limited to, establishing and reporting quantifiable targets focused on the total capital mobilized, making more efficient use of their balance sheets through increased co-investing structures and developing and scaling risk mitigation instruments such as guarantees and first loss tranches.

Capital investment

Significant capital investment is needed to help drive the innovation necessary to transition to a Net Zero economy. To facilitate such capital investment, governments should emphasize policies that reduce the cost to deploy existing and emerging technologies and establish safeguards to protect workers and communities for a balanced and just transition, as well as mitigate risk in order to catalyze private capital investment. Risk mitigation can come from government policy, as well as engagement by MDBs, helping to enable participants across the financial sector to deliver innovative financial products and services that can help reduce carbon emissions, improve climate resilience and incentivize the development of innovative and scalable technologies. Capital investment can take many forms, including:

- Using public finance to help enhance returns for investments in climate technology, including, through the use of tax incentives and concessional loans.
- Using public finance (either concessionary or first loss) to assist in de-risking and reducing the "green premium" on emerging technologies.
- Using public procurement power to help drive adoption of existing and emerging technologies to reduce costs for all players.
- Supporting citizens and workers in affected communities during and throughout the balanced transition.

Infrastructure

We encourage the development of government policies that support large-scale infrastructure investments that will be required to reach Net Zero, such as grid modernization, decarbonization of public transportation and EV charging infrastructure, including:

- Comprehensive permitting reform that enables the construction of projects at the scale, speed and certainty necessary to aid in the balanced and just transition.
- Advancing efforts to bring affordable and climate-resilient clean energy to all citizens via innovative solutions that are flexible and technology neutral.
- Incentivizing investment in smart grid infrastructure by electricity generators in order to accelerate a more stable transition to diversified clean energy.

Complementary government policies

To encourage policy action, we are collaborating within trade associations, through cross-sectoral and financial sector alliances, and with nonprofit partners. In these engagements, we educate our partners on our policy positions and advocate for alignment with the goals of the Paris Climate Agreement. A few examples of trade associations with which we are engaged include: Institute of International Finance, Global Financial Markets Association, Business Roundtable, the U.S. Chamber of Commerce and Bank Policy Institute.

We work with environmental partners such as the Center for Climate and Energy Solutions (C2ES), Ceres, Clean Air Task Force and World Resources Institute to support science-based environmental research and other climate-related initiatives. As members of RMI's Center for Climate Aligned Finance, we collaborate with our financial services peers to understand data requirements and methodologies needed for sector-specific decarbonization pathways. As part of C2ES's Business Environmental Leadership Council, we join other companies that work economy-wide, to endorse U.S. government investments in low-carbon infrastructure to address the physical and economic risks posed by climate change. As part of the Risk Management Association's Climate Risk Consortium, we work with industry peers to define best practices and engage with regulators pertaining to climate risk management. In Appendix 4, we outline key public or private initiatives that Bank of America is committed to or engaged in.

Political spending activities

For information on our political spending activities, please refer to our Political Activities disclosure available on the Bank of America Investor Relations website: investor.bankofamerica.com/corporate-governance/governance-library/political-activities.

Analyze

Analyzing data to develop decision-useful metrics

As part of our Approach to Zero™, we collect and analyze a variety of data and then determine which metrics will be important, relevant and decision-useful along the path to Net Zero.

To lay the foundation for our long-term climate data technology management, we deployed the first-generation of the Climate Risk Data Platform (CRDP) in 2022. CRDP serves as a repository for external data we have sourced and to aggregate climate-related data to support multiple risk and business management processes, such as client assessments, physical risk assessments, financed emissions calculations and reporting. Further enhancements were added in 2023, including coverage for aviation and cement sectors, physical modeling capabilities and benchmarking capabilities leveraging existing physical risk models.

We can encounter challenges when collecting climate data, as is common among our peers and others working in this space. For instance, to complete our financing activities calculations, we collect client information including annual emissions, enterprise value, revenue, and, where available, production information. We prioritize client reported emissions data, however, that information continues to be limited or insufficiently granular and often is not third-party verified. Additionally, there is no one data source or even group of data sources that adequately and consistently covers our need for client emissions and production information across the various sectors on which we are reporting and setting targets (see Metrics and Targets for more detail). Beyond emissions and production information, other climate data is generally inconsistent in its availability, quality, timeliness and completeness. For instance, public and private companies provide varying levels of information and differ on transition approaches to Net Zero. As climate-related reporting grows and is more widely available, we expect these issues to lessen. However, in the interim, we have relied upon and employed estimation/assumption methodologies with appropriate controls as a proxy to fill information gaps and continue to advocate for more robust disclosures.

A key element of analyzing climate data is assessing relevant climate guidance and having appropriate stakeholder engagement to inform selection of the most decision-useful metrics. Part of our process for finalizing metrics and then moving into target setting is to review a wide variety of climate guidance including direction for financial institutions, scenarios and decarbonization pathways, as well as other client sector-specific guidance. As shown in the diagram below, we start the process by applying relevant climate guidance to Steps 1 and 2 below to complete calculations which are then reviewed by various stakeholders, as shown in Step 3. From there, we review relevant sectoral decarbonization pathways as we move into the 2030 target setting process and then ultimately, disclosure.

1. Design of financing activity emissions methodology
2. Financing activity emissions model development and output
3. Review and challenge
4. 2030 target setting
5. Production and disclosure of financing activity emissions

As financing activity emissions calculations are made using a model, they are subject to internal model governance requirements in an effort to establish comprehensive documentation, rigorous standards, appropriate estimation methodologies, deliberations with key internal stakeholders and have the appropriate reviews including senior executive oversight and approval. These internal model requirements must be managed across the lifetime of the model, further resulting in ongoing monitoring and testing. We also engage in a third-party assurance process with regard to our financed emissions calculations, in connection with our external reporting of the metrics.

In addition to technology improvements, we are continuing to follow the development of publicly available resources (for example, through the Global Financial Markets Association, as well as the Net-Zero Data Public Utility that GFANZ is endorsing) to help drive standardization, develop a climate data repository and integrate processes to drive streamlined usage of data.

Align

Aligning our strategy by setting milestone targets to reach Net Zero before 2050

A critical component of our Approach to Zero™ is setting 2030 interim targets and ensuring we have a comprehensive plan to work toward those targets. As we continue to expand the scope of our greenhouse gas emissions reductions targets and enhance our opportunities to achieve them, we leverage various sources of industry guidance, including the GFANZ Financial Institution Net-Zero Transition Plans Fundamentals, Recommendations and Guidance, along with the NZBA United Nations Environment Programme Finance Initiative (UNEP FI) Guidelines for Climate Target Setting for Banks.

2030 Targets

Operations	Supply chain
• Maintain carbon neutrality (Scopes 1 and 2) and 100% zero carbon electricity • Reduce GHG emissions by 75% by 2030 (Scopes 1 and 2, location-based) from 2010 baseline • Reduce energy use by 55% from 2010 baseline • Reduce potable water use by 55% from 2010 baseline • Achieve LEED® certification (or comparable) for 40% of building space • Responsibly manage waste to reduce amount sent to landfill • Divert 75% of construction and demolition waste from landfill • Dispose 100% of electronic waste using certified responsible suppliers	• Ensure 70% of global suppliers, by spend, set GHG emissions reduction or renewable energy targets • Assess 90% of global suppliers, by spend, for Environmental, Social, Governance (ESG) risks as outlined by our Supplier Code of Conduct • Continue to reduce paper use and purchase 100% of paper from certified sources • Utilize Sustainable Aviation Fuel (SAF) for at least 20% of the Company's total annual corporate and commercial jet fuel usage

Operations and supply chain

We have been reporting Scopes 1 and 2 GHG emissions since 2003 and were the first U.S. bank to announce a Scopes 1 and 2 GHG emissions reduction goal with Environmental Protection Agency (EPA) Climate Leaders.[25] We began publicly disclosing our significant categories of Scope 3 GHG emissions, exclusive of financed emissions, in 2010, and over the past decade have set targets to manage and reduce the environmental impacts of our activity across all GHG emissions scopes.

Achieving our operations and supply chain goals requires deliberate efforts to limit the emissions associated with a range of different activities, including, but not limited to, the facilities we own and operate, purchase of goods and services from our suppliers, as well as our employees' travel and commute. We employ responsible natural resource management in our operations and supply chain, including efforts to improve energy efficiency and use, expand renewable energy sources, reduce waste and conserve water use (for additional information, see the Metrics and Targets section of this document).

Since 2010, we have reduced our location-based GHG emissions by 61%, and in 2019, we achieved carbon neutrality for our operations, one year ahead of our goal. To reach and maintain carbon neutrality for Scopes 1 and 2 emissions, we reduce our location-based emissions, purchase all of our electricity from renewable sources and acquire a small number of carbon credits for our residual emissions.[26]

As mentioned in the Assisting our clients Consumer Banking section, availability of charging stations is essential to increase EV adoption, and therefore reduce associated emissions. To help facilitate the increased adoption of EVs by our employees and customers, in 2019 we teamed up with Electrify America to begin installing EV charging stations at select financial center locations across the U.S. Additionally, through our global EV Program, we offer a credit to employees who purchase or lease a new all-electric passenger vehicle, provided certain eligibility criteria are met.

Furthermore, in 2022, we procured all of our electricity from renewable sources, with more than 10% of our renewable electricity procured through power purchase agreements (PPAs).[27] PPAs allow power generators to fund and build projects by providing revenue certainty for new assets. Renewable PPAs also contribute to a reduced carbon footprint for us via a secure and predictable supply of green energy. Under our existing PPAs, we expect the percentage of renewable electricity purchased through PPAs to grow to nearly 30% by 2025.

25 GHG emissions Scopes as defined per the Greenhouse Gas Protocol. EPA Climate Leaders launched in 2002 as a voluntary program that worked with companies to measure GHG emissions and set aggressive long-term emissions reduction goals.

26 We disclose information about our retired carbon credits and carbon credit projects annually (see pg. 19 of our 2022 Performance Data Summary: bankofamerica.com/ESGdata2022). Information about our approach to carbon credits can be found in the Carbon credits section of this report.

27 A power purchase agreement (PPA) is a contract between two parties, a party that generates electricity (the seller) and a party that is looking to purchase electricity (the buyer).

In addition to achieving Net Zero in our operations, we are working to reach Net Zero with respect to indirect emissions generated across our supply chain. For many years we have educated our sourcing managers and supplier managers on the business imperative for Net Zero and continue to provide learning opportunities to build climate knowledge across our Third Party Program. In 2023, we implemented mandatory annual climate awareness training for all sourcing managers and supplier managers to provide awareness and understanding of how Bank of America's climate-related objectives are embedded into our supply chain. This helps to enable our Third Party Program to deliver effective and continued engagement with suppliers.

We set environmental expectations of our suppliers through our Supplier Code of Conduct, which we expect all suppliers to adhere to while conducting business with or on behalf of Bank of America. Our expectations, including those related to climate, are also reiterated in our contract templates, fostering supplier accountability. Additionally, we engage with new and existing suppliers regularly to review suppliers' policies and processes and monitor adherence with our environmental expectations.

In 2016, we set our first-ever public goals to address GHG emissions in our supply chain, which were focused on supplier engagement. In 2021, we shifted our focus from supplier engagement to driving specific supplier commitments and established a goal to ensure 70% of global suppliers, by spend, set GHG emissions reduction or renewable energy targets by 2030. See Operations and Supply Chain Metrics and Targets for detail on our progress.

We partner with CDP (formerly Carbon Disclosure Project) annually to collect climate data from our suppliers. CDP is an international nonprofit that runs an environmental disclosure system. As a founding member of the CDP supply chain program, we have asked suppliers to respond to the CDP supply chain questionnaire since 2009 to help us understand climate change impacts on our suppliers' businesses and associated risks related to our global supply chain. Each year, we provide suppliers with individualized feedback regarding performance and level of transparency. Additionally, we offer a variety of free resources, including webinars and individualized advisory services, to educate, upskill and support our suppliers in calculating and reporting emissions data and setting ambitious climate targets. This facilitates an ongoing dialogue with our suppliers, which promotes collaboration and drives positive environmental change.

These actions build on a strong track record of setting and achieving previous GHG emissions reduction goals. More detail on our GHG emissions reduction progress and our suite of operational goals can be found in the Metrics and Targets section, as well as in our Performance Data Summary and our CDP Climate Change Questionnaire response, both of which are located in our reports center.

We recognize that fully achieving Net Zero in our operations and supply chain, across all relevant emission scopes, involves additional efforts that we have only begun to explore. This includes evaluating the success of piloting new, innovative technologies, including to address emissions in our real estate and data center portfolios. Learnings from our experiences will further help us assist our clients as they transition and help us better understand challenges that we and others may encounter on the journey to Net Zero.

Financing activity

In 2022, we set our first three 2030 Financing Activity Targets for auto manufacturing, energy and power generation. Additionally, in 2023, we set targets for aviation and cement. These targets are set using a weighted average physical unit intensity metric based on committed commercial credit loan exposure[28] (see table below for details), as opposed to an absolute emissions metric. We plan to announce additional 2030 Financing Activity Targets for key sectors in 2024 and initiate facilitated emissions calculations for sectoral capital markets portfolios.

Sector	Subsector boundaries included	Emission scope(s) included	Reference scenario	Baseline year	Baseline	2030 targets (as % of baseline reduction)	2030 target (calculated emissions)
Auto manufacturing	Light-duty passenger car and truck manufacturers	1, 2 & 3.11	IEA NZE2050	2019	182.8 gCO_2e/km*	48%	94.9 gCO_2e/km
New sector targets							
Aviation	Commercial aviation	1	MPP PRU[29]	2021	1,007.8 gCO_2e/RTK[30]	37%	639 gCO_2e/RTK
Cement	Cement manufacturing	1 & 2	IEA NZE2050	2021	0.683 tCO_2e/tCP[31]	32%	0.467 tCO_2e/tCP[31]
Energy	Upstream producers, refiners and integrated companies in oil and gas industry	1 & 2	IEA NZE2050	2019	7.5 gCO_2e/MJ*	45%	4.1 gCO_2e/MJ
		3.11	IEA NZE2050		60.6 gCO_2/MJ	29%	43.1 gCO_2/MJ
Power generation	Power generation	1	IEA NZE2050	2019	336.4 $kgCO_2/MWh$	70%	100.9 $kgCO_2/MWh$

*Restated metric. See Other data challenges, page 57 for details.

28 Loan exposure includes loans and finance leases, as included in the consolidated balance sheet of the Company.

29 Mission Possible Partnership Prudent Scenario.

30 Grams of GHG emissions per revenue ton kilometer.

31 Metric tons of GHG emissions per metric tons of cementitious product.

The target setting process is led by the FAMS Workstream in partnership with the key stakeholders listed in the Governance section. In setting targets for financing activity emissions, there are many choices that must be made, so an extensive amount of research is done to inform decisions. The sector-specific decisions are detailed in the Metrics and Targets section, and overarching strategic decisions are outlined here.

As of the date of this report, the financing activity emissions metrics we report, including both absolute emissions and physical emissions intensity, cover specific sectors within our commercial credit lending portfolio (business loans). This mostly covers clients within Global Corporate & Investment Banking, Global Commercial Banking and Global Markets. We have excluded (from both reporting and targets) roughly 4% of loans within these sector portfolios due to lack of fundamental data needed to complete the calculation, immaterial loan amount or the inability to link a loan to business purposes. In the future, we intend to expand our financing activity emissions metrics to include project financing, which for Bank of America is predominantly tax equity investments in renewable energy, as well as asset level sustainable project finance. These investments are significant, as we are a top renewable energy tax equity investor in the U.S.

In calculating our 2030 Financing Activity Targets, we use committed credit loan exposure. We chose committed credit loan exposure — as opposed to utilized credit loan 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 the industry. Our reporting of absolute financed emissions follows the PCAF standard and includes utilized commercial credit loan exposure.

Setting targets on our financing activity emissions involves evaluating decarbonization scenarios for each sector to determine the emission reductions required across relevant scopes to achieve Net Zero before 2050. We reviewed multiple scenarios to determine the emissions reduction required for our 2030 Financing Activity Targets including:

- Network for Greening the Financial System (NGFS) Net Zero pathways
- Institute for Sustainable Futures Net Zero by 2050 (ISF NZ)
- Two Mission Possible Partnership (MPP) scenarios
  - Prudent (PRU)
  - Optimistic Renewable Energy (ORE) global pathways
- Two International Energy Agency (IEA) scenarios
  - Sustainable Development Scenario (SDS)
  - Net Zero Emissions 2050 (NZE2050) global pathway

Some of these scenarios lacked sufficient detail to use in target setting and were at times misaligned with NBZA criteria for scenario selection and/or a 1.5°C pathway by 2050, making them insufficient for our needs. As a result, we chose to use the IEA NZE2050 scenario for all targets except for aviation where we used the MPP PRU scenario. These scenarios align with the NZBA scenario selection criteria and are designed to achieve a 1.5°C pathway by 2050. The IEA NZE2050 scenario released in 2021 was the world's first comprehensive study of how to transition to a Net Zero energy system by 2050 while ensuring stable and affordable energy supplies, providing universal energy access and enabling robust economic growth. Since its release, the sector specific pathways are updated each year as appropriate and released in the World Energy Outlook report. The MPP PRU was released in 2022 and is a bottoms-up technical 1.5°C by 2050 roadmap for the aviation sector. MPP is led by the Energy Transitions Commission, the RMI, the We Mean Business Coalition and the World Economic Forum. The purpose of MPP is to propel action and enable decision making on decarbonization in key sectors. More detail on sector specific assumptions related to the scenarios is available in the Metrics and Targets section.

NZBA guidelines allow for either physical unit emissions intensity (emissions per unit of production) or absolute emissions (total quantity of emissions) targets. After reviewing various target types as they relate to our sectors and portfolio, we decided to set weighted-average physical unit emissions intensity (emissions per unit of production) targets with a portfolio weighting component originally outlined by the Paris Agreement Capital Transition Assessment (PACTA) tool.

Our weighted-average client production emissions intensity 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 production. That intensity is then multiplied by our committed credit loan exposure to the client divided by our total committed credit loan exposure to the sector. These individual intensities for all clients in scope are then summed to create a portfolio-wide intensity for the sector.

Weighted average physical unit intensity (target metric)

$$\text{Weighted average physical unit intensity} = \sum \left(\frac{\text{Client emissions}}{\text{Client production}} \times \frac{\text{Client financing}}{\text{Total sector financing}} \right)$$

Focusing on physical unit emissions intensity targets allows us to better assist clients in reducing their emissions and facilitates more effective stakeholder engagement. In our view, physical unit emissions intensity is the best measurement of progress toward Net Zero, accounting for clients' improvements in technologies and systems to reduce emissions and improve efficiency, or emissions per physical unit. Physical unit emissions intensity also allows for comparison of clients of different sizes within a sector. This is one of the reasons intensity metrics are used by leading climate organizations including the Science Based Targets Initiative (SBTi) and the Transition Pathway Initiative (TPI) to show alignment to Net Zero and progress toward the decarbonization scenarios mentioned above.

While we are using intensity metrics to manage our Net Zero alignment and 2030 Financing Activity Targets, we also calculate and disclose the absolute emissions metrics (see Metrics and Targets for more details) for the five target sectors as additional indicators of progress toward Net Zero. The absolute metric has some fundamental challenges with the way it is calculated which diminishes its ability to be used in decision-making. The PCAF standard for business loans requires the use of enterprise value including cash (EVIC) as the denominator in determining attribution of client emissions. The use of an annual EVIC leads to volatility in the absolute metric due to market value fluctuations. These fluctuations can cause year-over-year differences which then cause the absolute emissions to increase or decrease regardless of changes in our financing activities or the client's emissions. This volatility makes an absolute metric challenging to use for measuring progress toward a medium-term target. We continue to explore solutions with PCAF to address these challenges.

As we set targets for future sectors, we will evaluate each sector on a case-by-case basis to determine the best target metric depending on the specific facts and circumstances. The work on financing activities emissions is still nascent and much is being learned and applied each day. As we continue to evolve this work, including incorporating better quality and more timely data and the latest climate science, we will evaluate additional metrics for internal and external use in managing our portfolios.

Information about our approach to carbon credits can be found in the Carbon credits section of this report.

Our approach to target management

Driving progress toward our financing activity targets

As highlighted in our Approach to Zero™, we recognize that to achieve our 2030 Financing Activity Targets we will need to work with clients to assist them in achieving their own Net Zero goals. To do this effectively, we have established a dedicated workstream within the Global Banking business, partnering with enterprise-wide functional teams, to design a framework that allows us to actively manage the 2030 Financing Activity Targets we have set and use our expertise and knowledge to support our clients. The primary elements of this framework are 1) analyzing and reporting on the portfolio, 2) understanding our clients' goals, and 3) driving accountability within the business.

Analyzing and reporting on the portfolio

To effectively manage our portfolio targets, we have designed a suite of reporting and analytical capabilities for bankers, senior management and risk partners to understand the composition of the portfolio and track progress of clients in scope for our 2030 Financing Activity Targets. We have rolled out a dashboard to our front-line bankers and senior management that provides portfolio- and client-level financed emissions metrics. for sectors and clients in scope of our 2030 Financing Activity Targets. This tool provides insight into a client's emissions profile and their impact on the overall portfolio. We are building the capability to assess how a potential transaction would impact our portfolio. This will allow bankers to run "what-if" scenarios incorporating changes in exposure or emissions intensity. These analytical capabilities are critical to developing a more holistic view of our clients and understanding how Bank of America can support their transition.

Understanding our clients' goals

Simply looking at a client's raw emissions data at a point in time is not sufficient to fully evaluate the client's trajectory toward Net Zero. To most effectively support our clients with their transition plans and for us to make the most informed decisions, we must have a holistic view of their strategic priorities. Therefore, we are incorporating contextual information, beyond a client's emissions profile, into our client engagement and processes to help us better understand our clients' transition plans and Net Zero strategies. Our evaluation is based on a mix of quantitative and qualitative factors, with quantitative information consisting of client targets, emissions data, relationship metrics, output from our Climate and Environmental Risk Assessment and third-party scoring, and qualitative inputs including clients' strategic goals, transition plans and actions taken to drive performance. When combined with active engagement with clients, this evaluation gives us a more complete picture of the trajectory of our clients and enables us to more effectively support them on their journey. We are building the infrastructure to capture this information at scale and have developed a template to be able to assess clients consistently, considering key indicators of a client's trajectory. We continue to enhance this template, as overall data quality and disclosures improve. This has enabled us to begin to incorporate financed emissions metrics into the way we assess client relationships.

Key contextual information to understand and support our clients	
Emissions data	• Absolute emissions and emissions intensity • PCAF data quality score • Contribution to the portfolio emissions metrics based on sectoral targets
Relationship metrics	• Revenues, returns and historical client relationship • Future business opportunities
Output from Climate and Environmental Risk Assessment (CERA)*	• Awareness disclosure score • Physical risk score • Transition risk score • Strategy and mitigation score • Overall composite CERA score
Decarbonization strategy	• Net Zero transition plan or strategies • Absolute emissions or emissions intensity targets or commitments • Progress toward targets or commitments • Governance and strategic importance • Investment in carbon reduction projects and decarbonization efforts • Capital expenditure allocated to Net Zero transition
Other considerations	• Regional considerations • Regulatory considerations • Macro-economic factors

*See Risk Measurement for more information on CERA scoring.

Driving accountability within the business

To keep the business on track toward meeting our 2030 Financing Activity Targets, we have tasked a group of senior leaders within the Global Banking Business to oversee this process and institute a framework to drive client engagement, data collection and assessment and monitor progress. This group of senior leaders is directly responsible for understanding clients based on the qualitative and quantitative factors noted above, directing client engagement, and determining what additional information is needed to assess our clients. This accountability serves as a mechanism to fortify the Business's commitment to achieving the 2030 Financing Activity Targets.

Our goal is to continue to support all of our clients — wherever they are on their Net Zero journeys — and we strive to achieve this through strategic client engagement, deeper understanding of our clients and analytics to measure performance. As we continue to enhance our processes, we will report annually on our progress.

Transition planning

We have laid the foundation for our inaugural internal Net Zero Transition Plan (NZTP), which marks another key milestone in our longstanding commitment to Net Zero and transparency. We expect the inaugural NZTP to be informed by numerous organizations' guidelines and frameworks, as well as financial industry and bank experts and intend for the NZTP to articulate the Company's implementation and engagement strategies, as well as our progress toward achieving our 2030 targets across our financing activities, operations and supply chain. As we continue to refine our approach and engage various stakeholders, we would expect our NZTP to evolve over time, and as we have in this report, we plan to disclose elements of our NZTP in future versions of the TCFD. See Appendix 1 for our Transition Plan Index which highlights the components of this TCFD report that are adhering to the GFANZ Financial Institution Net-Zero Transition Plans — Fundamentals, Recommendations, and Guidance report, which was published in November 2022.

Attest

Attesting annually following the TCFD and NZBA guidance for transparency

In our 2022 TCFD report, we committed to publishing progress toward managing our climate related risks and opportunities annually, in accordance with the TCFD framework. This year we include a TCFD Index at the beginning of the report to highlight how we are adhering to TCFD recommendations.

Our sustainability metrics, including climate and emissions-related data, are currently published each year in our Annual Report to shareholders and Performance Data Summary following the WEF IBC Stakeholder Capitalism Metrics guidance and the GHG Protocol.

The environmental metrics we disclose are subject to internal review, controls and governance and undergo third-party verification each year. We do this because we believe it is important to be transparent about our successes as well as our challenges and to demonstrate the progress we are making.

Beyond our voluntary reporting, we have also implemented reporting to meet specific regulatory requirements applicable to our EMEA legal entities: Bank of America Europe Designated Activity Company (BofAE DAC), Bank of America Securities Europe SA (BofASE SA) and Merrill Lynch International (MLI). This includes qualitative reporting and some quantitative GHG emissions disclosures.

We are also in process of assessing our current sustainability reporting against requirements from the European Union's Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS) adopted by the European Commission. We anticipate similar assessment activities to launch upon the anticipated release of new climate-related disclosure rules from the SEC, and for numerous jurisdictions in APAC and LATAM.

Carbon credits

Our position on carbon credits and their role in achieving Net Zero

While we prioritize emission mitigation in our approach to reaching Net Zero, we also recognize the important role that high-integrity carbon credits play in reducing global emissions. Nature- and technology-based carbon removal measures will be critical in reaching Net Zero, and we believe it is necessary to both reduce emissions in alignment with science and support the development of a robust carbon market with high quality projects.

Supporting the carbon market

We plan to continue to engage with The Integrity Council for the Voluntary Carbon Market, Voluntary Carbon Markets Integrity Initiative, Global Carbon Trust, Energy Transition Accelerator and other convening organizations with the intention of improving the framework and governance of a market for high quality carbon credits.

Developing a high-integrity, liquid and efficient voluntary carbon credit market, in addition to a new compliance carbon credit market under Article 6 of the Paris Agreement, will be essential for achieving Net Zero targets. A robust carbon market is expected to play an increasingly important role in achieving decarbonization at lowest cost in addition to providing resiliency, preserving biodiversity and other co-benefits.

Bank of America structured and executed numerous voluntary carbon credit and compliance transactions in 2022. These include transactions completed with project developers, traders, hedge funds, an engineering and construction firm and oil refining and distribution companies, transacted on the Verra and ACR registries, as well as California Carbon Allowances, Low-Carbon Fuel Standard, Regional Greenhouse Gas Initiative and EU allowances.

In 2022, Bank of America made a direct investment in Xpansiv, a leading infrastructure provider helping to build efficient and transparent environmental commodities markets in support of energy transition. Xpansiv provides brokerage, exchange, registry infrastructure and other key services to connect buyers and sellers of carbon credits, renewable energy credits and low-carbon fuel certificates.

Operations and supply chain

To reach and maintain carbon neutrality for Scope 1, Scope 2 and Scope 3 business travel emissions, we reduce our location-based emissions, purchase sustainable aviation fuel, purchase 100% of electricity from renewable sources and acquire carbon credits to address our residual emissions. More information on our use of carbon credits can be found in our Performance Data Summary.

When selecting carbon credit projects, we focus on those that address multiple UN SDGs. One project that demonstrates this approach is a sustainable infrastructure project that reduces and prevents gas leakages within a gas distribution network. The project financed the purchase and import of specialized leak detectors and advanced sealant materials to provide long-lasting sealing of identified leaks. Additional benefits of the repairs include reduced risks of accidents and hazardous pollution from gas leaks, creation of jobs for local residents and reduced emissions from leaked methane. This project aligns to multiple UN SDGs, such as Good Health and Well-Being, Decent Work and Economic Growth and Climate Action.

Financing activity

To reach our 2030 Financing Activity Targets, 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 process. These credits will have to meet specific criteria including certification by a credible body that follows leading guidance in the industry and are used in combination with a science-aligned emission reduction commitment. We recognize this area is rapidly evolving and will continue to track leading guidance on the application of carbon credits.

Assisting underserved and disproportionately impacted communities through the transition

Operations

As noted previously, as part of our efforts to achieve and maintain carbon neutrality in our operations, we purchase carbon credits for residual emissions. As we evaluate opportunities to offset our emissions, we prioritize credits that can benefit communities that are experiencing disproportionate impact during this transition. One example is a reforestation project on land previously under extensive grazing by beef cattle, which has generated jobs that protect native ecosystems and provides food and financial stability for the community.

Financing activity

Our GCIB and Global Markets teams are incorporating this approach into a range of financing strategies and opportunities, both in the U.S. and around the world. The teams work to mobilize and deploy capital to advance environmental sustainability and socioeconomic empowerment for underserved populations and in underserved regions. Domestically, this includes our recent Equality Progress Sustainability Bond for $2 billion, designed to help advance racial and gender equality, economic opportunity and environmental sustainability.

Internationally, we work with the Sustainable Markets Initiative and other forums to partner with governments, regional lenders, development finance institutions and philanthropies to bridge the funding gap and mobilize private capital toward sustainable development in emerging markets. Our work includes exploring opportunities with development finance institutions and energy developers in Africa, supporting Just Energy Transition Partnerships with both Indonesia and Vietnam, and previously providing a loan facility to a developer building renewable energy and clean transportation infrastructure projects located in Small Island Developing States in the Caribbean. For additional information on these and other transactions focused on assisting underserved and disproportionately impacted communities through the transition, please see Assisting our clients.

Philanthropy

We are funding energy efficiency for affordable housing, workforce programs that expand access to clean energy jobs and programs to connect minority contractors with the growing opportunities afforded by greenhouse gas reduction efforts. We are also investing in work by the National Wildlife Federation to support local communities' access to federal funding opportunities that will support legacy pollution mitigation and build resilience to extreme weather threats.

A particular focus for us continues to be urban tree planting — a nature-based resilience solution to address impacts of extreme heat and related health issues. Minority and low-income communities have fewer trees in their neighborhoods, which means those neighborhoods are hotter and more dangerous during extreme heat events. Heat is the number one killer among extreme weather events in the U.S. — more than hurricanes, tornadoes, floods or wildfires.[32] We have partnerships with American Forests and the Arbor Day Foundation, which are both working to address this historic challenge in these communities.

Also related to extreme heat, we have supported work by the Adrienne Arsht-Rockefeller Foundation Resilience Center of the Atlantic Council that details the economic and social consequences of extreme heat, including the disproportionate impacts on poor or marginalized communities in the U.S. and provides recommendations for cities around the world to enhance climate resilience and reduce heat impacts. The Center's work aims to increase awareness of the dangers of extreme heat, for example by advocating to name heatwaves.

Additionally, we are funding work by the Nature Conservancy to develop plans that protect marine ecosystems across the globe while also promoting the economic viability of local economies. We have also worked with Water.org to expand access to clean and safe water through small loans that are used to create access to clean and safe water and sanitation in homes without those basic necessities. See Appendix 4: Key Partnerships for additional philanthropic relationships supporting a balanced and just transition, such as the Oxford University Smith School of Enterprise and the Environment.

32 Source: scientificamerican.com/article/extreme-heat-is-deadlier-than-hurricanes-floods-and-tornadoes-combined/#:~:text=Extreme%20heat%20is%20the%20number,hurricanes%2C%20floods%20and%20tornadoes%20combined.

Nature and biodiversity

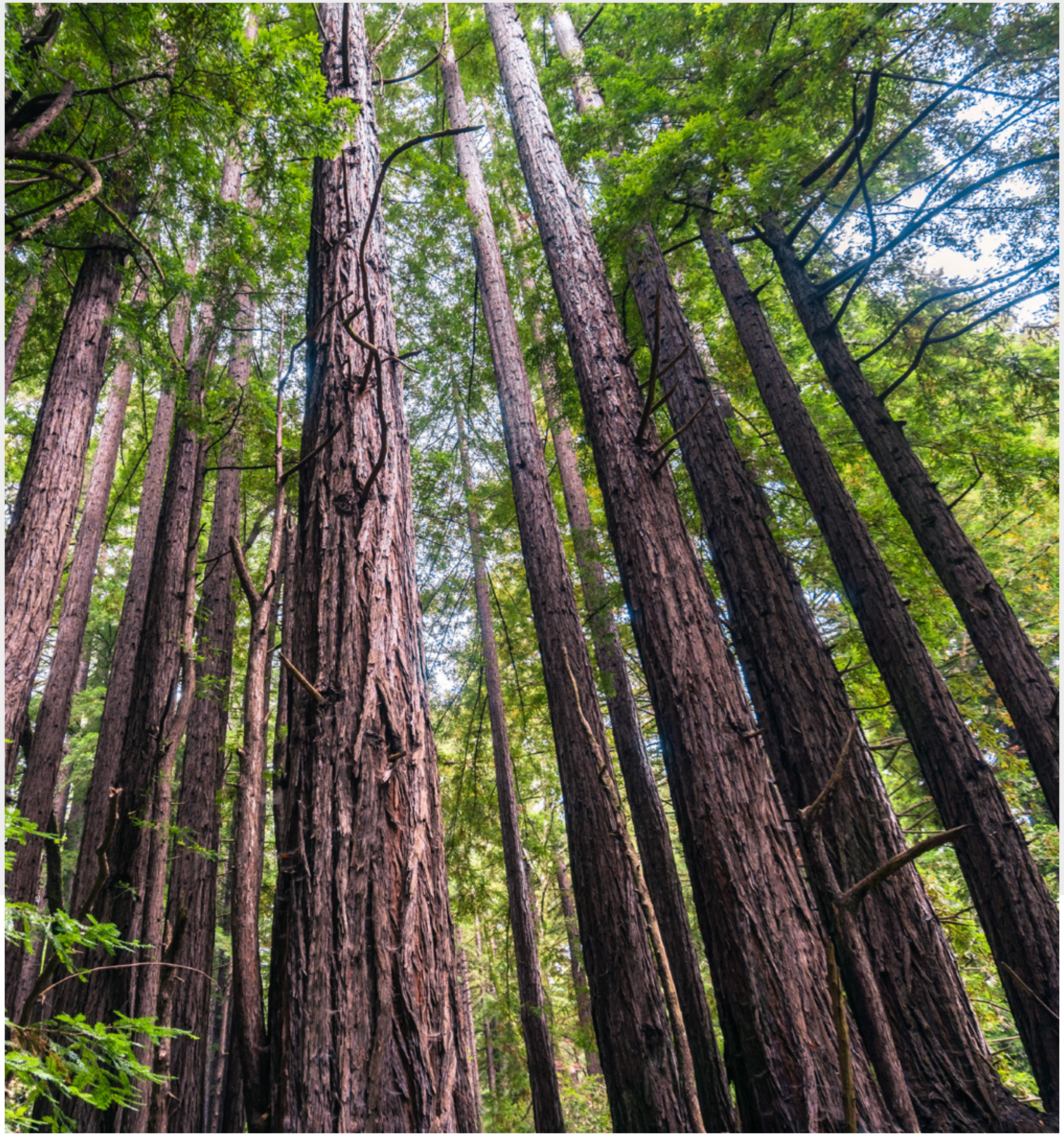
Our position on nature-related risks and opportunities

Agriculture, forestry and other land use are together the second largest contributor to global GHG emissions behind the energy sector, primarily due to deforestation and land conversion.[33] As forests are depleted, we lose one of the world's most vital carbon sinks,[34] which accelerates climate change. Furthermore, the world's oceans are being devastated by climate change and resource exploitation, which threatens ocean ecosystems' vital role in keeping carbon sequestered, creating an unsustainable climate change feedback loop.[35]

In 2022, Bank of America participated in the United Nations Biodiversity Conference of the Parties (COP) in Montreal. We support the Kunming-Montreal Global Biodiversity Framework agreed in December 2022 including Target 15 on corporate reporting aligned with the recommendations of Task Force for Nature-related Financial Disclosures (TNFD), in which we participate.

We are working to assess the impacts that nature-related risks may have on our business, as well as how our business activities may be contributing to nature loss. To this end, we are building out capabilities to better understand concentrations of various environmental risks — including biodiversity loss — across our portfolio's industry segments, starting with our global corporate banking portfolio.

At the same time, we see increased opportunities to deploy capital into nature-positive areas aligned with our commitment to mobilize and deploy $1.5 trillion in sustainable finance by 2030. For example, we are engaging with clients to arrange financing through thematic and structured bonds that focus on biodiversity and debt-for-nature provisions. The Company is also leveraging its leadership position with corporate clients in sustainability-linked balance-sheet financing by looking for opportunities to link our clients' nature-related targets to different sustainability-linked financing products. We are engaged in raising capital for companies active in emerging areas such as the alternative protein and sustainable farming sectors, and we have deployed capital into blended finance vehicles with a focus on natural capital, such as climate-smart and regenerative agriculture and food systems transformation in emerging and developing economies. Evidence of our capital contributions include our investments in the Responsibility Climate Smart Agriculture & Food Systems Fund and the Bamboo Capital ABC Fund.



33 Source: IPCC.

34 Source: UNFCCC.

35 Source: World Bank.

Nature and biodiversity (continued)

Our Commodities business is also active in the voluntary carbon credits market with a focus on nature-based solutions such as carbon soil sequestration, reforestation and afforestation. We are providing our clients with access to high-integrity carbon credits with an emphasis on removal in line with guidance from market-shaping organizations such as the Integrity Council for the Voluntary Carbon Market and the Voluntary Carbon Markets Integrity Initiative. When evaluating carbon credit opportunities used to offset our own residual operational and supply chain emissions, we prioritize credits that also benefit underserved and disproportionately impacted communities. See our approach to Carbon credits for more information on how we use carbon credits and support the carbon market.

We also participate in coalitions to provide thought leadership and help advocate for nature-positive outcomes. For example, we are a member of the Natural Climate Solutions Investment Accelerator which aims to build the demand-side for investment in nature-based solutions. We are also on the Steering Committee of the Ocean Risk and Resilience Action Alliance which is exploring how to scale investment in areas such as blue carbon[36] to deliver both carbon removal and co-benefits such as restoring ocean ecosystems and improving the resilience of coastal communities. See Appendix 4: Key Partnerships for the Company's additional nature-related engagements.

We have also dedicated philanthropic resources to support innovative approaches to leveraging sustainable finance to preserve nature. For example, we are funding efforts by The Nature Conservancy and local leaders in Barbados to build out a marine spatial plan that will protect 30% of the country's marine areas by 2030. Execution of the plan will then be funded by proceeds from a blue bond that was issued by the Government of Barbados with co-guarantees provided by InterAmerican Development Bank and The Nature Conservancy. Previously, we supported efforts by The Nature Conservancy to develop an insurance policy for coral reefs that could be damaged during extreme weather events. Similar policies are now in place in Mexico and in Hawaii, with more jurisdictions looking to employ this strategy. In addition, we have been a long-time supporter of Ocean Conservancy, participating in its Trash Free Seas Alliance and supporting the International Coastal Clean-up, an annual global effort to remove debris from coastlines, as well as inland waterways, preventing this trash from polluting marine ecosystems.

To provide transparent disclosure of our work to address nature-related risks and opportunities, we may begin to integrate information aligned to the TNFD framework into our existing sustainability reporting. Additionally, one of Bank of America's executives is a member of the 40-person TNFD taskforce, whose mission is to develop a risk management and disclosure framework for organizations to report and act on evolving nature-related risks and opportunities. Furthermore, to encourage consistency across the financial sector's approach to assessing and disclosing financial institutions' impacts and dependencies on biodiversity, we are a formal supporter of the Partnership for Biodiversity Accounting Financials (PBAF).

Our approach to high deforestation-risk activities:

While we work to further refine and develop our approach to managing nature-related risks, we have the following policies in place to manage our exposure to high deforestation-risk activities:

- **Forestry:** We developed our Forests Practices Policy, including our position on Forest Certification and Paper Procurement Policy, in consultation with our clients who have expertise in the sector and with environmental partners focused on developing best practices, including forestry certification. Our Forests Practices Policy places additional value on forestry certification by using it as a due diligence tool. The Forests Practices Policy also includes an explicit prohibition of illegal logging and practices involving uncontrolled fire.
- **Palm oil:** We require clients whose business is focused on ownership and management of palm oil plantations and operations, including growers and mills, to have their operations certified, or have in place an outlined action plan and schedule for certification. We use the Roundtable on Sustainable Palm Oil (RSPO) certification or equivalent certification standards as a minimum requirement for clients and monitor developments relating to the sustainable sourcing of palm oil.
- **UNESCO World Heritage Sites:** We respect the designation of United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Sites, including areas of natural or cultural value that are deemed to be of national or international significance. Bank of America will not knowingly engage in transactions focused on natural resource extraction within UNESCO World Heritage Sites unless there is prior consensus between UNESCO and the host country's governmental authorities such that the activities will not adversely affect the natural or cultural value of the site.

Please see our ESRPF for more information on how we manage and govern environmental and social risks across our business.

36 Blue carbon is the carbon stored in coastal and marine ecosystems.

Highlights of progress since our last report

- Created a standalone Climate Risk Framework to address how we identify, measure, monitor and control climate risk and detail roles and responsibilities for climate risk management across the Company.
- Enhanced our risk identification process to incorporate more granular physical and transition risk considerations over various time horizons across all LOBs and control functions to support climate scenario analysis.
- Expanded industry risk ratings from three categories to five and revised time horizon to consider potential climate-related risks and mitigation factors through 2030 to better measure potential credit risk exposure to climate-related risks.
- Created and produced an internal quarterly Climate Risk Report that aggregates a view of climate-related risk metrics.
- Enhanced scenario analysis capabilities related to both physical and transition risk analysis and tested them as part of our internal exercises as well as part of the first FRB-led climate scenario analysis pilot exercise executed in 2023.

Risk Management

At Bank of America, risk is inherent in all our business activities. Managing risk well, a core tenet of Responsible Growth, is the responsibility of every employee. We have developed a Risk Framework that sets forth roles and responsibilities for the management of risk by FLUs, GRM, other control functions and Corporate Audit and provides a blueprint for how the Board, through delegation of authority to committees and executive officers, establishes our risk appetite and associated limits for our activities. It describes how we identify, measure, monitor and control risk across the key types of risk we face. FLUs are responsible for owning and proactively managing all risks in business activities. This includes managing climate risks inherent in their businesses, evaluating climate risk in planned strategic priorities, embedding climate risk into relevant policies, procedures and processes, understanding the impact to their businesses of applicable climate regulations, developing metrics to measure and monitor climate risks, and escalating material climate risks and issues. GRM provides second line oversight of the management of climate risks across the Company's seven key risk types: credit, market, liquidity, compliance, operational, strategic and reputational.

Building off the Company's Risk Framework, in 2023 we created our internal Climate Risk Framework, which addresses how we identify, measure, monitor and control climate risk, including examples of how it manifests across different risk types (see Risk Identification section, below), and details the roles and responsibilities for climate risk management across the three lines of defense. The Company continues to embed climate risk considerations into enterprise risk management practices to drive Responsible Growth and enhance preparedness for a low-carbon, climate resilient future. It is expected that the Climate Risk Framework will evolve over time as best practices in climate risk management continue to mature.

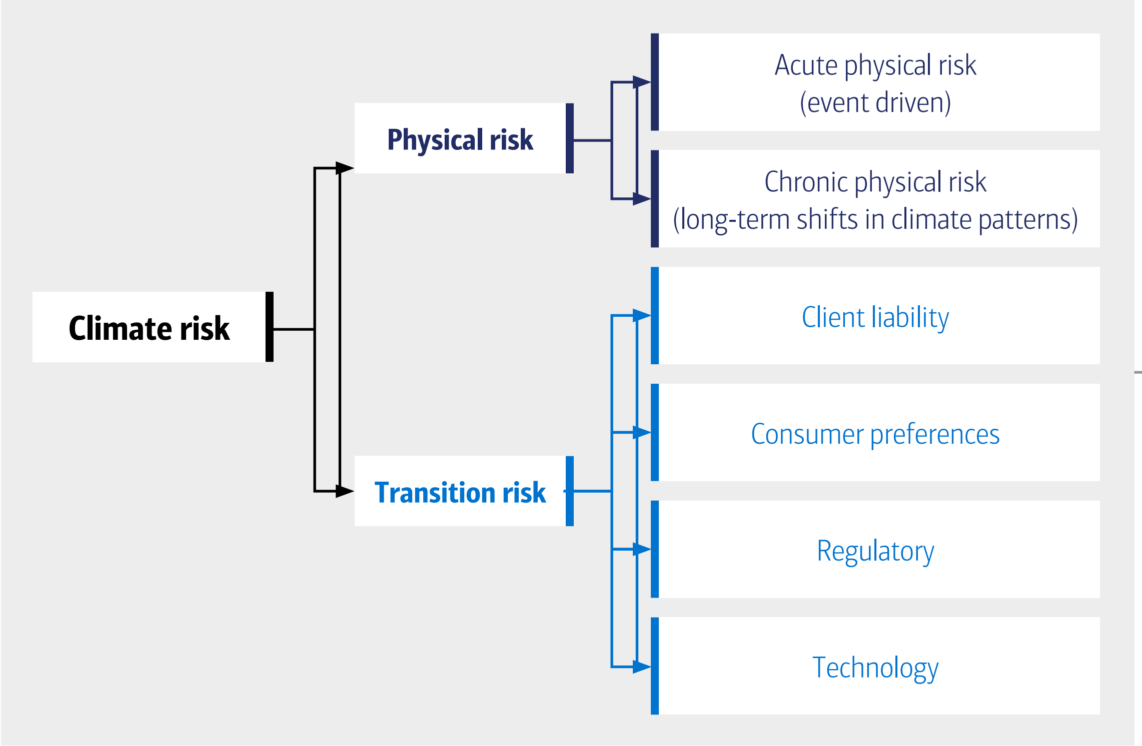
Risk Identification

To be effectively managed, climate risk must be proactively identified and well understood. Risk identification is an ongoing process that incorporates input from stakeholders across LOBs and CFs with relevant expertise. It is designed to be forward-looking and capture relevant risk factors to which we are or may be exposed. LOBs and control functions identify risks that are captured consistently in an enterprise-wide risk inventory and reviewed quarterly.

We have enhanced our risk identification process to incorporate climate-related factors such as physical (acute and chronic) and transition risk across LOBs and control functions. We are continuing to explore opportunities to expand risk identification capabilities related to physical and transition risk and the resulting impacts to our businesses and are expanding the current Risk Identification portal to embed additional climate risk considerations. This includes providing the ability to add details related to sector, product and geography; aligning specific perils and/or transition categorization; connecting new and existing risks to other sustainability categories; and helping identify time horizon impact applicability. In support of this enhancement, we provided training on the new fields to our LOBs and CFs.

Risk categories

Climate risk is divided into two main categories — physical risk and transition risk — both of which cut across the seven key risk types. We have enhanced our risk identification process to incorporate these factors.



Further, climate change and environmental risk considerations have been incorporated, where relevant, into new business development and product-level assessments such that LOBs now identify and review potential climate risks as part of their respective new product review processes.

Bank of America seven risk types	Physical risk examples	Transition risk examples
Credit Risk of loss arising from the inability or failure of a borrower or counterparty to meet its obligations	Impacts on repayment capacity or collateral caused by physical climate event	Financial impacts to client revenue, income, cash flow, assets or collateral due to climate-related policy, legal, technology or market changes, including shift to climate-related investments
Market Risk that changes in market conditions adversely impact the value of assets or liabilities or otherwise negatively impact earnings	Impacts to assets valuations or secondary exposure to insurers caused by physical climate events	Impacts to market prices due to climate-related policy, legal, technology or market changes
Liquidity The inability to meet expected or unexpected cash flow and collateral needs while continuing to support our businesses and customers under a range of economic conditions	A run on deposit balances, unexpected increases in draws from unfunded commitments and decrease in access to funding providers due to physical events	Impact of clients needing more liquidity to fund capital expenditures and other investments in response to climate-related regulatory changes or changes in market appetite
Compliance Risk of legal or regulatory sanctions, material financial loss or damage to the reputation of the Company arising from the failure of the Company to comply with the requirements of applicable laws, rules and regulations or our internal policies and procedures	Workplace disruptions from physical climate events could impact our ability to comply with regulatory requirements	Failure to meet rapidly emerging requirements for classification and disclosure in multiple jurisdictions could lead to regulator fines or sanctions
Operational Risk of loss resulting from inadequate or failed internal processes or systems, people or external events	Workplace disruptions from physical climate events impact our ability to deliver services and/or execute important controls	Actual or perceived misrepresentation of the climate-related benefits of products and services could cause the bank, its employees or clients to be accused of "greenwashing"
Strategic Risk to current or projected financial condition arising from incorrect assumptions about external or internal factors, inappropriate business plans, ineffective business strategy execution, or failure to respond in a timely manner to changes in the regulatory, macroeconomic or competitive environments in the geographic locations in which we operate	Impact of incorrect assumptions, inadequate planning or poor strategy execution regarding risk of physical climate events and trends	Impact of inability to quickly adapt and execute a strategy to address changing regulatory requirements, client demands or the competitive environment as it relates to the transition to a lower-carbon economy
Reputational The risk that negative perception of the Company may adversely impact profitability or operations	Impact of perceived inadequate management of physical climate events on our operations	Impact of negative perceptions regarding financing of high-emitting sectors or ability to achieve climate commitments

Risk Measurement

Measurement of climate risks is conducted using a range of qualitative and quantitative methods across the LOBs and CFs and tools such as industry-, country- and borrower-level assessments as well as scenario analysis to better understand the climate risks posed to our business, operations, clients and counterparties. Examples of how we measure potential climate risks by risk type are outlined below.

Credit Risk

Commercial Credit

Industry Risk

To measure the potential portion of commercial credit exposures vulnerable to both physical and transition-related climate risks, we created an industry climate risk methodology to classify the possible financial risks of climate change at the industry level. Based on judgmental considerations for physical and transition climate-related risks, these industry climate risk ratings have been assigned for industries utilizing the North American Industry Classification System (NAICS) and for Industry Groups as defined by Bank of America. In 2023, we expanded the rating classifications from the original three categories (Low, Moderate, High) to five categories (Very Low, Low, Moderate, High, Very High). Additionally, we expanded the time horizon of the classifications to consider potential risks faced and possible mitigations (such as emission reduction capabilities) to a 2030 time horizon, in line with the Company's milestone 2030 Financing Activity Targets, discussed previously. These enhancements allow for more granular classification at both the physical and transition risk level and balance the trade-off between available information today and long-term manifestation of climate risk. The ratings are reviewed annually by the Industry Experts and our Climate and Environmental and Credit Risk teams and are integrated into our credit risk management processes, in particular the Industry Risk Guidance (IRG) documents, which serve as a tool for client selection, onboarding and underwriting. The IRG informs our overall sector views on climate risk as a starting point for more detailed subsector discussions and client-level discussions.

The table at right illustrates the key industry sectors, as aligned to the Commercial Credit Exposure by Industry disclosure in our 2022 Form 10-K, that we have identified as having heightened vulnerability to climate-related risk, based on each industry sector that are rated Moderate, High or Very High.

Committed commercial credit exposure by industry sector

$ in millions as of 12/31/2022

Industry sector	Total committed commercial credit $	% of total $ exposure
Asset managers and funds	$165,087	13.8%
Real estate	$99,722	8.3%
Capital goods	$87,314	7.3%
Materials	$55,589	4.6%
Retailing	$53,714	4.5%
Food, beverage and tobacco	$47,486	4.0%
Consumer services	$47,372	3.9%
Utilities	$40,164	3.3%
Energy	$36,043	3.0%
Transportation	$33,858	2.8%
Global commercial banks	$29,293	2.4%
Consumer durables and apparel	$21,389	1.8%
Automobiles and components	$16,911	1.4%
Subtotal for sectors listed above	**$733,942**	**61.2%**
Total commercial credit exposure (source: BAC 2022 Form 10-K)	**$1,200,213**	

Note: Commercial credit exposure U.S. dollar amounts sourced from BAC 2022 Form 10-K and include U.S. small business commercial exposure.

Country Risk

In addition to the industry risk ratings, the Enterprise Credit Risk team uses a framework to assess climate-related risks to all countries in our coverage universe. Based on a proprietary methodology and expert judgment, and using a range of third-party indicators covering physical, transition and overall climate risk, countries are rated using the five categories previously mentioned for industry ratings (Very Low, Low, Moderate, High, Very High). Assigning climate scores to countries is relevant for understanding the potential physical (e.g., vulnerability to increased severity and frequency of extreme weather events) and transition (i.e., resulting from the process of adjustment toward a lower-carbon economy) risks faced by countries from climate change.

Climate and Environmental Risk Assessments

Given the complexities of assessing climate-related risk at a borrower level, we have created a Center of Excellence to steer the ongoing implementation of borrow-level climate and environmental risk assessments (CERAs). The Center of Excellence conducts CERAs as per our internal policies governing applicability and scope, which are based on factors such as the degree of sector/subsector climate risk, the amount of committed credit exposure and the LOB managing the relationship among other considerations. The CERA considers both industry physical and transition risk ratings and country climate risk classifications, where relevant, and provides additional insight into a borrower's response to climate and environmental risks, including the incorporation of mitigating factors such as insurance and management plans and expertise. The following assessment factors are leveraged to generate a CERA score at the borrower level:

A. Management awareness of climate risk and company disclosures

B. Physical risk vulnerabilities

C. Transition risk vulnerabilities

D. Risk mitigation and strategy

The CERA score is then integrated into the underwriting and credit risk lifecycle. Additionally, as mentioned previously, CERA scores for borrowers in scope of our 2030 Financing Activity Targets are integrated into our target management framework.

Consumer and Small Business

Consumer and Small Business have developed a plan to identify, measure and monitor physical and transition-related climate risk. For example, we are leveraging physical risk data to develop models to support improved portfolio and geographic monitoring and scenario exercises. Current efforts are focused on identifying and quantifying key risks for Home Loans and Consumer Vehicle Lending businesses, and in target state, relevant metrics will be embedded in ongoing business monitoring routines across all products.

Market and Liquidity Risk

Climate-related impacts to Market and Liquidity Risk continue to be measured and monitored at the issuer and portfolio level. Market risk sensitivities and price impacts are aggregated by sector and geographies across various asset classes including commodities, fixed income and equities, to identify and monitor climate-sensitive concentrations. This leverages both industry and country climate risk classifications described in the Credit Risk section above. Where applicable, country climate risk classifications are used to aggregate risk sensitivities for rates, foreign exchange and sovereign trading instruments into climate-sensitive exposures.

Risk assessments are conducted to analyze client behavior before, during and immediately following physical climate events. These assessments provide benchmarks for sensitivity and scenario analysis, help to identify the transmission channel mechanisms by which climate risk drivers affect liquidity, and identify the specific capabilities needed to better analyze how the Company's liquidity risk profile changes in a climate stress event.

Compliance and Operational Risk

The Company regularly assesses the operational and compliance risks of climate change across the enterprise. A dedicated Climate Change coverage team executes this assessment by reviewing inherent risk, the control environment and residual risk based on independent coverage activities including monitoring, tracking of issue trends and operational loss analysis.

The climate regulatory landscape continues to evolve. Globally, regulators have published prudential guidelines for managing climate-related risks as well as requirements for disclosing climate risk data and information on how this risk is being managed. Applicability of the guidance and requirements to the Company and its subsidiaries varies across jurisdictions. Our compliance teams source new and changed laws, rules, regulations and regulatory guidance through multiple channels and assess the applicability and impact of those changes to the Company. Teams across the Company conduct gap assessments and create implementation plans, as needed, to drive compliance in the required time frames.

The Company considers the risks posed by physical climate events and the chronic impacts of climate change in business continuity and resilience planning. The operational risk team monitors business continuity controls in countries identified as having high climate risk.

Reputational and Strategic Risk

Bank of America proactively identifies and monitors reputational risk arising from climate and broader sustainability risks through regional and LOB reputational risk committees. Additionally, LOBs and CFs leverage the Company's Environmental and Social Risk Policy Framework, which provides clarity and transparency around how we manage environmental and social risks, to assess potential climate-related environmental risks associated with transactions and business decisions more likely to result in reputational risk.

The Company's Strategic Plan, which is aligned with the capital, liquidity and financial planning processes, includes climate-related risks and opportunities identified by each LOB or CF. Through strategic risk governance routines, we continuously evaluate changes to the internal and external environment by assessing our strengths, weaknesses, opportunities and threats related to climate risk, which includes leveraging the perspective of external experts.

Information about these risks is included in regular Risk Management updates to our Board and senior management.

Risk Monitoring

We have enhanced business processes to incorporate climate risk monitoring across all risk types. Risk type reporting is developed within each of the individual risk domains and is tailored to be used by the Risk Managers and Executives within each of these areas in supporting their independent oversight and review of business activities. The Global Climate and Environmental Risk team produces a quarterly Climate Risk Report that provides an aggregation of climate risk metrics and trends, driving awareness and providing decision-useful information. The report aggregates metrics across the risk types, providing insights on overall exposure; borrowers, sectors and asset classes requiring additional focus; and vulnerability to physical and transition risks.

LOBs are beginning to establish ways to measure and monitor climate risk at the portfolio and/or borrower level. Reporting includes metrics for physical and transition risk and Key Risk Indicators (KRIs) for industry, sector and country (as applicable). In Global Markets, for example, we deploy daily climate risk reporting that provides information on the concentration of exposure to higher risk industries and countries; a monthly dashboard that leverages a common enterprise taxonomy to consider a clients' industry, sector and country to track KRIs; and a monthly stress run for the purpose of risk identification. Stress tests are used to understand the impact of transition risks on trading portfolios, with a particular focus on identifying concentrations of risk within a portfolio. Metrics include market risk sensitivities to climate-impacted markets, sectors and countries such as impacts to commodity prices, securities prices and foreign currencies. Metrics continue to be developed to take advantage of improved industry data and modeling for the measurement of both transition and physical risks.

As part of the scenario generation process for stress testing, Bank of America produces a suite of scenarios ranging from baseline to stressful economic environments and events, which are primarily informed by the Company's material risks identified through the Risk Identification Process. Climate scenario analysis is one of the exploratory scenarios we assess. Additional details on our climate scenario analysis efforts can be found in Assessing Climate-related Risks through Scenario Analysis.

Risk Control

We control climate-related risks by using risk identification, measurement and monitoring tools to drive governance, policies, processes and testing efforts to manage and mitigate exposure to climate-related risk. Fundamental to that, we have incorporated climate considerations into our Risk Framework and Risk Appetite Statement (RAS).

To help deliver appropriate controls across risk categories, risk management policies have been updated to incorporate, where applicable, climate risk considerations.

We report and escalate climate risks and related mitigation activities to senior management and the Board, as appropriate, via established governance routines. Climate risk is a regular agenda item at the MRC, ERC and the legal entity Board Risk Committees.

Environmental and Social Risk Policy Framework

The Company takes additional measures to identify, evaluate and mitigate environmental and social risks for certain clients, business activities, industries, sectors and geographies. This process is client-specific, deal-specific and subject to governance review, considering portfolio-level credit, operational, reputational and other risks, including climate risk. As part of that process, we have determined not to engage in the following activities based on the appropriate application of our Risk Framework and enhanced due diligence standards:

- Direct financing of the construction or expansion of new coal-fired power plants — unless those facilities employ technology that is focused on complete or near elimination of atmospheric carbon emissions; and
- Direct financing of new thermal coal mines or the expansion of existing mines.

In addition, as part of our transition strategy, by 2025 we will phase out all financing (including facilitating capital markets transactions and advising on mergers and acquisitions) of companies deriving ≥ 25% of their revenue from thermal coal mining, unless the Company has a public commitment to align its business (across Scope 1, 2 and 3 emissions) with the goals of the Paris Agreement and the transaction would be facilitating the diversification of the Company's business away from thermal coal. Over the past several years, we have reduced exposure to companies focused on coal extraction, with exposure to pure play coal extraction representing only $42 million as of 12/31/2022, or less than 0.01% of our total committed commercial credit exposure across all industries, down more than 73% from $157 million at fiscal year-end 2018.

Assessing Climate-related Risk through Scenario Analysis

The objective of climate scenario analysis is to understand and assess the potential impacts of climate risks across a range of possible outcomes, rather than assuming a single path. The range of outcomes helps to broaden our understanding of potential financial impacts and can inform business strategy and risk management decisions. Scenario analysis is an important tool to understand how various risks and opportunities may manifest. We have a long record of investing in all aspects of stress testing, and we are doing the same for climate scenario analysis.

We continue to incorporate climate-related risks into our existing enterprise-wide scenario analyses framework and processes. These processes are used to support capital planning, recovery and resolution assessments and overall risk management. By integrating climate scenario analysis into these existing enterprise capabilities, we can effectively assess potential pathways in the transition to a Net Zero economy and the related impact on our business decision-making and risk management practices. This includes evaluating the impact of different transition risk and physical risk events as well as providing deeper insight into how climate-related risks and opportunities may evolve. Climate risks can have broad impacts on operations, supply chains, distribution networks, consumer preference and markets.

Since our 2022 TCFD report, we have expanded our modeling capabilities to be more granular, enabling the capture of potential pockets of risks in our key portfolios. Our enhanced climate scenario analysis capabilities are used to assess risks both domestically and internationally and to address regulatory requirements across various jurisdictions globally.

Commercial Credit Enhancements

The wholesale (also known as commercial credit) climate forecasting capabilities were substantially expanded through portfolio deep dives. We developed an internal suite of wholesale models that incorporate granular segmentation and differentiation at both the industry and region/country level. We then integrated these with third-party models that incorporate climate specific risk factors (e.g., company emissions, carbon price, etc.) and project company-level financial impacts as appropriate. This combination of models further aids us in identifying potential climate risks, however, there is still more work to be done for us to improve our understanding and maximize the use of these newly developed capabilities to deliver meaningful and actionable insights.

Consumer Enhancements

The Consumer Mortgage model was enhanced in 2022 to better support climate analysis of potential property damage and emissions. This was enabled by the development of a new module that uses property-level characteristics sensitive to climate factors. The framework considers physical event risk, changing insurance costs and costs of energy transition. This is the first step in improving the overall consumer modeling infrastructure to support climate needs.

To understand how climate-related risks can impact us and our clients, we evaluated various scenarios looking at current and potential future vulnerabilities to climate-related risks such as introduction of climate policies and forward-looking assessments of potential climate impacts, including those associated with a 1.5°, 2° or >3°C rise in global temperatures. Most of our scenarios relied on the NGFS scenarios, which has widely accepted views of how emissions, national energy use, gross domestic output and certain industry sectors can evolve under various temperature pathways. Utilizing intel from NGFS, we ran three internal scenarios, which were released in 2022. The release had updates that included more sector granularity, improved modeling of physical risks, the latest trends in renewable energy technologies, key mitigation technologies and key countries' commitments to reaching Net Zero. The NGFS scenarios we ran in 2022 included Net Zero 2050, Delayed Transition, and Current Policies, all of which had different global average temperature increase pathways.

The internal scenarios focused on specific portfolios (commercial lending, trading, fair value option, bank-owned and leased assets) and different risk types (credit, market, operational and liquidity) with a dynamic balance sheet forecast. The forecast is used to model financing activities in the long term and test the potential strategic reallocation of assets based on input from business and risk leaders. Further enhancements included expanded portfolio coverage, expanded industry sectors coverage, expanded international coverage, benchmarking to third-party models and other sensitivity analysis used to adjust model-based results.

The scenario analyses we performed required estimation of financial impacts in line with industry norms. The key metrics we assessed in these various exploratory exercises included, but were not limited to, loan balance projections, net charge-offs, expected loss rates and underlying drivers (probability of defaults and loss given defaults) across key industries, as well as potential damage to physical assets. The transition risk outcome identified pockets of risks primarily in the energy, utilities and transportation sectors, while the physical risk scenario showed increased vulnerability to wind and flood damage in regions in California, Delaware, Florida, Louisiana and Texas. Moving forward, we are starting to explore revenue resilience by looking at revenue concentration in climate-sensitive industries. Further work is required to expand the time series of the analysis and incorporate the refreshed industry climate risk classification.

In 2022, we participated in the European Central Bank's (ECB) climate risk stress test, which included both physical risk and transition risk scenarios. The physical risk portion focused on short-term impact of drought, heat and flood on the Bank of America Europe DAC portfolio in the European Union, over a one-year horizon. The transition risk scenario covered impact of climate policies on the short-term and long-term.

We were also selected in 2023 to participate in the 2023 Federal Reserve Board's (FRB) pilot climate scenario analysis (CSA) exercise. The objectives of the FRB in conducting the pilot CSA exercise are to learn about large banking organizations' climate risk-management practices and challenges, and enhance the ability of both large banking organizations and supervisors to identify, measure, monitor and manage climate-related financial risks. The 2023 FRB pilot CSA exercise includes both transition and physical risk scenarios over a long- and short-term horizon, respectively, and is ongoing. At the conclusion of the exercise in December 2023, the FRB intends to publish insights gained from the pilot as well as aggregated information about how large banking organizations are incorporating climate-related financial risks into their existing risk-management frameworks.

Physical Risk

Physical risks can be acute (event-driven) or chronic (long-term shifts in climate patterns) and can impact us in the short, medium and long term. Our climate scenario analyses include various types of physical risks and different regions and time horizons to see how they may manifest in our key portfolios, as shown in the Summary of Physical Risk Scenarios table, at right. For example, increased frequency and severity of hurricanes in certain regions may impact the value of the collateral tied to our real estate lending activities.

Additionally, analyzing potential physical risk impacts across different elements will enable us to better plan for the impact climate change may pose to our overall operational resilience. Examples of these potential physical risks and impacts include: (1) extreme flooding and storm surge across the New York State area, resulting in elongated economic impacts to homes, buildings, infrastructure and businesses over several months; and (2) occurrence of a low-pressure extra-tropical cyclone with hurricane strength winds across Europe, causing damage to a substantial number of residential and commercial buildings and having a major impact on transportation and supply chains.

In 2022, our climate-related physical risk scenario analysis exercise included the following assessments:

- Potential credit risk impact on our Commercial & Industrial (C&I) and Commercial Real Estate (CRE) portfolios utilizing enhanced internal models and third-party physical risk supplier models.
- Potential physical risk impact on our mortgage-backed securities within our trading portfolio informed by third-party physical risk supplier analytics.
- Potential liquidity impacts from changes in client deposits and loans using third-party physical risk supplier analytics.
- Possible damages to Company-owned or leased real estate caused by climate perils such as flood and wind under various scenarios.

The table at right shows the key features of the physical risk scenarios that we have run since 2021 as well as enhancements made. The 2023 column is intended to show progress on the FRB's Pilot Climate Scenario Analysis Exercise.

Summary of Physical Risk Scenarios

	2021	2022		2023
Scenario	Internal	Internal	Regulatory (ECB)	Regulatory (FRB)
Balance sheet assumption	Static Dynamic	Dynamic	Static	Static
Physical risk scenarios	Current Policies and Idiosyncratic	Current Policies	Drought & Heat Risk and Flood Risk	Idiosyncratic
Period	30 years (2021–2051)	30 years (2022–2052) 1 day[38] (2022)	1 year (2022)	1 year (2023)
Time horizon	Short, Medium and Long Term		Short	Short
Climate impact	Acute and Chronic		Acute	Acute
Direct impact	RCP 2.6, 4.5 and 8.5		Out of scope	RCP 4.5 and 8.5
Indirect	Impact on macroeconomic variables, e.g., MSA HPI			
Risk coverage	Credit Risk, Market Risk, Operational Risk and Liquidity Risk		Credit Risk	Credit Risk
Credit Risk	C&I Loans, CRE, Residential Real Estate and Consumer Vehicle Lending	C&I Loans and CRE	Corporate Loans and Global Mortgages	CRE and Residential Real Estate
Market Risk	Out of scope	Trading	Out of scope	Out of scope
Operational Risk	Bank-owned assets and Business Continuity	Bank-owned and leased assets Business Continuity	Qualitative Questionnaire	Out of scope
Liquidity Risk	Consumer and Small Business Deposits	Consumer and Small Business Deposits and Credit Cards	Out of scope	Out of scope

We plan to continue to expand our capabilities of assessing and measuring physical risk and also expand our coverage of where they could manifest.

37 Prescribed by the FRB.

38 For Market Risk and portions Liquidity Risk and Operational Risk.

Transition Risk

We evaluated the potential impacts of transition risks, including policy action or inaction, on our portfolio by evaluating the impacts of changes in carbon price, commodity prices, equity, energy prices (including renewables and various fossil fuels) and the energy mix under each temperature and policy pathway.

Transition risk may manifest with varied intensity in part based on climate policy ambition and the pace of action adopted by national and local governments. As part of complying with government policies like a carbon tax, certain high-emitting industries may incur increased expenses in the form of tax payments, investments in technology and research and costs of development of green alternatives to reduce or capture emissions. Some industries may also incur losses from devaluation of their high-emitting assets that become stranded. Under the NGFS scenarios, some industries, such as the coal industry, may potentially disappear altogether. As certain industries are impacted, transition risks can lead to secondary impact in concentrated regions such as an increase in unemployment rate, decrease in house prices and values and overall reduction in economic output. The voluntary shift in corporate or consumer preference to utilize green products in certain regions can also impact profitability in high-emitting industry sectors.

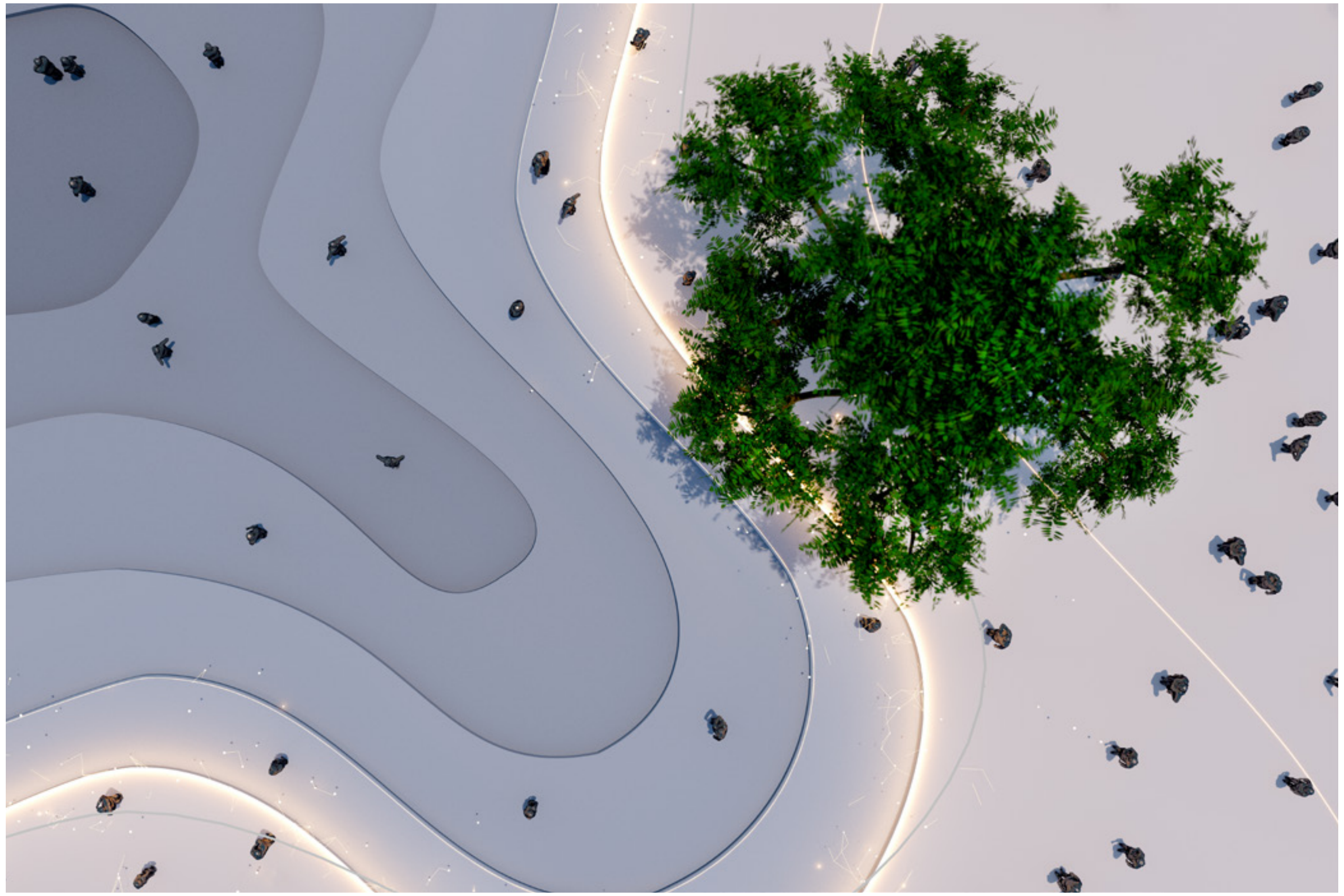
The scenario analysis demonstrated that various sectors of the economy may be impacted in different ways depending on the nature of the scenario. While specific industries like energy and transportation were significantly and consistently impacted due to the nature of the sectors, climate-related government policies and regulations designed to reduce GHG emissions can have a significant impact on all sectors of the economy by affecting the value of financial assets, the profitability of corporations and the preferences of consumers. It can also prompt a change in fossil fuel prices relative to renewable energy prices and impact income and creditworthiness of some borrowers. Consequently, the cost of transition can affect the value of market portfolios of banks and insurance companies. It can also increase credit risk as the economic impact of transitioning to a lower emissions economy can affect the debt servicing capacity of counterparties along with other potential impacts.

The speed at which climate risk could impact us whether through government policy change, rapidly evolving consumer preferences or the markets repricing certain assets varies based on the multiple ways in which the risks manifest themselves, highlighting the importance of sensitivity analysis. With over $1.2 trillion in committed commercial credit exposure (as of December 31, 2022) spanning nearly every sector of the global economy, it is possible that we could experience credit losses or lose market share and/or revenue associated with climate-related transition risk if our current or future clients do not successfully transition to a lower emissions economy.

However, the transition to a Net Zero economy also presents opportunities for the Company, such as financing investments in technological developments supporting the transition and working with clients to manage policy risk and tap into new financing incentives. Some sectors are more directly and immediately impacted by the transition, but Net Zero has implications across all parts of the economy and will require major investment into decarbonization solutions over the next 30 years. Introducing a dynamic balance sheet into our scenario analysis allowed us to begin testing our ability to reallocate assets and further evaluate the impact based on certain decisions and abilities to capitalize on the opportunities presented under different considerations. The impact of transition risk for us will likely materialize at the sector or individual counterparty level. Therefore, it is critical to add relevant granularity to assess this potential impact from and vulnerabilities to transition risk and further evaluate how that impact may be mitigated by certain actions.

In 2022, our climate-related transition risk scenario analysis exercise included the following assessments:

- Potential credit risk impact on our C&I and CRE portfolios utilizing our internal models that have been enhanced to cover more industry sectors and regional level variables as well as obligor-level information provided by third-party models, which was critical in identifying the impact within key industry segments.
- Potential transition risk impact on our trading portfolio through the development and implementation of a short-term scenario narrative designed leveraging longer-term NGFS scenarios and including increased ability to target select industries.
- Liquidity impacts based on changes in derivative collateral requirements and changes in the commercial loan portfolio, leveraging sudden transition shocks and the longer term NGFS scenarios.



The table below illustrates the key features of the transition risk scenarios that we have run since 2021 as well as enhancements made. The 2023 column is intended to show progress on the FRB's Pilot Climate Scenario Analysis Exercise.

Summary of Transition Risk Scenarios

	2021	2022		2023[39]
Scenario exercise	Internal	Internal	Regulatory (ECB)	Regulatory (FRB)
Balance sheet assumption	Static Dynamic	Dynamic	Static[40] Dynamic	Static
Transition risk scenarios	Net Zero 2050, Delayed Transition, Sudden Transition,[41] BoE Late Action, Idiosyncratic	Net Zero 2050, Delayed Transition, Instantaneous,[41] Idiosyncratic	Short Term Orderly Short Term Disorderly Long Term Orderly Long Term Disorderly Long Term Hot House	Current Policy (Baseline) and Net Zero 2050
Forecast period	30 years (2021–2051) Instantaneous	30 years (2022–2052) Instantaneous	3 years (2022–2024)[42] 30 years (2022–2051)	10 years (2023–2032)
Time horizon	Short, medium and long term		Short and long term	Short and medium term
Risk coverage	Credit Risk, Market Risk, Operational Risk and Liquidity Risk		Credit Risk and Market Risk	Credit Risk
Credit Risk	C&I Loans, CRE, Residential Real Estate and Consumer Vehicle Lending	C&I Loans and CRE and Fair Value Option	Corporate Loans and Global Mortgages	C&I Loans and CRE
Market Risk	Trading and Counterparty	Trading and Counterparty	Trading and Corporate Bonds	Out of scope
Operational Risk	Idiosyncratic Scenario Workshop		Qualitative Questionnaire	Out of scope
Liquidity Risk	Commercial Loans	Commercial Loans Derivative Collateral	Out of scope	Out of scope

39 Prescribed by the FRB.

40 The ECB regulatory scenario prescribed static balance sheet for short-term scenarios.

41 Used for Trading and Counterparty portfolio.

42 Based on ECB short-term stress scenario.

The majority of the Company's wholesale lending portfolio is in the low or moderate risk classification as it relates to industry climate transition risk. While climate scenario analysis is still in its early stages the Company has assessed both physical and transition risk under various climate scenarios over a number of years. These efforts will continue to help the Company measure and monitor climate-related risks and assess how our clients and Company are impacted under various climate scenarios. The scenario analysis efforts to date have generally generated intuitive results at the industry and geographical level. The Company expects to continue its scenario analysis efforts in the future through continuing to invest in people, data, models and methodologies as part of our overall strong risk management practices.

Highlights of progress since our last report

- In 2022, SAF accounted for 13% of our corporate and commercial jet fuel usage, making important progress toward our 2030 SAF usage goal of 20%.
- Quantified and disclosed financing activity emissions including targets for two additional sectors, aviation and cement.
- Provided updates on the progress toward our other sector-level 2030 Financing Activity Targets as well as for our operations and supply chain goals.
- Mobilized and deployed almost $158 billion in sustainable finance activity, including $78 billion toward environment transition, resulting in more than $410 billion cumulatively toward our $1.5 trillion sustainable finance activity goal.

Bank of America has set a wide range of public operational and business targets to manage our environmental impact and finance the transition to a sustainable economy. These targets are continually assessed through appropriate governance routines and recalibrated as we respond to the urgency of climate change. Our Net Zero goal covers emissions associated with our operations, supply chain and financing activities.

To accomplish this goal, we are tracking a number of different metrics. With the exception of GHG emissions related to financing, we have historically reported all Scope 1, Scope 2 and Scope 3 emissions that are relevant to the Company in our Performance Data Summary (including our most recent report for 2022). In 2022, we began quantifying and disclosing financing activity emissions related to our commercial credit (business loans) portfolio which we disclose via our TCFD reports.

In addition to the Performance Data Summary and TCFD reports, we publish sustainability highlights, including environmental data, each year in our Annual Report to shareholders following the IBC's Stakeholder Capitalism Metrics guidance and GHG protocol. All of the environmental metrics we disclose follow internal review, controls and governance and undergo third-party verification each year (see Appendix 2). Our financing activity emissions calculations disclosed herein were subject to multiple levels of review, including Model Risk Management review, challenge and validation. Our Scopes 1 and 2 emissions data undergo a third-party reasonable assurance review, while all categories of Scope 3 emissions data, including our disclosed financing activity emissions, undergo a third-party limited assurance review (see Appendix 3).

We are disclosing financing activity emissions for the auto manufacturing, aviation, cement, energy and power generation commercial credit lending portfolios in this report, and we intend to disclose other sectors in the future.

We are committed to reporting each year following the expectations of regulators and relevant voluntary guidelines as appropriate.

Operations and Supply Chain Metrics and Targets

The table below presents Bank of America's GHG emissions data for 2010 (the baseline) as well as for the three most current years of data, covering Scopes 1, 2 and 3 emissions. Our inventory uses the methodology established by the GHG Protocol and guidance from the EPA. More detailed information regarding our environmental goal performance, including GHG emissions, can be found in our Performance Data Summary.

Greenhouse Gas (GHG) Emissions[43, 44, 45]	Units	2010 (baseline)	2020	2021	2022
Scope 1 and Location-Based Scope 2 Emissions					
Scope 1 Direct Emissions	Metric tons CO_2e	106,870	53,390	57,076	66,775
Location-Based Scope 2 Indirect Emissions	Metric tons CO_2e	1,678,547	650,553	601,906	634,510
Total Scope 1 and Location-Based Scope 2 Emissions	Metric tons CO_2e	1,785,417	703,943	658,982	701,285
Reduction in Total Scope 1 and Location-Based Scope 2 Emissions	Percent decrease from base year	N/A	61%	63%	61%
Scope 1 and Market-Based Scope 2 Emissions					
Scope 1 Direct Emissions	Metric tons CO_2e	106,870	53,390	57,076	66,775
Market-Based Scope 2 Indirect Emissions	Metric tons CO_2e	1,644,068	7,645	13,886	17,794
Total Gross Scope 1 and Market-Based Scope 2 Emissions	Metric tons CO_2e	1,750,939	61,035	70,963	84,569
Carbon Credits Retired	Metric tons CO_2e	0	61,035	70,963	84,569
Total Net Scope 1 and Market-Based Scope 2 Emissions	Metric tons CO_2e	1,750,939	0	0	0
Reduction in Total Net Scope 1 and Market-Based Scope 2 Emissions	Percent decrease from base year	N/A	100%	100%	100%

43 Third-party verification and assurance is performed on this data and can be viewed here: about.bankofamerica.com/content/dam/about/pdfs/Bank_of_America_2021_Assurance_Statement_ISAE_3000_Final.pdf

44 In accordance with the GHG Protocol, some prior year emissions are restated, being recalculated back to the base year when there is a change in prior periods that results in a change to previously reported emissions of 0.5% or greater. Therefore, prior year emissions presented in this report may differ from those published previously, including in the Performance Data Summary and the 2022 Annual Report to shareholders, Stakeholder Capitalism Metrics section. Changes in prior inventories primarily arise from changes in calculation methodologies and could also include data corrections.

45 CO_2e = carbon dioxide equivalent.

Greenhouse Gas (GHG) Emissions[37, 38, 39]	Units	2010 (baseline)	2020	2021	2022
Scope 3 Indirect Emissions					
Category 1 — Purchased Goods	Metric tons CO_2e	Not available	1,179,683	1,185,052	1,336,649
Category 2 — Capital Goods	Metric tons CO_2e	Not available	119,414	57,381	51,259
Category 3 — Fuel and Energy-related Activities	Metric tons CO_2e	327,242	123,011	141,748	146,519
Category 4 — Upstream Transportation and Distribution	Metric tons CO_2e	243,881	116,149	124,780	128,476
Category 5 — Waste (Traditional Disposal)	Metric tons CO_2e	Not available	15,850	11,757	16,927
Category 6 — Business Travel	Metric tons CO_2e	195,126	31,481	18,822	80,171
• Business Travel Carbon Credits Retired	Metric tons CO_2e	0	31,482	18,823	80,172
• Total Net Scope 3 Business Travel Emissions	Metric tons CO_2e	195,126	0	0	0
Category 7 — Employee Commuting	Metric tons CO_2e	675,193	126,066	144,625	250,783
Category 8 — Upstream Leased Assets	Metric tons CO_2e	Not relevant	Not relevant	Not relevant	Not relevant
Category 9 — Downstream Transportation and Distribution	Metric tons CO_2e		1,200,000	1,000,000	1,000,000
Category 10 — Processing of Sold Products	Metric tons CO_2e	Not relevant	Not relevant	Not relevant	Not relevant
Category 11 — Use of Sold Products	Metric tons CO_2e		3,000	3,000	2,000
Category 12 — End of Life Treatment of Sold Products	Metric tons CO_2e		12,000	9,000	11,000
Category 13 — Downstream Leased Assets	Metric tons CO_2e	Not relevant	Not relevant	Not relevant	Not relevant
Category 14 — Franchises	Metric tons CO_2e	Not relevant	Not relevant	Not relevant	Not relevant
Category 15 — Investments*	Metric tons CO_2e				

*Relevant financed emissions figures are detailed later in this section.

Goal (2010 baseline)	Units	2020	2021	2022	2030 Target
Greenhouse gases/energy					
Maintain carbon neutrality for operations (Scopes 1 and 2)	% reduction	100%	100%	100%	Carbon neutral
Reduce location-based GHG emissions by 75% (Scopes 1 and 2)	% reduction	61%	63%	61%	75%
Reduce energy use	% reduction	45%	47%	44%	55%
Purchase electricity from zero carbon sources[46]	% renewable	109%	101%	101%	100%
Green building					
LEED certification (or comparable) in owned and leased space	% certified	24%	25%	26%	40%
Water					
Reduce potable water use	% reduction	50%	53%	51%	55%
Waste (2011 baseline)					
Divert construction and demolition waste from the landfill	% diversion	70%	73%	74%	75%
Dispose of electronic waste using certified responsible suppliers	% disposed	100%	100%	99.6%	100%
Paper					
Paper from certified sources	% from certified sources	99.3%	98.6%	98.7%	100%

Goal (2010 baseline)	Units	2020	2021	2022	2030 Target
Supplier engagement					
Assessment of global suppliers, by current year spend, for ESG risks as outlined by the Company's Supplier Code of Conduct	% of spend	Not available	63%	78%	90%
Ensure global suppliers, by spend,* set GHG emissions reduction or renewable energy targets	% of spend	59%	61%	63%	70%
Sustainable Aviation Fuel (SAF) — commitment announced in 2022					
Mobilize $2 billion in sustainable finance for the production of SAF and other low-carbon aviation solutions	$ USD in billions	Not available	Not available	Not available	2
Support production and use of 1 billion gallons of SAF by 2030	# of gallons in billions	Not available	Not available	Not available	1
Utilize SAF for at least 20% of total annual corporate and commercial jet fuel usage	% of jet fuel usage	Not available	Not available	13%	20%

*Assessed against previous year spend.

46 Each year, Bank of America purchases at least 100% of our electricity from renewable sources; some years, the total purchased can exceed the amount used by our company's operations.

Financing Activity Metrics and Targets

Introduction

As part of our Approach to Zero™ and Net Zero goal, we are focused on reducing emissions from key carbon intensive sectors and will publish progress on our targets annually. In 2022, we announced weighted average physical unit intensity targets for the auto manufacturing, energy and power generation sectors. We now have established targets for the aviation and cement sectors, and intend to disclose targets for additional sectors over the coming years.

In this section you will find metrics related to our financing activities including absolute emissions and economic intensity following the PCAF methodology, data related to our target metrics, and information regarding our financing exposure to the target sectors. As illustrated previously, these sectors do not comprise our largest financial exposure; however these sectors represent the most significant contributors to global GHG emissions and are therefore prioritized. While we are focused on driving progress toward our sectoral targets as a milestone to reaching Net Zero, we also include other metrics that we continue to monitor.

Metrics

Absolute financed emissions

Private companies

$$\sum_{C} \frac{\text{Outstanding amount}_c}{\text{Total equity + debt}_c} \times \text{Client emissions}_c$$

With c = borrower

Listed companies

$$\sum_{C} \frac{\text{Outstanding amount}_c}{\text{Enterprise value including cash (EVIC)}_c} \times \text{Client emissions}_c$$

With c = borrower

Economic intensity

$$\text{Economic intensity} = \frac{\text{Absolute financed emissions (sector)}}{\text{Total utilized financing (sector)}}$$

Weighted average physical unit intensity (target metric)

$$\text{Weighted average physical unit intensity} = \sum \left(\frac{\text{Client emissions}}{\text{Client production}} \times \frac{\text{Client financing}}{\text{Total sector financing}} \right)$$

Absolute Financed Emissions and Economic Intensities

Sector			Absolute Emissions (thousands tCO_2e)		Utilized Commercial Credit Loan Exposure (millions $)	Percent of Total Utilized Commercial Credit Exposure[47]	Economic Intensity (tCO_2e/ million $)
Sector	**Subsector Boundaries Included**	**Emission Scope(s) Included**	**2019**	**2021[48]**	**2021**	**2021**	**2021**
Auto manufacturing	Light-duty passenger car and truck manufacturers	1, 2 & 3.11	1,598*	901	746	0.11%	1,207
Aviation	Commercial aviation	1	--	1,876	3,130	0.48%	692
Cement	Cement manufacturing	1 & 2	--	1,512	546	0.08%	3,106
Coal[49]	Pure play thermal coal extraction	1, 2 & 3.11	3,134*	1,398	23	0.004%	60,977
Energy	Upstream producers, refiners and integrated companies in oil and gas industry	1 & 2	2,915*	2,384	5,720	0.88%	3,623
		3.11	23,974*	18,339			
	Midstream and downstream oil and gas companies	1 & 2	2,926*	3,023	4,776	0.73%	633
Power generation[50]	Power generation	1	3,894*	3,909	8,715	1.33%	448

*Restated metric. See page 57 (Other data challenges) for details.

47 The percent of our utilized commercial credit loan exposure per sector in relation to our total utilized commercial credit exposure, as reported in our 2021 Form 10-K.

48 The movement in 2021 metrics is attributed to model enhancements, data quality improvements and a shift in client portfolio mix within the sector.

49 n previous years, pure play thermal coal extraction was reported as a part of "Other Energy" alongside the midstream and downstream oil and gas sector in the 2022 TCFD. It is now listed as its own sector in this table.

50 Includes the Scope 1 CO_2 emissions, not CO_2e, as these emissions are the most relevant for the sector.

Physical Intensity and Intensity Targets

Sector				Target				Physical intensity	2021 Exposure	
Sector	Subsector boundaries included	Emission scope(s) included	Reference scenario	Baseline year	Baseline	2030 Targets (as % of baseline reduction)	2030 Target (calculated emissions)	2021[51]	Committed commercial credit loan exposure (in millions $)	Percent of total committed commercial credit exposure[52]
Auto manufacturing	Light-duty passenger car and truck manufacturers	1, 2 & 3.11	IEA NZE2050	2019	182.8 gCO_2e/km*	48%	94.9 gCO_2e/km	196.4 gCO_2e/km	4,382	0.39%
Aviation	Commercial aviation	1	MPP PRU	2021	1,007.8 gCO_2e/RTK[53]	37%	639 gCO_2e/RTK	1,007.8 gCO_2e/RTK	4,487	0.40%
Cement	Cement manufacturing	1 & 2	IEA NZE2050	2021	0.683 tCO_2e/tCP[54]	32%	0.467 tCO_2e/tCP	0.683 tCO_2e/tCP	1,018	0.09%
Energy	Upstream producers, refiners and integrated companies in oil and gas industry	1 & 2	IEA NZE2050	2019	7.5 gCO_2e/MJ*	45%	4.1 gCO_2e/MJ	7.6 gCO_2e/MJ	32,293	2.86%
		3.11			60.6 gCO_2/MJ	29%	43.1 gCO_2/MJ	60.5 gCO_2/MJ		
Power generation	Power generation	1	IEA NZE2050	2019	336.4 $kgCO_2/MWh$	70%	100.9 $kgCO_2/MWh$	362 $kgCO_2/MWh$	25,158	2.23%

*Restated metric. See page 57 (Other data challenges) for details.

51 The movement in 2021 metrics is attributed to model enhancements, data quality improvements and a shift in client portfolio mix within the sector. Our targets were put in place in April 2022.

52 The percent of our committed commercial credit loan exposure per sector in relation to our total committed commercial credit loan exposure, as reported in our 2021 Form 10-K.

53 Grams of GHG emissions per revenue ton kilometer.

54 Metric tons of GHG emissions per metric tons of cementitious product.

Auto manufacturing

Activity focus	Manufacturing of global light-duty passenger cars and trucks
Scope and emissions	Scopes 1 and 2 CO_2e and Scope 3 end use CO_2 (tank-to-wheel) lifetime emissions from fuel combustion
Financing inclusion	Committed Commercial Credit Loans
Metric	gCO_2e/km
(Benchmark) scenario	IEA NZE2050
2030 target	94.9
2019 baseline	182.8 gCO_2e/km*
Reduction from baseline	48%
Data sources	MSCI, S&P Global Trucost and Client Reporting

The auto manufacturing target includes global light-duty passenger car and truck manufacturers. The target was derived from the IEA NZE2050 GHG emissions pathway for road vehicles. The target covers our client's Scopes 1 and 2 CO_2e and end use Scope 3 CO_2. These end use CO_2 emissions are the most material for this sector and are often referred to as tank-to-wheel (or tailpipe) emissions. The GHG emissions intensity target includes the lifetime emissions of each new vehicle sold within the year.

The majority of our clients are reporting the GHG emissions information needed for our calculations partly due to the regulated nature of the sector. Therefore, most of the data was retrieved directly from client reports. Where reported information was not available, we used S&P Global Trucost revenue-based factors to estimate GHG emissions. Scope 3 end use emissions estimated using 200,000 kilometers (km) as the estimated lifetime distance traveled for the new vehicles, as this is used by the IEA in their analysis.[55]

The auto sector is relatively advanced in its GHG emissions reporting and its efforts to reduce those emissions and improve emissions per mile or kilometer. Many clients have set their own reduction targets and are transitioning much of their manufacturing to zero emissions are vehicles and in particular EVs. Therefore, the metric we have used for our target is grams of GHG emissions per kilometer traveled (gCO_2e/km) which is commonly used by the sector. To arrive at our target metric, we take the client's physical unit intensity and weight it based on their portion of committed commercial credit loan financing in our auto manufacturing portfolio.

$$\text{Company intensity} = \frac{\text{Auto manufacturing company Scopes 1, 2 and 3 end use } CO_2\text{ e emissions (g)}}{\text{Lifetime kilometers traveled for vehicles sold in reporting year}}$$

Aviation

Activity focus	Commercial aviation
Scope and emissions	Scope 1 CO_2e
Financing inclusion	Committed Commercial Credit Loans
Metric	gCO_2e/RTK
(Benchmark) scenario	MPP PRU
2030 target	639
2021 baseline	1,007.8
Reduction from baseline	37%
Data sources	MSCI, S&P Global Trucost and Client Reporting

The aviation sector target includes commercial passenger and freight operations meaning passenger, belly freight, cargo, scheduled and nonscheduled air transportation activities. The target is derived from the Mission Possible Partnership Prudent (MPP PRU) emissions pathway for aviation and covers our clients' Scope 1 GHG emissions or "tank-to-wake" (TTW) emissions. These are the emissions from operations, and include emissions associated with the combustion of the fuel used in flight, which is a significant majority of emissions for commercial airlines. We chose MPP PRU as it was developed with insight from the aviation industry and other non-governmental organization stakeholders, including Clean Skies for Tomorrow,[56] is aligned to a 1.5°C pathway by 2050 and provides the detail needed without requiring adjustments. In addition, approximately 70 major institutions in the aviation industry including airlines, equipment manufacturers, fuel producers and airports[57] have validated the model inputs and architecture, and endorse the general thrust of the arguments made.

Many clients within the aviation sector report the emissions and physical unit information necessary to complete our calculations. We leveraged reported information from MSCI, S&P Global Trucost or directly from client reports. When reported emissions information was not available, we used S&P Global Trucost revenue-based emissions factors based on sectoral GHG emissions/revenue to estimate client emissions. Additionally, many clients have their own emission reduction targets and are participating in efforts to decarbonize and drive forward the production of SAF as an important solution for the sector.

55 Source: Comparative life-cycle greenhouse gas emissions of a mid-size BEV and ICE vehicle.

56 The World Economic Forum's Clean Skies for Tomorrow (CST) initiative, established in 2019, is a coalition across aviation's value chain working to facilitate the transition to net zero flying by mid-century.

57 Source: missionpossiblepartnership.org/wp-content/uploads/2023/01/Making-Net-Zero-Aviation-possible.pdf.

Aviation (continued)

The target metric uses a physical unit intensity which measures grams of GHG emissions per revenue ton kilometer (gCO_2e/RTK). RTK is a commonly used metric in the industry and is calculated based on the utilized capacity of an aircraft in passengers and cargo that generate revenue over a specific time period. RTKs measure the efficiency of an aircraft based on how airlines are fulfilling demand (passenger and cargo) by incorporating the utilization of space available on flights.

Commercial passenger flights carry both passengers and belly cargo. Some passenger airlines may provide only passenger metrics or passenger and cargo metrics separately in the form of Revenue Passenger Kilometers (RPK) and cargo RTKs. RPK is similar to RTK in that it is a utilization metric based on the passenger capacity of an aircraft, and does not include belly cargo capacity. RPKs can be converted to RTKs by assuming a weight of 100 kilograms per passenger, which is the industry standard used by the Air Transportation Association (IATA). Passenger metrics converted to RTK can be added to belly cargo RTKs, if available, to arrive at a total for a client. To arrive at our target metric, we took the client's annual physical unit intensity as described above and weighted it based on their portion of committed loan financing in our commercial aviation portfolio.

$$gCO_2e/RTK = \frac{\text{grams of carbon dioxide equivalent}}{\text{tons of cargo generating revenue (passengers and belly cargo or dedicated cargo) X distance}}$$

Cement

Activity focus	Cement manufacturing
Scope and emissions	Scopes 1 and 2 CO_2e
Financing inclusion	Committed Commercial Credit Loans
Metric	tCO_2e/t cementitious product
(Benchmark) scenario	IEA NZE2050
2030 target	0.467
2021 baseline	0.683
Reduction from baseline	32%
Data sources	MSCI, S&P Global Trucost and Client Reporting

The cement target includes cement manufacturing companies and is derived from the IEA NZE2050 decarbonization pathway for cement manufacturing. The target includes clients' Scopes 1 and 2 GHG emissions, covering the emissions associated with the manufacturing of cementitious product. Cementitious Product[58] is a sum of clinker and mineral components, including ground limestone, natural and calcined pozzolans, as well as industrial byproducts such as fly ash and ground-granulated blast-furnace slag.

The Global Cement and Concrete Association (GCCA) is coordinating an effort for the industry to move toward decarbonizing the cement and concrete industry to achieve Net Zero by 2050. As a result, many of our clients have set emission reduction targets and are making efforts to align to the industry objectives. For our purposes, we retrieved emissions and production information from either MSCI, S&P Global Trucost or directly from client reports. When reported information is not available, we used S&P Global Trucost revenue-based factors to estimate GHG emissions.

The metric being used for our target is metric tons of GHG emissions per metric ton of cementitious product manufactured (tCO_2/t cementitious product). To arrive at our target metric, we take the client's physical unit intensity and weight it based on their portion of committed loan financing in our cement manufacturing portfolio.

$$\text{Physical unit intensity} = \frac{\text{Cement company metric tons } CO_2e \text{ (Scopes 1 \& 2)}}{\text{Metric tons of cementitious product}}$$

58 Source: cement-co2-protocol.org/en/Content/Resources/Downloads/WBCSD_CO2_Protocol_En.pdf

Energy

Activity focus	Upstream oil and gas producers, refiners and integrated companies
Scope and emissions	Scopes 1 and 2 CO_2e, Scope 3 end use CO_2 emissions from combustion
Financing inclusion	Committed Commercial Credit Loans
Metric	Scopes 1 and 2: gCO_2e/MJ, Scope 3 end use: gCO_2/MJ
(Benchmark) scenario	IEA NZE2050
2030 target	Scopes 1 and 2: 4.1, Scope 3 end use: 43.1
2019 baseline	Scopes 1 and 2: 7.5, Scope 3 end use: 60.6
Reduction from baseline	Scopes 1 and 2: 45%, Scope 3 end use: 29%
Data sources	MSCI, S&P Global Trucost and Client Reporting

$$\text{Company Scopes 1 and 2 intensity} = \frac{\text{Energy company Scopes 1 and 2 } CO_2e \text{ emissions (g)}}{\text{MJ of energy produced}}$$

$$\text{Company Scope 3 intensity} = \frac{\text{Energy company Scope 3 } CO_2e \text{ emissions (g)}}{\text{MJ of energy produced}}$$

The energy sector targets include upstream producers, refiners and integrated companies within the oil and gas industry. Including these upstream companies allows us to capture the majority of emissions within the oil and gas sector and aligns with the IEA NZE2050 scenario. Our targets include Scopes 1 and 2 CO_2e emissions and Scope 3 CO_2 end use emissions from combustion of the oil or gas produced or refined per megajoule. We have not included midstream (transportation) or downstream (retail) oil and gas clients in these targets as they are not well-aligned with the scenario or metric. While not included in our targets, we have disclosed the relevant absolute financed emissions associated with these portfolios.

We set separate intensity targets for Scopes 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 Scopes 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. We feel this best reflects the clients' efforts to reduce emissions from existing processes and the necessary transition to other low- and zero-carbon energy sources. To arrive at the target metrics, we take the clients' physical unit intensity and weight it based on their portion of committed loan financing in the oil and gas portfolio.

While some energy clients are reporting Scopes 1 and 2, we found less reported information for Scope 3 end use emissions. We also found variation in the GHG reporting approach used, with some clients using an equity boundary and others applying an operational control boundary. Therefore, in order to achieve a consistent and harmonized approach for clients within the target we estimate emissions for Scope 3 end use across the portfolio. We do so by collecting client production information from public reporting and applying the appropriate emission factor from the IPCC. Where production information was not available, we used client-reported revenue and the appropriate subsector Scope 3 downstream emissions factor from S&P Global Trucost to estimate emissions. We continue to assess client reporting of Scope 3 emissions and evaluate ability to use reported information in future calculations.

Pure play thermal coal

For the thermal coal extraction portfolio, we have a policy, as described in our ESRPF, to phase out all financing of companies deriving ≥ 25% of their revenue from thermal coal mining, unless the company has a public commitment to align its business (across Scopes 1, 2 and 3 emissions) with the goals of the Paris Climate Agreement and the transaction would be facilitating the diversification of the company's business away from thermal coal. Furthermore, as seen in the table on page 51, our exposure to pure play coal extraction represents only $42 million as of 12/31/2022, or less than 0.01% of our total committed commercial credit exposure across all industries.

In our 2022 TCFD Report, we reported a combined absolute emissions number for 2019 for Other Energy, which included thermal coal and midstream and downstream oil and gas production. In this year's reporting, we are reporting thermal coal production separately from midstream/downstream oil and gas production. These numbers reflect restated 2019 data from the broader improvements to data described on page 57 (Other data challenges), specifically an increase in client reported emission data and improvements to our Scope 3 estimation process (where necessary) to use client reported coal production data and the application of the appropriate IPCC factor for coal combustion. We feel these improvements and reporting it separately better reflect the emissions specific to thermal coal extraction clients.

Power generation

Activity focus	Power generation
Scope and emissions	Scope 1 CO_2
Financing inclusion	Committed Commercial Credit Loans
Metric	$kgCO_2$/MWh
(Benchmark) scenario	IEA NZE2050
2030 target	100.9
2019 baseline	336.4
Reduction from baseline	70%
Data sources	ERM, MSCI, S&P Global Trucost and Client Reporting

The power generation target includes the Scope 1 CO_2 emissions from clients' generating power as these emissions are the most relevant for the sector and align to the scenario. Clients included in the target boundary generally align to the classification of utilities with a few exceptions. We have excluded water, sewage, steam and air conditioning utilities and have included municipal power utilities.

As with other sectors, power generation is regulated and therefore reported generation information is widely available and used in our calculations. This reported generation data (often available by fuel source and/or asset) and other resources are used by Environmental Resources Management (ERM), a third-party supplier, to understand electricity generation and associated emissions that can then be allocated to each client based on the client's equity ownership stake in power generating facilities.

The target was derived from the IEA NZE2050 emissions pathway for power generation. The physical unit intensity metric is aligned to the scenario and is widely used and reported within the sector to show the emissions per megawatt hour of generation. This metric best reflects the expected increase in generation as the economy moves to electrification and the transition to zero-carbon electricity.

To arrive at our target metric, we took the client's carbon intensity and weight it based on their portion of committed loan financing within the portfolio. As noted above, our target currently includes only commercial credit lending. We intend to include our tax equity investments in this portfolio within the next few years. 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 will look to participate in a policy environment that encourages greater investment.

$$\text{Company intensity} = \frac{\text{Company Scope 1 } CO_2e \text{ emissions (kg)}}{\text{Generation (MWh)}}$$

Methodology and data sources

The PCAF Global GHG Accounting and Reporting Standard for Financial Institutions was originally released in November 2020 and updated in 2022. We have participated in the various workstreams to develop asset class methodologies since 2020. We've implemented this standard to quantify the portion of absolute GHG emissions generated by our clients that are attributable to us based on our financing to them. This is often called absolute financed emissions when referring to a lending portfolio. To calculate these emissions for each client, we divided our on-balance sheet utilized exposure to the client by the client EVIC. This calculation provides us with an attribution factor to apply to the client's relevant Scopes 1, 2 and 3 emissions to measure our absolute financed emissions from that client. We have applied this standard to the auto manufacturing, aviation, cement, energy and power generation sectors within our commercial credit lending portfolio (business loans).

Calculating financed emissions requires significant allocation of analytics, data, technology and modeling resources. As part of our commitment to develop decision-useful metrics, we have built and continue to enhance 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. Where possible, we are prioritizing client-reported emissions data to conduct these calculations and monitor client progress over time. Bank of America's Global Environmental Group worked with our LOBs and Global Risk Analytics (GRA)[59] teams to develop a process that follows relevant industry best practice to measure our financing activities emissions.

The initial step in calculating financing activities emissions is to gather data on our clients' emissions. However, clients vary widely in their disclosure of emissions, and even when reported, data is often not verified by a third party. Additionally, there is no one data source, or even group of data sources, that adequately and consistently covers our needs for client emissions and production information across the auto manufacturing, aviation, cement, energy and power generation sectors. We obtained historic reported emissions and production data for some clients from their public reports and leveraged certain third-party suppliers, such as S&P Global Trucost, MSCI, ERM and CDP, to cover most of our data needs. Where client emissions were not available, we estimated emissions using either production information or revenue-based emissions factors from S&P Global Trucost.

Emissions are sourced from:

A. Reported client emissions as sourced through S&P Global Trucost, MSCI or ERM.

B. Reported client or site emissions from publicly available databases (such as the EPA16 or CDP) and/or company disclosures.

C. S&P Global Trucost or ERM estimations based on reported company data or their proprietary estimation model.

59 Global Risk Analytics (GRA) is a subgroup within GRM. GRA is responsible for developing a consistent and coherent set of models and analytical tools for effective risk and capital measurement, management and reporting across Bank of America. In addition to model development, GRA conducts model implementation, data management, model execution and analysis, forecast administration, and model performance monitoring. The team drives innovation, process improvement and automation across all of these activities.

Additionally, financial information such as client equity and debt, EVIC,[60] revenue, total assets and production information are derived/sourced from suppliers and manually sourced from client reports either publicly disclosed or provided to Bank of America. Where financial information is not available for clients, we have applied an industry average emissions intensity factor (as available through the PCAF emissions factor database), mapped to the Company's primary NAICS code, to the available loan information for the client.

From a data and technology perspective, calculating emissions associated with financing activities required the integration of multiple internal systems housing exposure and client financial statement details with various pieces of external data, including client emissions and production information, along with third-party emissions estimation factors. The complexity of this process only serves to highlight the critical need for consistent, verified public reporting of emissions and other climate-related data. For additional information, see Public policy engagement.

Data quality

Per the PCAF standard, our absolute financing activities emissions calculations and corresponding data quality scores are based on utilized commercial credit exposure. PCAF provides a scoring mechanism for emissions calculations to evaluate data quality. Under this system, the use of verified client-reported emissions achieves a data quality score of 1, unverified emissions achieve a score of 2,[61] and estimated emissions range from a score of 3 to 5 based on the information used to conduct estimations. The graphic below illustrates examples of each PCAF data quality score. The corresponding table shows the data quality score of our financing activity emissions for each sector across relevant scopes and reporting years.

Data quality scores (1–5)

Certain	Score 1	Verified and reported GHG emissions
↑	Score 2	Reported GHG emissions
	Score 3	Estimation based on physical unit activity
	Score 4	Estimation based on revenue
Uncertain	Score 5	Estimation based on total asset turnover ratio

60 From internal sources or MSCI.

61 Per PCAF, a Data Quality Score of 2 is also given if emissions are calculated using the client's energy consumption details and emission factors.

Sector	Scope	2019	2021
		Based on utilized exposure	
Auto manufacturing	1 & 2	2.6	2.0
	3.11	2.5	2.0
Aviation	1	––	2.2
Cement	1 & 2	––	2.3
Coal	1, 2 & 3.11	2.4	2.8
Energy	Upstream 1 & 2	3.0	2.7
	Upstream 3.11	3.6	3.4
	Midstream and downstream 1 & 2	3.3	3.4
Power generation	1	2.8	2.9

Other data challenges

In addition to difficulties related to the gathering and quality of data, the timing of emissions data availability also presents a challenge due to an inherent lag in public GHG accounting and reporting by clients. To align the time periods of information, the financing activity emissions calculations use the loan information, with reported or estimated emissions based on reported revenues, all from the same year. Where client emissions information was not available for the same year as loan information, we used the best available emissions information. However, to provide consistent year-over-year comparison, we are not disclosing 2022 calculations as 2022 emissions and production information is not yet available. This type of data lag is common for emissions associated with financing activity emissions calculations and reporting. We plan to disclose 2022 emissions in 2024.

Estimating financing activity emissions is an evolving landscape, requiring the use of assumptions and data with varying levels of quality. There will continue to be meaningful improvements to data capture, data sourcing and estimation methodologies over time. Given these circumstances and consistent with industry trends, there can be volatility in our sectoral emissions estimates unrelated to actual sectoral emissions performance. As an example, we use best available emissions and production information for our estimates, meaning we take the most recently reported information and if it is not reported, we estimate the emissions (see sector specific sections above for additional details). If companies who previously did not report emissions or production information begin to report such for prior periods, it can impact our estimates and may potentially result in restatements of historical results. We expect this type of example, among others, to accelerate as more regulations are adopted and more companies begin to report emissions data.

To align with industry guidance, we have developed internal guidelines and governance related to restating prior metrics and baselines. We follow these guidelines in determining when to restate those metrics and baselines in an effort to improve the accuracy of our financing activity emissions estimates. Following these guidelines, we have restated certain metrics, shown on pages 51 and 52 reflecting improved data availability, internal model enhancements and other significant data improvements. These restated metrics followed our governance process, which included reviews by the ESG Disclosure Committee and the RGC.

Sustainable Finance Metrics and Targets

As discussed in the Strategy section, we are committed to helping clients transition toward and capitalize on low-carbon opportunities, which means increasing the flow of capital to clients focused on low-carbon technologies and activities. In April 2021, the Company announced a goal to mobilize and deploy $1 trillion by 2030 to accelerate the environmental transition, as part of its $1.5 trillion sustainable finance commitment to support the UN SDGs.

In 2022, Bank of America mobilized and deployed almost $158 billion in sustainable finance activity, of which $78 billion was for climate and environmental transition. With this, as of the end of 2022, we mobilized or deployed more than $410 billion toward our $1.5 trillion goal, and over $235 billion toward the environmental transition. Our financing has helped drive development and increased deployment of energy efficiency, renewable energy, sustainable transportation, water conservation and sustainable land use.

The LOB breakout of our cumulative $410,098 million toward our sustainable finance goal is shown below:

Bank of America's cumulative progress toward its $1.5 trillion sustainable finance goal

Line of Business	Environmental transition ($M)	Social inclusive development ($M)	Total activity ($M)*
Global Corporate and Investment Bank: Advisory, lending, leasing and capital markets activity for clients and activity aligned with the SDGs	$176,097	$94,113	$270,210
Global Markets: Capital markets advisory, underwriting and distribution for municipal and corporate clients and activity aligned with the SDGs	$43,750	$37,446	$81,196
Global Commercial Banking: Advisory, lending, leasing and capital markets activity for clients and activity aligned with the SDGs	$3,818	$22,294	$26,112
Business Banking: Lending to clients aligned with the SDGs	$98	$484	$583
Retail and Preferred: Hybrid/electric vehicle lending, LMI lending for homeownership and small business	$3,242	$13,598	$16,840
Merrill and Private Bank: Increase in client assets with a clearly defined ESG investment approach	$5,650	$2,825	$8,475
All other	$2,737	$3,944	$6,681
Total	**$235,393**	**$174,704**	**$410,098**

*Differences due to rounding

Note: Bank of America's 10-year, $1.5 trillion sustainable finance goal was announced in April 2021. It is not its first announcement or goal focused on supporting clients toward environmental progress. To understand more about the Company's previous environmental business initiatives, please reference prior annual reports to shareholders at investor.bankofamerica.com/annual-reports-and-proxy-statements.

CONCLUSION AND LOOKING AHEAD

Since issuing our last TCFD report in 2022, we have remained attentive to the opportunities and challenges we face in the role we play in the global economy. We continue taking strides on our path to Net Zero. We have expanded and refined our climate governance with the establishment and enhancement of governance bodies and dedicated LOB sustainability leaders, teams and forums while building out the proper routines to manage toward our 2030 Financing Activity Targets. At the same time, we have continued to serve our clients as we track steadily toward our $1.5 trillion sustainable finance goal and refined our risk management processes and scenario analysis capabilities to help manage our portfolios and strategy responsibly. And this just scratches the surface of all the developments the Company has undertaken over the last year to embed our approach to Net Zero into our business operations and how we strive to deliver on the tenets of Responsible Growth.

Despite all this progress, we know we cannot achieve Net Zero on our own. The transition to a low-carbon economy will take the collaboration of stakeholders in the private and public sectors, including policymakers, regulators, nonprofit partners in the communities we serve and our clients. The world has never made a global transition like this at the speed necessary to adapt to the changing climate while ensuring continued economic opportunity and prosperity. To do our part, we are capitalizing on our expertise to help guide our clients to be leaders in the low-carbon world, seizing the boundless opportunities to thrive in the dynamic decades ahead, all while advocating for the public policies and regulations that are expected to facilitate a balanced and just transition.

And we still have a lot of work to do. Looking forward, we will seek to improve how we identify, measure, monitor and control climate risk to help achieve our Net Zero goal and adhere to evolving regulatory requirements. We will also continue to evolve our suite of 2030 Financing Activity Targets and develop our governance and strategy in line with best practices and the latest science.

We look ahead with both urgency and optimism, confident in what we can do to help drive the transition to a sustainable economy that can endure for generations to come.

The table below outlines some 2022 milestones and intended courses of action as we work to reach our Net Zero goal and continue to manage climate-related risks; plan details and timing expectations are subject to change.

Progress and Plans to Address Climate-Related Risks and Opportunities in the Short- and Medium-Terms	H1 2022	H2 2022	H1 2023	H2 2023	H1 2024	H2 2024	H1 2025	H2 2025	H1 2026 onward
ASSISTING clients in the transition to Net Zero									
Mandatory training for front-line bankers on the fundamentals of Net Zero and Climate	▶	▶							
Continue training and resource provision across the platform to support more in-depth client engagement			▶	▶	▶	▶	▶	▶	▶
Implement operating model across Global Banking and enterprise functions to support continued client engagement at scale			▶	▶	▶	▶			
Provide advisory and financing for clean energy and transition activity, including supporting new technologies	▶	▶	▶	▶	▶	▶	▶	▶	▶
ADVOCATING for consistent industry and global standards									
Continue to advocate for consistent reporting standards	▶	▶	▶	▶	▶	▶	▶	▶	▶
Continue to advocate for regulatory and legislative developments that enable the just transition to a low-carbon economy	▶	▶	▶	▶	▶	▶	▶	▶	▶
ANALYZING data to develop decision-useful metrics									
Continue to improve accuracy of our emissions calculations			▶	▶	▶	▶	▶	▶	▶
Provide financed emissions metrics to bankers and senior management for clients in scope; continue to roll out to new sectors as targets are set		▶	▶	▶	▶				
Determine critical data elements to incorporate into client evaluations		▶	▶						
Evaluate key information needed to understand and support our clients' transition plans and Net Zero strategies			▶	▶	▶	▶	▶	▶	▶
Enable sourcing climate-related data directly from clients through Industry Data Utility					▶	▶			
ALIGNING our strategy by setting milestone targets to reach Net Zero before 2050									
Set financed emissions targets for auto manufacturing, energy and power generation	▶								
Set financed emissions targets for aviation and cement			▶	▶					
Continue to assess targets for key sectors			▶	▶	▶	▶	▶	▶	▶
Assess targets and update as necessary every five years at a minimum to incorporate the latest climate science							▶	▶	
Work to calculate facilitated emissions and consider for inclusion in 2030 targets					▶	▶	▶	▶	
ATTESTING annually following the TCFD and NZBA guidance for transparency									
Complete internal transition plan and continue to disclose key components in 2024 TCFD			▶	▶	▶	▶			
Begin incorporating elements of TNFD recommendations into our sustainability reporting						▶	▶	▶	▶
Risk Management									
Strengthen policies and procedures related to how we identify, measure, monitor and control climate risk			▶	▶	▶	▶	▶	▶	▶
Enhance risk identification process to incorporate physical and transition risk considerations across LOBs and control functions			▶	▶	▶	▶	▶	▶	▶
Continue to refine industry climate risk ratings and country classifications	▶	▶	▶	▶	▶	▶	▶	▶	▶
Evolve climate risk reporting and metrics			▶	▶	▶	▶	▶	▶	▶

2030*

Financing Activity Targets for Auto Manufacturing, Aviation, Cement and Energy

Auto Manufacturing
Reduce intensity 48% gCO_2e/km
Scopes 1, 2 and 3 end use

Aviation
Reduce intensity 37% gCO_2e/RTK
Scope 1

Cement
Reduce intensity 32% tCO_2e/tCP
Scopes 1 and 2

Energy
Reduce intensity 45% gCO_2e/MJ
Scopes 1 and 2

Reduce intensity 29% gCO_2/MJ
Scope 3 end use

Power Generation
Reduce intensity 70% $kgCO_2/MWh$
Scope 1

Operations and Supply Chain
Maintain carbon neutrality for operations (Scopes 1 and 2)

Reduce location-based GHG emissions by 75% (Scopes 1 and 2)

Reduce energy use by 55%

Purchase 100% electricity from renewable sources

Ensure 70% of global suppliers, by spend,* set GHG emissions reduction or renewable energy targets

*Assessed against previous year spend

Note: Operational and supply chain goals are based off of a 2010 baseline, whereas financing activity goals are based off of a 2019 or 2021 baseline. See Metrics and Targets for more information.

Informed by numerous organizations' guidelines and frameworks, as well as financial industry and Bank experts, we are building the foundation of our inaugural NZTP. Critical to maintaining our own transition is our ability to provide support to our clients in their transition toward Net Zero, which may involve referring to voluntary frameworks for their sector. In preparing this report, Bank of America referred to the voluntary GFANZ Financial Institution Net-Zero Transition Plans — Fundamentals, Recommendations and Guidance report, which was published in November 2022. Included below is a table highlighting the components of this TCFD document that address the recommendations within that report.

Theme	Component	Recommendation	Report Section
Foundations	Objectives and Priorities	Define the organization's objectives to reach Net Zero by 2050 or sooner, in line with science-based pathways to limit warming to 1.5°C, stating clearly defined and measurable interim and long-term targets and strategic timelines and identify the priority financing strategies of Net Zero transition action to enable real economy emissions reduction.	Strategy: Aligning our strategy by setting milestone targets to reach Net Zero before 2050, page 29
Implementation	Products and Services	Use existing and new products and services to support and increase clients' and portfolio companies' efforts to transition in line with 1.5°C Net Zero pathways. Include accelerating and scaling the Net Zero transition in the real economy, providing transition related education and advice and supporting portfolio decarbonization in accordance with the institution's Net Zero transition strategy.	Strategy: Assisting our clients, page 17
	Activities and Decision-Making	Embed the financial institution's Net Zero objectives and priorities in its core evaluation and decision-making tools and processes to support its Net Zero commitment. This applies to both top-down/oversight structures and bottom-up tools and actions.	Strategy, page 16
	Policies and Conditions	Establish and apply policies and conditions on priority sectors and activities, such as thermal coal, oil and gas, and deforestation. Include other sectors and activities that are high-emitting, or otherwise harmful to the climate, to define business boundaries in line with the institution's Net Zero objectives and priorities.	Risk Management: Risk Control, page 43
Engagement	Clients and Portfolio Companies	Proactively and constructively provide feedback and support to clients and portfolio companies to encourage Net Zero-aligned transition strategies, plans and progress with an escalation framework with consequences when engagement is infective.	Strategy: Assisting our clients, page 17 and Aligning our strategy by setting milestone targets to reach Net Zero before 2050, page 29
	Industry	Proactively engage with peers in the industry to 1) as appropriate, exchange transition expertise and collectively work on common challenges, and 2) represent the financial sector's views cohesively to external stakeholders, such as clients and governments.	Strategy: Advocating for consistent industry and global standards, page 25
	Government and Public Sector	Direct and indirect lobbying and public-sector engagement should, in a consistent manner, support an orderly transition to Net Zero, and as appropriate, encourage consistency of clients' and portfolio companies' lobbying and advocacy sorts with the institution's own Net Zero objectives.	Strategy: Advocating for consistent industry and global standards, page 25
Metrics and Targets	Metrics and Targets	Establish a suite of metrics and targets to drive execution of the Net Zero transition plan and monitor progress of results in the near, medium and long term. Include metrics and targets focused on aligning financial activity in support of the real-economy Net Zero transition on executing the transition plan and on measuring changes in client and portfolio GHG emissions.	Metrics and Targets, page 48
Governance	Roles, Responsibilities and Remuneration	Define roles for the Board or strategy oversight body and senior management ensuring they have ownership, oversight and responsibility for the Net Zero targets. Assign appropriate individuals and teams to all aspects of both design and delivery of the transition plan. Use remuneration incentives for all roles, where possible. Review the transition plan regularly to incorporate significant updates/developments, challenges are reviewed as an opportunity to correct course and implementation risks are properly managed.	Governance, page 10
	Skills and Culture	Provide training and development support to the teams and individuals designing, implementing and overseeing the plan so that they have sufficient skills and knowledge to perform their roles (including at the Board and senior management level). Implement a change management program and foster open communications to embed the Net Zero transition plan into the organization's culture and practices.	Employee and stakeholder engagement, page 14 and Strategy: Assisting our clients, page 17

INDEPENDENT REASONABLE AND LIMITED ASSURANCE STATEMENT

To: The Stakeholders of Bank of America

Introduction and objectives of work

Apex Companies, LLC (Apex) has been engaged by Bank of America to provide assurance of selected environmental and social data reported in its 2022 Environmental, Social & Governance Report (the Report). This assurance statement applies to the Subject Matter included within the scope of work described below.

The Subject Matter information and its presentation in the 2022 Environmental, Social & Governance Report are the sole responsibility of the management of Bank of America. Apex was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on the accuracy of the Subject Matter. This is the ninth year in which we have provided assurance over Bank of America's selected environmental and social data.

Scope of work

The scope of our work was limited to assurance over the following information included within the Report for the period of January 1, 2022 through December 31, 2022 (the Subject Matter):

- Reasonable assurance of the environmental data and information included in the Report for the calendar year 2022 reporting period, specifically:
  - Materials (total quantities procured and percentage of recycled input materials — paper).
  - Energy (direct and indirect consumption; energy saved due to conservation; Initiatives to provide energy-efficient or renewable energy-based products; carbon neutrality; and initiatives to reduce indirect energy consumption).
  - Water (total withdrawal and volume recycled; initiatives to reduce consumption, withdrawal and consumption from water stressed areas).
  - Air emissions (greenhouse gas (GHG) emissions: Direct Scope 1 and Indirect Scope 2 emissions by weight, by country and by region; emissions of ozone-depleting substances by weight; initiatives to reduce greenhouse gas emissions and reductions achieved; nitrous oxides (NOx) emitted; sulfur oxides (SOx) emitted; and other significant air emissions).
  - Waste quantities and disposition.
  - Total number and volume of significant spills.
  - Compliance (monetary value of significant fines for noncompliance with environmental laws and regulations and amount spent on environmental compliance).
  - Transport (significant environmental impact of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce).
- Limited assurance of Scope 3 GHG emissions and select social data and information included in the Report for the calendar year 2022 reporting period, specifically:
  - Optional Scope 3 GHG emissions related to purchased goods and services; capital goods; fuel and energy-related activities; upstream transportation and distribution; waste disposal; business travel; employee commuting; downstream transportation and distribution; use of sold products; and end-of-life treatment of sold products.
  - Other metrics (electric vehicle charging stations, societal impacts of air pollution and GHG emissions, Sustainable Aviation Fuel (SAF) usage, food waste, vendor CDP engagement, and sites in areas protected for biodiversity).
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyze and review the information reported.
- Evaluation of the reported data against the principles of the Global Reporting Initiative (GRI) Reporting Framework as defined in the GRI Sustainability Reporting Standards, Core Option.

Reporting criteria

The Subject Matter needs to be read and understood together with the Bank of America's Inventory Management Plan which is based on the Global Reporting Initiative (GRI) Standards, descriptions of the Subject Matter in the Report, and the GRI Standards.

Limitations and exclusions

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

- Activities outside the defined assurance period;
- Text or other written statements associated with the Report; and
- Financial information that is audited by others.

This limited and reasonable assurance engagement relies on a risk-based selected sample of sustainability data and the associated limitations that this entails. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

Responsibilities

The preparation and presentation of the Subject Matter in the Report are the sole responsibility of the management of Bank of America.

Apex was not involved in the drafting of the Report or of the Reporting Criteria. Our responsibilities were to:

- Obtain limited or reasonable assurance about whether the Subject Matter has been prepared in accordance with the Reporting Criteria;
- Form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- Report our conclusions to the Directors of Bank of America.

Assessment Standards

We performed our work in accordance with Apex's standard procedures and guidelines for external Assurance of Sustainability Reports and International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after Dec. 15, 2015), issued by the International Auditing and Assurance Standards Board. A materiality threshold of ±5% was set for the assurance process.

Summary of Work Performed

As part of our independent assurance, our work included:

1. Assessing the appropriateness of the Reporting Criteria for the Subject Matter;
2. Conducting interviews with relevant personnel of Bank of America, their contractors and consultants;
3. Reviewing the data collection and consolidation processes used to compile the Subject Matter, including assessing assumptions made, and the data scope and reporting boundaries;
4. Reviewing documentary evidence provided by Bank of America, their contractors and consultants;
5. Agreeing a selection of the Subject Matter to the corresponding source documentation;
6. Reviewing Bank of America systems for quantitative data aggregation and analysis;
7. Assessing the disclosure and presentation of the Subject Matter to ensure consistency with assured information;
8. Conducting a in-person review of EMS implementation for two facilities in Tampa, Florida, conducted during March 2023;
9. Conducting a review during a meeting with Bank of America headquarters personnel and consultants in Charlotte, North Carolina, to review methods for Subject Matter compilation and management;
10. Reperforming a selection of aggregation calculations of the Subject Matter; and
11. Comparing the Subject Matter information to the prior year amounts taking into consideration changes in business activities, acquisitions and disposals.

Conclusion

On the basis of our methodology and the activities described above, it is our opinion that:

- Bank of America's Scopes 1 and 2 (location- and market-based) GHG emissions, water, waste and other information subject to reasonable assurance is presented in accordance with the Reporting Criteria and is, in all material respects, fairly stated (Reasonable);
- Nothing has come to our attention to indicate that the Scope 3 GHG emissions, social and other information subject to limited assurance are not fairly stated in all material respects (Limited); and
- It is our opinion that Bank of America has established appropriate systems for the collection, aggregation and analysis of Subject Matter (e.g., quantitative data including Scope 1, Scope 2 and Scope 3 GHG emissions, and other select social and sustainability metrics).

Statement of Independence, Integrity and Competence

Apex is an independent professional services company that specializes in health, safety, social and environmental management services including assurance with over 30 years history in providing these services.

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

No member of the assurance team has a business relationship with Bank of America, its directors or managers beyond that required of this assignment. We have conducted this assurance independently, and there has been no conflict of interest.

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 Apex's standard methodology for the assurance of sustainability related assertions.

John A. Rohde, Lead Verifier
Apex Companies, LLC
Lakewood, Colorado

David Reilly, Technical Reviewer
Apex Companies, LLC
Santa Ana, California

May 17, 2023

2019

APEX

VERIFICATION OPINION DECLARATION
GREENHOUSE GAS EMISSIONS

To: The Stakeholders of Bank of America

Apex Companies, LLC (Apex) was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by Bank of America for the period stated below. This verification opinion declaration applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of Bank of America. Bank of America is responsible for the preparation and fair presentation of the GHG emissions statement in accordance with the criteria. Apex's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze and review the information. Apex is responsible for expressing an opinion on the GHG emissions statement based on the verification.

Boundaries of the reporting company GHG emissions covered by the verification:

- Operational Control
- Financed Emissions (Auto Manufacturing, Energy, and Power Sectors utilized amounts only)

Type of GHGs: CO_2, N_2O, CH_4, refrigerants

GHG Emissions Statement:

- **Scope 3 – Investments:**

Category	Units	Utilized	Data Quality
Absolute Total Financed Emissions (Auto Manufacturing, Energy, Power Generation)	Thousand Metric tons CO_2e	38,441	NA
Absolute Total Financed Emissions (Auto Manufacturing)	Thousand Metric tons CO_2e	1,598	2.6[1] 2.5[2]
Absolute Total Financed Emissions (Energy – Pureplay thermal coal extraction includes Scope 1, Scope 2 and Scope 3)	Thousand Metric tons CO_2e	3,134	2.4
Absolute Total Financed Emissions (Energy - Oil & Gas Refiners and Producers includes Scope 1 and Scope 2)	Thousand Metric tons CO_2e	2,915	3.0
Absolute Total Financed Emissions (Energy - Oil & Gas Refiners and Producers includes Scope 3.11)	Thousand Metric tons CO_2e	23,974	3.6
Absolute Total Financed Emissions (Energy - Other includes Scope 1 and Scope 2)	Thousand Metric tons CO_2e	2,926	3.3
Absolute Total Financed Emissions (Power Generation - Scope 1 only)	Thousand Metric tons CO_2e	3,894	2.8

[1] Scope 1 and 2
[2] Scope 3

APEX

Category	Units	
Physical Intensity (Auto Manufacturing)	g CO_2e/km	182.8
Physical Intensity (Energy – Energy - Oil & Gas Refiners and Producers includes Scope 1, Scope 2)	g CO_2e/MJ	7.5
Physical Intensity (Energy – Oil & Gas Refiners and Producers includes Scope 3)	g CO_2/MJ	60.6
Physical Intensity (Power Generation – Scope 1 only)	kg CO_2/MWh	336.4

Data and information supporting the Scope 3 GHG emissions statement were in some cases estimated rather than historical in nature.

These values have in some cases been restated based on adjustments to data collection and calculation methodology.

Period covered by GHG emissions verification:

- January 1, 2019 to December 31, 2019

Criteria against which verification was conducted:

- WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3)
- Partnership for Carbon Accounting Financials (PCAF) Global GHG Accounting & Reporting Standard for the Financial Industry
- Bank of America's Internal Protocol for calculating Financed Emissions

Reference Standard:

- ISO 14064-3 Second edition 2019-04: Greenhouse gases -- Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

Level of Assurance and Qualifications:

- Limited
- This verification used a materiality threshold of ±5% for aggregate errors in sampled data for each of the above indicators

GHG Verification Methodology:

Evidence-gathering procedures included but were not limited to:

- Interviews with relevant personnel of Bank of America and their consultant;
- Review of documentary evidence produced by Bank of America;
- Review of Bank of America data and information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions; and
- Audit of a sample of data used by Bank of America to determine GHG emissions.

APEX

Page 3

Verification Opinion:

Based on the process and procedures conducted, there is no evidence that the Scope 3 GHG emissions statement shown above:

- is not a fair representation of the GHG emissions data and information; and
- has not been prepared in accordance with the WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3).

It is our opinion that Bank of America has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

Statement of independence, impartiality and competence

Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

No member of the verification team has a business relationship with Bank of America, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

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

The verification 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 Apex's standard methodology for the verification of greenhouse gas emissions data.

Attestation:

John A. Rohde, Lead Verifier
Principal Consultant
Apex Companies, LLC

Trevor Donaghu, Technical Reviewer
ESG Director
Apex Companies, LLC

September 25, 2023

This verification opinion declaration, including the opinion expressed herein, is provided to Bank of America and is solely for the benefit of Bank of America in accordance with the terms of our agreement. We consent to the release of this declaration to the public or other organizations for reporting and/or disclosure purposes, without accepting or assuming any responsibility or liability on our part to any other party who may have access to this declaration.

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2021

APEX

VERIFICATION OPINION DECLARATION
GREENHOUSE GAS EMISSIONS

To: The Stakeholders of Bank of America

Apex Companies, LLC (Apex) was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by Bank of America for the period stated below. This verification opinion declaration applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of Bank of America. Bank of America is responsible for the preparation and fair presentation of the GHG emissions statement in accordance with the criteria. Apex's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze and review the information. Apex is responsible for expressing an opinion on the GHG emissions statement based on the verification.

Boundaries of the reporting company GHG emissions covered by the verification:

- Operational Control
- Financed Emissions (Auto Manufacturing, Aviation, Cement, Energy, and Power Sectors utilized amounts only)

Type of GHGs: CO_2, N_2O, CH_4, refrigerants

GHG Emissions Statement:

- **Scope 3 – Investments:**

Category	Units	Utilized	Data Quality
Absolute Total Financed Emissions (Auto Manufacturing, Aviation, Cement, Energy, Power Generation)	Thousand Metric tons CO_2e	33,342	NA
Absolute Total Financed Emissions (Auto Manufacturing)	Thousand Metric tons CO_2e	901	2.0[1] 2.0[2]
Absolute Total Financed Emissions (Aviation includes Scope 1)	Thousand Metric tons CO_2e	1,876	2.2
Absolute Total Financed Emissions (Cement includes Scope 1 and Scope 2)	Thousand Metric tons CO_2e	1,512	2.3
Absolute Total Financed Emissions (Energy – Pureplay thermal coal extraction includes Scope 1, Scope 2 and Scope 3)	Thousand Metric tons CO_2e	1,398	2.8
Absolute Total Financed Emissions (Energy - Oil & Gas Refiners and Producers includes Scope 1 and Scope 2)	Thousand Metric tons CO_2e	2,384	2.7
Absolute Total Financed Emissions (Energy - Oil & Gas Refiners and Producers includes Scope 3.11)	Thousand Metric tons CO_2e	18,339	3.4
Absolute Total Financed Emissions (Energy - Other includes Scope 1 and Scope 2)	Thousand Metric tons CO_2e	3,023	3.4
Absolute Total Financed Emissions (Power Generation - Scope 1 only)	Thousand Metric tons CO_2e	3,909	2.9

[1] Scope 1 and 2
[2] Scope 3

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APEX

Category	Units	Utilized
Economic Intensity (Auto Manufacturing includes Scope 1, Scope 2, and Scope 3)	Metric tons CO_2e/ Million USD exposure	1,207
Economic Intensity (Aviation includes Scope 1)	Metric tons CO_2e/ Million USD exposure	692
Economic Intensity (Cement includes Scope 1 and Scope 2)	Metric tons CO_2e/ Million USD exposure	3,106
Economic Intensity (Energy - Oil & Gas Refiners and Producers includes Scope 1, Scope 2 and Scope 3)	Metric tons CO_2e/ Million USD exposure	3,623
Economic Intensity (Energy – Other includes Scope 1 and Scope 2)	Metric tons CO_2e/ Million USD exposure	633
Economic Intensity (Energy – Pureplay thermal coal extraction includes Scope 1, Scope 2 and Scope 3)	Metric tons CO_2e/ Million USD exposure	60,977
Economic Intensity (Power Generation - Scope 1 only)	Metric tons CO_2e/ Million USD exposure	448

Category	Units	
Physical Intensity (Auto Manufacturing)	g CO_2e/km	196.4
Physical Intensity (Aviation includes Scope 1)	gCO_2e/RTK	1,007.8
Physical Intensity (Cement includes Scope 1 and Scope 2)	tCO_2e/tCP	0.683
Physical Intensity (Energy – Energy - Oil & Gas Refiners and Producers includes Scope 1, Scope 2)	g CO_2e/MJ	7.6
Physical Intensity (Energy – Oil & Gas Refiners and Producers includes Scope 3)	g CO_2/MJ	60.5
Physical Intensity (Power Generation – Scope 1 only)	kg CO_2/MWh	362

Data and information supporting the Scope 3 GHG emissions statement were in some cases estimated rather than historical in nature.

Period covered by GHG emissions verification:

- January 1, 2021 to December 31, 2021

Criteria against which verification was conducted:

- WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3)

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- Partnership for Carbon Accounting Financials (PCAF) Global GHG Accounting & Reporting Standard for the Financial Industry
- Bank of America's Internal Protocol for calculating Financed Emissions

Reference Standard:

- ISO 14064-3 Second edition 2019-04: Greenhouse gases -- Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

Level of Assurance and Qualifications:

- Limited
- This verification used a materiality threshold of ±5% for aggregate errors in sampled data for each of the above indicators

GHG Verification Methodology:

Evidence-gathering procedures included but were not limited to:

- Interviews with relevant personnel of Bank of America and their consultant;
- Review of documentary evidence produced by Bank of America;
- Review of Bank of America data and information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions; and
- Audit of a sample of data used by Bank of America to determine GHG emissions.

Verification Opinion:

Based on the process and procedures conducted, there is no evidence that the Scope 3 GHG emissions statement shown above:

- is not a fair representation of the GHG emissions data and information; and
- has not been prepared in accordance with the WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3).

It is our opinion that Bank of America has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

Statement of independence, impartiality and competence

Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

No member of the verification team has a business relationship with Bank of America, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

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

The verification 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 Apex's standard methodology for the verification of greenhouse gas emissions data.

Attestation:

John A. Rohde, Lead Verifier Principal Consultant Apex Companies, LLC	Trevor Donaghu, Technical Reviewer ESG Director Apex Companies, LLC

September 26, 2023

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Partner

Facilitates the leadership of U.S. companies, nonprofits, governments and individuals to reach a goal of conserving, restoring and growing one trillion trees globally by 2030.

Airports for Tomorrow

Member

Initiative seeks to address the supply side constraints related to the Net Zero transition with public and private stakeholders to drive collaboration and change in the sector, to maximize its potential as a vehicle for economic growth and environmental prosperity.

American Bankers Association (ABA)

Member

Nonpartisan public policy, education, tools and insights, and advocacy group, representing banks of all asset sizes and charter types. Bank of America is an active participant in ABA's Environmental, Social and Governance Working Group and Climate Task Force.

Bank Policy Institute (BPI)

Member

Nonpartisan public policy, research and advocacy group, representing the nation's leading banks. Bank of America is an active participant in BPI's Climate Working Group.

Breakthrough Energy Catalyst

Anchor Partner

Breakthrough Energy Catalyst (Catalyst), a program within the larger Breakthrough Energy network founded by Bill Gates, is a novel funding platform to help build the foundation of the Net Zero economy. Catalyst brings together businesses, governments and philanthropies to fund and invest in project companies utilizing emerging climate technologies that will make it possible to reach Net Zero emissions. Bank of America was one of the program's first private sector partners when we invested in 2021.

Business Roundtable (BRT)

Member

Association comprising of CEOs of America's leading companies working to promote a thriving U.S. economy and expanded opportunity for all Americans through sound public policy. Bank of America is an active participant in BRT's Corporate Governance Coordinating Committee and Energy and Environment Coordinating Committee.

Center for Climate and Energy Solutions (C2ES)

Business Environmental Leadership Council Member

Environmental nonprofit focused on advancing strong policy and ambitious action to meet critical climate and energy challenges. Bank of America serves with over 40 other companies on C2ES's Business Environmental Leadership Council — the largest U.S.-based association of companies devoted to climate-related policy and corporate strategies.

Ceres

Member

Advances leadership among investors, companies and capital market influencers to drive solutions and take action on the world's most pressing sustainability issues.

Clean Air Task Force

Partner

Working to safeguard against the worst impacts of climate change by catalyzing the rapid global development and deployment of low-carbon energy and other climate-protecting technologies.

Coalition for Negative Emissions

Member

Coalition of potential capturers and purchasers of carbon removals, supply chain and industry organizations providing policymakers, NGOs and other key stakeholders with a platform to advance global action to rapidly deploy negative emissions solutions.

EIT Climate-KIC

Supporter

EIT Climate-KIC is Europe's leading climate innovation agency and community, supporting cities, regions, countries and industries to bridge the gap between climate commitments and current reality. Bank of America is the lead corporate supporter of EIT Climate-KIC's ClimateLaunchpad program in Europe reaching new entrepreneurs, bringing together technology and green innovation to catalyze climate impact, create jobs and contribute toward a just transition.

Energy Transition Commission

Commissioner

Bank of America servers as a commissioner along with other leaders from across the energy landscape that committed to achieving Net Zero. The Commission is a global coalition of leaders from across the energy landscape working together to accelerate the transition to a zero-emissions future.

Financial Services Forum

Member

Nonpartisan economic policy and advocacy organization whose members are the CEOs of the eight largest and most diversified financial institutions headquartered in the United States. Bank of America is an active participant in the Forum's Climate Risk Working Group.

First Movers Coalition (FMC)

Founding Member

Mobilizes collective demand for critical emerging technologies essential for the Net Zero transition. The FMC is a coalition of companies using their purchasing power to create early markets for innovative clean technologies across eight hard-to-abate sectors. These in-scope sectors are responsible for 30% of global emissions.

Glasgow Financial Alliance for Net Zero (GFANZ)

Principals Group Member

Brings together the financial sector to support the transition to a Net Zero economy.

Global Financial Markets Association (GFMA)

Global Financial Markets Association Board Member

Global association of the world's leading financial and capital market participants to provide a collective voice on matters that support global capital markets. The GFMA brings together three of the world's leading capital markets trade associations to provide a forum for the largest globally active financial and capital market participants to develop standards to improve the coherence and interaction of cross-border financial regulation. The Association for Financial Markets in Europe (AFME) in London, Brussels and Frankfurt; the Asia Securities Industry & Financial Markets Association (ASIFMA) in Hong Kong and Singapore; and the Securities Industry and Financial Markets Association (SIFMA) in New York and Washington are, respectively, the European, Asian and North American members of GFMA. Bank of America is an active participant in AFME's Sustainable Finance Prudential Workstream and Climate Risk Stress Testing Working Group, ASIFMA's Sustainable Finance Committee and ESG Committee, and SIFMA's Sustainable Finance Task Force.

The Global Investors for Sustainable Development Alliance

Founding Member

Alliance of leaders from major financial institutions and corporations seeking to deliver concrete solutions to scale up long-term finance and investment in sustainable development.

Institute of International Finance (IIF)

Member

Global association of the financial industry, with more than 450 members from more than 70 countries. Its mission is to support the financial industry in the prudent management of risks; to develop sound industry practices; to advocate for regulatory, financial and economic policies that are in the broad interests of its members; and to foster global financial stability and sustainable economic growth. Bank of America is an active participant in IIF's Sustainable Finance Policy Expert Group.

International Capital Markets Association (ICMA)

Member

ICMA and its members have worked together for over 50 years to promote the development of the international capital and securities markets, pioneering the rules, principles and recommendations that have laid the foundations for their successful operation. ICMA serves as Secretariat to the Green Bond Principles (GBP) — of which Bank of America was one of the original authors — the Social Bond Principles (SBP), the Sustainability Bond Guidelines (SBG) and the Sustainability-Linked Bond Principles (SLBP), providing support while advising on governance and other issues.

Bank of America has representatives on both the ICMA Principles Executive Committee and the ICMA Board, as well as on the ESG Working Group of the ICMA Legal and Documentation Committee.

International Emissions Trading Association (IETA)

Board Member

IETA is a nonprofit business organization representing over 300 leading international organizations operating in compliance and voluntary carbon markets. For nearly 25 years, IETA has been the leading voice of business on ambitious market-based climate change solutions. IETA advocates for market-based trading systems for emissions reductions and removals that are environmentally robust, fair, open, efficient, accountable and consistent across national boundaries. IETA is a trusted partner in developing international policies and market frameworks to reduce greenhouse gas emissions at the lowest cost while building a credible path to Net Zero emissions.

International Swaps and Derivatives Associations (ISDA)

ISDA Board Member Firm

Bank of America was a participant in ISDA's Trading Book Climate Scenario Working Group: An industry collaboration to explore the climate-related risks impacting trading books.

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 1,000 member institutions from 79 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers.

Mission Possible Partnership

Member

An alliance of climate leaders and companies driving industrial decarbonization across the entire value chain of the world's highest-emitting heavy industry and transport sectors in this decisive decade.

Natural Climate Solutions (NCS) Alliance

Member

Multistakeholder coalition supporting and catalyzing the use of high-quality NCS carbon credits.

Net-Zero Banking Alliance (NZBA)

Founding Signatory

Industry-led, United Nations-convened alliance of banks committed to aligning their lending and investments with Net Zero emissions by 2050. Bank of America was among the first group of banks to join the NZBA, part of the GFANZ, which requires financial institutions to set science-aligned interim and long-term goals.

The Ocean Risk and Resilience Action Alliance

Member of ORRAA and Member of ORRAA's Steering Council

The Ocean Risk and Resilience Action Alliance (ORRAA)'s mission is to drive at least USD$500 million of investment into coastal and ocean natural capital and surface at least 50 novel finance products by 2030, positively impacting the resilience of at least 250 million climate-vulnerable people in coastal areas around the world. It works across geographies — with a focus on the Global South — pioneering, piloting and scaling innovative finance products that invest in coastal resilience.

Oxford University — Smith School of Enterprise and the Environment (SSEE)

Partner

The Smith School of Enterprise and the Environment (SSEE) sits within Oxford and is part of a world-leading ecosystem of environmental change-makers, delivering business-focused solutions to stabilize the climate and protect the natural world. Bank of America is partnering with Oxford's Smith School (2022–2024) to accelerate ground-breaking research in the climate space. Through this work, researchers are exploring critical themes such as greenhouse gas removal, water security and food sustainability, as well as the integration of nature-based metrics into sustainable finance frameworks.

Partnership for Biodiversity Accounting Financials (PBAF)

Supporter

The PBAF Standard enables financial institutions to assess and disclose impact and dependencies on biodiversity of loans and investments, providing practical guidance on biodiversity impact and dependency assessments and defining what is needed in order for these assessments to deliver the right information to financial institutions.

Partnership for Carbon Accounting Financials (PCAF)

Signatory

Global partnership of more than 400 financial institutions to develop a consistent methodology to assess and disclose financed emissions. In collaboration with 15 other financial institutions, Bank of America helped develop the Global GHG Accounting and Reporting Standard for the Financial Industry.

Risk Management Association's Climate Risk Consortium

Founding Member

Focused on advancing best practices in climate risk management within the financial services industry.

RMI's Center for Climate Aligned Finance

Founding Partner

Launched in 2020 by RMI to support the financial sector's role in transitioning the global economy toward a zero-carbon, 1.5°C future.

Sustainable Aviation Buyers Alliance (SABA)

Founding Member

Sustainable Aviation Buyers Alliance aims to accelerate the path to net zero aviation by driving investment in and adoption of sustainable aviation fuel (SAF). Members work to develop a rigorous, transparent system that expands opportunities to invest in high-integrity SAF to all businesses and organizations interested in reducing the climate impacts of flying.

Sustainable Markets Initiative (SMI)

Bank of America Chair and CEO Brian Moynihan is the chair of the Sustainable Markets Initiative

Bank of America is a member of the Sustainable Markets Initiative, and a signatory to of its Terra Carta and recipient of the Terra Carta Seal.

The Sustainable Markets Initiative was launched at The World Economic Forum meeting in Davos 2020 by His Majesty King Charles III, in his former role as His Royal Highness The Prince of Wales. The Sustainable Markets Initiative has built a coordinated, CEO led global effort to enable the private sector to accelerate the transition to a sustainable future. It follows the 10 Articles of the Terra Carta mandate to provide a roadmap for its CEO members, alliances and supporters to continue to partner, engage, and enable the transformation toward sustainable markets and economies for nature, people and planet.

Taskforce on Nature-related Financial Disclosures (TNFD)

Bank of America Executive on Taskforce

One of Bank of America's executives is a member of the 40-person Taskforce on Nature-related Financial Disclosures (TNFD), whose mission is to develop a risk management and disclosure framework for organizations to report and act on evolving nature-related risks and opportunities, with the ultimate aim of supporting a shift in financial flows toward nature-positive outcomes.

U.K. Finance

Member

Trade association for the U.K. banking and financial services sector that represents over 300 firms in the U.K., providing credit, banking, markets and payment-related services. Bank of America is an active participant in U.K. Finance's governance forums focused on sustainability.

U.S. Chamber of Commerce

Member

Organization with members ranging from the small businesses and chambers of commerce across the country that support their communities, to the leading industry associations and global corporations that innovate and solve for the world's challenges, to the emerging and fast-growing industries that are shaping the future. Bank of America is an active participant in the Chamber's Energy, Environment, Climate and Sustainability Policy Committee.

World Economic Forum Alliance of CEO Climate Leaders

Member

Group of CEOs who continue to set the bar higher and catalyze action across all sectors and engage policymakers to help deliver the transition to a Net Zero economy.

World Economic Forum International Business Council

Chair of Stakeholder Metrics Initiative

Brings together top-level leaders from all over the world in order to discuss and examine global political and economic issues.

World Resources Institute's (WRI) Corporate Consultative Group (CCG)

Member

Brings together over 30 global companies to advance business practices that mitigate climate risks and support sustainable growth. WRI is a global nonprofit organization that works with leaders in government, business and civil society to research, design and carry out practical solutions that simultaneously improve people's lives and ensure nature can thrive.

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