

# Bank of America Modern Slavery Statement

June 2022

## Introduction

Bank of America recognizes that human trafficking, slavery, and related exploitative practices such as servitude, forced labor and child labor (together 'Modern Slavery') are egregious human rights abuses. We are committed to respecting human rights and we have pledged resources and capabilities to combat the global crime of Modern Slavery.

Bank of America Corporation is headquartered in the United States (Charlotte, North Carolina) and our stock (NYSE: BAC) is listed on the New York Stock Exchange. To comply with the requirements of the United Kingdom Modern Slavery Act 2015 and Australia's Commonwealth Modern Slavery Act 2018 Bank of America is providing this statement for the year ending December 31, 2021 on its own behalf and on behalf of its wholly owned subsidiaries and branches of subsidiaries, including, but not limited to:

- United Kingdom: Bank of America, National Association - London Branch, Bank of America Europe Designated Activity Company - London Branch, Merrill Lynch International
- Australia: Bank of America, National Association – Australian Branch, Merrill Lynch Equities (Australia) Limited, Merrill Lynch Markets (Australia) Pty Limited, Merrill Lynch (Australia) Futures Limited, Merrill Lynch (Australia) Pty Limited, Merrill Lynch (Australia) Nominees Pty Limited

## Who We Are

Bank of America is one of the world's leading financial institutions, serving individual consumers, small and middle-market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk management products and services. The company serves approximately 66 million consumer and small business clients with approximately 4,200 retail financial centers. Bank of America is one of the global leaders in wealth management, corporate and investment banking and trading across a broad range of asset classes, serving corporations, governments, institutions, and individuals around the world. The company serves clients through operations across the United States, its territories and approximately 35 countries. As of December 31, 2021, Bank of America had approximately \$3.1 trillion in assets and more than 200,000 full-time equivalent employees worldwide, including approximately 6,000 employees located in the United Kingdom and 400 employees located in Australia.

Our supply chain comprises approximately 5,000 active suppliers globally. A significant majority are providers of professional services, such as contract labor, legal services, creative marketing and communication services, information technology services and real estate services. While we source from many countries, including the 35 countries where we have operations, most of our suppliers are headquartered in and provide services to us in the United States.

More information on Bank of America can be found in our 2021 [Annual Report](#) and on our [corporate website](#).

## Our Policies and Approach

Bank of America is committed to respecting human rights and demonstrates leadership in responsible workplace practices across our enterprise and in all regions where we conduct business. We continue to align our company policies and practices with international standards, including the principles laid out in the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights and the International Labor Organization's Fundamental Conventions. Additionally, we support a number of international charters, principles, and initiatives that inform our approach, including the United Nations Principles for Responsible Investment, the Equator Principles, and the United Nations Global Compact. Our commitment to fair, ethical and responsible business practices, as we engage with our employees, clients, suppliers and communities around the world, is embodied in our [values](#), our [Code of Conduct](#) and our [Vendor Code of Conduct](#). To learn more about our commitment to human rights, please refer to our [Human Rights Statement](#).

Risk is inherent in all of our business activities. A culture of managing risk well is fundamental to our values and our purpose, and how we drive Responsible Growth. It requires us to focus on risk in all activities and encourages the necessary mindset and behavior to enable effective risk management and promote sound risk-taking within our risk appetite.

Our Risk Framework serves as the foundation for consistent and effective management of risks facing Bank of America and its subsidiaries. It sets forth roles and responsibilities for the management of risk and provides a blueprint for how the Boards of Directors, through delegation of authority to committees and executive officers, establish risk appetite and associated limits for our activities. It also describes the components of our risk management approach and the key types of risk we face.

Individual accountability is the cornerstone of our culture and requires that risks are promptly identified, escalated and debated, thereby benefiting the overall performance of the company. Managers have additional obligations to lead by example, to create an environment in which teammates know they are encouraged to ask questions and raise concerns and to hold others accountable for acting in accordance with our values, our Code of Conduct and our Risk Framework. All employees are required to complete annual training on these subjects and acknowledge our Code of Conduct. Employees are encouraged to submit complaints or possible violations of the Code of Conduct or other unethical activities without fear of retaliation to our Ethics & Compliance Hotline. Access to the Ethics & Compliance Hotline was expanded in 2021 to offer our suppliers' employees an additional communication channel. All complaints are thoroughly and confidentially investigated and tracked to closure in a timely manner. Adverse human rights impacts are addressed as they are identified.

Our [Environmental and Social Risk Policy Framework](#) (ESRPF) aligns with the Risk Framework and provides additional clarity and transparency around how we address environmental and social risks, which touch almost every aspect of our business. We recognize the impact they can have on our communities, clients, suppliers, employees and our company and take our role in managing those risks very seriously. This commitment is underscored by Bank of America's governance of environmental and social issues. Our Global Environmental, Social and Governance (ESG) Committee includes leaders from across our company who help identify, raise and oversee our company's response to emerging environmental, social and governance risks and opportunities, including Modern Slavery. The Global ESG Committee reports to the Corporate Governance, ESG, and Sustainability Committee of the Board of Directors of Bank of America Corporation and provides ESG risk updates to the Enterprise Risk

Committee of the Board of Directors of Bank of America Corporation through the Management Risk Committee. The Global ESG Committee reviews and approves the ESRPF at least every two years or more frequently as material issues develop.

In 2018, Bank of America formed an internal Human Trafficking Task Force to promote awareness, increase collaboration, and improve detection of Modern Slavery. This Task Force is led by a member of the executive leadership team and includes members from across the enterprise who provide valuable insight and expertise based on their diverse experiences and responsibilities. The Task Force remained active in 2021 and provides periodic updates to the Global ESG Committee regarding progress made in addressing the risks, root causes and impacts of Modern Slavery in our role as an employer, a procurer of goods and services, a financial institution serving clients and as part of our commitment to addressing society's greatest challenges.

### **How We Assess the Risks of Modern Slavery**

We conduct regular reviews of our internal business operations and extended supply chain to identify Modern Slavery risks. Through our internal reviews and consultation with non-profit organizations, we identified a number of priority risk areas, including financial transactions that have the potential to be directly tied to Modern Slavery, and business being conducted with or on behalf of Bank of America by suppliers in industry sectors that feature low or unskilled labor or foreign migrant workers. These include suppliers responsible for facilities and travel services and suppliers that manufacture hardware and some hard goods. Risks related to our own employees and recruiting practices are very limited because the vast majority of our global workforce is comprised of skilled professional workers who are recruited directly.

### **How We Address These Risks in Our Business**

Bank of America is committed to treating every employee, contractor, and temporary worker with dignity and respect, including as it relates to their human rights. We offer equal employment opportunity to all, do not tolerate discrimination or harassment, and are proud to be a leader in supporting diversity and inclusion. We abide by labor laws and regulations in the regions where we conduct business including those that address child labor, forced labor, equal pay, and discrimination in our workforce. We strive to be a great place to work and we provide a safe and healthy work environment for all employees. We have effective policies and processes to ensure all employees, including contractors and temporary workers, are recruited ethically, at no cost to the employee and are subject to appropriate background and other reviews prior to beginning employment. This includes verifying an individual's identity, age, and right to work. All employees receive offer letters prior to commencing work, which – together with our policies – make clear each employee's right to leave their employment with Bank of America, with reasonable notice, at any time. Through our Life Events Services team, we offer support to employees in the moments that matter, including being personally impacted in any way by human trafficking or Modern Slavery. We acknowledge and support the rights of each employee and value an open dialogue with our employees so we can continue to improve our work environment.

We also recognize the critical role we play in combatting human trafficking and Modern Slavery as a financial crime. In order to mitigate this risk, we have instituted policies and controls to prevent the

illegal use of our products and services, including abuse that may result in human rights violations. These include a rigorous Customer Due Diligence process and anti-money laundering controls. As part of our Customer Due Diligence process, subject matter experts on our ESG Risk team partner with our front line teams and engage clients directly to ensure a thorough review of potential human rights and other ESG risks is conducted. The results of these reviews are tracked internally as part of client relationship management. Additionally, through our Material Negative News process we monitor negative news that connects our clients to possible financial crimes including human trafficking.

Since 2018, with the help of Thomson Reuters Foundation's U.S. Banks Alliance Against Trafficking, we have identified typologies and red flag indicators specific to sex trafficking and developed advanced detection methods to identify suspicious activity, augmenting our existing transactions monitoring processes. We are in regular contact with other financial institutions, civil society organizations, and law enforcement to share best practices and further refine our detection methods.

## **How We Educate Our Employees**

Training our teammates to recognize potential financial crimes, including human trafficking, is essential to ensuring that we are delivering on our company's purpose and managing risk effectively. As such, all Bank of America employees are required to complete Global Financial Crimes training annually, which includes information on Modern Slavery. Front line teams in our Consumer line of business, which operates in the United States, complete an annual training module specific to human trafficking, which details how to identify and report suspicious activity. Our mandatory training course specific to Modern Slavery is also deployed to all Bank of America Global Procurement and Supplier Management employees globally. The training, which is provided annually, increases visibility and awareness of how Modern Slavery manifests in supply chains and includes information on how to identify and report any concerns. Similarly, all of our security guards in the United States, including guards employed by suppliers, complete training specific to Modern Slavery on an annual basis.

Beyond educating our teammates through mandatory training courses, Bank of America endeavors to raise awareness of Modern Slavery more broadly. To this end, in January 2021, we published an informational article prominently on our all-employee intranet site, in honor of Human Trafficking Awareness Month. Additionally, our legal team, in partnership with the National Survivor Law Collective, provided continuing legal education to employees in the legal department on the topic.

## **How We Address These Risks in Our Supply Chain**

Bank of America has a Third Party Program in place to manage the risks of using suppliers to support our business units, processes, products, and services. Our Global Procurement team delivers the Third Party Program, which is responsible for sourcing, global purchasing, procurement strategies, and the establishment of an oversight and governance framework. A senior executive responsible for Global Procurement is a member of the Global ESG Committee and helps ensure that the Third Party Program is informed by the ESRPF and regulatory requirements, as applicable.

Our [Vendor Code of Conduct](#) sets out our requirements and expectations of our suppliers, with regard to ethics, human rights, diversity and inclusion and the environment. The [Vendor Code of Conduct](#) is made available to prospective and existing suppliers and is reviewed by the Global ESG Committee at least every two years, or more frequently as material issues develop. Suppliers are required to develop

policies and procedures to respect human rights consistent with internationally recognized standards, including the United Nations Guiding Principles on Business and Human Rights. We conduct ESG assessments on our largest suppliers, prior to contracting, to monitor compliance with our [Vendor Code of Conduct](#). Assessments include a review of supplier policies and processes related to Modern Slavery. In 2021, we set a goal to screen suppliers that account for 90% of our total supply chain spend for ESG risk, including risk related to Modern Slavery, by 2030.

As part of our efforts to prevent unethical practices, including Modern Slavery, from taking place within our supply chain, we maintain an approved supplier list and conduct extensive due diligence on all prospective suppliers to ensure an effective control environment is in place. For suppliers that provide goods and services in industry sectors considered to be at high risk of Modern Slavery, a review of policies and procedures specific to forced and child labor is also included. If a supplier supplies a non-compliant response, Global Procurement is responsible for ensuring the findings are investigated and resolved.

We also perform ongoing monitoring of existing suppliers to guard against Modern Slavery. We perform daily negative news monitoring to help ensure that issues reported by the media are identified and addressed quickly. We conduct periodic assessments of our suppliers throughout the engagement, including a review of suppliers' background check processes, financial crimes control monitoring and whistle-blower protections. For suppliers in industry sectors that are most vulnerable to Modern Slavery, we also assess their efforts to mitigate risk of forced and child labor within their operations and respective supply chains.

Bank of America has a disciplined process to ensure effective contracts are in place with suppliers. This includes language that requires suppliers and their subcontractors to comply with Bank of America policies and abide by labor laws and regulations in the regions where they conduct business, including those that address child labor, forced labor, slavery, human trafficking, equal pay, and non-discrimination in the workforce. The contract template also specifically prohibits suppliers from engaging in any practice that could reasonably be considered as employing or encouraging child labor, forced labor, slavery, or human trafficking, such as withholding wages or security payments, confiscating identity documents or charging workers recruitment fees. Bank of America maintains the right to terminate immediately any supplier contract in the event of material violations of applicable laws.

## How We Monitor and Measure Progress

We track and measure our effectiveness in ensuring that Modern Slavery is not occurring in our business and supply chain in a number of ways. We will continue to review these metrics and will revise them if better measures are identified.

Metric	2021
Annual Awareness Training Delivered	More than 33,000 front line employees and 1,000 employees in Procurement or Vendor Management roles completed annual awareness training specific to Modern Slavery in 2021.
Deals Escalated to Reputational Risk Committee	Five items, relationships, or transactions, which included human rights risks, were escalated to the Reputational Risk Committee in 2021. No Modern Slavery risks were identified.
Supplier-Related Observations Logged	Zero observations regarding potential supplier issues related to Modern Slavery were logged in 2021.

## Partnering for Progress

Bank of America works with other financial institutions, civil society organizations, law enforcement agencies, and trusted advisors to promote collaboration and shared action to address Modern Slavery. These include:

- Through Responsible Growth, we deliver for our teammates, clients and shareholders and help address society's biggest challenges. One example is our work to advance racial equality and economic opportunity, an area we have worked broadly in for many years from being a great place to work to delivering products and services that meet the diverse needs of our clients. This includes our \$1.25 billion five-year commitment focused on affordable housing, healthcare, small business, and jobs. As part of this effort, we have directly funded or invested more than \$450 million, in addition to other ways we continue to make an impact in our communities. In 2021, we provided \$370 million in philanthropic investments to advance economic mobility in the communities we serve.
- Our efforts, working with the International Business Council at the World Economic Forum and Deloitte, EY, KPMG and PwC, to develop a set of Stakeholder Capitalism metrics that demonstrate to investors and other stakeholders our company's commitment to drive progress in four key areas – Governance, Planet, People and Prosperity. We reported our progress under these metrics for the second year in the 2021 [Annual Report](#).
- Our partnerships with the [Polaris Project](#), [The Arise Foundation](#), [Covenant House](#), and local nonprofits across the globe combatting human trafficking support frontline organizations as they work to eradicate this global crime and support survivors. They also enable us to gather critical feedback directly from victims and survivors.

- Our participation with the United Nations Financial Sector Commission’s [Survivor Inclusion Initiative](#) promotes the financial inclusion of those vulnerable to Modern Slavery and human trafficking. We are extending access to checking and savings accounts, debit cards and, if appropriate, credit cards, to survivors and will work with designated agencies to connect referred survivors to convenient financial services, advice and education. In 2021, we also co-developed a Banking Basics for Survivors resource for survivors who are newly in control of their financial lives.
- Our contribution to financial sector initiatives to develop best practices such as the [Polaris Project](#), [Liechtenstein Initiative](#), [The Mekong Club](#) and the [Thomson Reuters Foundation’s U.S. Banks Alliance Against Trafficking](#). These initiatives offer an opportunity to share experiences with other financial institutions and develop guidance, improving the industry as a whole.
- Our consultation with [BSR](#), a non-profit organization specializing in sustainable business practices; [Omnia Strategy LLP](#), a law firm specializing in human rights, corporate responsibility, stakeholder engagement and the prevention and resolution of disputes; and [Verité](#), a globally recognized non-profit organization specializing in fair labor practices. These engagements strengthen our understanding of the issue, recognized standards and best practice.

## Continuing Commitment

We are committed to respecting human rights wherever we do business and reviewing our policies and practices to ensure that our approach to Modern Slavery remains appropriate. We will continue to provide awareness training for our employees and partner with suppliers and outside organizations to identify ways to mitigate and eradicate Modern Slavery. For any questions or feedback, please contact us at [ESG\\_information@bofa.com](mailto:ESG_information@bofa.com).

This statement was reviewed with the Merrill Lynch International Board of Directors and executive leadership at Bank of America, National Association - London Branch, Bank of America Europe Designated Activity Company - London Branch, Bank of America, National Association – Australian Branch, Merrill Lynch Equities (Australia) Limited, Merrill Lynch Markets (Australia) Pty Limited, Merrill Lynch (Australia) Futures Limited, Merrill Lynch (Australia) Pty Limited and Merrill Lynch (Australia) Nominees Pty Limited. It was reviewed and approved by the Bank of America Corporation Board of Directors on June 22, 2022, has been signed by me, Chair of the Board of Directors of Bank of America Corporation, and published on Bank of America’s website at [about.bankofamerica.com](http://about.bankofamerica.com).



Brian Moynihan

Chair and CEO, Bank of America Corporation