

Bank of America Corporation Environmental and Social Risk Policy Framework

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Overview

Introduction

As a financial institution, risk is inherent in all of our business activities. At Bank of America, managing risk well – including environmental and social risk – is a key part of our responsible, sustainable growth strategy. It contributes to the strength and sustainability of our company for the future, and supports the work we do today to serve our customers, communities, shareholders, and employees. Risk management is fundamental to our culture and critical to our success. The principles of sound risk management are embodied in our [values, operating principles](#) and [Code of Conduct](#) that all employees are expected to follow.

We have established this environmental and social risk policy framework, our ESRP Framework, to provide additional clarity and transparency around how we approach environmental and social risks. Overall, there are seven key risk types (strategic, credit, market, liquidity, operational, compliance and reputational)¹ we face as an organization. Environmental and social issues can cross many of these risk types, but most often present reputational risk.

Our Risk Framework describes our risk management approach and provides for the clear ownership and accountability for managing risk well across the company.

An evolving risk environment

We take a proactive approach to identifying and managing risks, including environmental and social risks. We engage internal and external stakeholders to determine which environmental and social issues pose the greatest challenges. These conversations help us to better understand these issues and determine which ones should be included in our ESRP Framework.

In developing this ESRP Framework, we have benchmarked all of our existing environmental and social policies and positions against industry best practices. We also have reviewed the results of our ESG materiality assessment and evaluated the relevance of environmental and social issues to our business activities.²

¹ See page 31 of [ESG Report](#).

² We have completed a detailed Environmental, Social and Governance (ESG) materiality assessment, in line with the Global Reporting Initiative's [G4 Sustainability Reporting Guidelines](#), and published the results in our 2015 Business Standards Report and Environmental, Social and Governance Addendum ([ESG Report](#)). We update and review this materiality assessment with our Global Environmental, Social & Governance Committee (ESG Committee, see discussion below) on a regular basis.

Environmental and social risk governance and process

Governance

Environmental and social risks touch almost every aspect of our business. Like all risks, environmental and social risks require coordinated governance, clearly defined roles and responsibilities, and well-developed processes to ensure risks are identified, measured, monitored and controlled appropriately and in a timely manner. This ESRP Framework is aligned to our overall Risk Framework, which outlines Bank of America's approach to risk management and each employee's responsibilities for managing risk. Key to managing risk well is our philosophy that all employees are accountable for identifying, escalating and debating risks facing the company.

To strengthen our oversight of environmental, social and governance issues, we established our Global Environmental, Social & Governance Committee (ESG Committee), a management-level committee comprised of senior leaders across every major line of business and support function. The ESG Committee engages other management committees as necessary, including the Management Risk Committee which is responsible for management oversight and approval of key risks of the company. The ESG Committee also routinely reports to the Corporate Governance Committee of the Board of Directors on environmental and social issues.

The ESRP Framework is overseen by the chair of the ESG Committee and is reviewed and approved by the ESG Committee at least every two years. If interim changes are needed to the Framework, they will be approved by the ESG Committee and will be reflected, as appropriate, in internal policies and procedures. Although implementation of the ESRP Framework and management of environmental and social risk are the responsibilities of all employees, our front line units are the primary owners of risk.

Process

Risk management is both an essential component of our daily business activities and an integral part of our strategic, capital and financial planning processes. Our strategic planning process consists of a top-down approach based on risk appetite, financial considerations, business priorities and economic assumptions, integrated with a bottom-up approach driven by front line units. The front line units have primary responsibility for managing all risks, including the environmental and social risks inherent within their businesses.

Customer selection and transaction due diligence and onboarding

As part of our Know Your Customer (KYC), due diligence and other onboarding processes, front line units and risk teams determine if a proposed transaction or relationship presents potential environmental or social risks. This determination is driven by a number of factors, including: cross-referencing our prohibition list and heightened sensitivity list, which are both part of this ESRP Framework; understanding our customers' business, industry, management and reputation; application of our policies; adherence to regulation; and consultation with subject matter experts and those teams focused on customer screening and onboarding.

Due diligence, heightened risk review and the prohibited list

Standard due diligence

Standard due diligence is conducted when environmental and social risks are well understood or expected to be relatively low for the customer, business activity, industry or geography. Due diligence begins with the front line unit, and this process may include, but is not limited to, client engagement, media searches or other screening tools. This standard review may result in a customer relationship or transaction being approved, conditionally approved subject to specific mitigating actions, or declined in line with the line of business approval process. If, during this due diligence, the customer, business activity, industry or geography is identified as posing heightened risk, then enhanced due diligence will be conducted.

Enhanced due diligence

A customer relationship or transaction may require enhanced due diligence related to environmental and social issues due to a policy or standard, because it is referred by a risk manager after standard due diligence, or if the customer, business activity, industry or geography is deemed sufficiently sensitive. In these instances, enhanced due diligence is required before the relationship or transaction can proceed toward approval. Enhanced due diligence may include engagement of subject matter experts, use of internal resources, media searches and information sources, and client websites and disclosures. Additional review may be conducted by the front line unit and risk management for any identified issues. Enhanced due diligence related to environmental and social issues is not intended to replace or supersede enhanced due diligence required by other policies or guidance.

Committee review of reputational risk

If due diligence reveals that a business activity presents significant environmental and social risk, that activity – including customer relationships, transactions, new products or other corporate activities – may be escalated to the appropriate committee responsible for reputational risk management for further evaluation. These committees are comprised of the business heads and senior executives from our Global Risk, Global Compliance and Legal groups, and can approve, conditionally approve, or decline a business activity. If the committee does not approve a business activity, the business head may appeal the matter to the executive management team.

Prohibited list

Bank of America will not knowingly engage in illegal activities including:

- Bribery – Including giving, offering, receiving or requesting of bribes;
- Child labor, forced labor or human trafficking – Including engaging with companies or transactions in which a customer is directly involved in child labor, forced labor or human trafficking;
- Illegal logging or uncontrolled fire – Including transactions in which a customer engages in illegal logging or uncontrolled use of fire for clearing forest lands; and
- Transactions for illegal purposes – Including transactions involving internet gaming in certain jurisdictions.

In addition, we will not knowingly engage in the following types of activities that, while not illegal, are contrary to our values, operating principles or Code of Conduct:

- Payday lending services – Directly to our consumer customers and credit to business customers with significant payday lending activities;
- Predatory lending – Including securitization of assets obtained through predatory lending practices;
- Natural resource extraction in [UNESCO](#) World Heritage sites – Engaging in transactions focused on natural resource extraction within UNESCO World Heritage sites, unless there is prior consensus between UNESCO and the host country governmental authorities that activities will not adversely affect the natural or cultural value of the site;
- Transactions designed to manipulate financial results – Including transactions or activities designed to artificially or unfairly manipulate or change the reported value of a client, instrument or transaction or inappropriately reduce tax liabilities; and
- Transactions for speculative purposes, with no clear source of repayment.

Subject matter expertise

Bank of America employs a variety of internal subject matter experts (SMEs) who participate in the environmental and social risk management process. These SMEs include employees from our front line units, as well as our Environmental Services Department, Global Environmental, Social and Governance Group, Global Risk Management and Public Policy teams. Risk assessments may be conducted by consultants along with internal or external experts, and they range from simple questionnaires to complex evaluations that may include geological, engineering and other studies.

Positions, standards and policies

Positions on key issues

Climate change and human rights are two areas of significant concern to many of our stakeholders. We have established high-level positions on each of these issues to ensure we are appropriately addressing them across our enterprise.

Climate change

The consensus among scientists and organizations (including the [United Nations Intergovernmental Panel on Climate Change](#)) continues to support the urgent need for action to address climate change. We recognize that climate change poses a significant risk to our business, our customers, and the communities where we live and work.

As one of the world's largest financial institutions, Bank of America has a responsibility to help mitigate climate change by using our expertise and resources, as well as our scale, to help accelerate the transition from a high-carbon to a low-carbon society. As a financial institution, we have a critical role to play in helping to provide capital for renewable energy, energy efficiency and other low-carbon related financing.

In our work around the globe, we also recognize that certain sectors may be more exposed to climate change related risks than others. As needed for these higher risk sectors, we engage in further customer and transactional review and due diligence to evaluate the associated risks, including identification of physical, regulatory and reputational risks.

Carbon markets

Global carbon markets or taxes on carbon are seen by both policymakers and business leaders as a critical step in promoting a shift to a low-carbon economy. Bank of America supports an economy-wide market-based approach to reducing carbon emissions, which we believe will drive innovation and economic growth. We will continue to monitor developments in carbon pricing and the potential implications for our company and our customers.

Human rights

Bank of America is strongly committed to fundamental human rights, and we've demonstrated clear leadership in responsible workplace practices in all regions where we do business. While national governments bear the primary responsibility for upholding human rights, our policies and practices protect and promote human rights.

We abide by labor laws and regulations in the regions where we conduct business, including those that address child labor, forced labor, human trafficking, equal pay and non-discrimination in our workforce. Bank of America will not knowingly do business with customers that engage in child labor, forced labor or human trafficking. We evaluate other human rights issues, as relevant, in our due diligence review of customer relationships and transactions.

In our operations around the world, we strive to conduct our business in a manner consistent with the [United Nations Universal Declaration of Human Rights](#) and the [International Labor Organization's \(ILO\) Fundamental Conventions](#), and also strive to work with vendors whose policies and practices are consistent with our own. We have set clear expectations for our vendors in their management of human rights and other key areas in our [Vendor Code of Conduct](#), including expecting vendors and their subcontractors to 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 their workforce and not to engage in any practice that could reasonably be considered as employing or encouraging child labor, forced labor, slavery or human trafficking.

To learn more please see our [Bank of America Human Rights Statement](#).

External standards

We are participants in or signatories to the following principles (listed alphabetically) and use these principles to help guide our approach to lending, investing and other financing decisions relating to critical environmental and social issues.

The Carbon Principles

The Carbon Principles' due diligence standard is considered to be an industry best practice for evaluating financing for companies that are considering new power plant construction in the United States and for ensuring that the long-term costs of carbon are being taken into account, even in the absence of regulation. Bank of America is a signatory to The Carbon Principles and continues to support these principles as an industry best standard.

Equator Principles

The [Equator Principles](#) provide a framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects. They are primarily intended to establish a minimum standard for due diligence in project-related lending and finance. By following and supporting the Equator Principles, we help to ensure financing for projects in a manner that is socially responsible and reflective of sound environmental management practices. Bank of America continues to support these principles as an industry best standard.

Green Bond Principles

The [Green Bond Principles](#) are voluntary process guidelines that advance disclosure, transparency and integrity in the fast-growing green bond market. Bank of America partnered with other institutions to establish the principles and has been an active participant in their implementation through a multi-stakeholder process that brings together issuers, investors and intermediaries, with the support of the International Capital Market Association.

Principles for Responsible Investing

Bank of America's Global Wealth and Investment Management business is the first major wealth management firm to become a signatory to the United Nations-supported Principles for Responsible Investment (PRI). Since its launch in 2006, the [PRI](#) has been instrumental in raising awareness about [responsible investment](#) among the global investment community and fostering collaboration among companies and policymakers on ESG issues.

Our business – environmental and social areas of heightened sensitivity

This section contains a summary (in alphabetical order) of environmental and social topics that Bank of America recognizes as being of heightened sensitivity and importance to us and our stakeholders, along with our approach to each area. While we expect our customers to comply with environmental laws and regulations, we also take additional measures to identify, evaluate and mitigate environmental and social risks for certain customers, business activities, industries or geographies.

Our wealth management clients are increasingly interested in the role that environmental, social and governance (ESG) criteria can play in evaluating portfolio risks and long-term investment opportunities. Our Global Wealth and Investment Management (GWIM) division has developed an offering that provides our clients access to strategies across multiple asset classes that integrate ESG into their investment approach. GWIM is committed to continuously providing education and thought leadership to advisors, portfolio managers and clients on the benefits of incorporating ESG. As our work in this area progresses, we will take the ESRP Framework into consideration. However we do not require all investment strategies on our platform to incorporate ESG considerations, nor do we apply these considerations to our investment recommendations or decisions or the asset allocation of GWIM clients unless they request us to do so.

Arms and munitions

Our Arms and Munitions Policy establishes an enhanced due diligence standard for customers and transactions involved in arms and munitions trade finance, with a primary focus on managing reputational risk concerns. Maintenance and execution of this policy is conducted by subject matter experts with specialized industry knowledge and follows a clear process with senior executive checkpoints, escalation routines and risk management.

Biodiversity and ecosystems

We recognize that there are many areas of the planet with rich biodiversity and sensitive ecosystems that are particularly vulnerable to negative impacts from irresponsible development and unsustainable practices. As an organization, we evaluate potential biodiversity impacts as our business changes and the science on biodiversity evolves. When issues of concern are identified by the front line unit or a control function, they are escalated for further review.

Agricultural commodity trading

We recognize the risks associated with trading in agricultural commodities, where certain types of financial trading or speculation have the potential to increase the cost of food and/or food poverty, especially in developing economies. After a thorough review by our commodities trading group, we have determined that we do not take significant market risk in agricultural commodities; however, we continue to monitor this issue.

Forestry

The world's forests play a vital role in the carbon cycle and can help mitigate global climate change. We developed our Forests Protection Policy, including our [position on Forest Certification](#) and [paper procurement policy](#), in consultation with our customers who have expertise in the sector and with environmental partners focused on developing best practices, including forestry certification. Our [Forests Protection Policy](#) places additional value on forestry certification by using it as a due diligence tool. The Forests Protection Policy includes explicit prohibition of illegal logging and practices involving uncontrolled fire.

Palm oil

The increased use of palm oil has raised concerns regarding the potential impacts to forests and land use in sensitive tropical environments. At Bank of America, transactions where the majority use of proceeds is identified as supporting palm oil production are subject to enhanced due diligence. For these transactions, we require customers 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 of customers, and closely monitor developments relating to the sustainable sourcing of palm oil.

Energy and extractives

Activities involving mineral or resource extraction raise the risk of disturbing sensitive environments, with impacts on both biodiversity, and the human communities that depend on them. Bank of America has developed customer and transaction standards and guidance, informed by international standards and best practices, to govern particularly sensitive areas where energy and extractive activity occurs.

Arctic drilling

Bank of America recognizes that the Arctic is a unique region with specific considerations to take into account including those of marine and wildlife, a fragile ecosystem and the rights of [Indigenous Peoples](#). Considering these sensitivities, we require enhanced due diligence for any transactions where the majority use of proceeds is identified as supporting petroleum exploration or production activities in the Arctic. We define the Arctic as any lands subject to permafrost and extensive seasonal ice cover (generally above the Arctic Circle) and major sections of the Arctic Ocean and its component water bodies that are also subject to extensive or permanent ice cover.

Coal

Energy companies and their subsidiaries focused on coal face significant challenges. These include greater regulatory scrutiny related to both extraction and combustion, changes in economic conditions, and increased pricing pressure from the proliferation of natural gas and new energy technologies. Bank of America's [Coal Policy](#) ensures that we will continue to play a role in promoting the responsible use of coal and other energy sources, while balancing the risks and opportunities to our shareholders and the communities we serve. Over the past several years, we have significantly reduced our exposure to coal extraction companies. Going forward, we will also continue to reduce our credit exposure to coal extraction companies. This commitment applies globally to companies focused on coal extraction and to divisions of diversified mining companies that are focused on coal.

Other ongoing transactions involving companies focused on coal mining are subject to enhanced due diligence that incorporates evolving market dynamics, as well as specific risks and regulations related to coal mining. In keeping with our commitment to reduce credit exposure to extraction companies focused on coal mining, Bank of America will continue to reduce our exposure to coal mining companies that utilize Mountaintop Removal Mining practices in Appalachia.

Outside of the U.S., our enhanced due diligence around coal mining companies operating globally includes those core elements we evaluate for U.S. companies. We also consider potential gaps in existing regulatory frameworks that might ordinarily better evaluate and address environmental risks, as well as health and safety risks.

Large dams

Bank of America recognizes that the construction of dams to control water flow can bring much needed economic opportunity and development to certain regions of the world. It can also have impacts on the ecological systems in which it is constructed and connected to, as well as potential social impacts on the surrounding communities. Any transactions in which the majority use of proceeds is identified as supporting large scale dam construction for hydroelectric generation, or lands involved in such construction, are subject to enhanced due diligence. This scrutiny includes adherence to the Equator Principles, which we have adopted and follow, and the [Hydropower Sustainability Assessment Protocol](#) as guidance.

Nuclear energy

Nuclear power delivers an important part of many nations' energy portfolios and is an alternative to carbon-intensive fuels. Bank of America understands the particular sensitivities regarding use of nuclear energy, including safety and handling of nuclear fuel and wastes. Transactions in which the majority use of proceeds is identified as or are clearly for the development of nuclear projects are subject to enhanced due diligence, which includes a requirement that customers adhere to regional, national, international and industry best practices in this sector.

Oil sands

We recognize the concerns raised over extraction of bitumen and its refinement into crude oil, particularly in sensitive ecosystems such as those found in Northern Canada. As such, Bank of America conducts enhanced due diligence for any transactions in which the majority use of proceeds is identified as or are clearly for the development of oil sands. This is in addition to meeting the requirements of the Equator Principles, if applicable.

Renewable energy

Bank of America has increased our focus on renewable energy sources as part of our efforts to finance the transition to a low-carbon economy through our [\\$125 billion environmental business commitment](#). We recognize that some renewable energy projects pose other environmental and social issues, and we include review of these risks in our due diligence processes. When environmental or social issues of concern are identified, they undergo further review.

World heritage sites

We respect the designation of United Nations Educational, Scientific and Cultural Organization ([UNESCO](#)) World Heritage Sites, including areas of cultural and natural value and 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.

Financial products and services

Acting responsibly is a [core value](#) at Bank of America – that applies to the financial products we provide directly to consumers, as well as our relationships with other businesses that provide financial products to consumers. We are focused on making our customers' financial lives better by providing education and support and responding to their needs. Our product review and business review committees – together with external input that we solicit from stakeholders like regulators and consumer advocates – ensure that our products are responsible, in line with Bank of America's values, and are not overly complex or unclear.

Consumer debt sales

We do not sell our customers' consumer debt to predatory third parties (such as, collection agencies that employ predatory practices), nor will we knowingly provide credit to these same predatory buyers of consumer debt. For sales of consumer debt to approved third parties, and for advisory or capital markets transactions, in which a customer is involved in consumer debt sales or purchases, enhanced due diligence is required.

Consumer protection

Bank of America offers a suite of [simple, safe and transparent banking products](#) to help customers manage their financial affairs and goals. All of our consumer banking products and services are subjected to a rigorous review process and are designed to address customer needs at a fair and equitable cost, with terms our customers understand. We constantly solicit external feedback to help ensure that our products, solutions and services meet the needs of our customers.

We are committed to fairly and consistently meeting the credit needs of our customers and to complying fully with our Fair Lending Policy and applicable consumer laws and regulations. This includes fair and non-discriminatory access to credit products, terms and conditions, and services throughout the entire credit life cycle. Our commitment to fair lending is the cornerstone of our culture and is clearly articulated in our Fair Lending Policy. All Bank of America employees must comply with the policy, and failure to do so may result in disciplinary action up to and including termination. Our employees participate in mandatory Fair Lending training annually.

As a financial institution, we understand that certain products and services present unique opportunities and challenges for low and moderate-income (LMI) customers. Bank of America has worked closely with customers and advocacy groups to develop products specifically tailored to meet the needs of LMI customers. We also have made changes to our products and services to address those that have the potential to disproportionately impact LMI communities, such as overdraft and payday lending. Our lending, investment and service activities with low- and moderate-income customers are overseen by the ESG Committee, as are our Community Reinvestment Act (CRA) initiatives and performance.

Overdrafts

We do not allow customers to overdraw their checking accounts through a debit card transaction at a point of sale (e.g., grocery store, gas station, etc.). In addition, in order to overdraw their accounts at an ATM, customers must affirm that they understand a fee will be charged for doing so.

Payday lending

A payday loan is a short-term loan, generally for \$500 or less, that is typically due on the borrower's next payday and requires the borrower to give lenders access to his or her checking account or to write a post-dated check for the full loan balance that a lender may deposit when the loan is due. At Bank of America we do not offer payday lending services directly to our consumer customers. We also do not provide credit to business customers for which providing payday lending services to consumers is a significant part of their business. Advisory and capital markets transactions involving businesses significantly engaged in payday lending require enhanced due diligence.

Subprime lending

Bank of America is committed to providing responsible lending products to customers who have the ability to repay their obligations. Recently, there has been significant public focus on financial products with unaffordable, unfair or predatory terms provided to consumers with certain higher risk characteristics, such as low credit scores, previous bankruptcies or foreclosures, recent loan delinquencies, or legal judgments ("subprime products"). Bank of America does not offer subprime products to consumer customers. For credit, advisory and capital markets transactions with business customers involving a pool of assets, a significant portion of which is from consumers with higher risk characteristics such as described above, enhanced due diligence is required.

Gaming

To reflect the regulatory determination that gaming establishments are vulnerable to manipulation by money laundering and other financial risks, Bank of America has long maintained an industry-focused approach to the gaming sector. Gaming activities include legal businesses providing gambling activities (operations designed to attract wagering, including gaming devices like slot machines, table games, etc.). Bank of America conducts enhanced due diligence on this sector and requires that all credit requests be underwritten and approved in designated specialty units within the bank.

Indigenous peoples

Bank of America recognizes that Indigenous Peoples, Native Communities and First Nations have cultural beliefs, values, and lands that are often under threat. We conduct enhanced due diligence for transactions in which the majority use of proceeds is attributed to identified activities that may negatively impact an area used by or traditionally claimed by an indigenous community. For these transactions, we expect our customers to demonstrate alignment with the objectives and requirements of the [International Finance Corporation \(IFC\) Performance Standard 7](#) which addresses impacts to Indigenous Peoples including free, prior and informed consent.

Our operations and vendors

Operations management

Bank of America recognizes that a focus on environmental and social issues must begin with addressing impacts from our own operations. We are therefore committed to tracking and managing our progress toward our own aggressive goals to reduce greenhouse gas (GHG) emissions, paper and water consumption, and waste sent to landfill, as well as increasing the percentage of our occupied space that is Leadership in Energy and Environmental Design (LEED) certified. For full details on our operational efforts please see our latest [ESG Report](#).

Environmental management system (EMS)

We employ an EMS that relies on a comprehensive compliance database to help the Global Real Estate Services Environmental Risk team identify, manage and mitigate risk, and improve performance across our corporate real estate portfolio. Our EMS encourages:

- Stringent compliance with applicable environmental laws and regulations;
- Pollution prevention and environmentally sustainable practices;
- Continuous improvement in all areas of environmental management.

Our EMS covers all key areas, including roles and responsibilities, training, inspections, inventory procedures, formal targets, documentation, measurement, complaint response and emergency procedures. One component of our EMS – Integrated Data for Environmental Applications – is an online tool that enables our employees and partners to understand and manage environmental compliance across our global real estate footprint. Bank of America’s strong record of compliance across our real estate portfolio is a direct result of the successful implementation of our EMS.

Greenhouse gas emissions reductions

In 2016, we set a goal to become carbon neutral by 2020 and to reduce our location-based GHG emissions by 50% by 2020. This builds 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 our [ESG Report](#) and our [submission to CDP](#).

Scope 3 emissions

We maintain an active dialogue with our global peers in the banking sector, as well as other stakeholders, relating to the indirect GHG emissions attributed to products and services we provide customers in support of their activities. These discussions build on the lessons we’ve learned from historical tracking and reporting of GHG emissions attributed to our U.S. power utility loan portfolio, which we continue to include in our annual reporting. More detail on our utility portfolio emissions can be found in our latest [ESG Report](#).

Our vendors

Vendor code of conduct

Our [Vendor Code of Conduct](#) sets forth Bank of America’s expectations for human rights, labor and environmental standards throughout our global operations and vendor value chain. The principles contained within the code are consistent with the [United Nations’ Universal Declaration of Human Rights](#) and the [International Labour Organization’s Fundamental Conventions](#).

Our workforce and employment practices

Our employees are central to everything we do. This is reflected in our values and our employment policies and programs, which are continuously improved. Examples include diversity and inclusion, equal employment opportunity, harassment and discrimination prevention, workplace health and safety, benefits for work and life, military recruiting, health and financial wellness and our employee networks.

Diversity and inclusion

Being a diverse and inclusive company is core to our ability to serve the needs of our customers and clients. We are strengthened by the diverse backgrounds, experiences and perspectives of our employees, and we strive to ensure our workforce represents the communities we serve — in thought, style, experience, culture, race, ethnicity, gender identity, and sexual orientation.

We have a long history of being recognized as a leader in maintaining a diverse and inclusive workplace free of discrimination. Consistent with this, we support in both policy and practice equal opportunity for employment, advancement and professional development, and prohibit discrimination or harassment of any kind on the basis of race, color, religious creed, religion, sex (including pregnancy, childbirth or related medical condition), genetic information, gender, gender identity, gender expression, sexual orientation, national origin, citizenship status, age, ancestry, marital status, medical condition, physical or mental disability status, military and veteran status or any other factor that is irrelevant to employment and advancement or prohibited by law.

ESRP framework reporting and training

Reporting

Bank of America reports annually in our [ESG Report](#) on certain transactions that are escalated due to heightened environmental and social risks. This reporting provides transparency to stakeholders on the nature of transactions and issues that are escalated and demonstrates robust risk management routines and governance.

As part of this, we report and disclose:

- Details of transactions subject to the Equator Principles and Carbon Principles;
- The number and nature of transactions reviewed by the committees responsible for reputational risk review;
- Case studies of specific transactions that were reviewed and what the issues were, with customer information removed; and
- The number of employees who have received training regarding the ESRP Framework.

Training

Bank of America employees across the enterprise receive high-level awareness training on our ESRP Framework as part of our annual enterprise Risk training. As necessary, we also conduct specialized training on the ESRP Framework and related policies for relevant employees who regularly deal with specific environmental and social issues.

Summary

Summary

Environmental and social risks touch almost every part of our business, managing these and other risks well is a key part of our responsible, sustainable growth strategy. This ESRP Framework is designed to provide additional clarity and transparency around how we approach environmental and social risks. It will evolve along with changes in business and risk tolerance, and to meet the needs of our customers, shareholders and communities we serve. Moving forward, we will continually review this framework in light of feedback from stakeholders, future materiality assessments, market developments, evolving best practices and regulatory developments.