

Bank of America Environmental Sustainability

May 2015

Bank of America 

Bank of America Merrill Lynch U.S. Bank of America
America ynch Trust Merrill Lynch

Bank of America - Our purpose

Our purpose is to make financial lives better for our customers, our clients and our communities – recognizing that we only succeed when others are thriving. That purpose has guided us over the past several years to change and make our company simpler, more straightforward, stronger and better.

We are committed to growing responsibly and sustainably – ensuring our policies and practices, and our products and programs all align to our purpose of helping people live better financial lives. We are also focused on ensuring that we are a great place to work - employing a diverse team of people around the world, creating opportunities for them to develop and grow, and providing an affordable set of benefits that meet their diverse needs. Because we only succeed when our customers, clients, employees and our communities thrive.

We are focused on three imperatives: simplifying banking and investing, advancing better money habits, and building thriving communities.

Commitment to the environment

Environmental sustainability is one of the key components of our Corporate Social Responsibility (CSR) program that not only guides the values and principles of our company, but also makes a meaningful impact in communities around the world.

Bank of America is engaging every part of our company to address climate change and demands on critical natural resources — our businesses, our operations, our partners and our people.

As one of the world's largest financial institutions, we believe we play a critical role in accelerating the transition to a low-carbon economy.

Recent recognition



MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM



The Banker 2014
Investment Banking Awards
MOST INNOVATIVE
INVESTMENT BANK FOR
CLIMATE CHANGE AND
SUSTAINABILITY



FTSE4Good

Commitment to the environment

Our business



- Drive innovative new financial solutions across all our lines of business.
- \$70 billion to be committed by 2022 – one of the largest among our peers.
- From supporting renewable energy and low-carbon vehicles, to a robust Environment/Social/Governance (ESG) investment platform for wealth management clients.

How we operate



- Comprehensive set of aggressive goals to shrink our own operational footprint:
 - Reduce greenhouse gas emissions by 30%.
 - Reduce water consumption by 20%.
 - Achieve 20% LEED certification.

Working with others



- Engage with partners to increase our impact.
- Partners like the UN's Sustainable Energy for All (SE4All) initiative and Stanford University's Global Climate and Energy Project.
- Committed more than \$15 million in environmental philanthropy in 2014.

Our people



- Help our employees act as good environmental stewards at home, at work and in their communities.
- Nearly 16,000 employees actively participate across the globe from Boston to Hong Kong.
- Provide incentives to encourage new technology adoption at home.

Commitment to the environment

Our business



How we operate



Working with others



Our people



Governance and Policies

Our commitment is underscored by Bank of America's governance of environmental and social issues. Our newly established **Global Corporate Social Responsibility Committee** – which is accountable to the CEO and reports to the Board – includes leaders from across our company who will help identify, raise and oversee the bank's response to emerging CSR risks and opportunities.

The bank also maintains rigorous environmental policies related to climate change, forests, energy, lending in development markets and other critical areas.

Our business: Transformational finance



We lead with the power of our business practices.

Bank of America's \$70 Billion Multi-Year Environmental Business Commitment

- In 2007, Bank of America announced an initial \$20 billion multi-year environmental business commitment.
- This \$20 billion commitment was reached four years ahead of schedule.
- Bank of America then announced a 10-year, \$50 billion environmental business goal in 2012 to advance low-carbon economic solutions through lending, investing and facilitating capital, providing advice and developing solutions for clients around the world.

**\$70 Billion
by 2022**

**\$50
Billion**

**\$20
Billion**

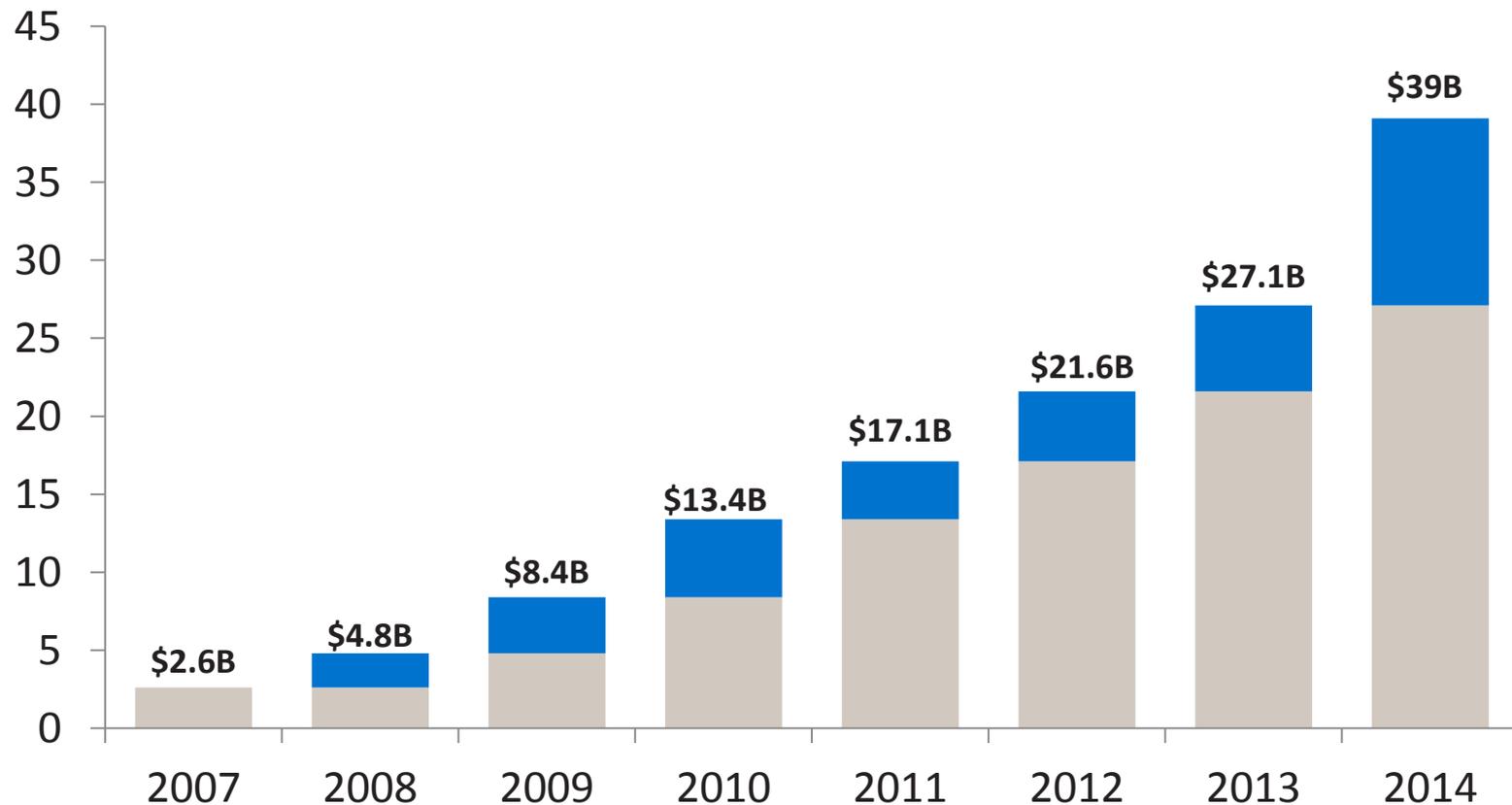


Our business: Transformational finance



Where we are now

- Since 2007, Bank of America has provided \$39 billion in low-carbon financing and other environmental business activities.

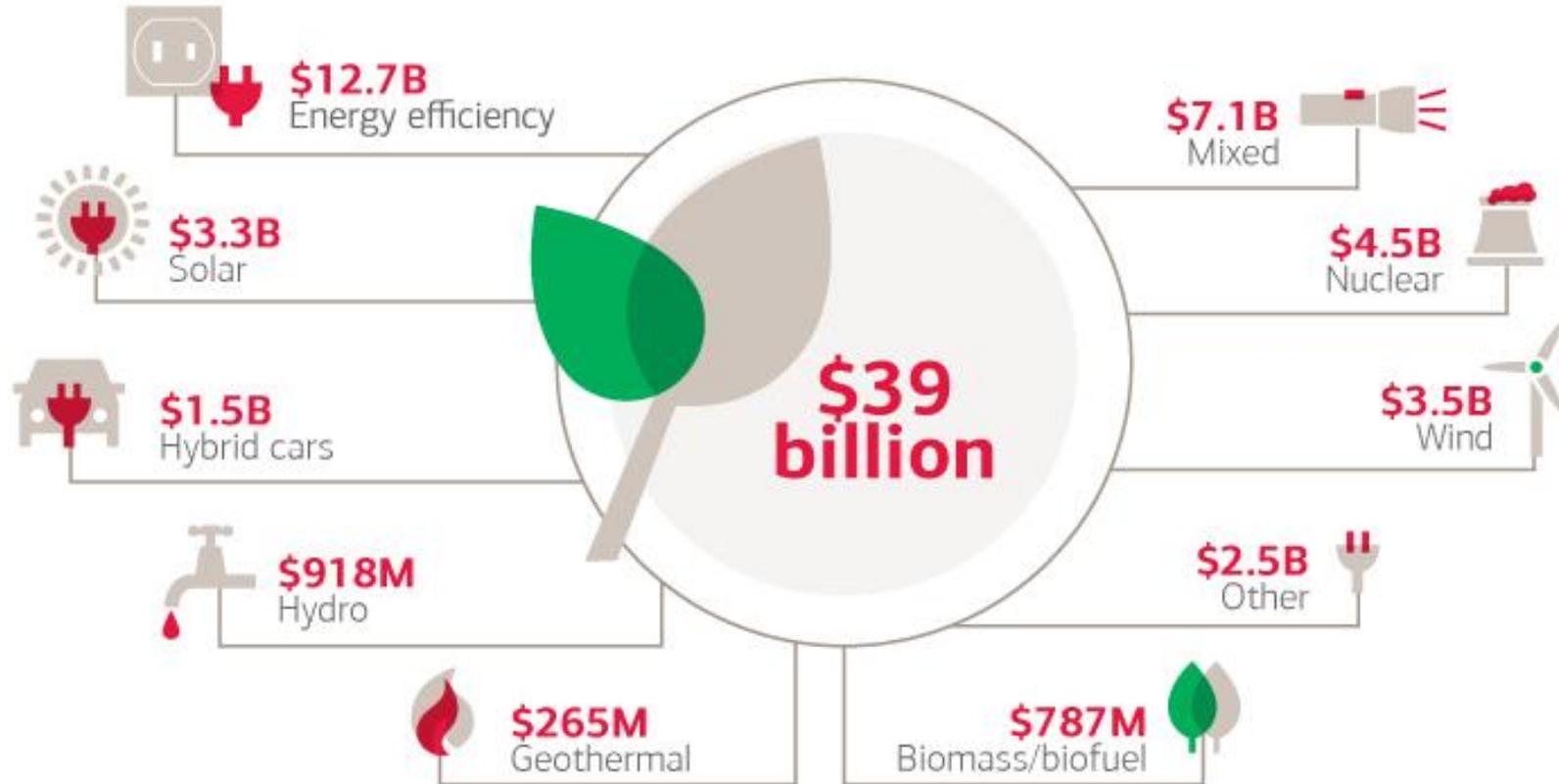


Our business: Transformational finance

Our Environmental Business Initiative:

Breakdown of Financing by Sector

Since 2007, we've provided \$39 billion in low-carbon financing



Our business: Transformational finance



LOB	Environmental Engagement	2013-2014 Activity
Global Investment Banking	Raises equity and debt capital and provides advisory services to support our clients' low-carbon business	\$7.4 billion
Leasing	Provides equipment and tax equity financing for energy efficiency projects and renewable energy projects	\$3.3 billion
Public Finance	Delivers debt for municipal low-carbon projects	\$2.6 billion
Commercial Real Estate & Community Development Banking	Finances projects with LEED, ENERGY STAR and other environmental certifications, as well as brownfield redevelopment	\$2.5 billion
Global Commercial Banking	Extends lending and credit to lower-carbon companies	\$600 million
Consumer Vehicle Lending	Provides loans for hybrid/electric vehicle purchases	\$459 million
Global Wealth and Investment Management	ESG investment solutions for GWIM clients	\$230 million
Philanthropy & CDFI Lending	Supports environmental nonprofits and CDFIs	\$55.6 million



Our business: Transformational finance



Examples of leadership in innovative finance

Catalytic Finance Initiative

- Designed to stimulate at least \$10 billion of new investment into high-impact clean energy projects.
- Focused on developing or advancing innovative financing structures that reduce investment risk, thereby attracting a broader range of institutional investors.

Green Bonds

- No. 1 advisor to corporate green bond issuers.
- Issued the first ever corporate green bond in late 2013, raising \$500 million to finance energy efficiency and renewable energy projects.
- Worked with peer institutions to develop the Green Bond Principles, voluntary guidelines designed to maintain credibility of the green bond market.

ESG & Impact Investing

- Offers wealth management clients a complete ESG investment program with hundreds of investment options, including cutting edge green and social impact bonds.
- Serves clients at every asset level — unique to our company.
- First wealth management firm to sign the UN PRI.

Sustainable “Microloans” to Families in Need

- Provided a \$1 million grant to Water.org to support construction of water connections in southern India through microloans.
- “WaterCredit” loans, as repaid, become a new, sustainable source of clean water finance for underserved populations.

How we operate



Creating a more sustainable world extends to how we manage our own operations.

2010–2015 Operational Goals

	Goal	2011	2012	2013	2014	Status/notes
Greenhouse gases – Reduce net scope 1 & 2 emissions	15%	6%	14%	19%	26%	Exceeding goal
Paper – Reduce consumption	20%	0%	15%	25%	29%	Exceeding goal
Paper – Increase average recycled content	20%	9%	9%	9%	8%	Slower than expected progress
Paper – Source from certified forests	100%	93%	95%	97%	98%	On track
LEED – Certified workplace	20%	15%	16%	18%	19%	On track
Water – Reduce consumption	20%	1%	9%	19%	28%	Exceeding goal
Waste – Increase diversion of waste from landfill	70%	46%	47%	53%	61%	Progress reflects data and performance improvements
E-waste – Disposal using certified, responsible vendors	100%	84%	87%	89%	88%	On track



Xeriscaping in Southern California

Transitioned financial centers to drought-tolerant landscaping, saving 5M gallons of water annually.



100 LEED-certified financial centers

Bank of America has the most square footage of LEED-certified space of any US financial institution, according to USGBC (April 2014).

Working with others



Big challenges take collaboration. Partnering with groups deeply involved in environmental issues helps us increase our impact.

Engaging partners to make an impact through transformational finance

- Lead Sustainable Energy for All's Finance Committee, working with other global financial players to find ways to increase institutional and individual investment in this area.
- Joined Stanford University's Global Climate and Energy Project in 2013.
- Support the Global Innovation Lab on Climate Finance, a global initiative that supports the identification and piloting of cutting edge climate finance instruments.

Environmental research

- Commission research on topics such as drought solutions and environmentally sustainable energy options.
- Develop reports that help our clients better understand the link between long-term social and environmental issues, including water, security or climate change, and their investment performance.

Environmental philanthropy

- Committed more than \$15 million in environmental philanthropy, investing in programs and partnerships that provide sustainable solutions to challenges facing communities around the world in 2014.

Partners include



WORLD
RESOURCES
INSTITUTE

Our people: My Environment

Engaging employees to drive positive environmental change.

Launched in August 2010, the My Environment program provides employees opportunities to participate in educational and volunteer events, helping employees act as better environmental stewards at work, at home and in the community.

- 1,314 ambassadors
- 15,883 friends participating in 33 different countries
- 7% of BAC employees engaged
- And growing...

2014 Highlights

- Employees logged more than 34,000 environmental volunteer hours
- 2,100 employees participated in the Waste Less Lunch initiative
- 120 employees installed solar panels

Benefits

- Low-carbon vehicle program
- Solar discount program
- Zipcar® discount program
- Ride matching system

Education

- Global webinars
- Ambassador-led education programs
- SharePoint site
- Educational resources, materials and presentations
- Quarterly newsletter
- Online discussion course

Action

- Paper reduction challenges
- Recycling initiative
- Waste Less lunch
- Energy pledge and workplace checklist
- Water conservation initiative
- Monthly tips and actions

Volunteerism

- My Environment Ambassador efforts
- Earth Day/World Environment Day
- American Forests tree plantings
- NFWF water restoration projects
- International Coastal Cleanup

Bank of America Energy Efficiency Finance Program

Program Objective

To provide catalytic resources to CDFIs that are working on innovative financing programs for energy efficient retrofits in low- and moderate-income communities. The four components of the Bank of America Energy Efficiency Finance Program are:

Grants: \$5 million in total. Grants of \$500,000 per program participant, paid over two years (2011 and 2012).

Loans: \$55 million in total. Loans to program participants range from \$5 million to \$8 million. Loans at 1% interest rate and for terms as long as ten years.

Data: CDFIs are working with EnergyScoreCards to collect utility data and monitor post-retrofit energy and water consumption against pre-retrofit performance.

Knowledge: Bank of America is working with Opportunity Finance Network (OFN) to share knowledge and experiences of this program via webinars and at national CDFI conferences in 2011, 2012, 2013, and 2014. Program results will be published.

Program Participants

Boston Community Loan Fund
Community Investment Corporation
CRAFT3
Enterprise Community Loan Fund
National Development Council/ Grow America Fund
IFF
Low Income Investment Fund
Opportunity Finance Network (to grow capacity of other CDFIs)
Self-Help
The Reinvestment Fund

Models under the Bank of America Energy Efficiency Finance Program

Boston Community Loan Fund

Multifamily housing retrofit loans originated and then sold to secondary market after the energy savings have been demonstrated

Community Investment Corporation

One-stop program for energy assessments, financing, and construction oversight of energy efficiency retrofits for multifamily housing

CRAFT3

Loans for energy efficiency improvements for single-family homes with repayment via home-owners' utility bills

Enterprise Community Loan Fund

Unsecured loans for energy efficiency retrofits made to owners with full recourse, avoiding debt and lien issues at property level

National Development Council/ Grow America Fund

One-stop program for energy audits and low-cost loans to small businesses for energy efficiency improvements or equipment

IFF

Low-interest energy efficiency loans to a wide range of nonprofit community facilities, including charter schools and health centers

Low Income Investment Fund

Loans for privately-owned, HUD-subsidized, multifamily housing. Working with HUD to re-align incentives and with an ESCO

Opportunity Finance Network

OFN was selected to provide capacity-building to CDFIs and to lend to CDFIs that were not selected under this program

Self-Help

Low cost capital for energy efficiency improvements integrated into New Markets Tax Credits and other financing structures

The Reinvestment Fund

Flexible capital for energy efficiency improvements - often blended with US DOE Better Buildings funding

Bank of America



Bank of America Merrill Lynch U.S. Bank of America
America Lynch Trust Merrill Lynch