

2015 ESG Addendum

ESG Executive Summary

At Bank of America, we recognize that our customers, clients, and shareholders are well-informed participants in a changing world. They require business to be conducted in a manner that is responsible and sustainable.

We embrace this important role and approach our responsibilities through an **Environmental, Social and Governance** (ESG) lens.

The information and stories shared here highlight the way we run our company, the inclusive and supportive workplace we create for our employees, the responsible products and services we offer our customers, and the impact we make around the world in helping local economies thrive.

This is how we deliver on our purpose: To help make financial lives better for those we serve — our customers, clients, and communities around the world.



Financing a Low-Carbon Future

As part of the White House's American Business Act on Climate Change, in 2015 we increased our second environmental business initiative from **\$50 billion to \$125 billion** by 2025. This includes supporting low-carbon and sustainable business through lending, investing, capital raising, advisory services, and developing financing solutions for clients around the world.

In 2015 alone, we provided **\$14.5 billion in financing for renewable energy, energy efficiency, and other sustainable projects**. For example, we delivered our innovative financing and advisory capabilities to Lincoln Clean Energy and Starwood Energy Group. As part of this engagement, we advised on the sale of two 230-MW wind farms that will provide clean energy to thousands of homes.

We continue to be **the No. 1 underwriter of green bonds** and issued our second green bond for **\$600 million**.

The bond will help to fund renewable energy, including wind and solar, and energy efficiency projects, such as lighting retrofits.

Since 2010, in our own operations, we've reduced:

Greenhouse gas (GHG) emissions:	Paper use:	Water use:
37%	28%	34%



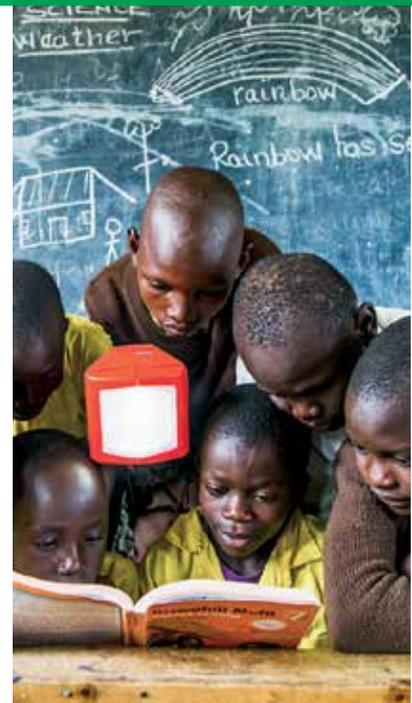
ENVIRONMENT

“This new commitment means Bank of America is again setting the pace.

To be considered a leading provider of financial services, in anything from energy to real estate, it's crucial to be focused on funding low-carbon solutions, and Bank of America's new commitment is a very significant statement.”

Michael Liebreich

Founder and chairman of the Advisory Board, Bloomberg New Energy Finance, on Bank of America's \$125 billion pledge



Our grant to GivePower Foundation will help provide electricity to 1,000 additional schools in Africa and Central America.

Catalytic Finance Initiative

Our Catalytic Finance Initiative, launched in 2014, is designed to stimulate at least **\$10 billion of new investment** into high-impact clean energy projects. In 2015, we made progress on the initiative, which focuses on developing or advancing innovative financing structures that reduce investment risk such as investment grade loans, project bonds and philanthropic first-loss capital funds, thereby attracting a broader range of institutional investors.

For example:

We provided a \$500,000 grant to the GivePower Foundation, SolarCity's charitable nonprofit organization, to address energy poverty through solar-powered lighting in schools in the developing world.

Investing In Women

In support of our work to advance thriving economies and as part of our commitment to diversity and inclusion, we invest in women's leadership and economic empowerment, helping women make meaningful contributions — within our own company and around the globe.

- More than **50% of our global workforce is female** and more than 30% of our senior leadership are women
- We offer **leading benefits that support women and working families** including our expansion of parental leave benefits to 16 weeks
- Through the Global Ambassadors Program, a partnership with Vital Voices, and our work with the Cherie Blair Foundation, we've connected **women entrepreneurs from more than 80 countries** to mentoring
- The Tory Burch Foundation Capital Program, powered by Bank of America, connects women entrepreneurs in the U.S., like bungalow-owner Shay Spaniola (pictured below), to affordable loans. Administered by CDFIs, **\$10 million was loaned to women business owners in 2014 and 2015**, with \$20 million in loans expected over the next two years.



SOCIAL

Connecting to Capital

A key way we help economies thrive is by offering various methods for connecting customers, clients, and communities to the capital they need.

A few examples in 2015:

Community Development Banking

uses a wide variety of financing solutions to help provide affordable housing, improve education, and create jobs, thereby improving the quality of life for residents in those communities.

- Provided more than **\$4.5 billion in lending and investing**
- Helped to create **14,400 housing units, including 13,400 units of affordable housing**, for individuals, families, veterans, seniors, and the previously homeless

Community Development Financial Institutions (CDFIs)

provide affordable loans, technical assistance, and other resources to those who may not be able to get loans through traditional channels.

- Invested more than **\$1 billion in CDFIs**, including extending more than \$235 million in loans to support affordable housing, small businesses, and economic development

Small Business Banking

- Extended nearly **\$10.7 billion** in new credit to small business owners, resulting in total small business lending of nearly \$25.2 billion



“I’m honored to carry the torch ... It shows there really are no limitations. We can all do things that people never thought we could.”

Patricia Saucier

15-year Bank of America employee in Support Services and Special Olympics athlete. Our Support Services group is a fulfillment operation that employs more than 300 individuals with intellectual disabilities.

Fostering Inclusion

In order to spread a message of diversity and inclusion, we expanded our 30-year partnership with Special Olympics to present the first-ever Unified Relay Across America, a 46-day event, during which more than 115 employee teams helped carry the Flame of Hope torch coast-to-coast in lead-up to Special Olympics World Games.

- **80 community celebrations** held as part of relay — set record as single largest fundraising event in Special Olympics history, raising \$4.3 million from 18,000+ individual donors
- **\$5 million** donated through the Bank of America Charitable Foundation to support the 2015 Special Olympics World Games
- **True global employee celebration** — from cheering on their Special Olympics' national teams in Singapore, Hong Kong, Australia, and Japan, to other employee volunteers in Europe, the Middle East and Africa, who helped with registration, events, presentations, and team send-offs



ESG Governance Changes

To strengthen our oversight of Environmental, Social and Governance (ESG) issues, we have expanded the Global CSR Committee to include more senior business leaders, given the committee additional responsibility for governance issues, and renamed it the **Global ESG Committee** as a reflection of the company’s responsible, sustainable growth strategy. The new committee structure ensures that we understand which ESG issues are most material to our business, are managing those areas well, and are responding quickly and effectively to emerging trends.

In addition to our global governance of ESG, we established regional committees in Latin America (LatAm) and Europe, the Middle East and Africa (EMEA) to guide our ESG strategy and ensure accountability on a region-specific level. The chairpersons of these committees are members of the Global ESG Committee, ensuring that their respective activities are well coordinated.

Our Corporate Governance Guidelines exceed the NYSE listing standards

and require a substantial majority of our directors to be independent. Twelve of our 13 directors and each member of our Audit, Compensation and Benefits, and Corporate Governance committees are independent.



GOVERNANCE

“Our Board regularly reviews management’s **strategy to create long-term value for stockholders.** I’ve spent a great deal of time in 2015 and 2016 meeting with many of our investors. This engagement has been instructive to our Board as we continue to drive our company’s progress and add value to your investment. **You are represented by a strong, independent Board with diversity of experience and perspective,** and we welcome further dialogue with you.”

Jack Bovender
Lead Independent Director

Expansion of National Community Advisory Council

2015 marked the addition of new members to the National Community Advisory Council (NCAC) representing environment and sustainability expertise. The NCAC includes leading nonprofit organizations across the country in the areas of civil rights, consumer advocacy, and environmental policy. They work closely with us, providing perspective and advice on key issues of the day.

Formed in 2005, the council initially helped advise the bank on its community development lending and investing activities. While continuing its focus on community development and consumer policy topics, the council’s concentration has evolved into a broader focus on ESG issues and performance, including consulting on how to improve our environmental business initiative; offering feedback on our approach to governance; and guiding our commitment to community impact, as well as consulting on our workplace policies. Read more on p. 51 of this report.



2015 ESG Highlights

We continued to support financial empowerment for all through Better Money Habits®, a free program created in partnership with Khan Academy. **Eight out of 10 customers using Better Money Habits® felt more confident** about achieving their financial goals⁽¹⁾

We've made progress on our **responsible growth strategy** by managing risk well, simplifying our businesses to better serve customers and clients, and creating the right culture for our workforce around the globe



March

Bank of America Merrill Lynch—in partnership with Esmée Fairbairn Foundation, Nesta, Calouste Gulbenkian Foundation, and the Arts Council England—launched a **£7,000,000 social investment fund** aimed at providing unsecured loan finances to arts organizations in England. The first of its kind to focus on the social, artistic, and financial return created by arts-based organizations, the **Arts Impact Fund** brings together the expert knowledge and networks of the arts industry with charitable foundations, investors, and social impact specialists

As part of our efforts to foster employee wellness, **88% of employees completed voluntary wellness activities**

July

Named by Euromoney as the **Best Global Bank for Corporate Social Responsibility** and by The Banker magazine for the fifth year in a row as the **Most Innovative Investment Bank for Climate Change and Sustainability**



Provided more than **\$183 million in global philanthropic investments** toward our 10-year, \$2 billion philanthropic goal established in 2009

September

Announced that the **37th Annual Bank of America Chicago Marathon** delivered an estimated \$254 million in total business impact to the city of Chicago and raised more than **\$17.7 million** in support of local, national, and international charitable causes

(1) Source: Bank of America customer advisory panel study

Sept/Nov

Recognized by CDP and Dow Jones Sustainability Index (DJSI) for ESG performance: listed on DJSI World and North America indices and received a CDP disclosure score of "100" for our reporting transparency and a performance score of "A," recognizing our actions to **reduce emissions and mitigate climate change**



We support the **inclusion of diverse suppliers** across the company, resulting in more than **\$2 billion** of procurement spending with these businesses during 2015

December

During the **UN Conference on Climate Change (popularly known as COP21)** in Paris, we co-hosted an event with the White House to discuss the important role businesses — especially financial institutions — play in helping to **accelerate the transition to a low-carbon economy**

December

Completed **\$10 million commitment to (RED)**, with all funds going toward the Global Fund to Fight AIDS, Tuberculosis and Malaria, and reaffirmed our support with another **\$10 million over five years**

In a new whitepaper published in 2015, **"Impact Investing: The Performance Realities,"** Merrill Lynch's Wealth Management Institute analyzed the growing body of evidence showing that investors can do well financially by investing in organizations that are doing **what's right for the environment and society**

November

Completed the **largest affordable housing loan transaction in history** in San Francisco (\$770 million), in cooperation with seven development firms



To learn more about our ESG work, please visit about.bankofamerica.com

More than 50% of our global workforce is female and **more than 40%** of our U.S.-based workforce are **people of diverse races and ethnic backgrounds**

Investment Products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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